UNC SCHOOL OF GOVERNMENT
Development Finance Initiative

To: Brevard City Council

From: Sara VanLear, Project Manager, Development Finance Initiative

Date: January 10, 2025

Re: Overview of community engagement feedback regarding the guiding public interests for affordable housing on the Azalea Avenue site

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The City of Brevard engaged the Development Finance Initiative (DFI) in March 2023 to assess affordable housing development opportunities. Our scope of work included conducting a housing needs assessment and analyzing multiple sites that could support the City's affordable housing priorities. Based on DFI's preliminary analyses, the City elected to pursue site control of three parcels on Azalea Avenue and Old Hendersonville Highway ("Azalea Avenue" site) for affordable housing development for low-to-moderate income (LMI) households. See Appendix 1 for a visual outline of the site.

In October 2024, the City executed an option to purchase agreement to facilitate the development of affordable housing. Prior to closing on the property, DFI will conduct a pre-development process that includes several components: community engagement, financial feasibility analysis, and site analysis in partnership with a third-party architecture firm. The process will result in multiple options for affordable housing development on the Azalea Avenue site that are both feasible for the private sector to execute and meet the City's goals for the site. Ultimately, the City will select a qualified development partner through a competitive solicitation process to finance, construct, and manage the development as envisioned through this process.

The pre-development process described above incorporates two phases of community engagement. The first phase is focused on soliciting community input on the public interests for development of this site. The second phase, following the feasibility study, will ask the public to provide feedback on multiple options for development and inform the City's selection of a preferred development program. This memo outlines the results of the first phase of DFI's community engagement efforts to gather feedback on the public interests for the Azalea Avenue site.

What are Public Interests?

Guiding public interests site-specific goal statements that are directly shaped by community input. Within DFI's pre-development process, public interests accomplish the following:

1. **Define project values**: public interests create a clear set of project values that inform development programs that will best meet residents' and the City's affordable housing goals.
2. **Set site-specific parameters**: public interests are rooted in the City's overall affordable housing goals but focus on what can be achieved through the development of this specific site.
3. **Represent a range of public opinion**: public interests capture the range of opinions and ideas expressed by the public regarding development on the site.
4. **Inform actionable development trade-offs**: public interests are criteria on which development options are created and assessed. The conceptual plans developed through the DFI-led site analysis are directly informed by the public interests. During the second phase of community engagement, the public will be asked to weigh which conceptual plans best meet the public interests. Finally, as noted above, the City will conduct a competitive solicitation process to find a qualified partner for the development of the Azalea Avenue site. All solicitation responses will be reviewed based on the degree to which the public interests are met. Note, not all interests may be met to the same degree.

The proposed public interests for the Azalea Avenue site are detailed in the next section. These current interests were informed and refined through conversations with Council members, City staff, and residents via community engagement sessions and an online survey. Engagement sessions and the online survey were open to the public. Phase one of DFI's community engagement effort included:

Engagement Opportunity	Date/Time/Location	# of Attendees or Respondents
Online survey	Open to the public December 2-20, 2024	18 responses recorded
In-person engagement session	December 3, 2024 at 2:00pm Calvary Baptist Church (133 Osborne Road, Brevard)	9 attendees
In-person engagement session	December 3, 2024 at 5:30pm Calvary Baptist Church (133 Osborne Road, Brevard)	10 attendees
Virtual Session	December 9, 2024 at 5:30pm Via Zoom	3 attendees

The engagement sessions included a total of 22 attendees and the City received 18 survey responses.

Proposed Guiding Public Interests

Based on the community input received, the following are refined guiding public interests for the Azalea Avenue site.

Affordable housing development on the Azalea Avenue site should:

1. optimize the number of new, quality rental units affordable to Brevard's low-to-moderate income households and the local workforce.
2. include access to green space and community amenities for residents.
3. attract as much private investment as possible to maximize the impact of public investment in affordable housing.
4. accommodate the City's sewer infrastructure extension into the Azalea/Rhododendron neighborhood.

Summary of Community Input

Feedback was gathered by asking for input on draft public interest statements, as well as for comments on any missing elements. Below are summary takeaways for each draft public interest statement based on engagement session input and survey responses. The summaries are not exhaustive but are representative of the most frequent input heard. See Appendix 2 for complete online survey responses. See Appendix 3 for photos of the engagement session notes captured during the in-person facilitated discussions on December 3, 2024.

Public Interest #1:

Draft public interest statement presented to engagement session participants and via the online survey.	*Refined public interest statement based on engagement session and survey feedback.*
Affordable housing development on the Azalea Avenue site should maximize the number of new affordable rental units for Brevard's low-to-moderate income households and support the local workforce.	Affordable housing on the Azalea Avenue site should optimize the number of new, quality rental units affordable to Brevard's low-to-moderate income households and the local workforce.

Feedback:

The majority of participants agreed regarding the need for additional affordable housing and were in favor of new affordable housing units on the Azalea Avenue site. Many participants noted increases in housing cost and housing shortages, and shared a

desire for the local workforce and LMI households to access quality, affordable places to live in Brevard.

Most participants, however, did not agree with the word “maximize” in the public interest statement. Many participants worried that “maximizing” the site could detract from building quality homes for low-to-moderate income households. A few participants asked questions about the density of the future development, and one participant summarized this discussion point by saying that the site should prioritize “quality built homes with elbow room.” Another participant added that the site should be used to “increase the number of units, but increase with a goal.”

As a result, strong participant support existed for replacing “maximize” with a word that better communicates the need for quality units and a site plan that avoids overcrowding. As noted above, public interest #1 was refined by replacing the word “maximize” with “optimize,” and adding the word “quality” to describe the new rental units.

Lastly, a few participants also noted a desire for the future development to serve a mix of residents including the local workforce, and people who are not in the workforce such as disabled individuals and senior residents. There were several questions about who would be eligible to live in the future development, and how tenants would be chosen.

Public Interest #2

Draft public interest statement presented to engagement session participants and via the online survey.	*New public interest statement based on engagement session and survey feedback.*
No public interest related to green space or amenities was presented to participants.	Affordable housing on the Azalea Avenue site should include access to green space and community amenities for residents.

Feedback:
Many participants and survey respondents highlighted the desire for site design elements that would support future residents’ quality of life such as green space and shared community amenities. Several questions were asked about a gathering space for residents and outdoor recreation areas, including a playground for families to use. One participant noted that the site should “include quality green space and preserve as many trees on the property as possible.” As a result of this input, a public interest was added to ensure that green space and community amenities are an explicit goal for a future development on this site.

Public Interest #3:

Draft public interest statement presented to engagement session participants and via the online survey.	*Refined public interest statement based on engagement session and survey feedback.*
Affordable housing development on the Azalea Avenue site should attract as much private investment as possible to effectively leverage the City's support of affordable housing development.	Affordable housing on the Azalea Avenue site should attract as much private investment as possible to maximize the impact of public investment in affordable housing.

Feedback:
Most participants agreed that private investment should align with the City's affordable housing goals. Additionally, several participants noted the appropriateness of the City leveraging private investment to reach those goals.

Several participants also expressed distrust in private developers' commitment to quality affordable housing and stated a desire to ensure that private investment would not compromise the development of quality places to live and the long-term affordability for Brevard residents. Many participants questioned how a private investor would be held accountable and expressed concern about both the construction and the property management and ongoing operations: "too many private companies cut corners." A few participants also discussed their confusion about the type of private investment and noted that public and charitable resources may be better suited to pursue affordable housing goals. Another participant reiterated an overall agreement with utilizing private investment "as long as it doesn't compromise the ultimate goal of quality new homes" for low-to-moderate income households.

As a result of this input, the DFI team clarified the definition of "private investment" as all funds not provided by a public entity such as a local or state government. The next phase of this process will detail tools to hold private development partner(s) accountable.

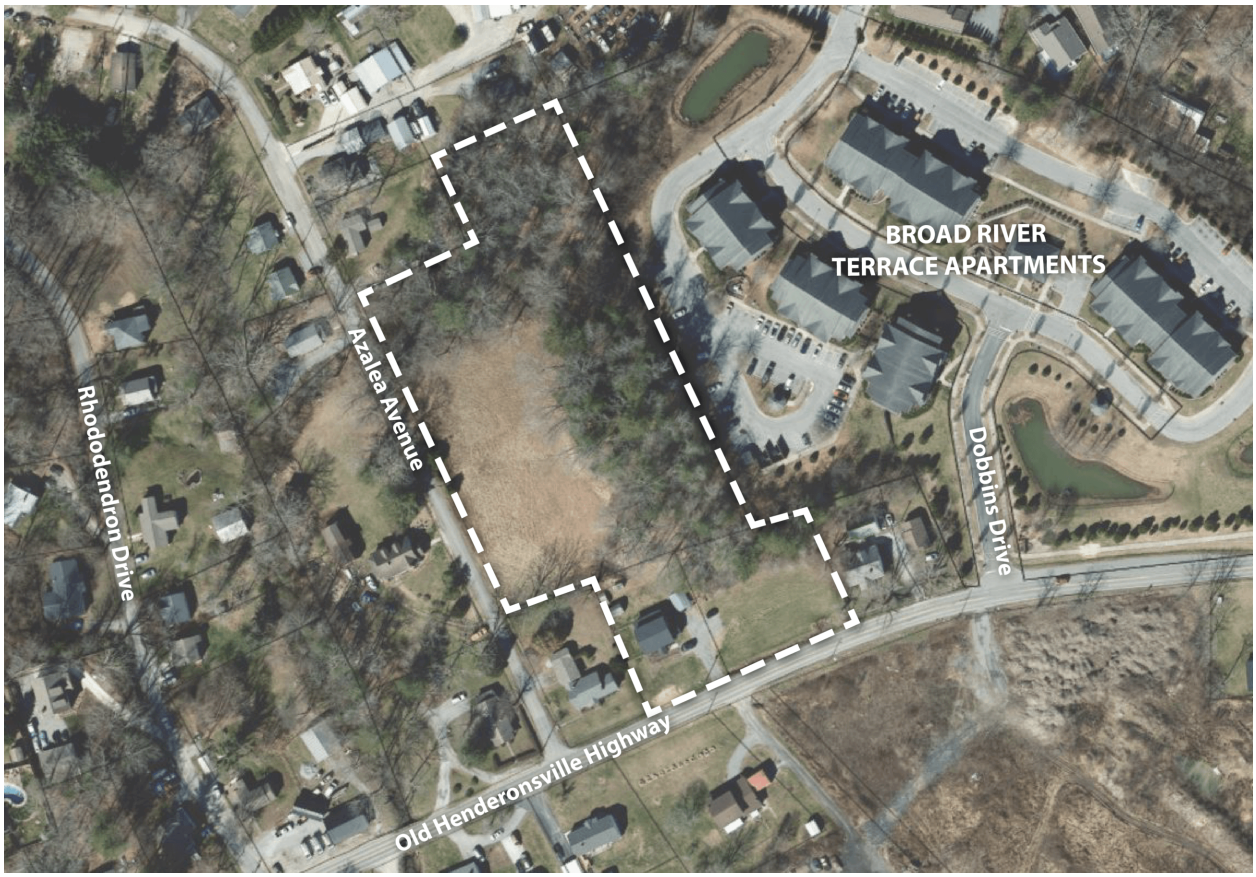
Public Interest #4:

Draft public interest statement presented to engagement session participants and via the online survey.	*Refined public interest statement based on engagement session and survey feedback.*
Affordable housing development on the Azalea Avenue site should catalyze additional infrastructure investment to support housing quality and affordability in the Azalea/Rhododendron neighborhood.	Affordable housing on the Azalea Avenue site should accommodate the City's sewer infrastructure extension into the Azalea/Rhododendron neighborhood.

Feedback:
The majority of participants agreed with this public interest, however requested clarification regarding the type of infrastructure. The drafted public interest was too broad and most participants asked if the word infrastructure referred to water, sewer, sidewalks, road improvement, stormwater drainage, or other utilities. Upon clarification about the intended sewer infrastructure, many participants agreed with the need for sewer infrastructure. One participant noted that “until there is sewer on Azalea Avenue, none of this building is feasible or sensible.” Because most participants shared overall agreement with the public interest, but requested clarification, the public interest was refined to specify the sewer infrastructure extension that the City is currently pursuing.

What’s missing and/or additional comments:
Several participants had questions or concerns about potential traffic associated with this future development and the limited transportation options in this neighborhood. Several participants expressed concern about the current capacity of Azalea Avenue. In addition, many participants noted the need for sidewalks, bike lanes, and improved public transportation options in the neighborhood. This input was noted; however these questions and concerns relate to North Carolina Department of Transportation as well as the City’s comprehensive transportation and land use planning efforts, and therefore cannot be addressed through this site-specific effort. The Azalea Avenue site would be unable to directly impact these broader neighborhood-wide considerations. The questions and concerns are outlined here, though, to record and communicate this input for the City’s consideration in their future planning efforts.

Appendix 1: Outline of the Azalea Avenue Site



Appendix 2: Online Survey Responses

The following survey responses were received via the Qualtrics input form released to the public on December 2, 2024 and closed on December 20, 2024. The survey included five questions. Each question and anonymized survey responses are included below (verbatim, with no spelling or grammar edits). The order of survey responses is based on the order in which the response was received (first to last).

Survey Question #1:

Public Interest Statement #1:
Affordable housing development on the Azalea Avenue site should maximize the number of new affordable rental units for Brevard's low-to-moderate income households and support the local workforce.

Do you agree with this statement? Why or why not?

Survey Responses to Question #1:

1	Yes, we need all the dense affordable housing we can get.
2	Agree! We should be maximizing any infill development within the city to increase both housing density and quantity.
3	Yes. We must capitalize on any available land so housing in town will attract teachers, police, and other critical HR needs.
4	Yes. Affordable housing is hard to find in Transylvania Co., especially in Brevard
5	Yes. We have a huge need for affordable housing in this county.
6	Yes, due to general shortage of affordable housing.
7	Yes - we need as much affordable housing as possible for low income households!
8	No. Maximizing number of units will bring too many people to an area that cannot manage the 1. Infastructure and 2. Traffic. Hendersonville Hwy is too busy and Osborne road does not need to become a main thoroughfare.
9	Yes, we have none now.
10	Yes, transylvania county is one of the most expensive counties in the state to live in. Growing and supporting the local workforce is so important, but we need more affordable housing options for those workers.
11	Agree
12	Agree, affordable housing has declined in the last 20 years to a point where businesses can't find workers
13	No. It should seek to maximize the number of units while also providing adequate parking and outdoor areas.
14	No. Stop taking away trees. When will people learn you cannot breath money?
15	Yes - there is a strong need for workforce housing, and pay has not kept up with the rising cost of housing in the area.

16	No, we need to stop attracting out of town people
17	Agree. Housing prices are too high
18	Yes. There is a critical lack of units available to those at/below median income.

Survey Question #2:

Public Interest Statement #2:
Affordable housing development on the Azalea Avenue site should attract as much private investment as possible to effectively leverage the City's support of affordable housing development.

Do you agree with this statement? Why or why not?

Survey Responses to Question #2:

1	Yes and no. Where private investment is accepting of affordable housing returns, it can work. Where they demand higher returns, it can risk becoming unaffordable. Plus private investors may demand private management which can become exploitative.
2	Agree.
3	Maybe. If it can be done with city funds, so be it.
4	Yes. Private investment needs to have a reason to choose this project over their other choices. How will DFI & City of Brevard make this project more attractive to private investment????
5	Not entirely. Attracting private investment is good, but if the housing really is going to be affordable, it is not a great investment. Instead it is better to attract as many private and public donations of funds (grants, gifts) to leverage the City's support.
6	I'm not sure what private investment means in this case.
7	Not entirely - private investors are usually motivated by growing their own wealth, and the burden of that has a tendency to "trickle down" to low income households themselves.
8	Any build needs to be high quality to provide sustainable housing for many years. Too many private companies cut corners.
9	You can try but we seem to have problems getting private to put money into anything but high end properties. Don't wait for it. Move fast and let them participate.
10	Yes, attracting private investment for this project would help ensure that the city can complete this project as well as retain funds for other community endeavors.
11	Agree
12	As long as the private investment has the same goals.
13	Yes, as long as there are strict limits on rent increases.

14	No. We don't need anything else. Why don't you fix what's already in the county and make those into affordable housing?
15	Relying on private investment makes me nervous, because it opens the door for potential financial abuse in the future - raising rents, focusing more on profits than the experience of the people living in the housing, etc. I want as much housing to be built as possible, but not at the expense of the people who will live there.
16	No, this project doesn't need to happen
17	Not agree. Private investors will not keep the prices of the housing affordable.
18	generally agree in order to limit use of public funds, but the terms of private investment are critical consideration--must support the intent of the development and benefit the community in general.

Survey Question #3:

Public Interest Statement #3:
Affordable housing development on the Azalea Avenue site should catalyze additional infrastructure investment to support housing quality and affordability in the Azalea/Rhododendron neighborhood.

Do you agree with this statement? Why or Why not?

Survey Responses to Question #3:

1	Yes. In addition to water/sewer hookups to form a node for expansion into the neighborhood, the city should examine zoning changes that permit local neighborhood retail accessible on foot to local residents, including Broad River Terrace residents, to increase local convenience and reduce vehicle traffic created for shopping trips further into town.
2	agree.
3	Definitely
4	Possibly. There is existing housing surrounding the site. Not sure that this project would make the surrounding area any more likely to receive additional infrastructure investment unless the infrastructure supporting this project is designed to allow infrastructure expansion tying into this project's infrastructure (sewer, water, power, roads?)
5	Yes. Until there is city sewer on Azalea Avenue none of this building is feasible or sensible.
6	Yes, because bike and bus routes that reach this neighborhood would be valuable improvements in Brevard.
7	Sure... we want the public to continue to support future affordable housing initiatives.

8	Infrastructure must be addressed first. The area around Wilson road and up to azalea ave smell of sewer too often. We cannot as a city add more housing unless this is addressed.
9	The other facility nearby didn't catalyze additional investments. An additional project that should be done are individual units affordable south towards Rosman. Prove that a house can actually be built with quality but not premium level additions.
10	(no response)
11	Agree
12	Hopefully it will open up other areas for development
13	Yes
14	No. If questions 1 - 2 did not get my point across, maybe this will...NO ONE WANTS GARBAGE HOUSING DEVELOPMENTS!!! It destroys our beautiful town.
15	Yes - stronger housing infrastructure will be a benefit to the entire Brevard economy.
16	No, this project doesn't need to happen
17	Agree.
18	Agree. Well built and maintained units will serve as a catalyst IF viable property is available.

Survey Question #4:

What is missing from the public interest statements? If a public interest (goal) is missing, please complete the following statement.

Affordable housing development on Azalea Avenue should...

Survey Responses to Question #4:

1	be at parity in quality and amenities with market-rate residences; include utilities in fees/rents; have a transit stop attached to it; have sidewalks throughout and to it from town; include some rent-to-own programs for low-income residents; include a playground; include a community vegetable garden space; privilege beds over parking spaces (offset by transit connection and sidewalks); include a bike repair station; feature rent control. Include resources to help people apply for and access SNAP benefits, Medicare/Medicaid, and other public welfare resources to simplify the process to improve their lives and get by more easily.
2	Create additional footpaths, sidewalks and safe road crossings.
3	Be in keeping with the scale and style of the neighborhood while enabling affordable housing opportunities for the local workforce

4	Be a catalyst for more of the same in the vicinity. Property has several adjacent lots of 1-2 acres that may be suitable for expansion w/adjacent infrastructure improvements in place for this project
5	-Happen as quickly and efficiently as possible, so that it can also help with the post-Helene displacement problem. -Include units of different sizes and price points. -have a mix of purchase and rental units
6	Be accessible by bike and bus
7	(no response)
8	Blend in esthetically with the single homes in the surrounding neighborhoods. An affordable housing unit cannot diminish the values of area privately owned properties.
9	provide a home for an individual or family that works in any job that assists or supports this community on a single salary.
10	(no response)
11	(no response)
12	It needs to be walkable. While it's close to stores and businesses there are no sidewalks in that area
13	Previously stated.
14	Not exist.
15	provide stable, clean, and safe housing for low income individuals and families in Transylvania County, and should account for long-term maintenance and affordability/inflation mitigation.
16	Not happen
17	(no response)
18	(no response)

Survey Question #5:

Is there anything else you would like to share related to the Azalea Avenue site?

Survey Responses to Question #5:

1	House the poor and working class as a function of human rights to shelter. Convene public funds to do this, private funds where they will tolerate below-market returns, and prioritize this project for public sector workers like teachers, nurses, firemen; college students and recent graduates; Section 8 residents; and service industry workers.
2	(no response)
3	(no response)
4	No
5	Extending sewer lines in that whole area will open up other possible building sites for affordable housing. Working in cooperation with Habitat for Humanity will expand options for everyone.

6	It sounds like a great opportunity to create much needed housing that is affordable in Brevard. Thanks!
7	(no response)
8	(no response)
9	We can't wait another year. If you want to be a catalyst, now is the time to grab attention.
10	(no response)
11	Is there consideration/plans to alleviate/offset the significant traffic increase this would bring to that section of Old Hendersonville Highway?
12	Good location, hopefully we can get something similar closer to the, center of town
13	Great idea, just don't create so much density that it adds to the already problematic traffic situation with how far the road at Neely gets backed up.
14	Keep it full of trees and make it more beautiful with flowers or other greenery.
15	(no response)
16	This project shouldn't happen. We have enough housing already
17	(no response)
18	(no response)

Appendix 3: Photos of Engagement Session Notes

The following photos are of the notes taken by DFI staff to document the input gathered during the two in-person engagement sessions on December 3, 2024.

1) MAXIMIZE # OF ^NEW RENTAL UNITS FOR LMI HH's

- LMI ^HH's IS VERY IMPORTANT
- ☆☆ EMPHASIS ON LOCAL WORKFORCE
- [LATER IN INFRA.] INCREASED TRAFFIC FROM MAX. UNIT SCENARIO. WALKABILITY?!
- COULD PRESERVATION OF NATURAL SPACE ON SITE HAPPEN?
- PUBLIC INVESTMENT COMING INTO THIS AREA SO SITE SHOULD DEVELOP TO MAX. POTENTIAL

☆! OPTIMIZE RATHER THAN MAXIMIZE, / INCREASE W/ ☆ A GOAL

1) MAXIMIZE AFFORD. HOUSING UNITS FOR LMI HH's

CONCERNS: COSTS [redacted] OF DEVELOP. + EFFICIENT USE OF FUNDS BY PUBLIC

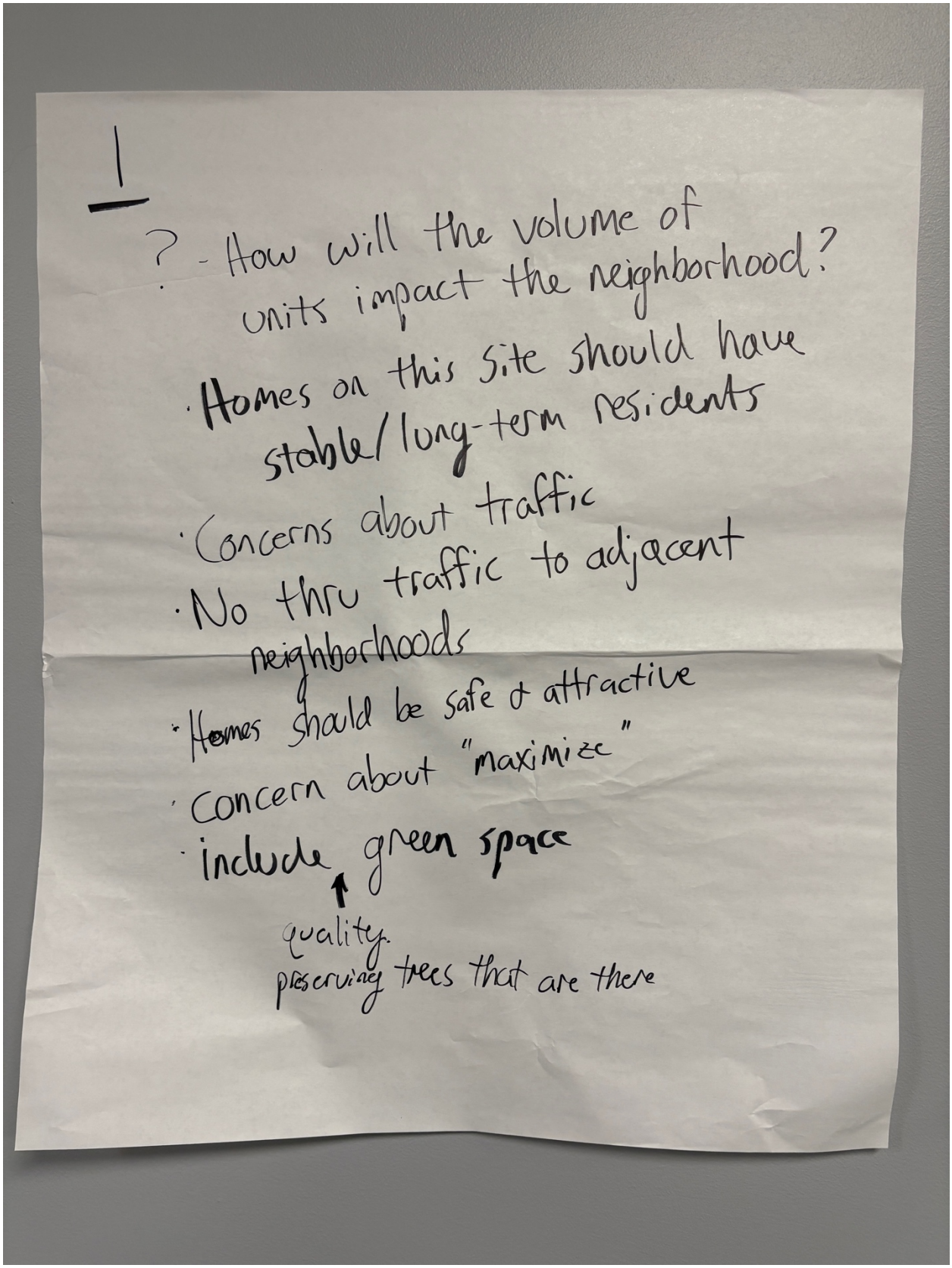
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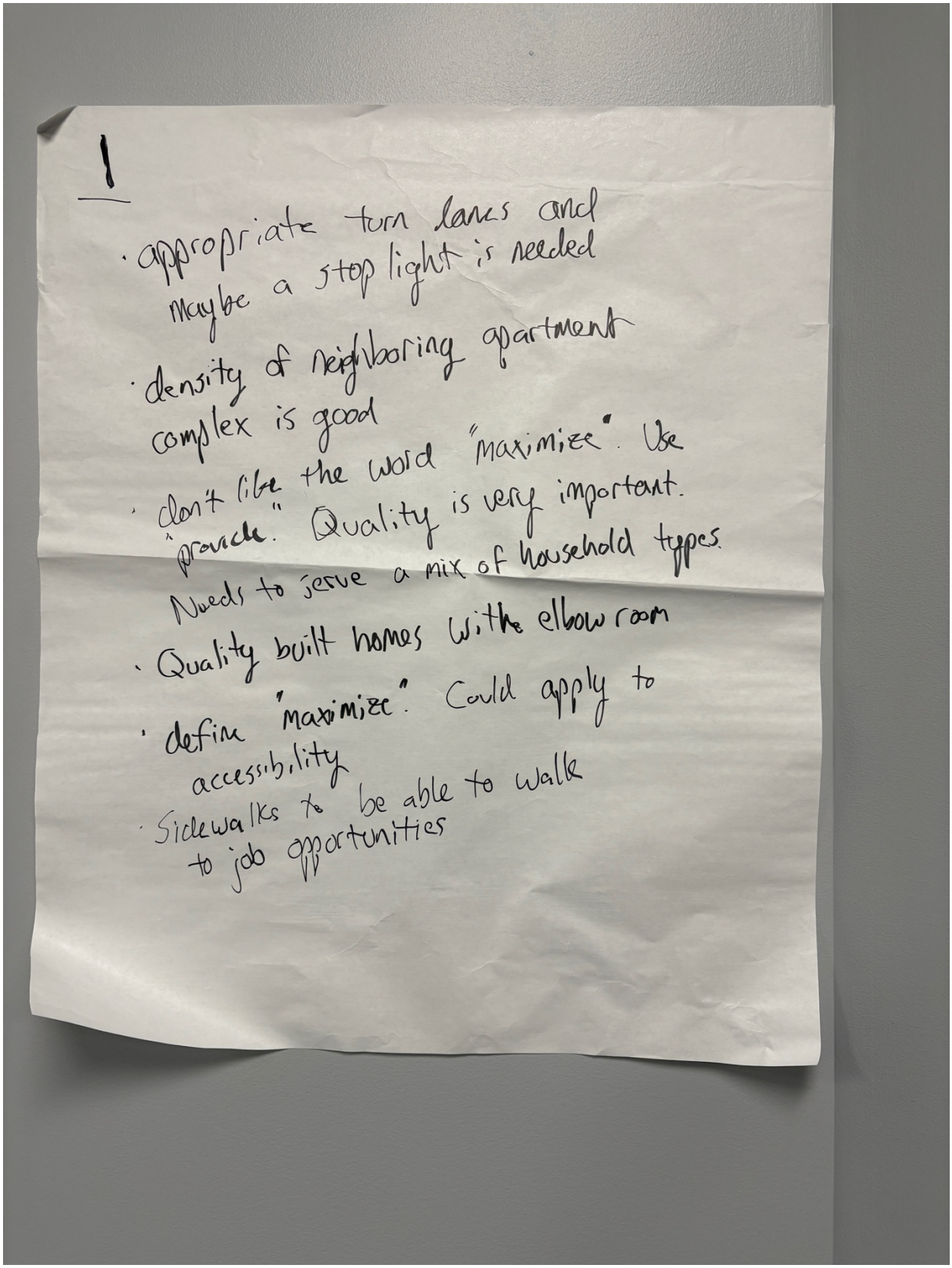
SUBSIDIZED HOUSING + RESIDENTS SAFETY + THEFT + SECURITY +

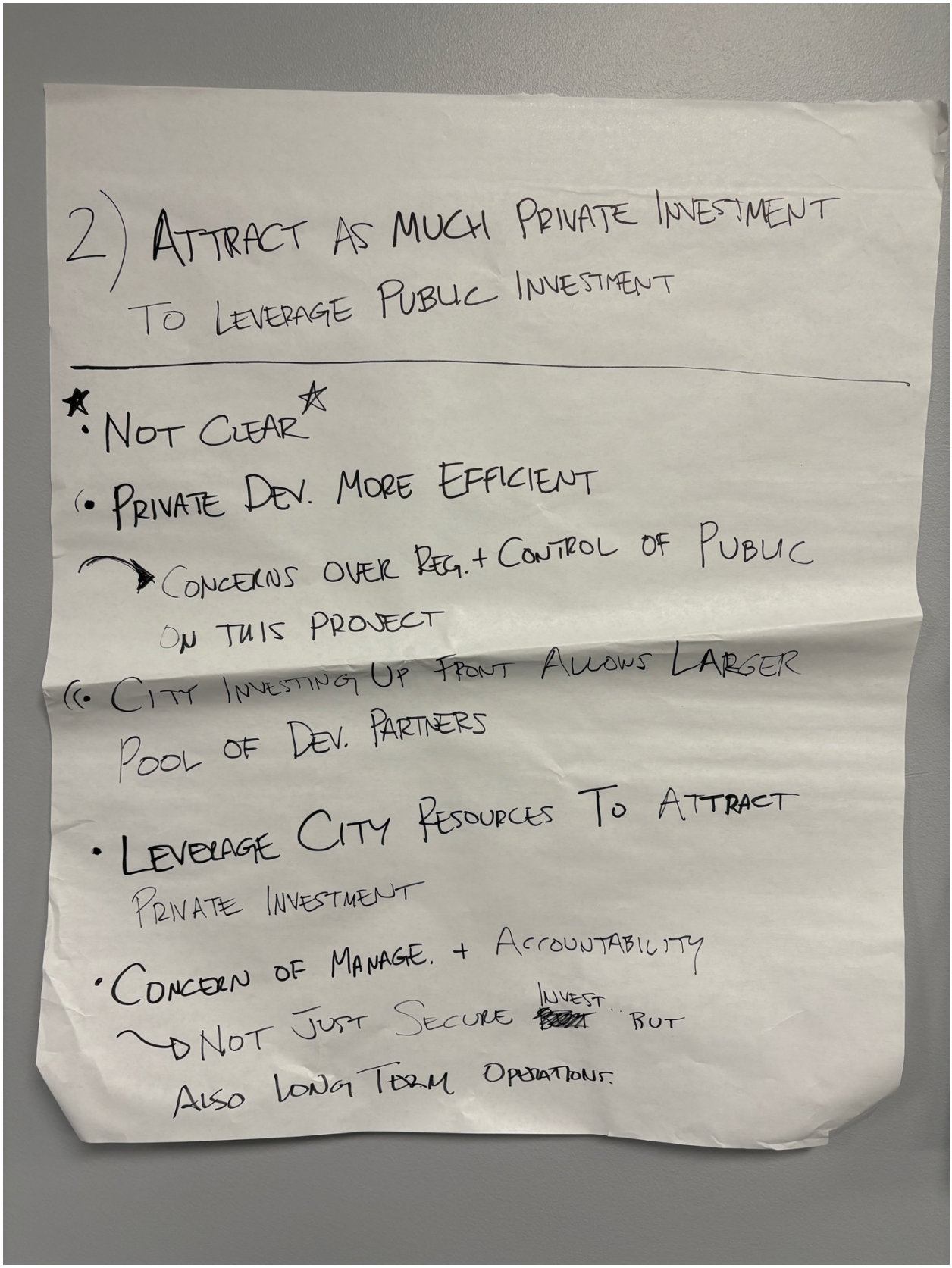
CHALLENGES TO DEVELOP SITE

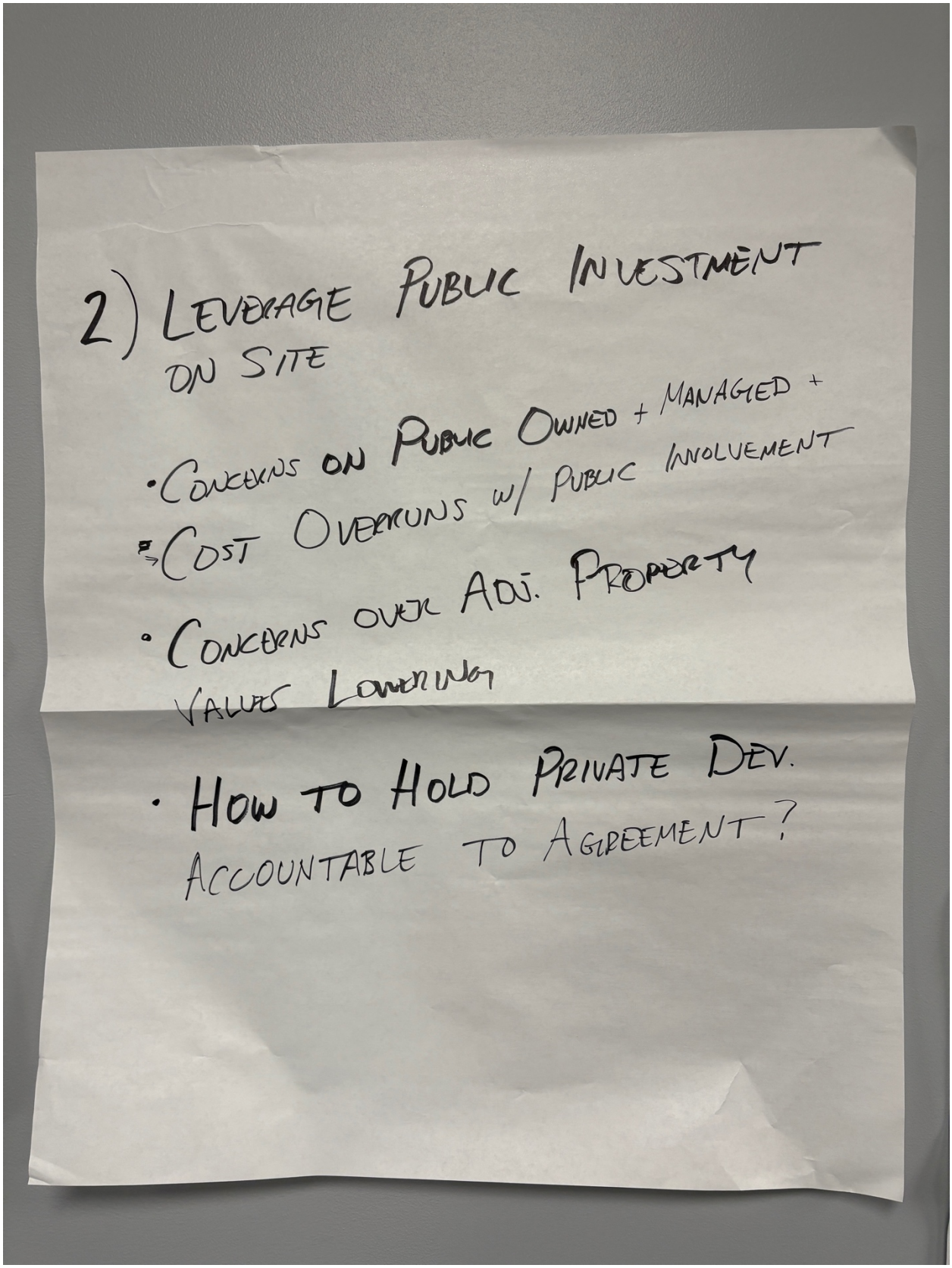
- DOES THIS SUPPORT THE WORKFORCE

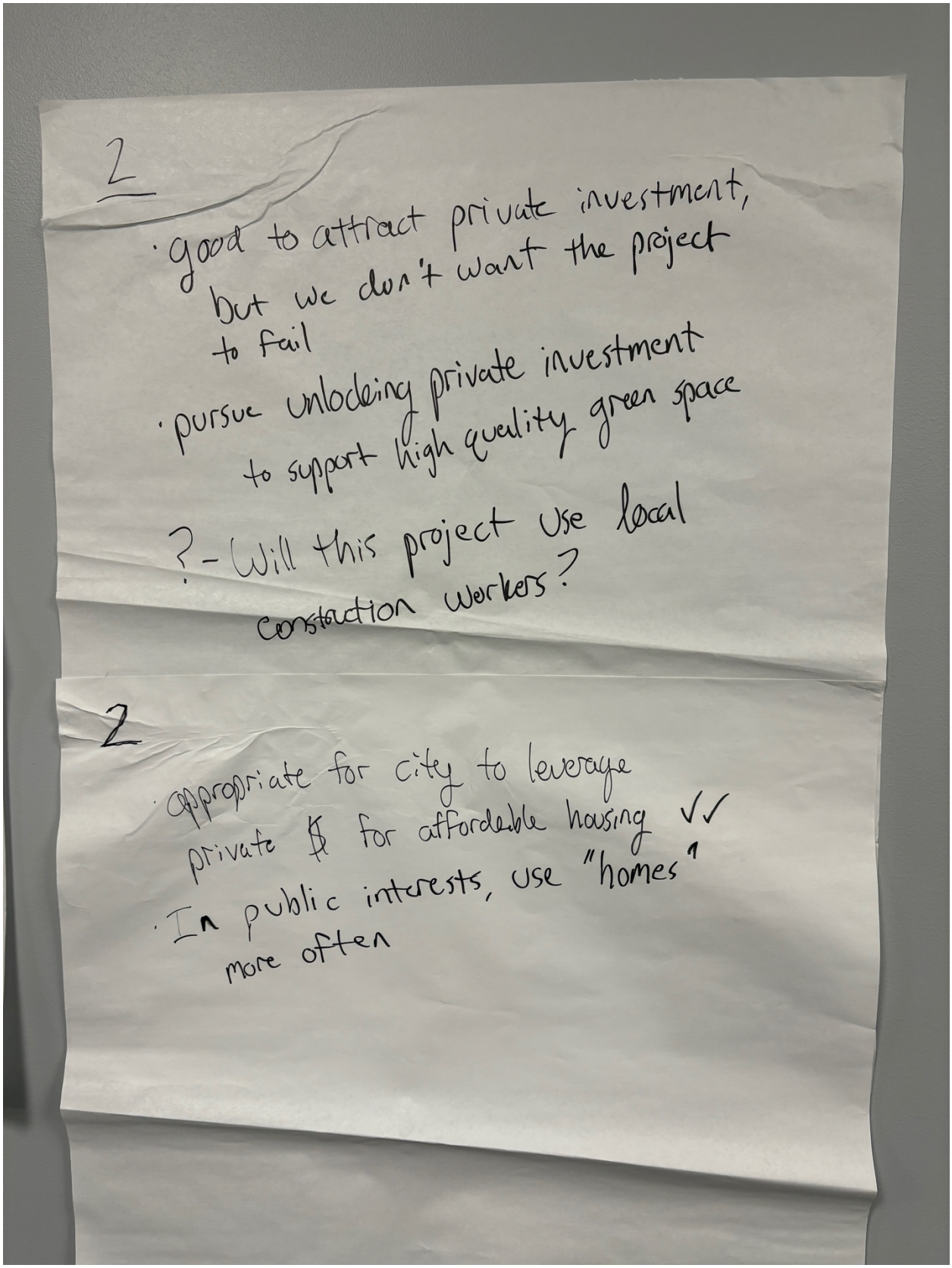
- EXPANSION OF INFRASTRUCTURE COULD SUPPORT BETTER SITES

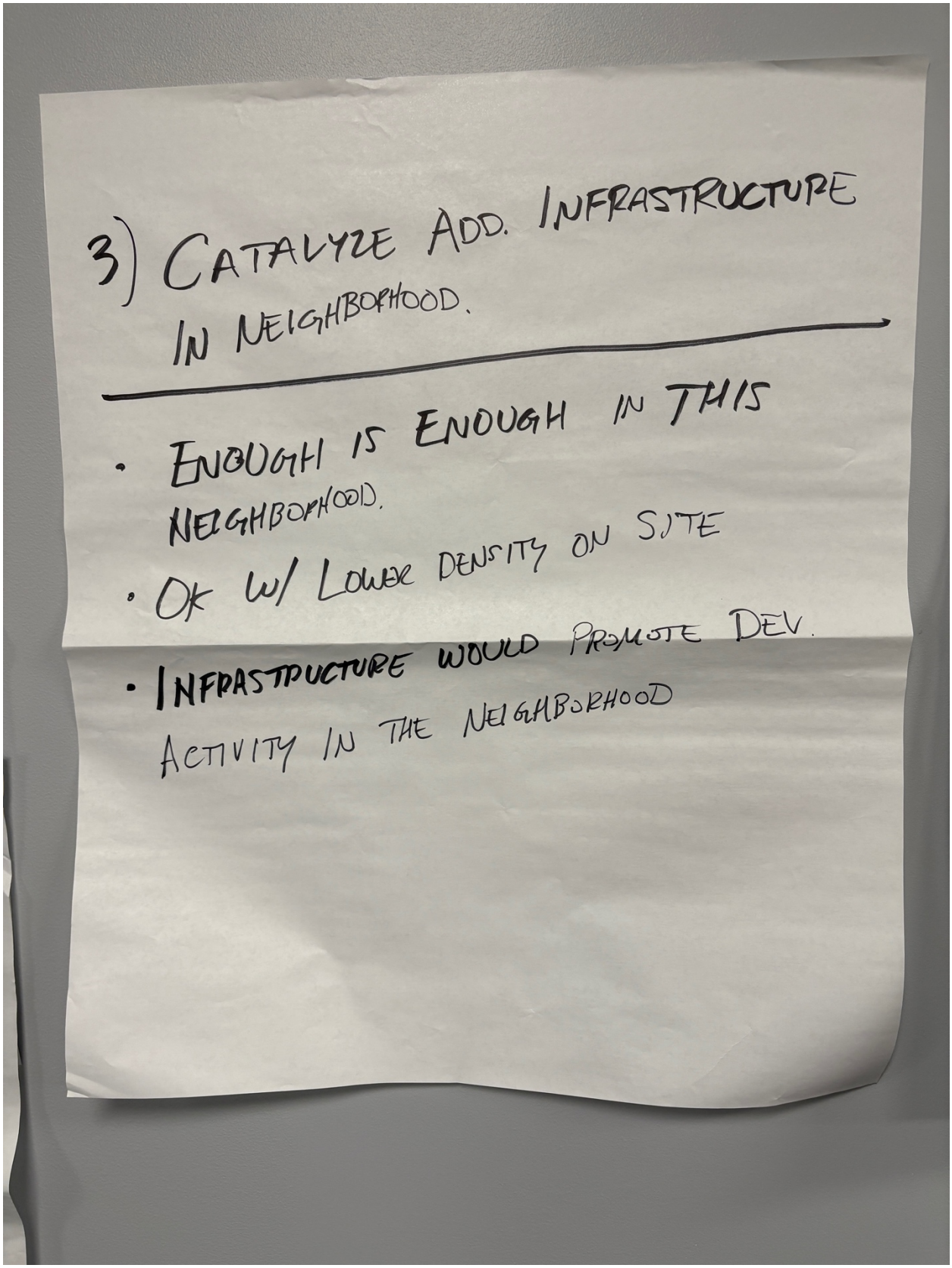

1
? - How will the volume of units impact the neighborhood?
· Homes on this site should have stable/long-term residents
· Concerns about traffic
· No thru traffic to adjacent neighborhoods
· Homes should be safe & attractive
· Concern about "maximize"
· include green space
quality.
preserving trees that are there

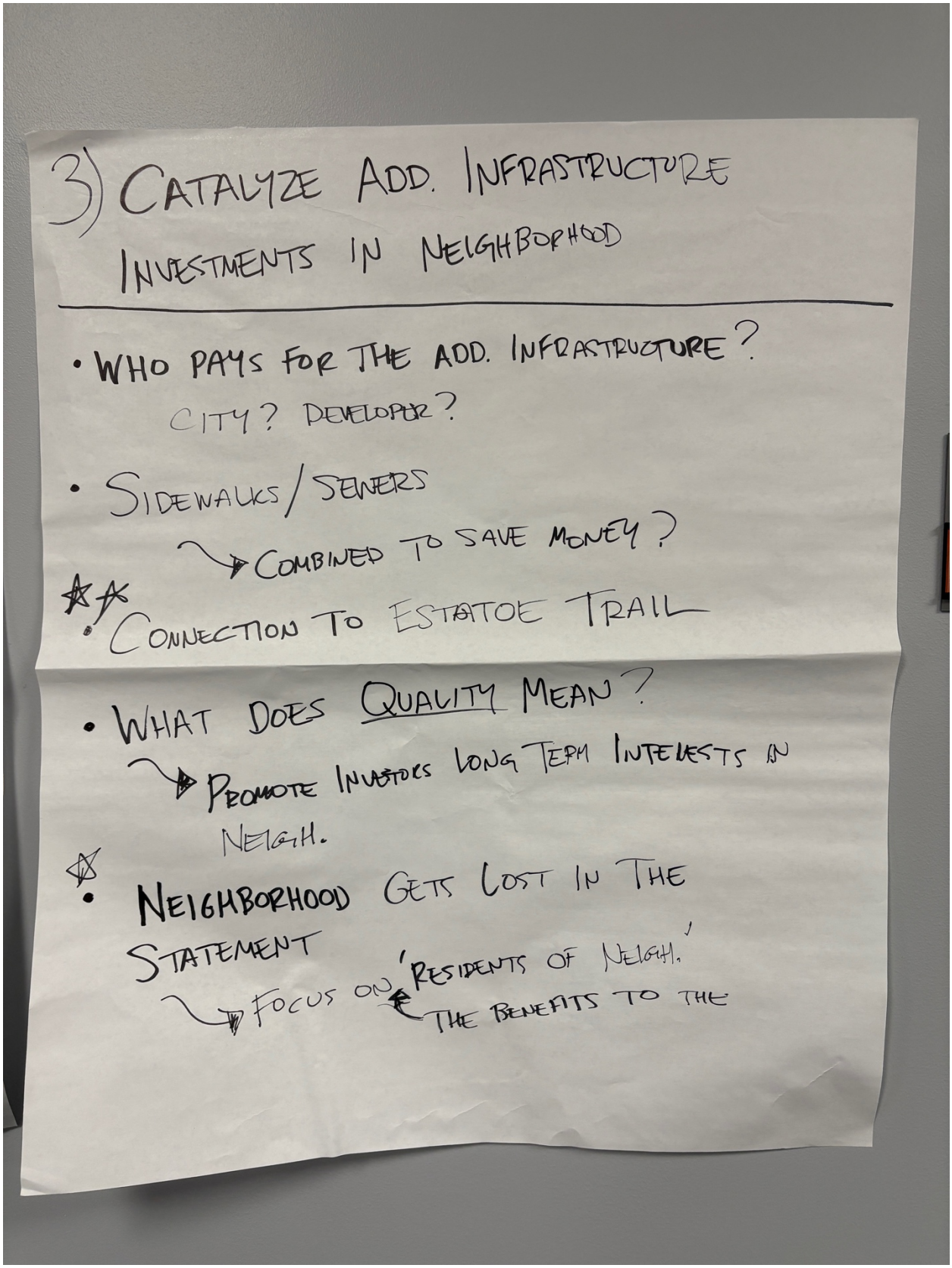

1
· appropriate turn lanes and maybe a stop light is needed
· density of neighboring apartment complex is good
· don't like the word "maximize". Use "provide". Quality is very important. Needs to serve a mix of household types.
· Quality built homes with elbow room
· define "maximize". Could apply to accessibility
· Sidewalks to be able to walk to job opportunities

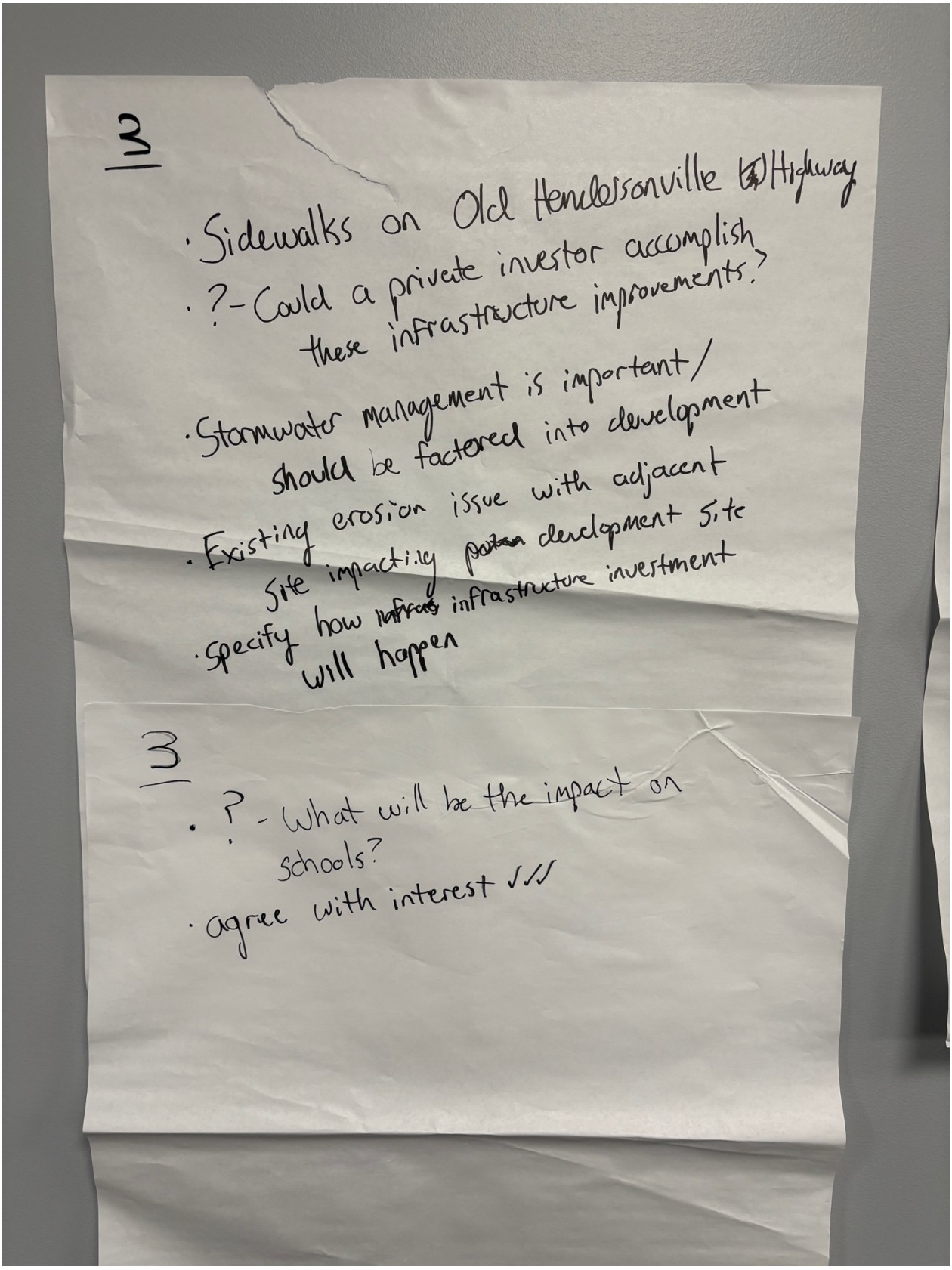

2) ATTRACT AS MUCH PRIVATE INVESTMENT
TO LEVERAGE PUBLIC INVESTMENT
• NOT CLEAR
• PRIVATE DEV. MORE EFFICIENT
→ CONCERNS OVER REG. + CONTROL OF PUBLIC ON THIS PROJECT
• CITY INVESTING UP FRONT ALLOWS LARGER POOL OF DEV. PARTNERS
• LEVERAGE CITY RESOURCES TO ATTRACT PRIVATE INVESTMENT
• CONCERN OF MANAGE. + ACCOUNTABILITY
→ NOT JUST SECURE INVEST. BUT ALSO LONG TERM OPERATIONS.

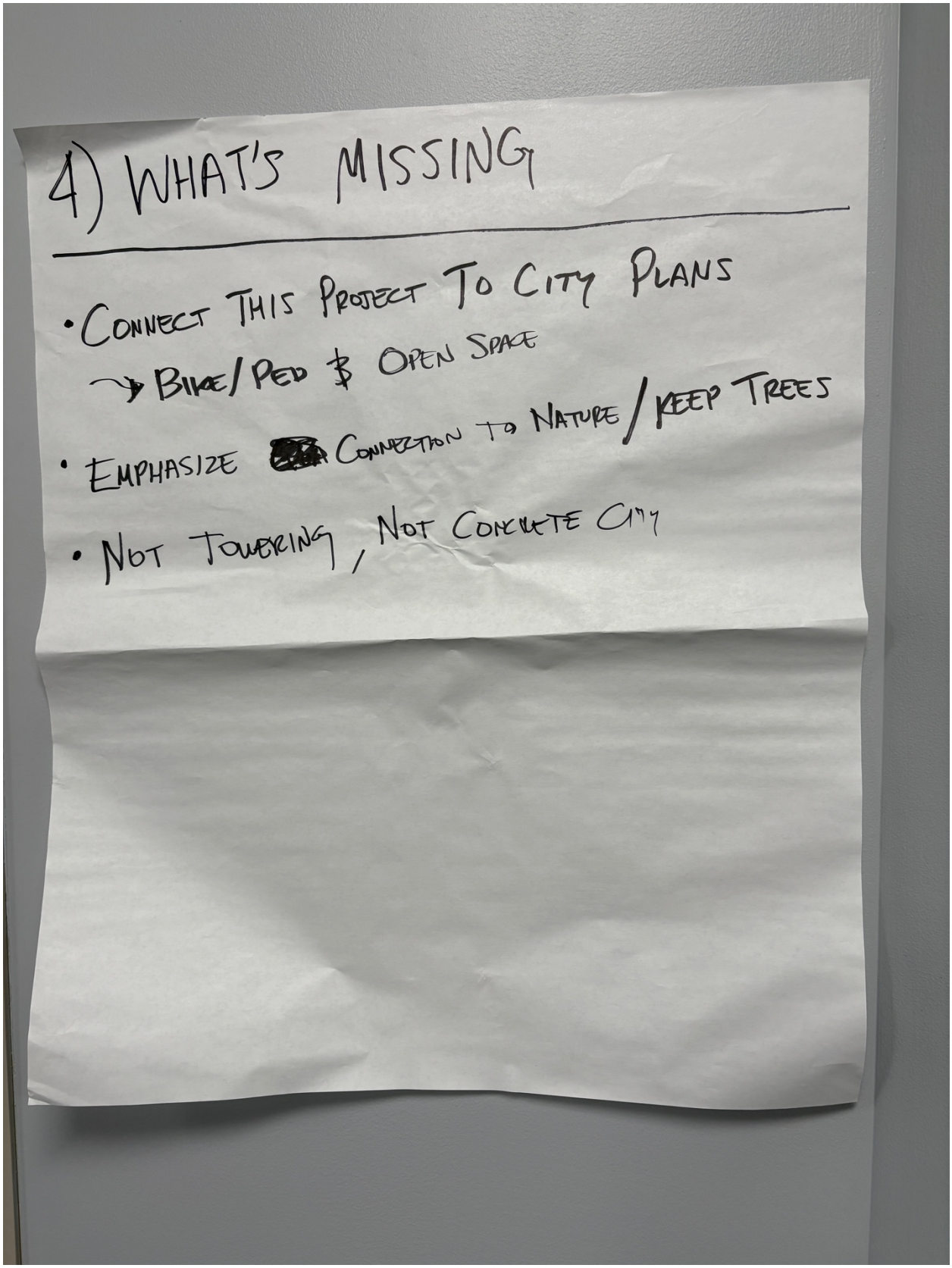

2) LEVERAGE PUBLIC INVESTMENT ON SITE
• CONCERNS ON PUBLIC OWNED + MANAGED +
⇒ COST OVERRUNS W/ PUBLIC INVOLVEMENT
• CONCERNS OVER ADJ. PROPERTY VALUES LOWERING
• HOW TO HOLD PRIVATE DEV. ACCOUNTABLE TO AGREEMENT?

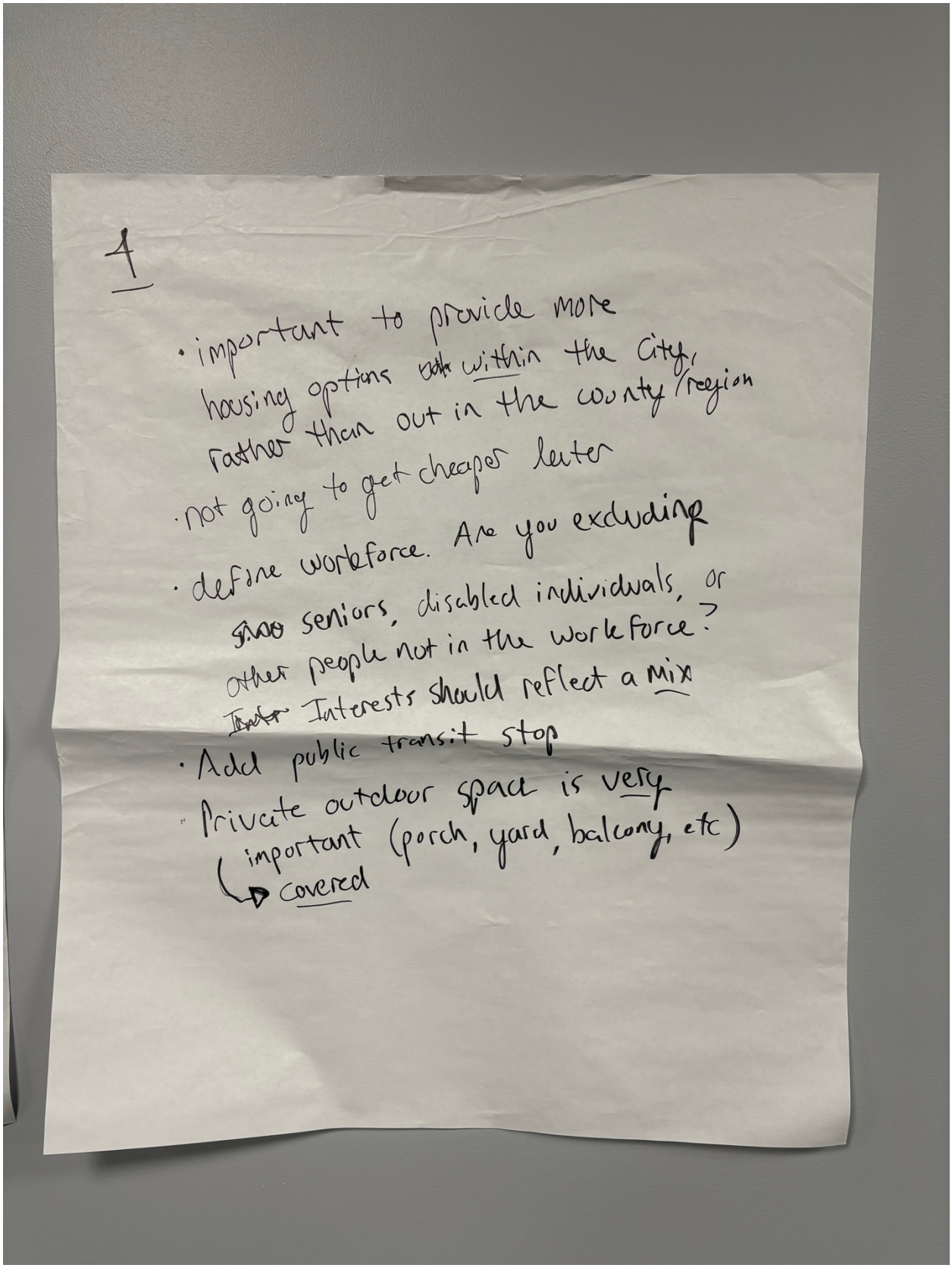

2
· good to attract private investment, but we don't want the project to fail
· pursue unlocking private investment to support high quality green space
?- Will this project use local construction workers?
2
· appropriate for city to leverage private $ for affordable housing ✓✓
· In public interests, use "homes" more often

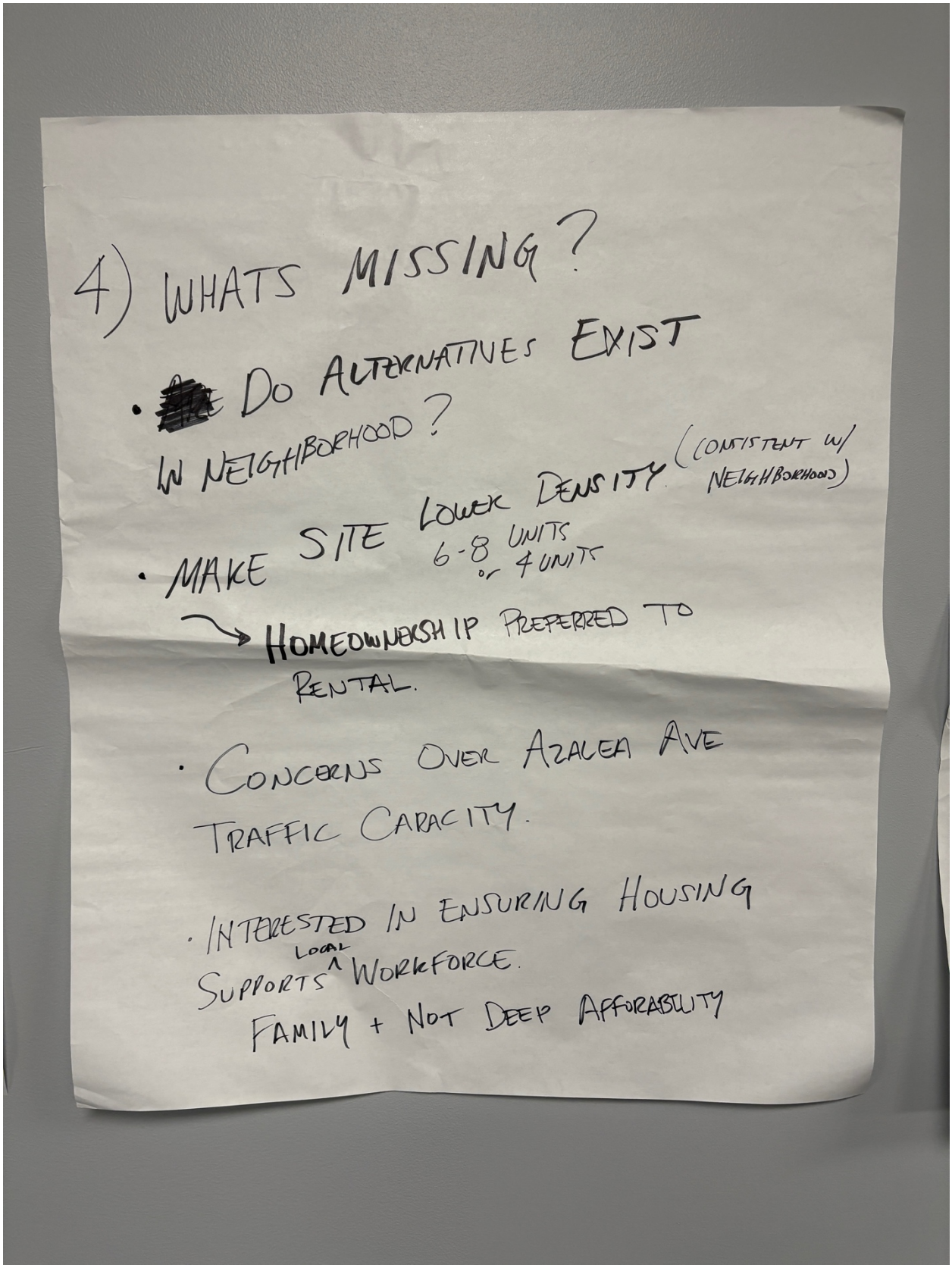

3) CATALYZE ADD. INFRASTRUCTURE IN NEIGHBORHOOD.
• ENOUGH IS ENOUGH IN THIS NEIGHBORHOOD.
• OK W/ LOWER DENSITY ON SITE
• INFRASTRUCTURE WOULD PROMOTE DEV. ACTIVITY IN THE NEIGHBORHOOD


3) CATALYZE ADD. INFRASTRUCTURE INVESTMENTS IN NEIGHBORHOOD
• WHO PAYS FOR THE ADD. INFRASTRUCTURE?
CITY? DEVELOPER?
• SIDEWALKS / SEWERS
→ COMBINED TO SAVE MONEY?
• CONNECTION TO ESTATOE TRAIL
• WHAT DOES QUALITY MEAN?
→ PROMOTE INVESTORS LONG TERM INTERESTS IN NEIGH.
• NEIGHBORHOOD GETS LOST IN THE STATEMENT
→ FOCUS ON 'RESIDENTS OF NEIGH.'
THE BENEFITS TO THE


13
· Sidewalks on Old Hendersonville Highway
· ?- Could a private investor accomplish these infrastructure improvements?
· Stormwater management is important/ should be factored into development
· Existing erosion issue with adjacent site impacting development site
· Specify how infrastructure inverstment will happen
13
· ?- What will be the impact on schools?
· agree with interest ✓✓✓


4) WHAT'S MISSING
• CONNECT THIS PROJECT TO CITY PLANS
→ BIKE/PED $ OPEN SPACE
• EMPHASIZE CONNECTION TO NATURE / KEEP TREES
• NOT TOWERING, NOT CONCRETE CITY


4
• important to provide more housing options within the city, rather than out in the county/region
• not going to get cheaper later
• define workforce. Are you excluding seniors, disabled individuals, or other people not in the workforce? Interests should reflect a mix
• Add public transit stop
• Private outdoor space is very important (porch, yard, balcony, etc)
covered


4) WHATS MISSING?
• [redacted] DO ALTERNATIVES EXIST IN NEIGHBORHOOD?
• MAKE SITE LOWER DENSITY (CONSISTENT W/ NEIGHBORHOOD)
6-8 UNITS or 4 UNITS
→ HOMEOWNERSHIP PREFERRED TO RENTAL.
• CONCERNS OVER AZALEA AVE TRAFFIC CAPACITY.
• INTERESTED IN ENSURING HOUSING SUPPORTS LOCAL WORKFORCE.
FAMILY + NOT DEEP AFFORABILITY

4

? - How are residents chosen?
What is the application process?
- Consideration for units for people who are Maintaining the ~~units~~ property
- on site manager?
- Traffic study
- One way in / One way out property?
- "general" support for development on the site
- "Let's do it right"