City of Brevard Housing Trust Fund Bylaws

Proposed Changes – August 2025

ARTICLE I: PURPOSE AND DEFINTIONS

I. Purpose

Affordable and workforce housing have been recognized as a substantial need for residents of Brevard and the surrounding area. In an effort to promote increased development and retention of affordable housing within its jurisdiction, the City of Brevard has established the Housing Trust Fund. The Housing Trust Fund serves as a flexible source of funding that can be used to support a variety of affordable housing activities and initiatives.

II. Definitions

1) "**Affordability**" shall be defined as housing where total costs do not exceed 30% of household income.
    a) For Homeowners, total housing costs include principal, interest, taxes and insurances.
    b) For Renters, total housing costs include rent and utilities.
2) "**Area Median Income**" (AMI) shall be defined as United States Department of Housing and Urban Development (HUD)'s annual assessment of median family income for Transylvania County.
3) "**Low income**" (LI) shall be defined as households, adjusted for family size, making up to 60% of AMI, per North Carolina General Statute § 157-3.
4) "**Low/moderate income**" (LMI) shall be defined as households, adjusted for family size, making up to 80% of AMI.
5) "**Affordable Housing**" shall be defined as housing that costs no more than 30% of the total income for residents making 80% or less of AMI as defined by HUD.
6) "**Workforce Housing**" shall be defined as housing that costs no more than 30% of the total income for residents making 81% to 120% of AMI as defined by HUD.

ARTICLE 2: GOVERNANCE AND MEMBERSHIP

I. Housing Committee

The Housing Committee shall be the Policy Committee guiding housing-related activities being undertaken by the City of Brevard and serve as the Governing Board for the Housing Trust Fund. The responsibilities and duties of the Committee area as follows:

1) To review and make recommendations to Brevard City Council concerning new or reviewed policies and ordinances related to the City's adopted housing priorities, as set forth within the City of Brevard Comprehensive Land Use Plan and other plans, policies, resolutions, and ordinances adopted by City Council;

2) To review funding requests and applications and make recommendations to Brevard City Council for the Housing Trust Fund;

3) To consult with the Application Review Sub-Committee, established herein, when necessary;

4) To establish forms, procedures, guidelines and requirements as are necessary for the administration of this Housing Trust Fund;

5) To manage the fund balance and ensure requirements and restrictions for specific funding sources are met;

6) To annually review the City's housing-related goals, data, and other progress indicators, and to make recommendations to prioritize or adjust activities based on such review; and

7) To identify and research affordable and workforce housing trends and issues.

The Committee will meet monthly to discuss affordable housing projects and initiatives and conduct any business. Additional meetings may be scheduled at the discretion of the Committee.

The Committee shall be comprised of two members of City Council and one citizen member appointed by the City Council for a two-year term. The citizen member shall be a resident of the City of Brevard. City staff shall serve as non-voting liaisons for the Committee. Staff will not count towards quorum calculations.

II. Application Review Sub-Committee

The Application Review Sub-Committee may be an advisory group to the Housing Committee established to review funding applications and consult with the Housing Committee upon request.

Typically, the Sub-Committee will attend a meeting of the Housing Committee following a formal application cycle to participate in the review and discussion of applications received. The Housing Committee is ultimately responsible for recommending funding decisions to City Council, with input from the Sub-Committee. The Housing Committee may invite the Sub-Committee to additional meetings as necessary.

The Sub-Committee shall be comprised of up to eight community representatives, appointed by the Housing Committee. To the extent possible, appointed community representatives shall represent a variety of groups related to affordable housing and development, such as LMI residents, real estate developers, housing finance experts, homelessness service providers, and community leaders/advocates. Furthermore, the Sub-Committee should reflect the diverse composition of Brevard's community by race, ethnicity, gender and age, to the extent possible.

ARTICLE 3: FUNDING AND ELIGIBILITY

I. Funding Sources

The City of Brevard Housing Trust Fund may include, but not limited to, the following sources:

1) Community Development Block Grant (CDBG) loan repayments from developers of affordable housing. Only CDBG eligible activities, benefitting a majority of individuals whose income is below 80% of the median for Transylvania County, will be eligible for use with Housing Trust Fund monies accrued in this manner.

2) Funding created through appropriations from City Council's general fund as is deemed appropriate to assist with the development of affordable housing in Brevard.

3) Other funds, including grants, donations, loans, and principal and interest payments on funds received by previous funding recipients.

II. Eligible Applicants

The following are the eligible applicants for receiving awards from the Housing Trust Fund:

1) For-profit developers and providers of affordable housing

2) Non-profit developers and providers of affordable housing

3) Income-eligible homeowners

4) Income-eligible renters

5) Non-profit providers of homeowner/homebuyer education and resources

6) Non-profit providers of homelessness and supportive services

7) City of Brevard

For property-specific projects, the applicant must be the owner of the property or be under-contract/option to purchase the property, except the income-eligible renters applying for rental assistance. The property must be current on all applicable taxes and fees.

Funding may be provided for programs that support affordable housing efforts (e.g., home repair programs, education programs) that are not property-specific provided that the applicant can provide evidence that the program will support eligible beneficiaries.

Developers of mixed-income housing projects may be eligible for funding if at least 20% of the total units are set-aside for low-income persons, in accordance with North Carolina General Statute §157-3.

The City of Brevard shall be eligible to use funding for programmatic expenses. Administrative costs are not eligible for funding.

III. Eligible Beneficiaries

In order to qualify for funding through the Housing Trust Fund, all of the following criteria must be met by the beneficiaries of the affordable housing project:

1) Beneficiaries must be a resident (current or future) of:
    a) the City of Brevard, if receiving City funds appropriated by City Council, or
    b) the City of Brevard and its extra-territorial jurisdiction (ETJ), if receiving other funds through the Housing Trust Fund.
2) Beneficiaries must have a gross income of 80% of AMI or less for homeowners and 60% of AMI and below for renters (unless otherwise specified).
3) The affordable building or unit that is subject to program funding must be dedicated to beneficiaries at the designated income level for a minimum of 15 years.
    a) This provision does not apply to projects included in subsection IV(5) below ("Other Projects").

In accordance with North Carolina General Statute §157-29, all subsidy must flow directly to the income-eligible household. Funds granted to developers (nonprofit or for-profit) may not be diverted for other purposes.

IV. Eligible Activities

The following activities are eligible for assistance through the Housing Trust Fund:

1) Developer Gap Financing
    - Loans or grants to developers for the installation of public infrastructure to facilitate the development of affordable housing, as defined herein.
    - Loans or grants to developers to purchase or prepare land to facilitate the development of affordable housing.
    - Loans or grants to developers to assist in the conversion of existing non-residential buildings into affordable housing.
2) Homeowner Assistance
    - Loans or grants serving income-eligible homeowners for housing repairs.
    - Loans or grants serving income-eligible homeowners for down payment assistance or other upfront costs associated with closing on a house.
3) Renter Assistance
    - Loans or grants serving income-eligible renter households for security deposits or other upfront costs associated with signing rental leases.
4) Critical Housing Repairs

- Grants serving income-eligible homeowners for emergency (health and safety related) housing repairs, which may include weatherization.
- Loans to developers to assist with the rehabilitation of existing substandard multi-family housing units and their conversion to affordable housing.

5) Other Projects

- Acquisition of land to be used for the creation of affordable housing in instances where the City is a project partner.
- Acquisition of vacant housing for rehabilitation and resale as affordable housing.
- Pre-development costs (such as feasibility studies, surveys, appraisals, land options, and preparation of an application) for projects to be developed for the creation of affordable housing.
- Grants for land trust projects that guarantee long-term affordability of a property through 99-year renewal ground leases or for maintenance of land trust housing stock.
- Clearance of blighted properties.
- Homeless services and assistance.
- Public utility improvements in predominately LMI areas.
- Public street, sidewalk, and other infrastructure improvements in predominately LMI areas.
- Programs to assist and educate LMI homeowners and homebuyers. This includes, but is not limited to, housing counseling, homebuyer education, property tax relief programs, and other assistance or education programs deemed appropriate by the Housing Committee to advance and maintain homeownership.
- Seeking out and implementing solutions for affordable and workforce housing in Brevard.

ARTICLE 4: PROCESS AND PROCEDURES

I. Application Process

If City Council determines that funding is available, the Housing Trust Fund shall have two application cycles throughout the year for local funds. The primary application cycle shall commence in fall, and the secondary cycle shall be in the spring. Funding is based on the availability of funds. Only as many funding cycles will be completed as necessary to use the available funds. The application review and approval process shall not apply to City initiatives or project where the City is a development partner.

II. Approval Process

City of Brevard reserves the right to act as sole judge of the content of the applications submitted and may at its sole discretion, reject any or all applications.

Applications may not be considered if:

- The project does not align with the eligibility criteria.
- The applicant has demonstrated poor past performance in carrying out projects or complying with funding guidelines.
- The applicant fails to provide required information.
- The application is received after the deadline.

Based on initial staff review, compliance with procedures outlined in the Housing Trust Fund Program Guidebook, and availability of funds, the Housing Committee will forward a recommendation of funding allocations to City Council for approval. In some instances, an option of the requested grant or loan amount may be offered to the applicant.

In certain instances where an emergency housing repair is needed immediately to protect the health and safety of a resident or the general public or ensure the structural integrity of the dwelling unit, the City Manager may approve a grant or loan for repairs after staff has determined eligibility, not to exceed $5,000 or 5% of the existing fund amount, whichever is lower. Local funds shall be the only eligible funding source.

III. Amendments & Administrative Procedures

The City of Brevard considers the financial status of the Housing Trust Fund during the annual budget cycle. City Council is responsible for overseeing the use and financial status of the Housing Trust Fund.

The City of Brevard Housing Trust Fund may be amended at any time through a majority vote of City Council. Council may not amend the Housing Trust Fund in a manner that would cause CDBG loan repayments to be expended for ineligible activities under CDBG program guidelines and requirements.

The Housing Committee is authorized and directed to establish such forms, procedures, guidelines and requirements as are necessary for the administration of this Housing Trust Fund. The Housing Committee, with assistance from City staff, will recommend policy changes to the City Council each year on an as-needed basis.

ARTICLE 5: MISCELLANEOUS PROVISIONS

I. Fair Housing requirements

The City of Brevard promotes Fair Housing principals that prohibit discrimination in housing based on race, age, gender, religion, national origin, disability or familial status. Developments assisted with Housing Trust Fund money will be required to abide by these principles.