MINUTES

CITY COUNCIL HOUSING COMMITTEE

Tuesday, October 14, 2025 – 3:45 PM
City Hall Council Chambers

Members Present:	Pamela Holder, Chair, City Council Member Aaron Baker, Vice Chair, City Council Member Victor Foster, Citizen Member Mayor Maureen Copelof, Ex-Officio
Staff Present:	Wilson Hooper, City Manager Dean Luebbe, Assistant City Manager/Finance Director Emily Brewer, Senior Planner Denise Hodsdon, City Clerk

A. Welcome and Call to Order

Chair Holder welcomed everyone and called the meeting to order at 3:47pm.

B. Certification of Quorum

City Clerk Denise Hodsdon certified that a quorum was present.

C. Approval of Agenda

Mr. Baker moved, seconded by Mr. Foster to approve the agenda as presented. The motion carried unanimously.

D. Approval of Minutes – September 9, 2025

Mr. Foster moved, seconded by Mr. Baker to approve the minutes of the September 9, 2025 meeting as presented. The motion carried unanimously.

E. Follow-up on County Capital Projects / Status of Azalea Avenue Project

Mr. Hooper reported that the County Commissioners tentatively pledged $1.5M of their remaining $1.8M in Dogwood Trust funds to the following three projects:

- Sewer extension to the Habitat for Humanity's Woodland Terrace project
- Extension of utilities to the Housing Assistance Corp. project on Cashiers Valley Rd.
- Cost of design, engineering and permitting for the entire Azalea / Rhododendron neighborhood. They did not agree to fund the construction of that yet, but it is

still on the table. They have requested more information from the City regarding deed restrictions or other requirements that residents who benefit from that project will be required to agree to in order to keep their houses affordable, in exchange for access to the city's utilities without annexation.

F. Discussion of Deed Restrictions to Keep Housing Affordable (Sewer Connection Requirements for Properties in the Azalea / Rhododendron Neighborhood)

Mr. Hooper explained that in the course of researching the idea of keeping housing affordable, staff has discovered that deed restrictions or other types of restrictive covenants with resale requirements are complicated to administer, difficult (if even possible) with federal dollars, and can have long-term implications for the development of the neighborhood, and therefore are not the best option in staff's opinion. He asked Emily Brewer to discuss staff's recommendation on how we can accomplish our policy goals, appease the County's concerns, and move forward with this project. Mr. Hooper noted however that there are some tradeoffs with this proposal.

Emily Brewer noted that the construction of utilities for the Azalea neighborhood would be approximately $5M, and not only would it serve all of the properties in that neighborhood, which is approximately 125 residential parcels, but it would also connect sewer to the City-owned property that was acquired for a 40 to 50-unit affordable housing development.

Staff are proposing an alternative to deed restrictions that would resolve the immediate public health crisis and support the City's affordable housing goals. The proposal is to exempt the entire Azalea / Rhododendron neighborhood from the annexation requirement for sewer connection, as allowed through Section 2-292 of Brevard City Code, provided that they execute a utility service agreement that outlines the terms and conditions for connecting, specifically:

- *Service fees*: Connection outside of city limits would be subject to higher fees. The fees themselves are established in the adopted fee schedule.
- *Annexation*: Annexation would not be required for residential customers on the property, provided they do not violate any of the terms of the agreements. Property owners would be able to voluntarily annex if they want to receive other City services or pay the inside-City utility rates.
- *Infrastructure costs*: The project cost estimates for the sewer extension project include the tap fees and extension to the existing homes. The property owner would be responsible for paying the system development fee. Please note that Council would need to consider if connection to the City's water system would be required as well and who would bear those costs.
- *Access and easements*: The City would retain the ability to access the infrastructure for repairs and maintenance where the sewer line extends beyond the public rights-of-way. Given the topographic challenges of the neighborhood, there will likely be several easements throughout the neighborhood. Property owners would be responsible for the connection from the public line to their homes.

- *Property use*: The property would be required to remain residential. This is in line with the current zoning district of the neighborhood (General Residential – 8) in the Azalea / Rhododendron neighborhood.
- *Noncompliance*: Lastly, the agreement would outline penalties if the terms were violated. This would likely include loss of service or fines. If the noncompliance was unable to be remedied, the property would need to annex into the City limits to regain access to the sewer service.

Property owners would be provided with a set of choices to consider once sewer service is available – (1) do not connect to the sewer, (2) connect to sewer without annexation by signing the utility service agreement, or (3) connect to sewer with annexation. Staff will need to work closely with the Transylvania County Health Department to ensure residents are aware of their specific circumstances (e.g., the viability of their existing septic system).

Ms. Brewer noted that both the creation and preservation of housing are critical elements of any affordable housing strategy, and both are included in the City's Comprehensive Land Use Plan. This proposal accomplishes both objectives by (1) creating a favorable environment for developers to create new housing opportunities on vacant parcels (including the City-owned property on Azalea Ave), and (2) supporting low-to-moderate income households in naturally occurring affordable housing by improving the quality of their home and creating wealth-building opportunities.

Of the 125 residential parcels in the neighborhood approximately 30 are vacant and potentially another 20 could be subdivided with sewer connection. With those lots being smaller lots, the new homes are more likely to serve Brevard's workforce, potentially serving more households of moderate income that cannot be supported with government subsidies (households earning 80-120% of AMI). In essence, additional housing in this neighborhood at any level helps balance supply and demand, which is critical to keeping Brevard more accessible and affordable.

The sewer extension is critical for the City to move forward with the affordable housing development on the Azalea property. This alternative proposal, however, prevents the neighborhood from being disproportionately low-income with housing to be developed at a range of income levels. Applying affordability restrictions for the entire neighborhood could create a concentration of low-income households and be construed as a form of socioeconomic segregation. One of the considerations in the NCHFA Qualified Allocation Plan (QAP) for LIHTC awards is whether the project perpetuates a concentration of minority or low-income households. By allowing connection without affordability restrictions, the neighborhood development will likely organically develop as lower-priced housing and establish a mixed-income community for Brevard's workforce.

Ms. Brewer noted that an alternative would be to exempt only existing properties and require vacant properties to annex for connection. However, this would create a checkered City-limit boundary that would make the provision of other City services (specifically, trash and police) more difficult and costly. Exempting the entire neighborhood would be more

efficient in the short-term and Council would instead consider annexation requests on a case-by-case basis with the financial implications.

During extensive discussion the committee felt that allowing properties with failing septic systems was a reasonable concession but expressed concern that allowing vacant lots to connect without annexing is a major policy deviation. There was also concern about keeping homes in this neighborhood affordable as there is high potential for gentrification due to the increased value of properties once connected to city sewer. Following discussion Mr. Baker moved, seconded by Mr. Foster to forward to City Council with a recommendation to adopt the proposal of a utility service agreement that would not require annexation for existing homes in the neighborhood that have a public health and safety issue. The motion carried unanimously.

G. Public Comment

Harvey Sankey had some clarifying questions which the committee answered.

H. Next Meeting Date

Due to the Veterans Day holiday, the next meeting was scheduled for Thursday November 13, 2025 at 3:45pm.

I. Adjourn

There being no further business, the meeting adjourned at 5:23 pm.

Minutes Approved: December 9, 2025

Pamela Holder, Chair, Council Member
Aaron Baker, Vice Chair, Council Member

Denise Hodsdon
City Clerk