Azalea Avenue Development Proposal

Presented by Anderea Gonzalez, Vice President of Development
Fitch Irick Corporation

FITCH IRICK
CORPORATION

City of Brevard
Maureen Copelof, Mayor
Wilson Hooper, City Manager
95 West Main Street
Brevard, NC 28712

Mayor Copelof and Mr. Hooper,

On behalf of myself and the rest of the Fitch Irick Development team, we thank the City of Brevard for this opportunity to share our vision for the future of Azalea Avenue. At Fitch Irick, we offer unmatched site familiarity, proven experience in securing and implementing infrastructure financing, and the North Carolina LIHTC expertise that can help us secure and deploy both LIHTC and CDBG-DR funding during this pivotal window of availability.

As the developer of the adjacent Broad River Terrace community, we bring first-hand knowledge of site conditions, regulatory requirements, infrastructure constraints, and stakeholder expectations, reducing entitlement and execution risk.

Fitch Irick has a proven record of securing and administering CDBG-DR and other public infrastructure funds in Brevard, including successful coordination with the City and Land of Sky to deliver critical wastewater and lift station improvements at Broad River Terrace. Since 2014, we have developed, owned, and managed more than 14,000 affordable units across the Southeast using 9% and 4% LIHTC and complex, layered capital structures.

Once again, thank you for this opportunity. We're confident that the development approach outlined here advances the City's interests at the Azalea Avenue site and we look forward to renewing our partnership with Brevard.

Sincerely,

Anderea Gonzalez, Vice President of Development

Fitch Irick Corporation

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Development Concept

Fitch Irick Corporation proposes an affordable rental development consisting of 60 units distributed across three buildings, including nine one-bedroom units, 36 two-bedroom units, and 15 three-bedroom units to support a range of household incomes (40-60% of the Area Median Income) and sizes. The site concept is designed to complement the proportions and rhythm of the surrounding natural and built environments. This is achieved in a three-building footprint:

The largest of which is closest to the eastern property boundary with Fitch Irick's existing, Broad River Apartments community, and will incorporate thirty units across three stories.

On a second smaller footprint at the western boundary of the site with Azalea Avenue is a two-three split building that takes advantage of the site's sloping grade and complements the massing and scale of the single-family properties across Azalea.

Finally, a third two-story quadruplex building will welcome residents and visitors along the Old Hendersonville Highway entrance and will house both residential, leasing, community and shared amenity space.

This 60-unit configuration optimizes the site's development potential while preserving meaningful access to green space and community-oriented amenities. It also facilitates multiple, competitive financial executions – allowing the team to remain nimble and position the project for a 9% or 4% LIHTC award in 2026 – in ultimate pursuit of invaluable CDBG-DR funds to extend public wastewater infrastructure to the Azalea and Rhododendron neighborhoods.

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STEELE GROUP
ARCHITECTS

Building 03

3-Stories
30 units
9 One-Beds
15 Two-Beds
6 Three-Beds

Building 02

2/3 Split
25 units
18 Two-Beds
7 Three-Beds

Building 01

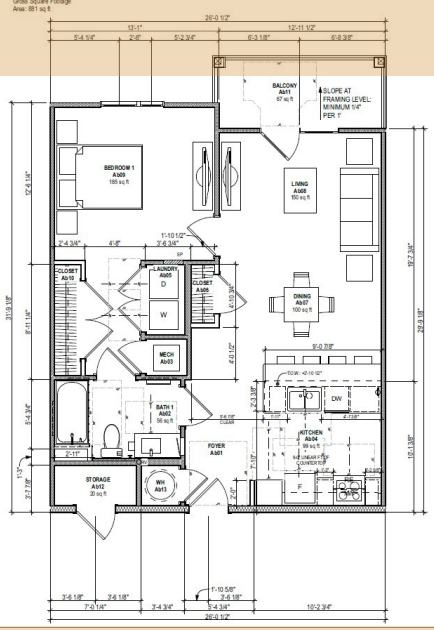
2-Stories
5 units
3 Two-Beds
2 Three-Beds
Amenities: Central laundry; leasing office; playground; community space

Proposed Site Plan

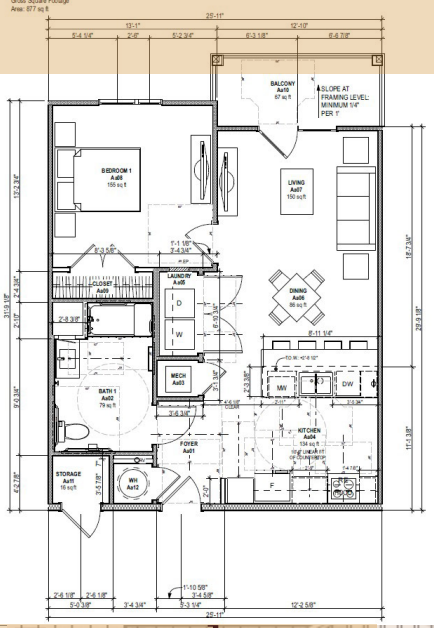
STEELE GROUP
ARCHITECTS

One Bedroom Plans

Unit A(b) - Type B
1 Bedroom / 1 Bathroom w/ Tub-Shower
Heated Square Footage
Area: 734 sq ft
Gross Square Footage
Area: 881 sq ft



Unit A(a)2 - Type A
1 Bedroom / 1 Bathroom Accessible w/ Tub-Shower
Heated Square Footage
Area: 733 sq ft
Gross Square Footage
Area: 877 sq ft

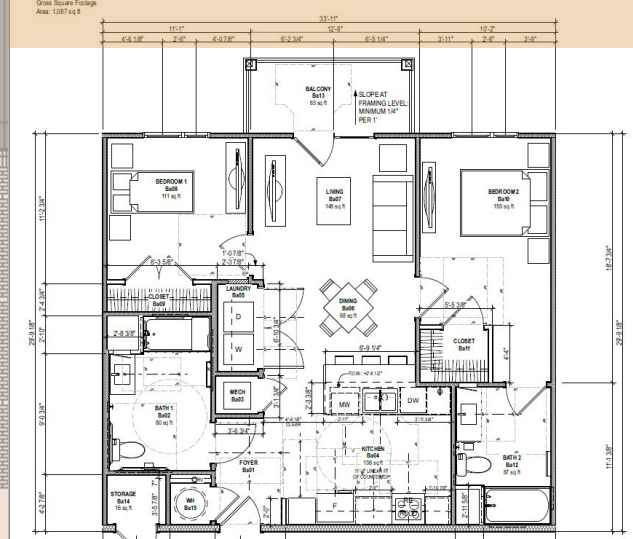


Unit A(a)1 - Type A
1 Bedroom / 1 Bathroom Accessible w/ Roll-In Shower
Heated Square Footage
Area: 733 sq ft
Gross Square Footage
Area: 877 sq ft

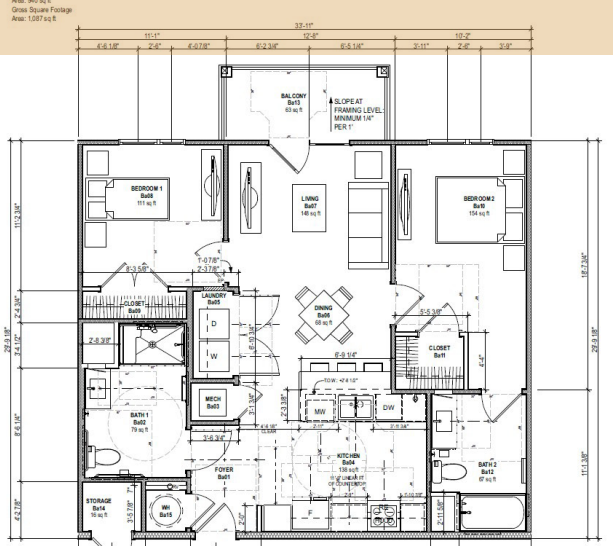


Two Bedroom Plans

Unit B(a)2 - Type A
2 Bedroom / 2 Bathroom Accessible w/ Tub-Shower
Heated Square Footage
Area: 940 sq ft
Gross Square Footage
Area: 1,087 sq ft

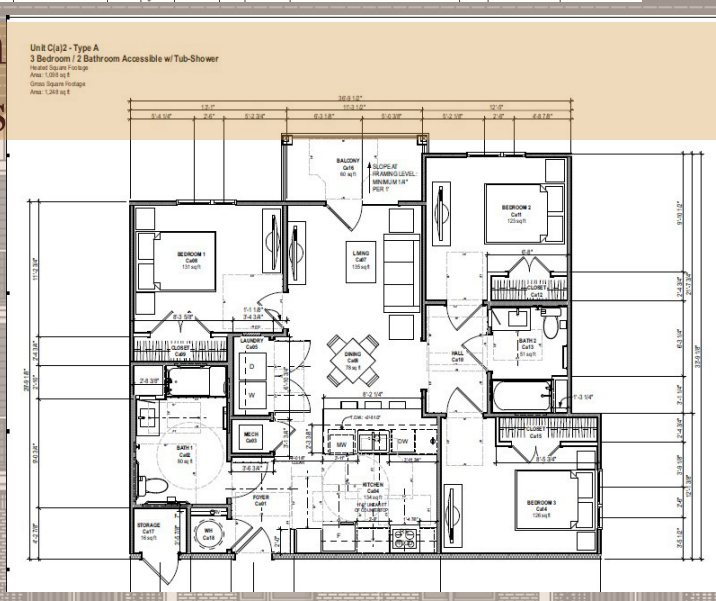


Unit B(a)1 - Type A
2 Bedroom / 2 Bathroom Accessible w/ Roll-In Shower
Heated Square Footage
Area: 940 sq ft
Gross Square Footage
Area: 1,087 sq ft

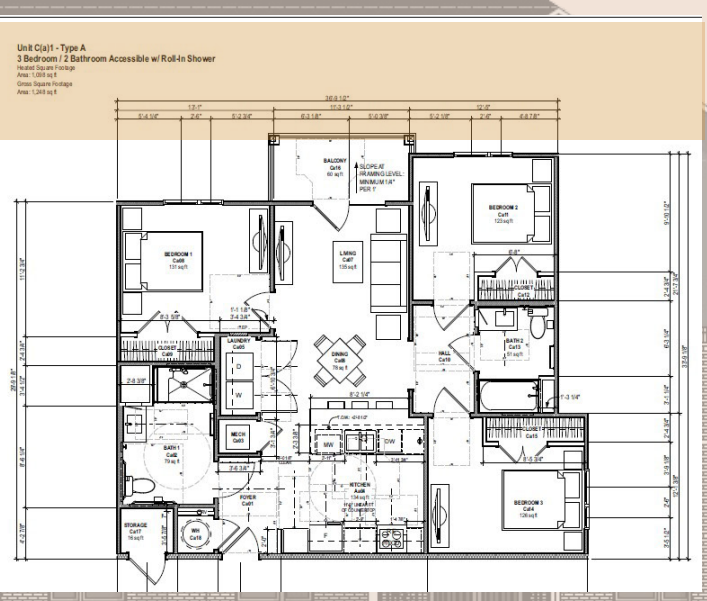


Three Bedroom Plans

Unit C(a)2 - Type A
3 Bedroom / 2 Bathroom Accessible w/ Tub-Shower
Heated Square Footage
Area: 1,069 sq ft
Gross Square Footage
Area: 1,249 sq ft



Unit C(a)1 - Type A
3 Bedroom / 2 Bathroom Accessible w/ Roll-In Shower
Heated Square Footage
Area: 1,069 sq ft
Gross Square Footage
Area: 1,249 sq ft



Rendering, Elevations, and Unit Plans

2026 NCHFA QAP Site Score

SITE SCORE CRITERIA	CHAR. OR DISTANCE TO AMENITY	POINTS	NOTES
Neighborhood Characteristics	Good	10 of 10	
Primary Amenities		26 of 26	Maximum of 26 points - Max Points if less or equal to 2.0 miles from project site
Grocery	.8 miles	12 of 12	Ingles Market
Shopping	.6 miles	7 of 7	Dollar Tree
Pharmacy	.6 miles	7 of 7	CVS Pharmacy
Secondary Amenities		22 of 20	Maximum of 20 points - Max Points if less than or equal to 2.0 miles from project site
Other Primary Amenity	.7 miles	5 of 5	Second grocery, shopping, or pharmacy - Walgreens
Service	.8 miles	3 of 3	Fifth Third Bank and ATM
Healthcare	1.7 miles	3 of 3	Transylvania Regional Hospital
Public Facility	2.0 miles	3 of 3	Silversteen Park
Public Schools	1.4 miles	5 of 5	Pisgah Forest Elementary
Other Retail	.7 miles	3 of 3	Aldi
TOTAL AMENITIES POINTS		46 of 46	Maximum of 46 points available
Site Suitability		12 of 12	
Incompatible Use Within .5 miles of site?	No	3	Incompatible Uses: Airports; Chemical or Hazardous Materials Storage/Disposal; Industrial or Agricultural Activities with Environmental Concerns; Commercial Junk or Salvage Yards; Landfills Currently in Operation; Sources of Excessive Noise; Wastewater Treatment Facilities
Parcel or Right of Way within 500 Feet?	No		Adult Entertainment Establishment; Distribution Facility; Factory or Similar Operation; Jail or Prison; Large Swamp
Within 250 feet of a proposed project building?	No		Electrical Utility Substation; Frequently Used Railroad Track (not including passenger light rail); Roads with posted spread limit of 55 mph or greater (500 feet of an interstate); Power Transmission Lines or Tower
Negative Features?	No	3	There are no negative features, design challenges, physical barriers, or other unusual and problematic circumstances that would impede project construction or adversely affect future tenants, including but not limited to: power transmission lines and towers, flood hazards, steep slopes, large boulders, ravines, year-round streams, wetlands, and other similar features (for adaptive re-use projects: suitability for residential use and difficulties posed by the building(s), such as limited parking, environmental problems or the need for excessive demolition)
Project Visibility?	Yes	3	The project would be visible to potential tenants using normal travel patterns and is within 500 feet of a building that is currently in use for residential, commercial, educational, or governmental purposes (excluding Blighted structures or Incompatible Uses)
Traffic Control?	Yes	3	Traffic controls allow for safe access to the site; for example limited sight distance (blind curve) or having to cross three or more lanes of traffic going the same direction when exiting the site would not receive points.
Negative Features?	No	-	Negative three points if a site is not suitable for housing regardless or zoning or local government support
TOTAL SITE SCORE		68 of 68	

Alignment with Guiding Public Interests

Optimize the number of new, quality rental units affordable to Brevard's low-to-moderate income households and local workforce

This proposal truly optimizes the development potential of the Azalea Avenue site both physically and financially. The design incorporates building massing and a site layout that blends seamlessly with the existing fit and form of the surrounding community, and at sixty units, the concept is strategically positioned to attract either 4% or 9% LIHTC equity and CDBG-DR funds to finance key public infrastructure – extending the parcel's benefits well beyond its 3.8 acres.

With this design, sixty of Brevard's hardest working low- and moderate-income households will remain a crucial part of the Brevard community fabric for decades to come.

Include Access to Green Space and Community Amenities for Residents

The development plan, in keeping with Brevard and DFI's recommendations, is intentionally designed to maximize tree preservation by clustering buildings and infrastructure in a manner that minimizes site disturbance, allowing more than one-third of the parcel to remain undisturbed.

By conserving these undeveloped areas, the project maintains existing tree canopy and enhances the site's natural character. The plan also provides 90 parking spaces, or 1.5 spaces per unit, which will require an NCHFA waiver but reflects, based on our experience, the appropriate balance of meeting resident parking needs while minimizing impervious coverage.

In addition, the development integrates a playground and other community-oriented amenities that are thoughtfully located to encourage interaction and shared use, with programming intended to convene residents and foster a strong sense of community.

Alignment with Guiding Public Interests (Cont.)

Attract as much private investment as possible to maximize the impact of public investment in affordable housing

To best position this opportunity amid tight timelines and heavy demand for LIHTC and CDBG-DR resources in Hurricane Helene-impacted areas, Fitch Irick is presenting two financial executions, both structured under a nominal land lease and requiring no additional outlay of funds from the City of Brevard. Each execution, one utilizing a 4%/PAB and the other a 9% LIHTC structure, is focused on fiscal responsibility and maximizing Brevard's public resources, attracting upwards of $12 million in private equity and leveraging as much as $9 million in CDBG-DR funding.

Accommodate the City's Sewer infrastructure extension into Azalea/Rhododendron neighborhood

Fitch Irick in developing the neighboring Broad River Terrace community assisted Brevard in accessing CDGB funding to finance necessary infrastructure improvements – including a lift station – to support that development. Given this and comparable experience in structuring applications, scope development and contract management of CDBG-funded infrastructure we are modeling $2m in costs to extend sewer infrastructure to the Azalea/Rhododendron neighborhood.

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Development Financing Assumptions - 9%

COST CATEGORY	TOTAL COST	PER UNIT
Acquisition	$1	$.02
Hard Costs	$14,361,000	$239,350
Site Work	$2,000,000	$33,333
Construction Costs	$10,036,000	$167,267
Permits/Taps and Impact	$325,000	$5,417
Other - Sewer Infrastructure	$2,000,000	$33,333
Soft Costs	$1,246,241	$20,771
A&E - Design	$292,000	$4,867
A&E - Inspection	$50,000	$833
Survey, Appraisal, Market Study, Environmental, Geotechnical	$82,000	$1,367
Tax Credit Fees	$243,361	$4,056
Taxes and Insurance	$145,000	$2,417
Title/Recording, RE Legal, Org. Costs	$120,000	$2,000
Other: SMT, Green Bldg. Tax Opinion, SWPP	$121,000	$2,016
UNC-DFI Fee	$192,880	$3,215
Contingency	$742,800	$12,380
Interim Financing Costs	$1,075,000	$17,917
Construction Loan Origination	$175,000	$2,917
Construction Interest Reserve	$840,000	$14,000
Construction Loan Legal	$20,000	$333
Construction Loan Inspection	$30,000	$500
Construction Loan Appraisal	$10,000	$167
Permanent Financing Costs	$69,500	$1,158
Perm Loan Origination	$29,500	$492
Perm Loan Legal	$25,000	$416
Perm Loan Appraisal	$15,000	$250
Reserves	$360,116	$6,002
Developer Fee and Overhead	$1,448,000	$24,133
PROJECTED TOTAL DEVELOPMENT COSTS	$19,302,658	$321,711

Pros

We believe the 9% competition offers the strongest opportunity to secure CDBG-DR funding in 2026, notwithstanding the project's relative disadvantage under the QAP tiebreakers.

Appendix L of the 2026 QAP ranks North Carolina counties by the number of cost-burdened, low-income renter households per 9% tax credit unit funded over the past five years. Transylvania County ranks last (100 of 100) with a ratio of 5.51 (540 households to 98 funded units). Because Appendix L serves as the first tiebreaker in the 9% award process, this ranking places Azalea at a material competitive disadvantage.

To mitigate this tiebreaker risk, the current 9% underwriting limits the annual credit request to $1.3 million, despite a $1.5 million per-project cap in 2026. Given the high likelihood that the Western pool will exhaust its 9% credit capacity before CDBG-DR funds are fully allocated, this reduced credit request materially improves Azalea's competitiveness—most importantly, its ability to secure the time-sensitive CDBG-DR resources.

If Azalea is the sole project competing in Transylvania County, and assuming that only 12 of the 16 Western pool counties can realistically support affordable housing development, the reduced credit request further enhances the probability of a CDBG-DR commitment, even if Azalea ultimately scores in the lower quartile of 9% applications.

Cons

The biggest factor working against Azalea's competitiveness in the 9% competition is Transylvania's place on the Appendix L tiebreaker.

FINANCING SOURCE	TOTAL
9% LIHTC Equity	$10,996,400
Permanent Debt	$2,950,000
Deferred Developer Fee	$356,258
CDBG-DR Hurricane Helene Relief	$3,000,000
NCHFA - Workforce Housing Loan Program (WHLP)	$2,000,000
TOTAL SOURCES	$19,302,658

$19,302,658

$321,711 per unit

Area Median Income (AMI)	BEDROOMS	# OF UNITS	SQUARE FOOTAGE	UTILITY ALLOWANCE	RENT
40% AMI	1-Bed	4	733 sq. ft.	$90	$540
40% AMI	2-Bed	9	940 sq. ft.	$115	$641
40% AMI	3-Bed	2	1,098 sq. ft.	$141	$733
60% AMI	1-Bed	5	733 sq. ft.	$90	$855
60% AMI	2-Bed	27	940 sq. ft.	$115	$1,019
60% AMI	3-Bed	13	1,098 sq. ft.	$141	$1,170

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Development Financing Assumptions - 4%

COST CATEGORY	TOTAL COST	PER UNIT
Acquisition	$1	$.02
Hard Costs	$14,361,000	$239,350
Site Work	$2,000,000	$33,333
Construction Costs	$10,036,000	$167,267
Permits/Taps and Impact	$325,000	$5,417
Other - Sewer Infrastructure	$2,000,000	$33,333
Soft Costs	$1,262,032	$21,034
A&E - Design	$292,000	$4,867
A&E - Inspection	$50,000	$833
Survey, Appraisal, Market Study, Environmental, Geotechnical	$82,000	$1,367
Tax Credit Fees	$252,810	$4,214
Taxes and Insurance	$145,000	$2,417
Title/Recording, RE Legal, Org. Costs	$120,000	$2,000
Other: SMT, Green Bldg. Tax Opinion, SWPP	$121,000	$2,016
UNC-DFI Fee	$199,222	$3,320
Contingency	$742,800	$12,380
Interim Financing Costs	$1,849,200	$30,820
Construction Loan Origination	$180,000	$3,000
Construction Interest Reserve	$859,200	$14,320
Construction Loan Legal	$20,000	$333
Construction Loan Inspection	$30,000	$500
Construction Loan Appraisal	$10,000	$167
Bond Costs: Issue Fee; Bound Counsel Fees; Trustee Fees; Compliance/Dissemination, Verif Agent, Admin Exp.	$750,000	$12,500
Permanent Financing Costs	$75,000	$1,250
Perm Loan Origination	$35,000	$429
Perm Loan Legal	$25,000	$417
Perm Loan Appraisal	$15,000	$250
Reserves	$383,395	$6,390
Developer Fee and Overhead	$1,448,000	$24,133
PROJECTED TOTAL DEVELOPMENT COSTS	$20,121,428	$335,357

Pros

The major benefit to the 4%/Private Activity Bond (PAB) program is that it is non-competitive and historically North Carolina has had adequate annual PAB capacity to meet all project demands. As long as the project is financially feasible and meets all NCHFA design standards, it will receive an allocation 4% credits and necessary PAB capacity.

NCHFA also offers three underwriting and review periods throughout the program year as opposed to the single 9% competition.

Cons

There are, however, significant downsides to a 4%/PAB execution on this project:

In order to maximize perm debt principal, the project set asides don't allow for as deep of affordability targeting as the 9% execution - all 60% units as opposed to 25% set aside for 40% AMI households.

Finally, feasibility hinges on a high leverage of soft financing, in this case, an award of $9m+ in CDBG-DR dollars. Although 4% projects are eligible to request up to $15m in CDBG-DR financing, our preliminary assumptions of total available CDBG-DR funds against the likely number of qualifying 4% projects leads us to believe that the project will likely only be able to access roughly $7.5m in CDBG-DR - creating a sizeable gap that will be difficult to fill without access to the other NCHFA soft funding programs.

At this time, a 4% execution is second in priority to 9%

FINANCING SOURCE	TOTAL
4% LIHTC Equity	$7,390.842
Permanent Debt	$3,500,000
CDBG-DR Hurricane Helene Relief	$9,230,586
TOTAL SOURCES	$20,121,428

FITCH IRICK CORPORATION

$20,121,428

$335,357 per unit

Area Median Income (AMI)	BEDROOMS	# OF UNITS	SQUARE FOOTAGE	UTILITY ALLOWANCE	RENT
60% AMI	1-Bed	9	733 sq. ft.	$90	$855
60% AMI	2-Bed	36	940 sq. ft.	$115	$1,019
60% AMI	3-Bed	115	1,098 sq. ft.	$141	$1,170

Key Team Members



Tom Anderson

Chief Development Officer

Tom is a mission-driven executive bringing 30+ years of development, financing and affordable housing experience. He has overseen $300M+ development pipeline, scaled operations from 3 to 12 states, staffed 4 regional offices and led a 12-member cross-functional team from deal sourcing through handoff to property management. Prior to Fitch Irick, Tom was at Penrose and Cohen-Esrey where he aligned operations and capital partners; structured debt & equity; mitigated risk and managed compliance; and represented developers before housing authorities and state agencies



Anderea Gonzalez

Vice President of Development

Anderea leads Fitch Irick's development department, overseeing strategy, execution, and team performance from project inception through stabilization. She has played a central role in shaping the company's growth, guiding the development and rehabilitation of more than 5,000 housing units across the Southeast, representing over $1 billion in investments. Anderea's leadership ensures projects meet financial and regulatory benchmarks. Her comprehensive understanding of financing structures, construction, and compliance enables her to position the company for long-term success while cultivating strong public and private partnerships.



Tom Barry

Vice President of Finance

Tom identifies, negotiates, and secures funding sources for construction and permanent financing as well as tax credit equity. He manages the relationships with our financing partners and provides creative solutions to finance our most difficult transactions. Prior to Tom joining Fitch Irick in 2021, he was a relationship manager with Bank of America where he provided developers a variety of funding sources totaling of $650 million in bank products and services.



Hunter Snellings

Director of Development

Hunter plays a critical role in advancing the company's affordable housing mission by leading projects from predevelopment through closing with a focus on quality, strategic execution, and community impact. He cultivates strong public- and private-sector partnerships, negotiates complex development agreements, and manages financing strategies that leverage local, state, and federal resources to bring high-quality housing to market. With a proven ability to secure major municipal investment, coordinate multidisciplinary teams, and navigate entitlement and regulatory processes, he ensures that each development meets community needs, remains financially viable, and stays on schedule

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Broad River Terrace

51 Kimzey Circle, Brevard NC

Constructed in 2011 and located off Route 64 & Old Hendersonville Highway in Brevard, NC, our apartments are not only accessible to multiple dining and retail options but are minutes away from Blue Ridge Community College and Transylvania Regional Hospital. Our 1, 2, and 3 bedroom apartment homes have fully furnished, washer and dryer connections, generous walk-in closets and private patios.

Fitch Irick's team partnered with Brevard, NC to help the city access CDBG funds through Land of Sky to help improve infrastructure, including the offsite lift station.

Fitch Irick Development - Hollis Fitch
Architect: Martin Riley Associates
GC: Creative Builders
Property Management: Fitch Irick Property Management

Equity Source: 9% LIHTC (CAHEC)
Permanent Loan: CAHEC
Construction Loan: CAHEC



Love Mill Apartments

104 Bermuda Crossing, Whiteville, NC

60 Units

Family

100% Affordable

Love Mill Apartments, completed in 2024, is a modern 60-unit multifamily development located in Whiteville, NC. It addresses an urgent need for affordable housing while enhancing community life. This development features a thoughtful mix of 1-, 2-, and 3-bedroom units, each outfitted with luxury vinyl tiles in the living spaces, ENERGY STAR-rated fans in bedrooms and living rooms, storage closets, and in-unit laundry hook-ups, blending comfort and sustainability.

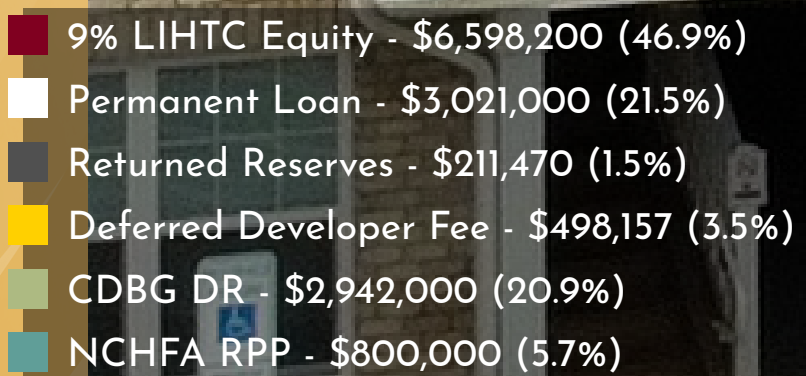
Fitch Irick partnered with the City of Whiteville to help fund an upgraded lift station that services the site as well as the neighboring community.

Fitch Irick Development
- Charlie Irick, Developer
- Anderea Gonzalez, VP Development

Architect: Martin Riley Associates
GC: FEMCO Construction
Property Management: Fitch Irick Property Management

Equity Source: 9% LIHTC (Stratford Capital)
Soft Sources: CDBG-DR and NCHFA RPP
Construction Loan: First Bank
Permanent Loan: Lument





Woodford Trace Apartments

720 Coralberry Pk SW, Aiken, SC

48 Units

Family

100% Affordable

Woodford Trace, the first of three phases in Aiken, SC, features 2 buildings with (30) 2 bedroom/2bath units and (18) 3 bedroom, 2 bath units. Woodford Trace is centrally located off one of the main arteries in the city of Aiken. With close proximity to a well-recognized big box store, multiple grocery store options, the area mall, pharmacies, schools and multiple restaurants, we are excited to provide safe and affordable housing where people want to work and live.

Fitch Irick partnered with The City of Aiken to help construct roads and a lift station to help with the city's infrastructure and connectivity.

Fitch Irick Development
- Charlie Irick, Developer
- Anderea Gonzalez, VP Development

Architect: Steele Group Architects
GC: Southern Pointe Construction
Property Management: Fitch Irick Property Management

Equity Source: 9% LIHTC (CAHEC) and State Credit (Sugar Creek Capital)
Construction and Permanent Loan: Churchill Stateside Group

