319 Biltmore Avenue

Development of City-Owned Land for Affordable Housing

City Council
August 23, 2022

THE CITY OF ASHEVILLE

Key Takeaways

- Mixed income project that will deliver 215 units, with 65 affordable units
  - Affordability is spread across 1, 2, and 3 bedroom units
- Laurel Street is proposing the following terms and financing:
  - Land purchase price of $1
  - 30 years of affordability
  - City to fund the construction of a traffic signal at White Fawn Drive / John Walker Avenue.
- Staff recommends approval

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Background

- The original RFP was issued based on the proposed development of a mixed income & affordable community to complement Maple Crest Apartments.
- Proposed Purchase and Sales Agreement with Laurel Street Residential is the next step in developing the property.
- Laurel Street Residential has continued to refine the project, including additional units and parking spaces.
- The Housing & Community Development Committee voted 3-0 in favor of approval of the agreement on August 16, 2022.

319 Biltmore



Background City Investments at 319 Biltmore

- Property Acquisition
  - $5.3M of Bond Funds in January 2020

- Demolition of building, environmental site remediation, and infrastructure investments
  - $400,000 of Bond Funds

- Future investments include a traffic signal at the intersection of White Fawn Drive, John Walker Avenue, and Biltmore Avenue.
  - Total investment to be determined after traffic study, current estimate is $400,000

City invested $4.2M in the construction of Maple Crest at Lee Walker Heights

Proposal

- Number of Units: Approx. 215
  - 20% @ 60% AMI , approx. 43 units, half accept Housing Choice Vouchers
  - 10% @ 80% AMI, approx. 22 units
- Unit Mix: 1-, 2- and 3- bedrooms

Incomes Served	**Studio / 1 Bedroom**	**2 Bedrooms**	**3 Bedrooms**	**Totals**
60% AMI & Below	22 (11 accept vouchers)	15 (7 accept vouchers)	6 (4 accept vouchers)	43
80% AMI & Below	7	9	6	22
Market Rate	102	38	10	150
Total	**131**	**62**	**22**	**215**

Proposed Purchase & Sales Agreement

- Number of Units: Approx. 215 units minimum
  - 20% @ 60% AMI , approx. 43 units, half accept Housing Choice Vouchers
  - 10% @ 80% AMI, approx. 22 units
- Real Estate & Financial Terms:
  - 30 years affordability minimum, deed restriction
  - Land price at $1, as subsidy for affordable housing
- Other Considerations:
  - Construction to be completed within 24 months of closing on financing
  - Inclusion / MWB Participation: 30% goal
  - Commercial Space: 1,000 sq. ft non-profit / community development

Policy Analysis

- Policies for Implementing Affordable Housing on City-Owned Land:
  - Project proposal complies with policies - minimum of 20% of units affordable at 60% AMI for 20 years with a strong preference for 30 years.

- Other Considerations:
  - City's major source of subsidy is the land purchase cost of $5.3M
  - Cost of per unit subsidy is higher due to the land price ($81,500/unit).
  - Land acquisition and infrastructure investments benefitted Lee Walker Heights' connection to Biltmore Avenue and overall site development

Committee Reviews

- Housing and Community Development Committee reviewed the project at both their July and August meetings
- The Committee voted 3-0 to recommend approval of the project on August 16, 2022.

Staff Recommendation

- Staff recommends approval based on the following:
  - Staff supports the development proposal
  - Mixed income development adjacent to Lee Walker Heights aligns with initial vision for property
  - Complies with Policies for Implementing Affordable Housing on City-owned Land
  - Develops 215 total units in a prime location, with 65 of those units being affordable
  - Provides affordability across 1, 2 and 3 bedrooms units, allowing opportunities for families

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