City Council Meeting: November 15, 2022

Subject: Rescinding the award of $1,000,000 from the City's Housing Trust Fund

Staff Resource(s): Nikki Reid, Community & Economic Development Director
Sasha Vrtunski, Affordable Housing Officer

Action Requested: Adoption of a resolution to rescind the Housing Trust Fund award of $1,000,000 approved for Beaucatcher Vista LLC.

Background:
- City Council approved Beaucatcher Vista LLC's Housing Trust Fund award for $1,000,000 on May 26, 2020, Resolution #20-96.,
- The award was to develop forty affordable rental homes at 2 Restaurant Court (now addressed as 16 Restaurant Court).
- Beaucatcher Vista LLC chose not to pursue the development of the project and no formal agreements or payments were issued.
- Mountain Housing Opportunities currently has the 16 Restaurant Court property under contract and intends to close on the property before the end of October 2022, for the purpose of constructing multi-family affordable housing.
- The City Council approved a Housing Trust Fund loan of $850,000 for Mountain Housing Opportunities to purchase the land on August 23, 2022.
- Beaucatcher Vista LLC has since requested to rescind their Housing Trust Fund award.

Council Goal(s):
- Quality Affordable Housing

Committee(s):
- Housing and Community Development Committee (HCD) August 16, 2022 voted unanimously to approve Mountain Housing Opportunities' application, acknowledging that this award from 2020 would be rescinded.

Pro(s):
- Funds will be available for future use in the Housing Trust Fund.

Con(s):
- None noted.

Fiscal Impact:
- No funds have been paid to Beaucatcher Vista LLC.
- This action will rescind the $1,000,000 awarded to Beaucatcher Vista LLC, and the funds will be available for future use in the Housing Trust Fund.

Suggested Motion:
- Motion to authorize a resolution to rescind the $1,000,000 Housing Trust Fund loan previously awarded to Beaucatcher Vista LLC.

Attachment(s):
- Resolution #20-96
- Email from Kirk Booth
- Resolution

RESOLUTION NO. 22-_____

RESOLUTION APPROVING THE RESCISSION OF THE HOUSING TRUST FUND LOAN PREVIOUSLY AWARDED TO BEAUCATCHER VISTA, LLC

WHEREAS, on May 26, 2020, Resolution #20-96 the City of Asheville awarded a Housing Trust Fund Award to Beaucatcher Vista LLC in the amount of $1,000,000, to be secured by a promissory note and deed of trust, for the development of forty (40) affordable rental homes at 2 Restaurant Court; and

WHEREAS, Beaucatcher Vista LLC has informed the Community & Economic Development Department that the property will be sold to Mountain Housing Opportunities for a different housing development and therefore, requests a rescission of the HTF award; and

WHEREAS, the City has not executed any formal agreements nor has issued any payments of Housing Trust Funds for this purpose; and

WHEREAS, upon rescission of the award to Beaucatcher Vista LLC, $1,000,000 will be available for future Housing Trust Fund use;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

The Housing Trust Fund Award of $1,000,000 made to Beaucatcher Vista LLC is hereby rescinded.

Read, approved and adopted this 15th day of November, 2022.

_____ _____

City Clerk Mayor

Approved as to form:

_____

City Attorney