221 Long Shoals Road

Land Use Incentive Grant Request

Asheville City Council
July 26, 2022

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Key Takeaways

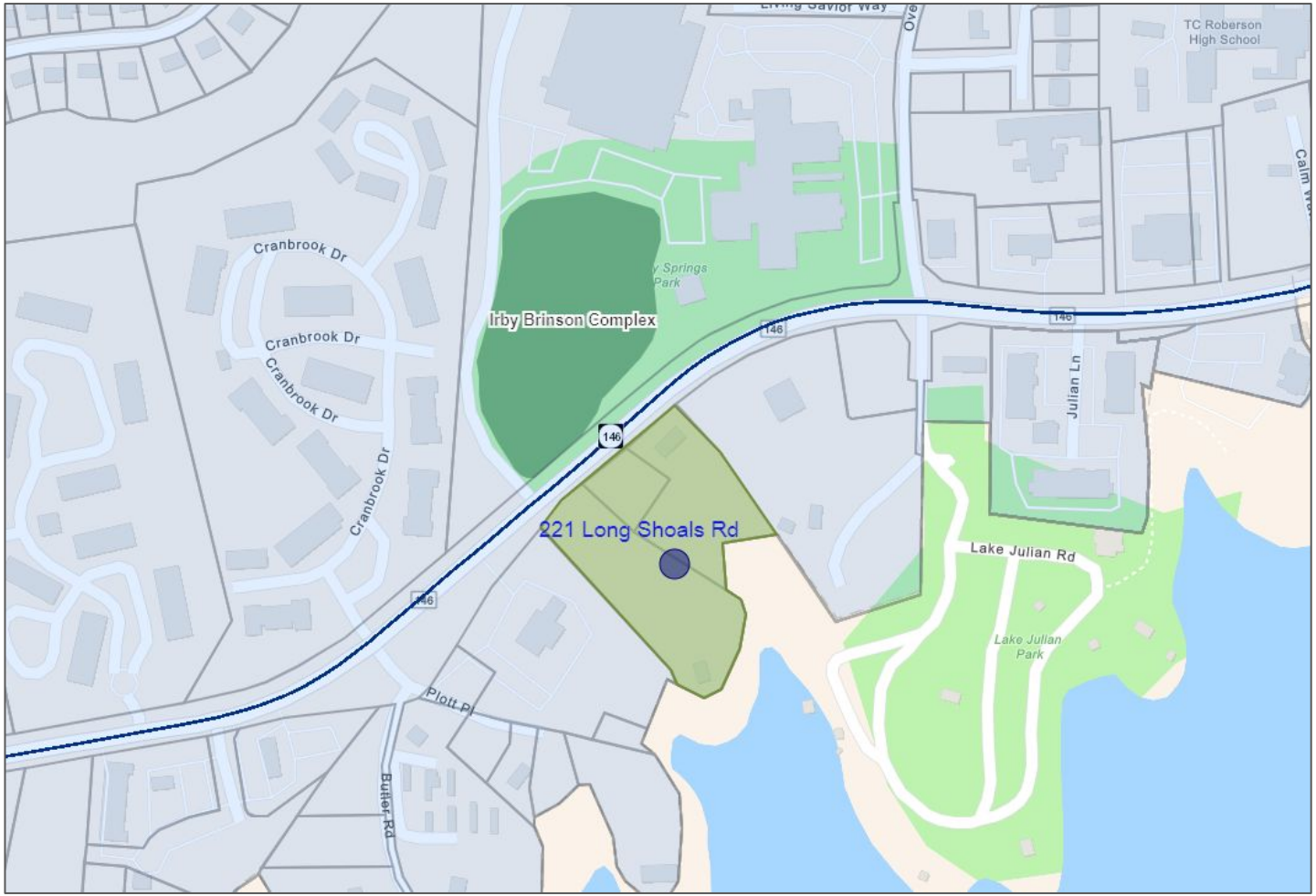
- LUIG application for 221 Long Shoals Apartments in South Asheville
- Project committing 37 units (20%) to be affordable for 20 years at 80% or below.
- The project is also bringing other benefits including rental assistance, housing for the Homeless By-Name list, solar panels and Universal design.
- Project qualifies for 17 years of taxes paid.

Project Background

- The development consists of 186 apartments and community space.
- Housing represents 100% of all rentable square footage.
- Of the 186 residential units, 37 rental apartments (20%) will be affordable, serving individuals and families earning at or below 80% of the Area Median Income (AMI) for a minimum of 20 years.
- The project encompasses 5.36 acres of land on Long Shoals Road.
- Unit mix for affordable units is 18 one bedroom units and 19 studio units. The units accepting vouchers will be the one bedroom units and 1 studio.

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Project Location



Exterior Elevations



Point Summary

Per the LUIG Scoring Matrix (attached) and based upon the policy, the project will receive:

- 20 total points for affordability
- 10 points for rental assistance
- 5 points for Housing for 1 person on the Homeless By-Name list
- 10 points for the location
- 20 points for energy efficiency & solar panels
- 10 points for Universal Design
- 10 points for building in a non-Qualified Census Tract

Total Points: 85 points = 17 years of taxes paid back

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Vouchers

50% of the affordable units (19 units) must accept Housing Choice Vouchers

- Housing Choice Vouchers help people at or below 50% AMI. These residents come from the Housing Authority. The household pays 30% of their income, but the voucher makes up the difference.
- Our area currently has **100** vouchers that are going unused because of a lack of units that accept them.
- When someone finds a unit, they leave public housing and make space for another household on the public housing waiting list. So a voucher unit actually helps 2 households.

LUIG Specifics

- The three parcels included in the project have a current tax value of $3,369,600 and pays city property taxes of approximately **$13,579** annually.
- Under the estimated tax value of $26 Million post-completion, the annual city property tax will be approximately **$104,941**.
- The difference is **$91,361**, which would be granted to the property owner annually after payment for 17 years.
- Total grant is estimated at **$1,553,149** over the 17 years of the LUIG.

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LUIG Specifics

- Subsidy then equals **$41,977 per unit** of subsidy which is lower than the estimate of up to $80,000 as noted in existing policy.
- After year 17, the City will receive the approximate **$104,941** annually in city tax revenue (depending on future property tax increases, etc.).
- The City will receive property taxes of approximately $13,579/year in years 1 -17.

Committee Reviews

- The Housing and Community Development Committee reviewed this LUIG request at their June 21 meeting and voted 3-0 in favor of approval.
- The Finance Committee reviewed the request at their June 28 meeting and voted 3-0 in favor of the approval.
- Affordable Housing Advisory Committee also gave comments on the project.

Comments centered around the number of bedrooms in the affordable units and the need for some multiple bedroom units. Staff has discussed this request with the developer.

Recommendation

- Staff recommends approval of the Land Use Incentive Grant application for Millstone Ventures / 221 Long Shoals Road.

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