Reimagining Deaverview - Phase I

Affordable Housing Bond Grant Request

City Council
May 10, 2022

THE CITY OF ASHEVILLE

Key Takeaways

- The Housing Authority (HACA) originally requested $1.2 Million for Reimagining Deaverview Phase I from Affordable Housing Bond funds. Buncombe County has granted $935,826 towards the project. HACA is now requesting $1.465 Million to fill the gap in funding.
- Staff is recommending $1.2 Million for this project.
- City funding is contingent on the award of a 9% Low Income Housing Tax Credit (LIHTC) proposal.
- City funding is contingent on Buncombe County also contributing a grant to HACA.
- $1.2 million for 82 units at Deaverview is a subsidy of $14,634 per unit which aligns with subsidy level typically approved for the City's HTF loans.
- This funding is similar to past City - County - Housing Authority partnerships i.e Maple Crest at Lee Walker Heights.

Background

- The Reimagining Deaverview - Phase I will build 82 new affordable mixed-income units serving families earning between 10% and 80% of Area Median Income (AMI), with incomes averaging below 60% AMI.
- 51% of the units will serve those with incomes under 50% AMI.
- These units will replace 82 of the existing 160 units at Deaverview.
- Residents who want to stay in the Deaverview community can move into new units and not experience any displacement during construction.
- The total project cost is estimated at approximately $16.45 Million and the project is seeking funding through a combination of 9% Low Income Housing Tax Credit (LIHTC) funds, NCHFA Loan funds, permanent loan financing, Housing Authority Funds, Buncombe County grant funds in the amount of $935,286 and City grant funds in the amount of $1.2 million (see attachment).

Background

- Bedroom mix:
  - 48 one bedroom units
  - 16 two bedroom units
  - 14 three bedroom units
  - 4 four bedroom units
- AMI Mix:
  - 21 units - 30% AMI and below
  - 21 units - 50% AMI and below
  - 40 units - 60% AMI and below

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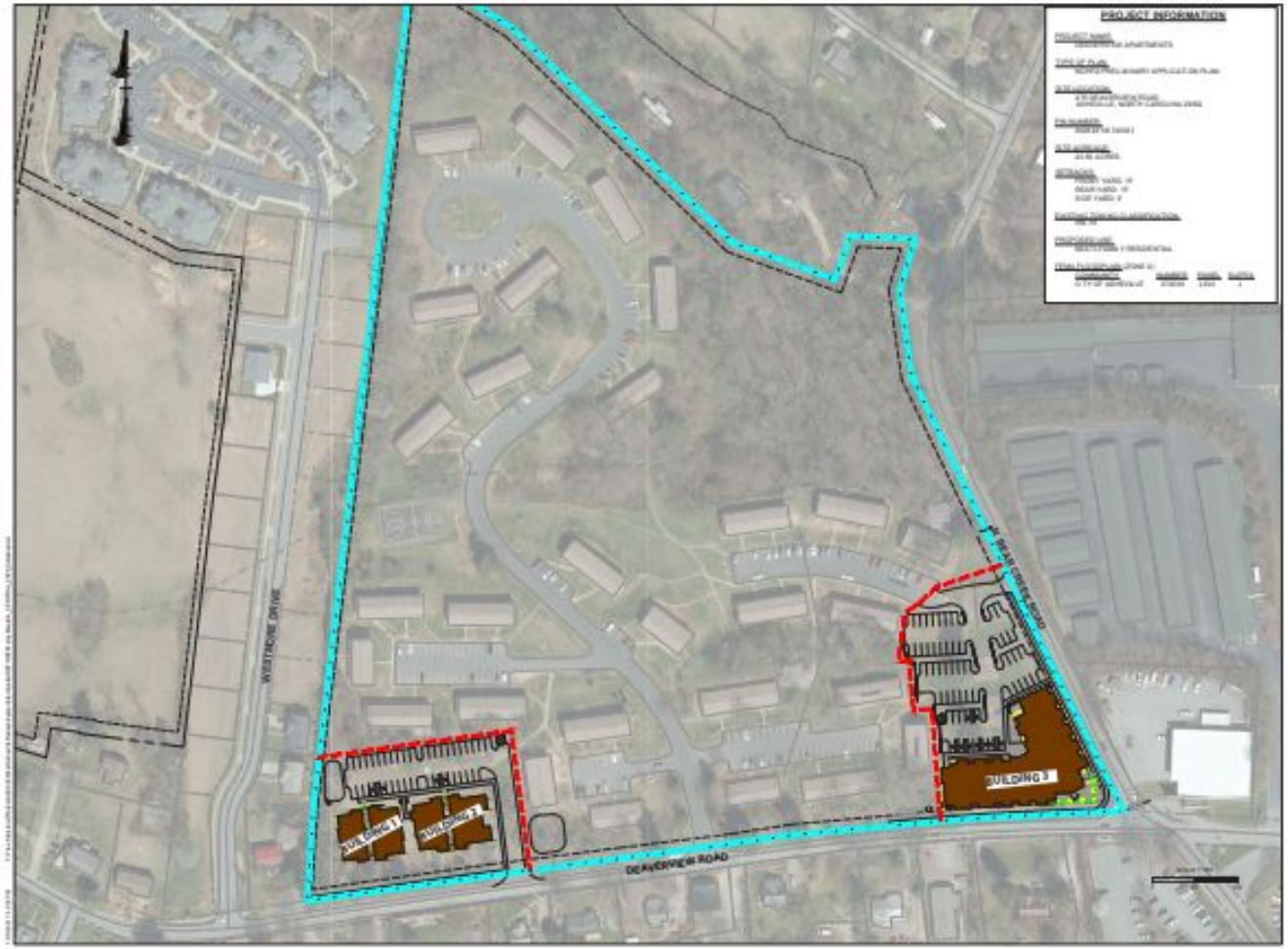

PROJECT INFORMATION
WESTMORE DRIVE
DEAVERVIEW ROAD
BUILDING 1
BUILDING 2
BUILDING 3

Exhibit B - Preliminary Architectural Plans

NCHFA Tax Credit Application Number: APP22-0025



Recommendation

- Given the low subsidy per unit to assist our very-low AMI families, a guarantee of affordability in perpetuity, the importance of the future success of the 82 individuals and families, City Staff agrees that a grant to HACA is appropriate.
- Staff recommends approval of a motion that the Asheville City Council authorize the City Manager to negotiate and enter into a grant agreement with the Housing Authority of the City of Asheville in the amount of $1.2 million according to the terms and conditions herein.
- Funding is contingent on the award of the 9% tax credits.

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