217 Hilliard Avenue

Land Use Incentive Grant Request

Asheville City Council
June 14, 2022

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Key Takeaways

- LUIG application for 217 Hilliard Avenue microhousing.
- Project committing 16 units (20%) to be affordable for 20 years at 80% or below.
- Project qualifies for 21 years of taxes paid.
- Project has already been approved by Planning & Zoning, and will need a waiver for receiving a LUIG before zoning approval.
- The project has not received a zoning permit yet.

Project Background

- The development consists of 80 micro housing units and community space. For the purposes of this LUIG application, Hilliard Flats LLC is only asking for a LUIG on parcels containing the +/- 80 residential units of housing.
- Housing represents 100% of all rentable square footage.
- Of the +/- 80 residential units, 16 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 .187 acres of land bound by Hilliard Avenue in Downtown Asheville.
- The developer estimates a total development cost of approximately $7.2M (see attached application). The taxable value after construction will likely be lower which would result in a lower yearly grant.

Point Summary

- 20% of units affordable at 80% AMI (20 points)
- 10% Rental Assistance (5 points)
- Location:
  - Within the Central Business District (30 points)
  - Within .25 mile of a ½ hour transit stop
  - 1 mile from a job or urban center
  - .5 mile from a transit amenity
- Energy Efficiency / Energy Star (5 points)
- Energy Efficiency / Green Built homes (10 points)
- Universal Design- 20% of units (10 points)

Total Points: 105 points = 21 years of grant

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LUIG Specifics

- The parcel will be subdivided and the vacant piece where the building will be built has an estimated current tax value of $195,404 and pays city property taxes of approximately $787 annually.
- Under the estimated tax value of $7.2M post-completion, the annual city property tax will be approximately $29,016.
- The difference is $28,228 which would be granted to the property owner annually after payment for 21 years.
- For 21 years and 16 affordable units at or below 80% AMI, the city will grant back a total of $592,790 over the 21 years of the LUIG which equals $37,049 per unit of subsidy which is lower than the $80,000 subsidy cap noted in the LUIG Policy.
- After year 21, the City will receive the approximate $29,016 annually in city tax revenue (depending on future property tax increases, etc.).

Existing Conditions



- Historic House to remain
- New Lot created 0.18 acre

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Site Plan/ Floor Plans



Floor Plans



LEVEL 2 - 4 Pres.



LEVEL 5 Pres.



HILLIARD AVE LOOKING EAST



ENTRANCE



ENTRANCE



HILLIARD AVE LOOKING WEST



MATERIAL TEXTURES AND CHARACTERISTICS

Walk Score® Get Scores My Favorites Add to Your Site

Type an address, neighborhood or city Go

217 Hilliard Avenue

South French Broad, Asheville, 28801

Commute to **Downtown Asheville**

1 min 7 min 2 min 8 min View Routes

Favorite Map Nearby Apartments on Redfin

Looking for a home for sale in Asheville?

Walk Score 89

Very Walkable

Most errands can be accomplished on foot.

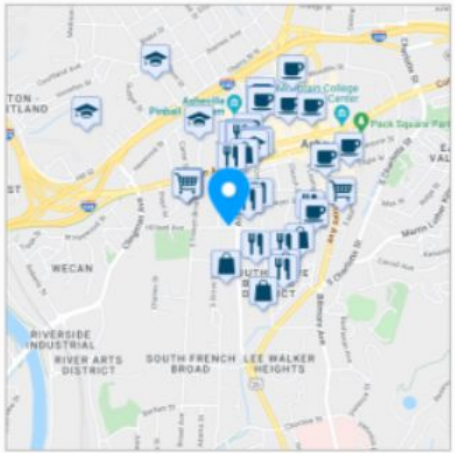
Bike Score 69

Bikeable

Some bike infrastructure.

About your score

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Committee Reviews

- The Housing and Community Development Committee reviewed this LUIG request at their April 27 meeting and voted 2-1 in favor of approval.
- The Finance Committee reviewed the request at their May 24 meeting and voted 3-0 in favor of the approval.

Recommendation

- Staff recommends approval of the Land Use Incentive Grant application for Hilliard Flats LLC / 217 Hilliard Avenue.

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