Haywood Street Community Development

Land Acquisition and Housing Trust Fund Request

February 22, 2022

Nikki Reid, Director
Community & Economic Development

THE CITY OF ASHEVILLE



Key Takeaways

- Strategic opportunity to invest in a partner offering deep affordability and a community of care in connection with Haywood Street's core services.
- The project is ideally located near many downtown employment opportunities, with good access to transit and essential services.
- This project leverages partnership funding from both Buncombe County and Dogwood Health Trust (pending approval).
- This project will be deed restricted to permanent affordability, ensuring a long-term supply of affordable rental units in Asheville at this location.

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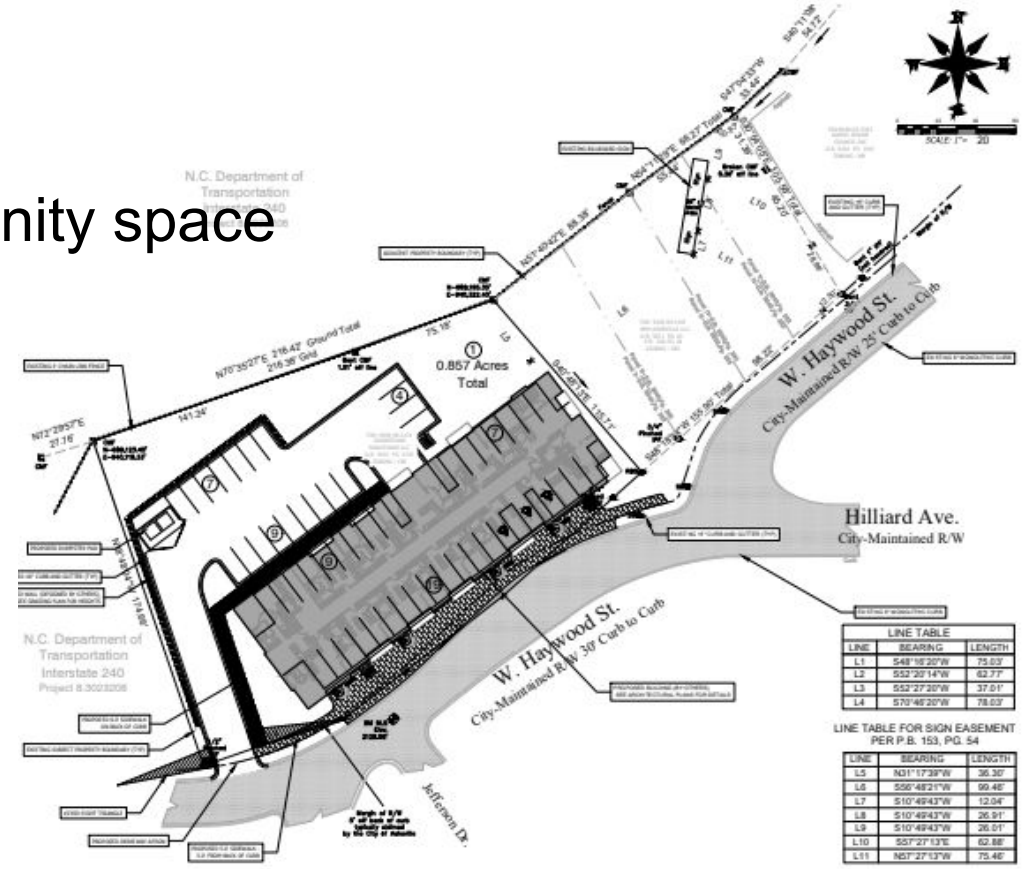
Background

- Haywood Street Congregation formed a 501(c)3 non-profit, **Haywood Street Community Development (HSCD)**, with the intention to provide permanent affordable housing to the most vulnerable members of the Asheville community.
- Haywood St. is partnering with Ward Griffin of Grace Construction and Austin Tyler with Dewey Property Advisors to purchase, develop, and construct the project.
- This will be HSCD's first effort towards developing a permanent residential apartment project.
- City Council previously authorized a grant in the amount of $296,000 for due diligence and associated pursuit costs to HSCD for this project.

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Property Concept and Location

- 0.857 acre parcel located at 343 & 357 West Haywood St.
- Approximately 45 affordable units:
  - 23 units at 30% AMI
  - 9 units at 60% AMI
  - 13 units at 80% AMI
  - 5550 sq. ft. of community space



Property Concept and Location

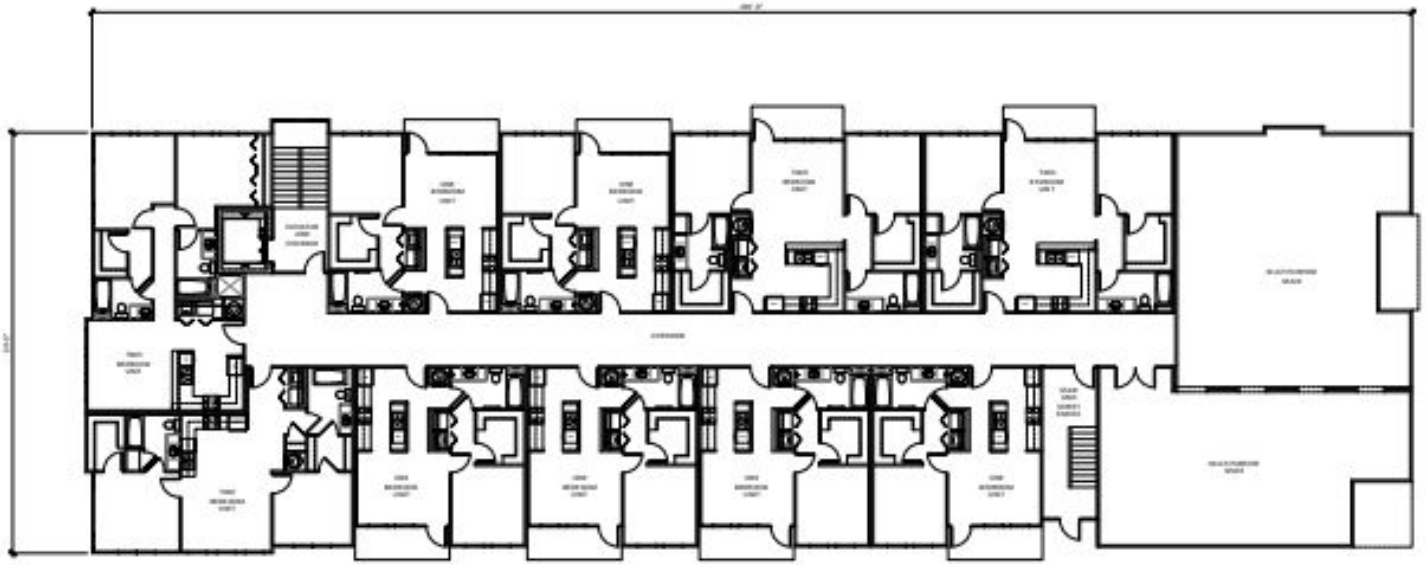


DESIGN PROGRESS DRAWINGS FOR
HAYWOOD STREET HOUSING PROJECT
ASHEVILLE, NORTH CAROLINA

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PLAGEMAN ARCHITECTURE

Property Concept and Location



FIRST FLOOR PLAN
SCALE: 1/8" = 1'-0"

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PLAGEMAN ARCHITECTURE

Budget and Funding

Total Proposed Project Budget	**$10,180,496**
Potential Funding Breakdown	
Buncombe County Grant Commitment	$749,000
Dogwood Health Trust Funds (proposed)	$2,000,000
HSCD Private Loan Commitment	$4,121,624
HSCD Equity Commitment	$809,872
City Due Diligence Grant (previously authorized)	*$296,000*
City Affordable Housing Bond	*$1,300,000*
City Housing Trust Fund Loan	*$904,000*

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Funding Terms

HSCD seeks a loan of $904,000 from the City's Housing Trust Fund (HTF) under the following terms:

- No interest and deferred payments for the first 10 years
- Interest only at a rate of 1% for the next 10 years
- At year 20, the loan will either (1) convert to an amortizing loan, paying principal and interest, on a 30 year amortization at a 1% interest rate OR (2) the HTF principle will be repaid in full as part of a refinance of the total debt stack at the time. The total term of the loan is 50 years.

Funding Terms (cont.)

HSCD seeks a grant of $1.3M for the purchase of 0.857 acres of land:

- The land will be secured by a deed restriction for permanent affordable housing at the site.
- Should a project not come to fruition, HSCD must sell the site and repay the City the grant amount.

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Action Requested:

- HCD Committee endorsed this recommendation to City Council
- Suggested motion:
  - Motion to support a request by Haywood Street Community Development for $1.3M in funding to purchase land and $904,000 Housing Trust Fund to construct 45 permanently affordable rental homes on property located at 343 & 357 West Haywood Street in the City of Asheville.

Haywood Street Community Development

