STAFF REPORT

City Council Meeting: April 14, 2020

Subject: Donations to the Housing Trust Fund for Affordable Housing.

Staff Resource(s): Cathy Ball, Assistant City Manager
Sam Powers, Community and Economic Development Director
Paul D'Angelo, Community Development Program Director

Action Requested: Authorization for the City Manager to execute agreements regarding donations to the Housing Trust Fund, with permission of the donor, to utilize those funds in a different capacity in order to support and advance affordable housing efforts, and a budget amendment in the amount of $100,000 from donated funds to establish a project budget in the Special Revenue Fund for the City's contribution to Thrive Asheville.

Background:

- The City of Asheville occasionally receives donations to the Housing Trust Fund (HTF) from private individuals and companies to support and advance affordable housing efforts.
- The City of Asheville Housing Trust Fund program was established in September 2000 with the goal of providing low cost financial assistance to incentivize the development and preservation of affordable housing within the city limits for the benefit of moderate to low income individuals and families.
- Donations to the HTF have traditionally been added to the HTF budget at the time of donation.

Proposal:

- Recently, individual pilot programs that have been vetted in the community have been identified as being in need of a capital injection for the program to enhance their efforts toward supporting and advancing affordable housing, including the development and preservation of affordable housing.
- One such program, Thrive Asheville, is in need of $100,000 for their Landlord-Tenant Partnership Program which will link 25 families, who currently live in public housing developments, to privately-owned properties in neighborhoods with greater opportunities and safety.
- Working with the City Managers Office and Economic and Community Development Department, the Deerfield Episcopal Retirement Community graciously agreed that $100,000 of its previously made $250,000 donation to the City's HTF, donated on October 22, 2019, could be used for this Thrive Asheville Voucher Pilot Program.
    - $100,000 Thrive Asheville Voucher Budget / City of Asheville Funding
        - Landlords $48,000
        - Tenant Training & Support $13,060
        - Indemnification $37,500
        - Non-profit Oversight $1,440

- Moving forward, in order to most effectively utilize similar donations, and more directly invest non-City donated funding for affordable housing efforts, City Staff recommends that the City Manager be granted authority to execute agreements with donors regarding changes in the use of their donations.
- The City of Asheville's Community Development Division will attend monthly meetings with Thrive & other partner agencies as well as receive quarterly reports from Thrive on how the funding is being spent.

- A summary of the education sessions for both tenants and landlords, and outcomes to include the number of individuals successfully placed in privately-owned properties in neighborhoods with greater opportunities and safety.

Council Goal(s):
- A Diverse Community
- Thriving Local Economy
- A Financially Resilient City

Committee(s):
- None

Pro(s):
- Approval allows funding to be more directly invested into programs that will support and advance affordable housing efforts.
- City Council will remain updated on donations as wells as executed agreements with donated funds that will support and advance housing efforts.

Con(s):
- None noted.

Fiscal Impact:
- As noted above, the donated funds have already been received by the City. The budget amendment will simply move the funds from the HTF to a project in the Special Revenue Fund established specifically to track and report on the contribution to Thrive Asheville.

Suggested Motion:
- Motion to authorize the City Manager to execute agreements regarding donations to the Housing Trust Fund, with the permission of the donor, to utilize those funds in a different capacity in order to support and advance affordable housing efforts, and approve a budget amendment in the amount of $100,000 from donated funds to establish a project budget in the Special Revenue Fund for the City's contribution to Thrive Asheville.

Attachment(s):
- Resolution
- Budget Amendment
- Thrive Asheville Landlord-Tenant Partnership Program Summary

RESOLUTION NO. 20-_____

RESOLUTION APPROVING THE CITY MANAGER TO EXECUTE AGREEMENTS REGARDING DONATIONS TO THE HOUSING TRUST FUND, WITH THE PERMISSION OF THE DONOR, TO UTILIZE THOSE FUNDS IN A DIFFERENT CAPACITY IN ORDER TO SUPPORT AND ADVANCE AFFORDABLE HOUSING EFFORTS

WHEREAS, the City of Asheville occasionally receives donations to the Housing Trust Fund (HTF) from private individuals and organizations to support and advance affordable housing efforts; and

WHEREAS, the City of Asheville Housing Trust Fund program was established in September 2000 with the goal of providing low cost financial assistance to incentivize the development and preservation of affordable housing within the city limits for the benefit of moderate to low income individuals and families; and

WHEREAS, City Management is often in search of funding to support pilot programs to enhance an organization's efforts to support the production, preservation and protection of affordable housing; and

WHEREAS, Thrive Asheville is in need of $100,000 for their Landlord-Tenant Partnership Program which will link 25 families, who currently live in public housing developments, to privately-owned properties in neighborhoods with greater opportunities and safety; and

WHEREAS, the Deerfield Episcopal Retirement Community agreed that $100,000 of its previously made $250,000 donation to the City's HTF, donated on October 22, 2019, could be used for Thrive Asheville's Voucher Pilot Program; and

WHEREAS, City Staff recommends that the City Manager be granted authority to execute agreements with donors regarding changes in the use of their donations that will support efforts to produce, preserve and protect affordable housing; and

WHEREAS, the actions described above would help support community partners focused on the strengthening of communities through affordable housing and economic opportunity in Asheville;

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

City Council hereby authorizes the City Manager to execute agreements regarding donations to the Housing Trust Fund, with the permission of the donor, and to utilize those funds in a different capacity in order to support and advance affordable housing efforts.

Read, approved and adopted this 14th day of April, 2020.

_____ _____

City Clerk Mayor

Approved as to form:

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City Attorney

ORDINANCE NO. _____

BUDGET ORDINANCE AMENDMENT

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE

That the City of Asheville Fiscal Year 2019-20 Budget Ordinance be amended to provide an appropriation of $100,000 from donated funds to establish a project budget in the Special Revenue Fund for the City's contribution to Thrive Asheville as follows:

SPECIAL REVENUE FUND

Revenues:

Transfer from Housing Trust Fund	$100,000.00

Appropriations:

External Contribution	$100,000.00

That this ordinance shall be in full force and effect upon the date of final passage.

Read, approved and adopted this 14th day of April, 2020.

_____ _____

City Clerk Mayor

Approved as to form:

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City Attorney