THE CITY OF ASHEVILLE

STAFF REPORT

City Council Meeting: April 14, 2020

Subject: Beaucatcher Vista LLC Land Use Incentive Grant Request - 2 Restaurant Court

Staff Resource(s): Sam Powers, Community and Economic Development Director
Paul D'Angelo, CD Program Director
Andrew Mayronne, CD Analyst

Action Requested: Adoption of a resolution to set a public hearing on May 12, 2020, to consider a Land Use Incentive Grant application for 2 Restaurant Court Rental Community, Beaucatcher Vista LLC.

Review::

- Kirk Booth d/b/a as Beaucatcher Vista LLC has proposed the development of a 40-unit, 100% affordable multifamily property on a 1.31 acre parcel located at 2 Restaurant Court (PIN #9658-08-2350) in Asheville directly off of Tunnel Road. All 40 units are intended to be 1 bedrooms, with 30 of the units set aside for households at or below 60% of Area Median Income (AMI) and the remaining 10 for 80% AMI households.
- The property is situated in close proximity to commercial and transit amenities, including an ART bus stop, an Ingles grocery and pharmacy, and a number of potential employers. These are all factors prioritized in the LUIG policy.

Proposal:

- The property's location and commitment to affordable housing merits a score of 150 on the LUIG scoring matrix, resulting in an award period of 21 years. The City's LUIG policy caps award terms at 20 years plus 1 from the date of release of all occupancy permits for the property.
- The current assessed value of the parcel is $786,000 with an annual City tax obligation of $3,371.15. An estimate of post-construction value from the developer is $4,000,000. True valuation will be determined by Buncombe County Tax Assessor after project completion.
- A project valued at $4,000,000 at the current City tax rate of 0.4289 would result in an annual grant award of $13,784.85. Over the 21 year award period, the total value of the LUIG award would amount to $289,481.85.
- This request will be presented in unison with a $1,000,000 Housing Trust Fund request. The combined City subsidy should both awards be approved is $1,289,481.85, or a total City subsidy of $32,237.05 per affordable unit.

Council Goal(s):

- Quality Affordable Housing
- An Equitable and Diverse Community

Committee(s):

- None

Pro(s):

- The proposed project will create 40 affordable rental housing units made available to households earning 80% or less of AMI for a period of 21 years.
- The proposed project addresses the City's stated priority for one-bedroom apartments.

Con(s):

- None

Fiscal Impact:

- The parcel has a current tax value of $786,000 and with an annual City of Asheville tax bill of $3,371.15.
- The estimated tax value upon completion is $4.0M, which at current rates would result in a City tax bill of $17,156. The difference in tax payment is $13,784.85. An equivalent amount would be granted back annually to the property owner for 21 years.
- The maximum term of a LUIG is 20 years plus 1. Therefore, over a period of 21 years, the estimated value of this LUIG award is $289,481.85

Suggested Motion:

- Motion to adopt a resolution to set a public hearing on May 12, 2020, to consider a Land Use Incentive Grant application for 2 Restaurant Court Rental Community, Beaucatcher Vista LLC.

Attachment(s):

- Resolution
- LUIG Scoring Matrix, Developer
- Application Letter
- Proximity Map

RESOLUTION NO. 20-_____

RESOLUTION SETTING A PUBLIC HEARING FOR A LAND USE INCENTIVE GRANT AGREEMENT FOR 2 RESTAURANT COURT / BEAUCATCHER VISTA LLC

WHEREAS, The City of Asheville has the authority pursuant to N.C. Gen. Stat. § 158-7.1 and § 160A-456 to provide incentive grants (or appropriations) to encourage development projects that fulfill important public purposes, including affordable housing, in the City of Asheville; and

WHEREAS, the City Council of Asheville has adopted a Land Use Incentive Grant (LUIG) Policy in order to encourage the development of projects that meet the aforementioned goals and plans; and

WHEREAS, the Beaucatcher Vista LLC development located at 2 Restaurant Court (PIN #9658-08-2350), proposes all 40 units to be 1 bedrooms, with 30 of the units set aside for households at or below 60% of Area Median Income (AMI) and the remaining 10 for 80% AMI households, affordable for a period of 21 years; and

WHEREAS, the property is situated in close proximity to commercial and transit amenities, including an ART bus stop, an Ingles grocery and pharmacy, and a number of potential employers; and

WHEREAS, the property's location and commitment to affordable housing merits a score of 150 on the LUIG scoring matrix, resulting in an award period of 21 years; and

WHEREAS, the current assessed value of the property is $786,000 with an annual City tax obligation of $3,371.15. An estimate of post-construction value from the developer is $4,000,000. A project valued at $4,000,000 at the current City tax rate of 0.4289 would result in an annual grant award of $13,784.85. Over the 21 year award period, the total value of the LUIG award would amount to a total of approximately $289,481.85;

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

The public hearing to consider a land use incentive grant for the Beaucatcher Vista LLC's Restaurant Court development is hereby set for May 12, 2020, at 5:00 p.m. in the Council Chamber, located on the 2nd floor of the City Hall Building,

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

_____ _____

City Clerk Mayor

Approved as to form:

_____

City Attorney