THE CITY OF ASHEVILLE

Staff Report

City Council: March 10, 2020

Subject: Land Use Incentive Grant Application - Collier, Tribute Companies

Staff Resource(s): Paul D'Angelo, CD Program Director
Sam Powers, CED Director

Action Requested: Resolution setting a public hearing on March 24, 2020, to consider a Land Use Incentive Grant application for Collier, Tribute Companies.

Review:

- Tribute Companies have applied for a Land Use Incentive Grant (LUIG) for their development at 11 Collier Avenue per the LUIG policy adopted by City Council and amended on October 22, 2019.
- The development consists of 54 rental apartments with 100% (54) of the homes proposed serving individuals and families earning between 60.1% and 80% Area Median Income (AMI) for 20 years.
- This project is located in the Asheville Central Business District -
    - 11 Collier Avenue (PIN# 9648-38-5770)
- The developer estimates a total development cost of $6.5M (see attached application).
- Tax Value of the property, to be based on Buncombe County Tax Assessment estimate, is $4,776,599 post completion (see attached analysis from Buncombe County).
- The project, as presented to staff, meets the following Eligibility Requirements:
    - The proposed development consists of two or more dwelling units for rent;
    - At least 10% of the units will meet the affordability standards set by the City of Asheville for households earning 80% or less of the Area Median Income (AMI).
    - The affordable units will be affordable to and leased to income-eligible households for at least 20 years.
    - The proposed development must be located inside the city limits.
    - The proposed development must be located to provide residents convenient access to jobs, schools and services.
    - The proposed development must be 70% residential in use based on square footage not to include a parking structure if applicable.
- Per the LUIG Scoring Matrix (attached) and based upon the policy, the project will receive 110 total points for affordability and an additional 50 points for location for a total score of 160 points. Per the policy, this will equal 21 years of grants in the amount of the City Property Taxes payable on the Ashland / Coxe Development.

Proposal:

- Affordable Rental Housing
    - The proposed project will provide fifty-four (54) units affordable to individuals and families earning between 60.1% to 80% of the area median income for an affordability period of twenty (20) years. Under this category, the project qualifies for 100 points.
- Rental Assistance
    - The proposed project will accept 5 Housing Choice Vouchers / Rental Assistance in the community, and possibly consider more. Under this category, the project qualifies for 10 points.
- Superior locational efficiency
    - The proposed project is located within .25 mile of a ½ hour transit stop served by an existing sidewalk , within the Central Business District, within 1 mile from job or urban center, and within a .5 mile from a Transportation Amenity. Under this category, the project qualifies for 50 points.
- Staff have scored the project with 160 points, which qualifies the project for twenty one years (21) of Land Use Incentive Grant.

Council Goal(s):

- Quality Affordable Housing
- An Equitable and Diverse Community

Committee(s):

- Housing & Community Development Committee - February 11, 2020 - approved
- Finance & HR Committee - February 25, 2020 - approved

Pro(s):

- The proposed project will provide 54 affordable rental housing units to households earning 80% or less of area median income;
- The proposed project will have an affordability period of twenty (20) years;
- The proposed project addresses the pressing need for affordable one-bedroom apartments (54);
- The proposed project should have a significant economic impact. Construction wages and material purchases will positively affect the local and regional economy;
- 54 affordable units located in the central business district (walkability score of 87 - very walkable, bike score of 70 - very bikeable) provides options for our downtown community workers who fall within the 80% AMI incomes.
- Tribute Companies will communicate with the Asheville Housing Authority as the development prepares to come online that they are accepting Housing Choice Vouchers.

Con(s):

- Cost estimates are not yet fully developed, and project costs as presented may change as it moves towards development.
- The Collier Development, while not required, offers no parking for its residents and can add to the individual or family transportation costs.

Fiscal Impact:

- The parcel has a combined current tax value of $521,000 and pays city property taxes of approximately $2,235 annually.
- Under the estimated Tax Value of $4,776,599 post completion, the annual city property tax will be approximately $20,487.
- The difference is $18,251 which would be granted to the property owner annually after payment for 21 years.
- For 21 years and 54 affordable units at or below 80% AMI, the city will grant back a total of $383,292 over the 21 years of the LUIG which equals $7,098 per unit of subsidy which is lower than the estimate of up to $80,000 in subsidy for 80% AMI homes as suggested by our Lord Aeck Sargeant consultants and a subsidy cap that has been noted in other LUIG Staff Reports.
- After year 21, the City will receive the approximate $20,487 annually in city tax revenue (depending on future property tax increases, etc.). Please note the City will still receive property taxes of approximately $2,235 in years 1 - 21.

Suggested Motion:

- Motion to adopt a resolution to set a public hearing for City Council to consider a Land Use Incentive Grant application on March 24, 2020.

Attachment(s)

- Resolution
- Application w/ Scoring Matrix
- Buncombe County Tax Estimate

RESOLUTION NO. 20-.

RESOLUTION SETTING A PUBLIC HEARING FOR A LAND USE INCENTIVE GRANT AGREEMENT FOR TRIBUTE PROPERTIES / COLLIER

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 Tribute Colier development represents the type of project envisioned for support within those goals and the LUIG; and

WHEREAS, at its meeting on March 10, 2020, the City Council provided City staff with direction to draft a Land Use Incentive Grant between the City of Asheville and Tribute Properties for their development project at 11 Collier Avenue (PIN #9648-38-5770);

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 Tribute Collier development is hereby set on March 24, 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 10th day of March, 2020.

_____ _____

CITY CLERK MAYOR

Approved as to form:

_____

CITY ATTORNEY

CDC Civil Design Concepts, PA

December 9, 2019

Paul D'Angelo
Community and Economic Development Department
City of Asheville
PO BOX 7148
Asheville, NC 28802

Dear Paul,

Thank you for accepting and considering our Land Use Incentive Grant application for the project known as "Collier Avenue Apartments." This project is composed of one parcel located within the Asheville Central Business District.

1. 11 Collier Avenue (PIN# 9648-38-5770)

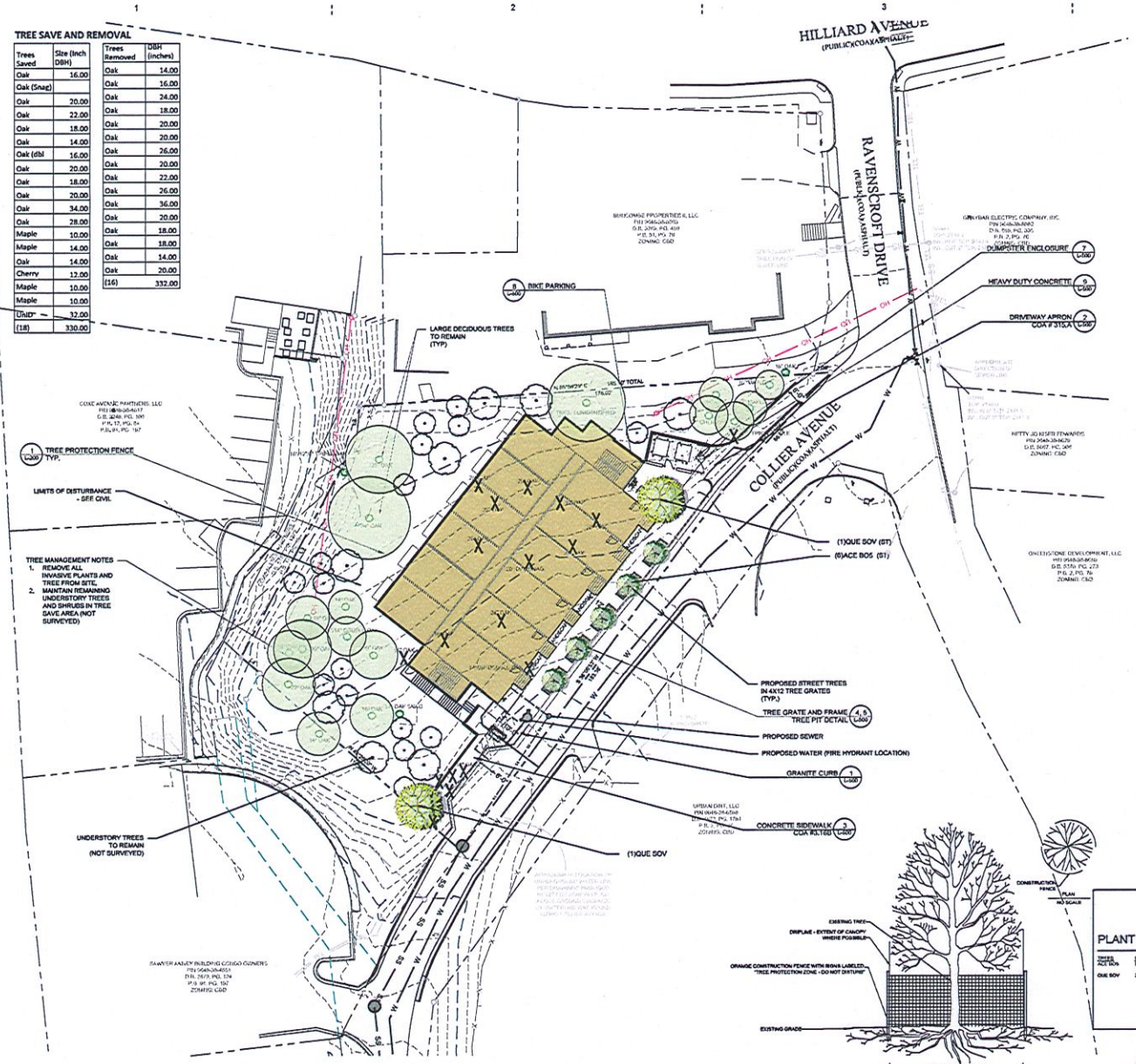
The parcels have a combined current tax value of $521,000 and a projected tax value of $6.5 million. Tribute Investment & Development, Inc. is developing this project and can be reached by contacting Matt Maynard at (910) 251-2388.

The Collier Avenue meets the Land Use Incentive Policy requirements and goals by providing affordable housing in a preferred location downtown. The project consists of 54 residential units. One hundred percent (100%) of the residential units are proposed to meet the City Affordable Standard of 80% AMI for 20 years. The project achieves additional points by providing rental assistance, being located near the ART Transit Station, Asheville Middle School, Hopey Grocery, French Broad Food Co-Op, Mission Hospital and within the CBD along with proximity to greenway connector projects and tactical urban street improvement projects. Based upon the policy, we anticipate the following points the project should receive 110 total points for affordability, and an additional 50 points for location for a total score of 160 points.

The projected start date for this project is Summer of 2020 with issuance of occupancy for the initial units in Summer 2021. Please do not hesitate to contact our office should you need any clarification, additional information or supporting documentation.

Sincerely,

Warren Sugg, P.E.
Civil Design Concepts



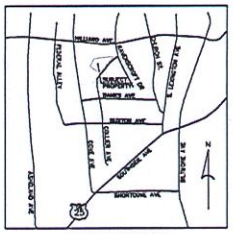
TREE SAVE AND REMOVAL

Trees Saved	Size (Inch DBH)
Oak	16.00
Oak (Snag)	
Oak	20.00
Oak	22.00
Oak	18.00
Oak	14.00
Oak (dbl	16.00
Oak	20.00
Oak	18.00
Oak	20.00
Oak	34.00
Oak	28.00
Maple	10.00
Maple	14.00
Oak	14.00
Cherry	12.00
Maple	10.00
Maple	10.00
Unid"	32.00
(18)	330.00

Trees Removed	DBH (inches)
Oak	14.00
Oak	16.00
Oak	24.00
Oak	18.00
Oak	20.00
Oak	20.00
Oak	26.00
Oak	20.00
Oak	22.00
Oak	26.00
Oak	36.00
Oak	20.00
Oak	18.00
Oak	18.00
Oak	14.00
Oak	20.00
(16)	332.00

1 TREE PROTECTION FENCE
NTS

CONSTRUCTION FENCE PLAN
NO SCALE



VICINITY MAP
(NOT TO SCALE)

DEVELOPMENT DATA

OWNER/DEVELOPER:	TRIBUTE INVESTMENT & DEVELOPMENT, INC. 10 SOUTH CARDINAL DRIVE WILMINGTON, NC 28403
CONTACT:	MATT MAYNARD (910) 231-2388
CIVIL ENGINEER:	CIVIL DESIGN CONCEPTS, P.A. 186 PATTON AVENUE ASHEVILLE, NC 28801
CONTACT:	WARREN SUGG, P.E. (828) 252-9388
SURVEYOR:	ED HOLMES & ASSOCIATES, P.A. 300 PROGFIELD COURT #301 ASHEVILLE, NC 28806
CONTACT:	PHILLIP B. WHITE, P.L.S. (828) 225-8082
ARCHITECT:	McMILLAN PAZDAN SMITH ARCHITECTURE 47 RANKIN AVENUE, SUITE 141 ASHEVILLE, NC 28801
CONTACT:	BRIAN TJX, COOK, A.I.A. (828) 369-5018
LANDSCAPE ARCHITECT:	SITEWORK STUDIOS 352 DEPOT STREET, SUITE 120 ASHEVILLE, NC 28801
CONTACT:	MATTHEW SPROUSE, P.L.A. (828) 225-4648

PROJECT DATA-11 COLLIER AVENUE

PIN	9648-39-9770
ADDRESS:	11 COLLIER AVENUE
DEED BOOK/PAGE:	3186/2063
SITE ACREAGE:	0.59 ± ACRES
ZONING:	CBD
SETBACKS:	N/A (CBD)
DISTURBED AREA:	0.60 ± AC

PARKING CALCULATIONS:

VEHICULAR:
REQUIRED SPACES: N/A (CBD)
SPACES PROVIDED: 0

BICYCLE:
MINIMUM REQUIRED: 0 AMOUNT PROVIDED: 4 EXTERNAL
ADDITIONAL BIKE PARKING LOCATED INTERNALLY

BUILDING DATA:

BUILDING	DESCRIPTION	HEIGHT	GFA
A	3 STORIES	34'	34,712 SF

PROPOSED UNITS: 34 MULTI-FAMILY UNITS

IMPERVIOUS CALCULATIONS:

	IMPERVIOUS	PERVIOUS
PRE-DEVELOPMENT:	0.03 ACRES (05%)	0.57 ACRES (95%)
POST-DEVELOPMENT:	0.27 ACRES (46%)	0.26 ACRES (31%)

LANDSCAPE CALCULATIONS

STREET TREE REQUIREMENTS
PLANTINGS REQUIRED AT 1 TREE PER 40 LF
LINEAR FOOTAGE ALONG COLLIER AVENUE: 250 LF
PLANTINGS REQUIRED: 6
PLANTINGS PROPOSED: 7

PLANTING LEGEND

ST = STREET TREE REQUIREMENT
# OF PLANTS
Plant Description
Large Deciduous Tree (ST)
ZONING USE ABBREVIATION
(SEE LEGEND)

PLANT SCHEDULE

TREES	QTY	BOTANICAL NAME	COMMON NAME	CONT	CAL	SIZE	REMARKS
Acer saccharum 'Bonfire'	5	Acer saccharum 'Bonfire'	Bonfire Maple	B & B	2.5" Cal	12' min.	
QUE SOV	2	Quercus palustris 'Sovereign'	Sovereign Pin Oak	B & B	2" cal	12' min.	

0 10' 20' 40' 60' 80'

mcmillan pazdan smith ARCHITECTURE

CDC

sitework STUDIOS

LANDSCAPE ARCHITECTURE

NORTH CAROLINA REGISTERED LANDSCAPE ARCHITECT C-1281 SITEWORK STUDIOS PLLC

TRIBUTE COMPANIES

COLLIER AVENUE APARTMENTS

ASHEVILLE, NC

SHEET ISSUE:

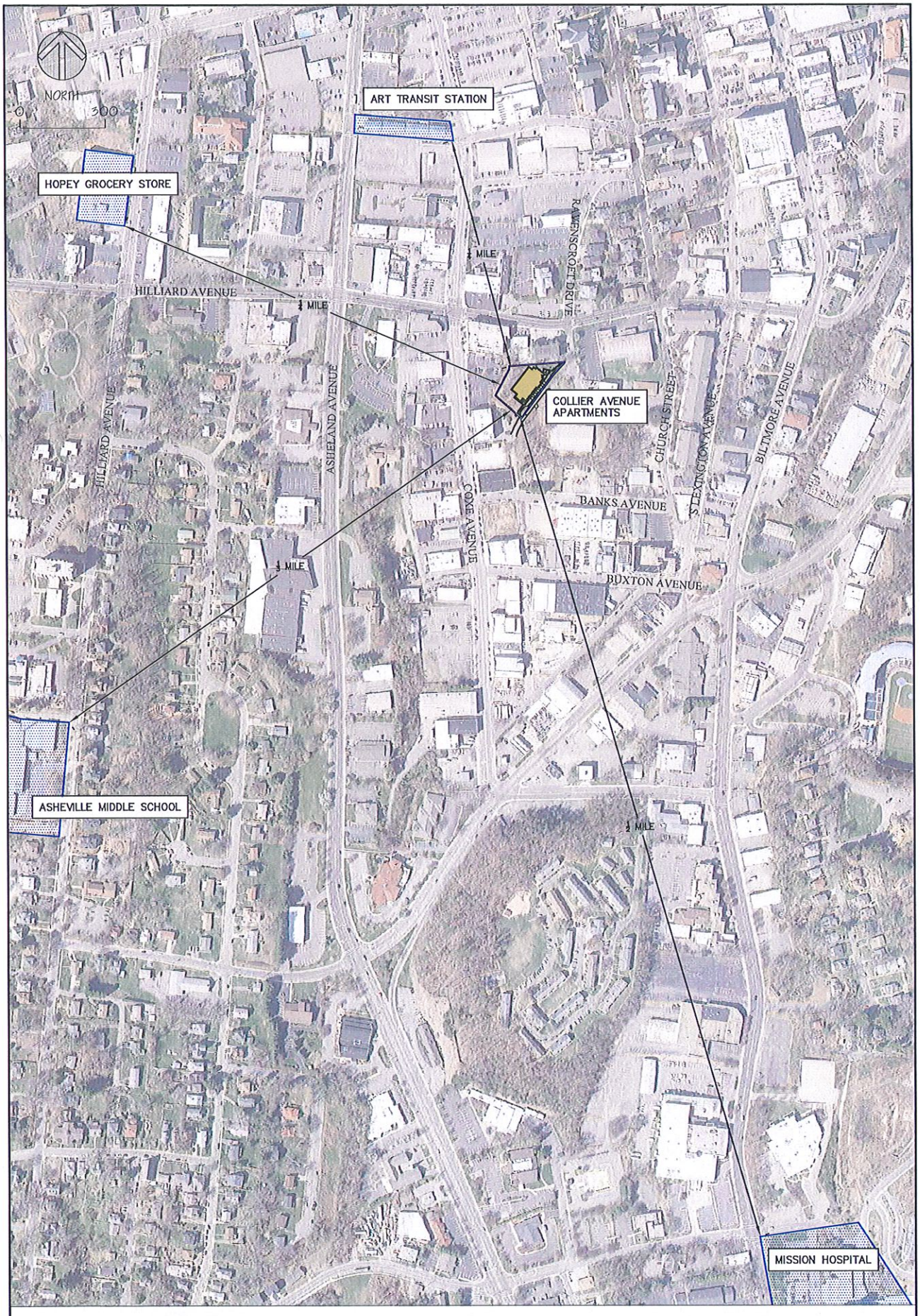
NO.	DATE	DESCRIPTION	BY
1	07.15.19	TRC APPLICATION	SVG
2	08.28.19	TRC APPLICATION REV	MRS

NOT FOR CONSTRUCTION

TRC APPLICATION REV. 08.28.19
PRINCIPAL IN CHARGE: MRS
PROJECT LANDSCAPE ARCHITECT: SVG
DRAWN BY: SVG

SHEET TITLE:
SITE LAYOUT, MATERIALS, ZONING & LANDSCAPE PLAN

SHEET NO. L-200
PROJ. NO.



CDC Civil Design Concepts, PA
NCBELS #: C-2184

11 COLLIER AVENUE
LUIG VICINITY BULLETIN
DECEMBER 2019

Scoring Table (See "Notes on the Matrix" below for further clarification)

Points	5	10	15	20	30	40	50	60	70	80	90	100
10%+ Affordable (under 80% AMI)				x								
20%+ Affordable					x							
30%+ Affordable						x						
40%+ Affordable							x					
50%+ Affordable								x				
60%+ Affordable									x			
70%+ Affordable										x		
80%+ Affordable											x	
90%+ Affordable												x
25%+ Workforce (80 - 100% AMI)	x											
50%+ Workforce		x										
75%+ Workforce			x									
20%+ Low Income (under 60% AMI)		x										
50%+ Low Income				x								
Tenant Affordability: *30* years		x										
Tenant Affordability: *50* years				x								
5%+ Rental Assistance		x										
Referral - Homeless By-name List	x											
Location: .25 mile ½ hour transit stop		x										
Location: Within Central Business District					x							
Location: 1 mile from job *or urban* center	x											
Location: .5 mile from Transp. Amenity	x											
Brownfield Redevelopment		x										
Energy Efficiency (EE) / Energy Star	x											
EE / Green Built Homes, SystemsVision		x										
EE / Solar Panels			x									
Universal Design - 20% units		x										
Building in NON-Qualified Census Tract		x										
Redevelop/Rehab 1 to 2 rebuild for affordable	x											
Redevelop/Rehab 1 to 3 rebuild for affordable		x										

The above point system will guide City Council in determining the actual amount of the Grant. Because the point system is a guide, City Council is authorized to allow more or less points on any particular factor, depending upon development characteristics, potential benefits of the project, potential detriments of the project, etc.

11 Collier Avenue

Downtown, Asheville, 28801

Commute to **Downtown Asheville**

1 min 6 min 2 min 8 min View Routes

♡ **Favorite** | **Map** | **Nearby Apartments**

Looking for a home for sale in Asheville?

Walk Score **87**

Very Walkable

Most errands can be accomplished on foot.

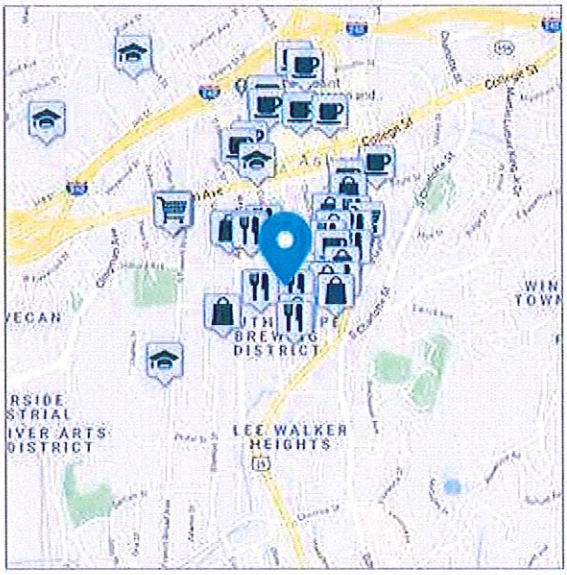
Bike Score **70**

Very Bikeable

Biking is convenient for most trips.

About your score

Add scores to your site



Collier Avenue Apartments	# of Units
Studio Apartments	54
total units = 54	

PIN 964838577000000

11 Collier Unit Mix

# Units		Rent/Mo	Annual	Total Rent
30	1 Bedroom	$833	$9,996	$299,880
24	Studio	$781	$9,372	$224,928
54	Total Rent			$524,808
	54 Apartment units			
	Potential Gross Income			
	Rent			$524,808
1.0%	Vac/Coll Market			$5,248
	Effective Gross Income			$519,560
	Operating Expenses			
10.0%	Admin/Management			$51,956
8.0%	Operating			$41,565
0.5%	Supplies			$2,598
1.5%	Heating			$7,793
1.5%	Electricity			$7,793
2.0%	Water			$10,391
0.5%	Gas			$2,598
1.0%	Building Service			$5,196
0.5%	Other			$2,598
7.0%	Maintenance & Repairs			$36,369
1.5%	Insurance			$7,793
6.0%	Other Payroll			$31,174
3.0%	Reserves for Replacement			$15,587
43.00%	***Total Expenses***			***$223,411***
	Per unit expenses market	$4,137		
	Net Operating Income			***$296,149***
6.2%	Loaded Cap Rate			
	Estimated Assesment Value			***$4,776,599***
	Value per unit			***$88,455.54***

Notes:

This report is only an estimation of projected assessment value and not the final assessed value which could vary significantly as extraordinary assumptions were made for this value projection.

A simple cost approach was provided using Sqft cost of similar new apartment complexes. Detailed cost data was not provided by the developer. Typically the cost approach would be utilized only as a confirmation of value as the income approach is normally the only value approach utilized to value stabilized apartment buildings.

All data was taken from local market and other sources like CoStar, IREM, and Realty Rates.

Simple Cost Approach	Cost/sqft	Sqft
	$121	34712
Building cost	$4,200,152	
Land	$737,400	
Value based on cost	$4,937,552	
Per unit expenses projected	$4,300	