THE CITY OF ASHEVILLE

STAFF REPORT

Council Meeting Date: February 24, 2026

Subject: Ratification of the HOME Loan agreement for the Apple Ridge affordable housing construction project

Staff Resource(s): Nikki Reid, Community and Economic Development Director and Kaylee Pulliam, Community Development Analyst I

Action Requested: Authorize the City Manager to ratify a HOME loan agreement with the Housing Assistance Corporation DBA Apple Ridge, LLC for the full amount of $940,000, and authorize the City Manager to execute any and all documents necessary to give effect to this resolution.

Background:

- The City of Asheville is the participating jurisdiction with the US Department of Housing and Urban Development and receives formula funding through the HOME Investment Partnership Program (HOME).
- The City receives these allocations annually through a federal formula allocation process.
- HOME funds support affordable housing activities within the four-county Consortium region, including Buncombe, Madison, Transylvania, and Henderson counties.
- The Housing Assistance Corporation was awarded $600,000 in HOME funds in 2024 for its Apple Ridge multifamily construction project, a 60-unit 100% affordable apartment complex located at 114 Preston View Way in Hendersonville, NC.
- City Council approved the funding of Apple Ridge for $600,000 in Resolution 24-167 on July 23rd, 2024 as part of the 2024-2025 Annual Action Plan.
- The Asheville Regional Housing Consortium voted on June 11th, 2025, to add an additional $300,000 to the total award amount to Apple Ridge, using rescinded funds from the Meribel project.
- City Council approved the additional $300,000 in HOME funding for Apple Ridge on June 24th, 2025 in Resolution 25-145 as part of the 2025-2026 Annual Action Plan, bringing the total award amount to $900,000.
- City Staff are requesting that the City Council approve an additional $40,000 in HOME funds to cover additional underwriting costs and authorize the City Manager to execute all necessary documents to finalize the HOME award to the Housing Assistance Corporation in the updated amount of $940,000 for the Apple Ridge project.
- This item was originally scheduled for the 2/10/2026 council meeting, prior to the closing of the deal on 2/18/2026, thus the need for ratification

Vendor Outreach Efforts:

- N/A

Council Goal(s):

- Quality Affordable Housing

Committee(s):

- Asheville Regional Housing Consortium - 7/8/2024 - Recommended funding Apple Ridge ($600,000) - Unanimous approval
- City Council - 7/23/2024 - Approved the initial funding for Apple Ridge ($600,000) - Unanimous approval of Resolution 24-167
- Asheville Regional Housing Consortium - 6/11/2025 - Voted to recommend additional funding of $300,000 using rescinded funds from the Meribel project - Unanimous approval

- City Council - 6/24/2025 - Approved the additional $300,000 for Apple Ridge, bringing total to $900,000 - Unanimous approval of Resolution 25-145
- Asheville Regional Housing Consortium - 8/27/2025 - Informed of an additional $40,000 added to the project to cover underwriting costs. The additional funding will come from program income.

Pro(s):
- Funding supports the construction of affordable rental housing in the Asheville Regional Housing Consortium service area.

Con(s):
- None

Fiscal Impact:
- The proposed projects are fully funded from the federal HOME entitlement grants, unspent funds from prior-year allocations, and program income.
- Staff costs to administer the program are paid from federal sources.
- Award is structured as a loan, which will generate program income over time that can be used for other projects.

Suggested Motion:
- Motion to authorize the City Manager to execute a HOME Agreement with the Housing Assistance Corporation DBA Apple Ridge, LLC for the full amount of $940,000, and authorize the City Manager to execute any and all documents necessary to give effect to this resolution.

Attachment(s):
- Resolution

RESOLUTION NO. 26-____

AUTHORIZATION OF A RATIFICATION OF A HOME LOAN AGREEMENT WITH THE HOUSING ASSISTANCE CORPORATION DBA APPLE RIDGE, LLC FOR THE FULL AMOUNT OF $940,000, AND AUTHORIZATION OF THE CITY MANAGER TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO GIVE EFFECT TO THIS RESOLUTION

WHEREAS, the City of Asheville is the participating jurisdiction with the US Department of Housing and Urban Development and receives formula funding through the HOME Investment Partnership Program (HOME); and

WHEREAS, the City receives these allocations annually through a federal formula allocation process; and

WHEREAS, HOME funds support affordable housing activities within the four-county Consortium region, including Buncombe, Madison, Transylvania, and Henderson counties; and

WHEREAS, Housing Assistance Corporation was awarded $600,000 in HOME funds in 2024 for its Apple Ridge multifamily construction project, a 60-unit 100% affordable apartment complex located at 114 Preston View Way in Hendersonville, NC; and

WHEREAS, the Asheville Regional Housing Consortium approved the initial $600,000 award for Apple Ridge; and

WHEREAS, City Council approved the funding of Apple Ridge for $600,000 in Resolution 24-167 on July 23rd, 2024 as part of the 2024-2025 Annual Action Plan; and

WHEREAS, Asheville Regional Housing Consortium voted on June 11th, 2025, to add an additional $300,000 to the total award amount to Apple Ridge using rescinded funds from the Meribel project; and

WHEREAS, City Council approved the additional $300,000 in HOME funding for Apple Ridge on June 24th, 2025 in Resolution 25-145 as part of the 2025-2026 Annual Action Plan, bringing the total award amount to $900,000; and

WHEREAS, an additional $40,000 is needed to cover third-party underwriting costs the remaining will be funded by a combination of HOME Program Income (PI) and administrative funds, which HUD has authorized and which was reported to the Housing Consortium, bring the total project award to $940,000; and

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

The HOME Loan Agreement with the Housing Assistance Corporation DBA Apple Ridge, LLC in the full amount of $940,000 is hereby ratified, and the City Manager is authorized to execute any and all documents necessary to give effect to this resolution.

Read, approved and adopted this the 24th day of February, 2026.

City Clerk

Mayor

Approved as to form:

City Attorney