

City Of Asheville
Developer
Forum -
Developer
Investment
Tools for
Affordable
Housing
November 19, 2021

Paul D'Angelo
CD Program Director



An architectural rendering of a residential neighborhood. It features several multi-story houses with porches and balconies. The houses are surrounded by lush greenery, including trees and bushes. People are depicted in various settings: some on balconies, some walking on a path, and some sitting on a bench. The overall scene is bright and sunny, suggesting a pleasant living environment. The text is overlaid on this background.

2019 / 2021 Work Session: The City's role in affordable housing

Funding

City-owned Land

Regulatory

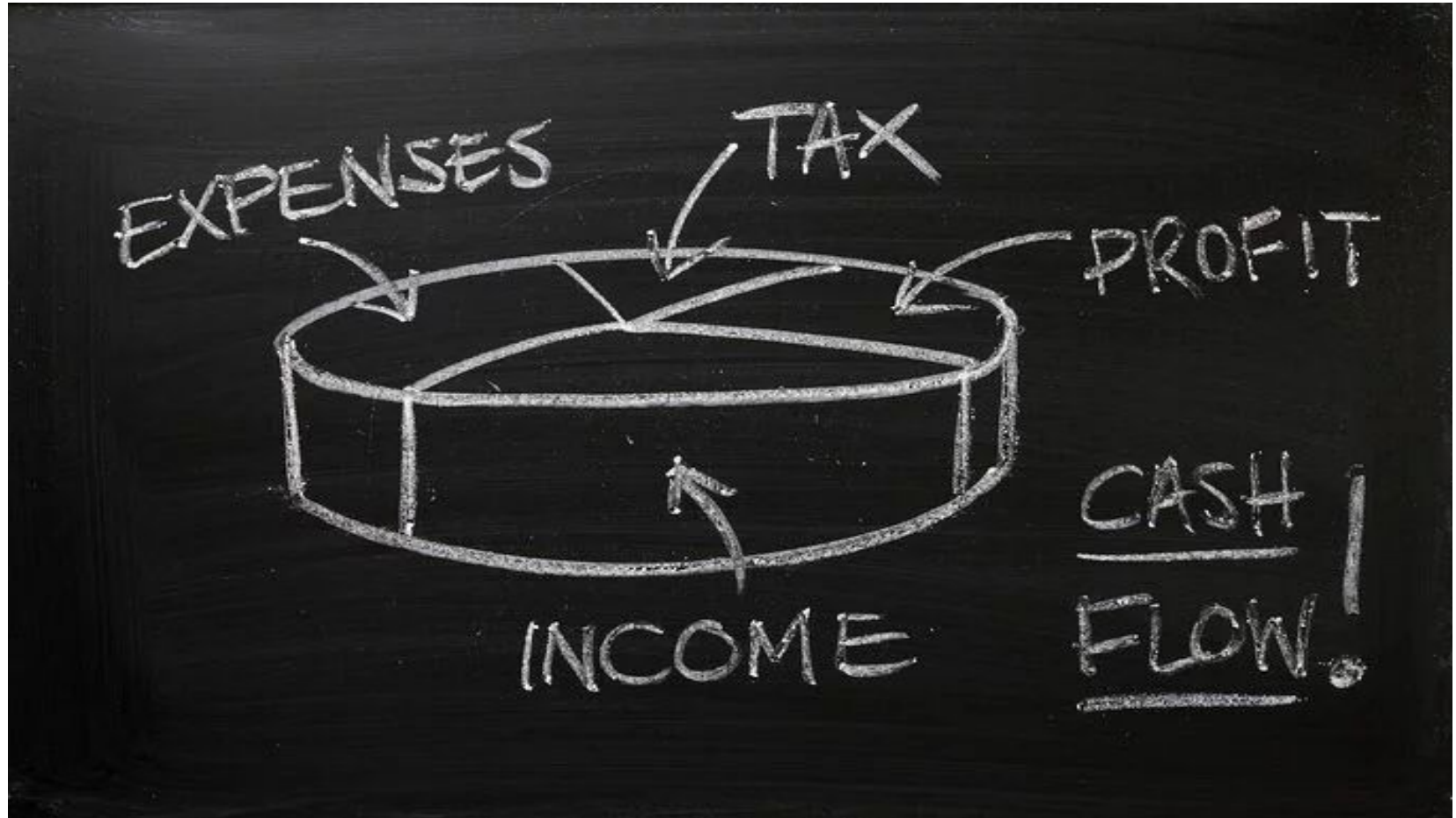
Convenor / Collaborator

The Challenge of Affordable Housing

Most wages, salaries & incomes we produce in our area don't support the average housing costs in Asheville, both rental & homeownership.

A healthy affordable mixed-income community needs a variety of housing types at a variety of price points, both homeownership and rental, for the variety of incomes & wages produced in Asheville.

Affordable Housing - Numbers Game



Lower Wages / Higher Housing Costs & Pricing Supply / Demand



Recognize the challenges in Asheville

- Cost of Capital - Financing costs
- Lack of Building Efficiencies
- Availability of Buyer Financing
- Cost of Materials
- Lack of industry leadership
- Lack of density
- NIMBYism
- Local government regulation & fees
- Land prices / availability

- Topography Challenges
- Market Challenges - Supply & Demand; Quality of Life
- Lower Wages - Service & Tourism Economy

Recognize the Subsidy Needed

- <30% Area Median Income
Gap of up to \$120,000 per unit
- 30-60% of Area Median Income
Gap of up to \$100,000 per unit
- 80% of Area Median Income
Gap of up to \$80,000 per unit

Math - \$400 less than market x 12 months x 20 years = \$96k

Gap depends on % of AMI, length of affordability, # of units, location of build, style of build, rental, homeownership (DPA)

Recognize our role in Affordable Housing Subsidy - Investment

Invest upfront on the build ...

\$\$ incentivize the **developer**

-or-

Invest on the back end ...

\$\$ subsidize the **renter or homeowner**

This takes Partners!

Solutions - Incentives / Funding

Policies (20/80/20 - rental)

At least 20% of the Units at or below 80% AMI for a minimum of 20 years, with a strong preference for at or below 60% AMI.

- [Disposition of City-owned Land](#)
 - [Housing Trust Fund](#)
 - [Land Use Incentive Grant \(LUIG\)](#)
 - [Metropolitan Sewer District \(MSD\) Discount](#)
 - [Fee Rebates / Expedited Review](#)
-
- [HOME Investment Partnership Funds](#)
 - [\\$25M Affordable Housing Bond](#)

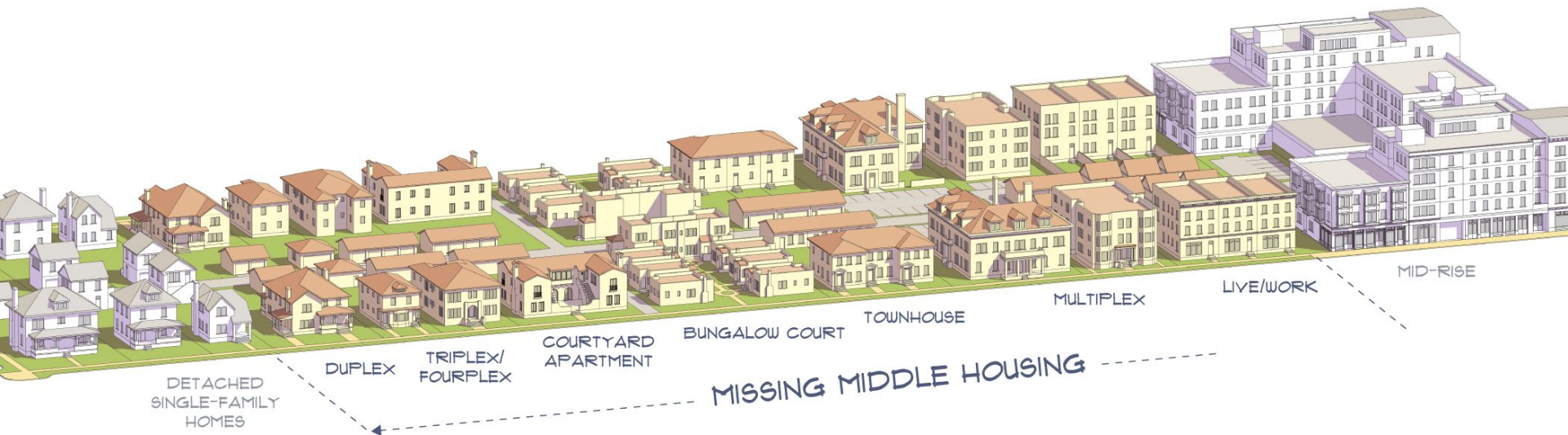
Solutions - Partners

Partners

- Mission Driven Developers
- Tax Credit Developers
- Non-Profit Developers
- For-Profit Developers

Produce, Preserve & Protect Affordable Housing

What's needed in Asheville's Housing Market



A healthy equitable inclusive mixed-income community with a variety of housing types at a variety of price points, both homeownership and rental, for the variety of incomes & wages we produce in Asheville.

Recap: Affordable Housing Work “2020/21”

Lee Walker Heights

360 Hilliard

Amaranth

Ironwood Apartments

Habitat for Humanity

373 units of
affordable housing

72 < 30% AMI

106 < 50% AMI

132 < 60% AMI* rental

55 < 80% AMI rental

8 < 80% AMI homeownership

\$13.02M* City investment,
leveraged alongside
nonprofit & private
investment

\$34,906 per unit

Recap: Affordable Housing Work Plan 2022

319 Biltmore

Deaverview Purpose
Built Community

Talbert Lot - 50 Asheland

Haywood St. Development

Neighborhood Lots for AH

Homeward Bound -
Perm. Supportive Housing

Housing for 500+
individuals & families

\$23M+ City investment,
leveraged alongside
philanthropic, nonprofit
and private investment

Summary: Policies, Capacity & Community

Success Stories:

Lee Walker Heights, 360 Hilliard, Amaranth, Ironwood Apartments, Habitat for Humanity, etc.

373 units of affordable housing

\$13.02M* City investment, leveraged alongside nonprofit & private investment

Work Plan 2021:

319 Biltmore, Deaverview Purpose Built Community, Talbert Lot - 50 Asheland, Haywood Street Development, Neighborhood Lots for AH, Homeward Bound, etc.

500+ potential units of affordable housing

\$23M+ City investment, leveraged alongside philanthropic, nonprofit and private investment

Get Involved - Be a Part of The Solution

For more information on Community Development Division, schedule of affordable housing meetings, and to be added to our CD Listserv (see Get Involved), please visit the City's Community Development webpage at:

<https://www.ashevillenc.gov/department/community-economic-development/community-development/>

If you are looking for affordable housing, suffering a housing crisis, in need of rental assistance or down payment assistance, or you have concerns about our homeless community, Please Call 211. The service is free, confidential and available in any language.

Questions

&

Discussion



The City of Asheville

- <https://www.ashevillenc.gov/>
- <https://www.ashevillenc.gov/department/development-services/>
- <https://www.ashevillenc.gov/department/planning-urban-design/>
- <https://www.ashevillenc.gov/department/community-economic-development/>