

## FY 25 AHSP Application Staff Summary: Vision Property LLC - Rock Hill Place Construction Loan

<b>4</b> Units to Be Constructed	<b>\$50,000</b> AHSP Request Per Unit	<b>\$1.00 : \$0.00</b> Leverage Ratio AHSP \$ : Other \$	<b>≤60%</b> AMI Target	<b>25 yr</b> Period of Affordability
<b>\$50,000</b> Average Cost Per Unit		<b>\$208</b> Average Cost per Unit Square Foot		<b>1</b> Bedroom per Unit

**Project Description:** Vision Property LLC submitted a **New Construction Units for Rent Loan** application requesting **\$200,000** to construct four units.

**AHSP Goal:** Increase the supply of affordable housing for rent.

**AHSP Objective:** Impact, by 2030, a total of 1,500 to 1,850 rental units for households at ≤80% AMI: with an average at ≤60% AMI across all households; where 1,200 to 1,480 of those units leverage the LIHTC program; and where 200 of those units are for households at ≤30% AMI.

**Summary:** The requested \$200,000 is intended to fully fund the construction costs of the Rock Hill Place project. The applicant indicates that four units would be constructed on one parcel of land. The units are called micro efficiency homes that will be rented to households at ≤60% AMI. The project is in the City of Asheville and located at 31 Rock Hill Place. The section of Rock Hill Place where the property is located on a private road. The property is zoned RS8, a single-family zoning district. The project has not received development approval from the City of Asheville. The site is currently under option agreement.

**Capital Stack:** The capital stack includes:

*Committed:*

- No other funds were specifically identified. Applicant states AHSP funds are only for the cost of construction of units.

*Developer Fee:*

- No fee identified. Developer would be paid from operating expenses.

**Requested Terms:** 20-year term, at an interest rate of 2.00%, annual payment from cashflow with principal balloon.

**Exceptions to Program Guidelines:** The request reflects 100% of the cost per unit and would exceed the AHSP maximum loan amount of 10% of cost per affordable unit. The project is not pursuing low-income housing tax credits or targeting households at <30% AMI and, therefore, would not be eligible for the requested special loan terms.

**Consideration for Open Space Bond Activities:** The project is not located in an area prioritized for greenways, passive recreation or conservation.

**County Funding Source Options:** General Fund, AHSP Program Income or Bond Funds.

**Finance Department Assessment of Audits and Financial Position:** Finance Department Assessment of Audits and Financial Position: In lieu of an audit, Vision Property, LLC provided a 1065 Tax Form for Tax Year 2022. The information provided was not sufficient to make an assessment on the financial health of the organization.

## **Review and Recommendations:**

*Program Requirements:* The project does not meet program requirements.

*Proforma Analysis:* A full proforma was not submitted. The submitted operating proforma workbook shows the only source of debt financing is AHSP funding. The maximum allowable AHSP loan amount at 10% of cost per unit would be \$20,000 and would leave a \$180,000 gap in the project budget. If the project were to secure a permanent loan to complete the capital stack, it is not clear that the net operating income would be sufficient to support the senior debt and a \$20,000 ASHP loan with the available standard terms and interest rates.

*Development Approval:* The project has not been approved by the City of Asheville. It is located off a private road. City of Asheville may require a portion of Rock Hill PI to be upgraded. The site is zoned RS-8, which only allows one single family dwelling unit and one accessory dwelling unit per lot. Additional City development approval is likely required.

**Affordable Housing Committee Consideration:** The Community Development Division staff is not positioned to advise the Affordable Housing Committee to recommend a loan award. The Affordable Housing Committee would have to make exceptions to the AHSP Program Guidelines to recommend a loan above \$20,000. Staff recommends the applicant seek additional sources of funding to align with the AHSP Program Guidelines.

<b>PROJECT SUMMARY SHEET</b>		<b>Y/N</b>
<b>Project Description/Narrative</b>		
Clearly affordable housing focused		Y
Aligns with all components of the application		Y
Aligns with all guidelines of the AHSP program		Y
Aligns with the selected strategic goal		Y
<b>Designed to Serve Households with AMI</b>		
<80%		Y
<50%		N
<30%		N
<b>Designed to Serve</b>		
General populous eligible for the program		Y
Individuals who are age 55 or older		Y
Individuals with a disability		Y
Individuals who are hard to house		N
Individuals who are homeless		N
Individuals who are BIPOC		Y
Individuals who are justice involved		N
Individuals who have vouchers		Y
Individuals who are referred by the Continuum of Care		N
<b>Project Expenses</b>		
Complete		Y
Reasonable		Y
<b>Project Sources</b>		
Complete		Y
Reasonable		Y
Includes leveraging additional investment (non-AHSP funds)		N
<b>Project Schedule</b>		
Complete		Y
Reasonable		N
<b>Project Team</b>		
Relevant experience and qualifications to complete the project		Y
<b>Project History</b>		
Indicates success in completing projects in the program category		Y
<b>Applicant</b>		
Has timely audits free of qualifications and findings which would adversely indicate ability to manage an AHSP allocation		N
Shows a healthy financial position		N

FY 25 AHSP: Vision Property LLC - Rock Hill Place Construction Loan

Is a non-profit applicant	N
---------------------------	---

<b>CONSTRUCTION PROJECT ADDITIONAL SUMMARY INFO</b>		<b>Y/N</b>
<b>Project</b>		
Preserves long-term affordability beyond the loan term		Y
Emphasizes quality design and construction		Y
Participates in an energy efficiency program		Y
Contains mixed unit types (affordable, workforce, market)		N
Contains mixed unit types (multifamily and single family)		N
Contains mixed unit types (units with varied number of bedroom (1,2,3+))		N
Is geographically separated from other affordable housing projects		Y
Is coordinated with employment, services, and existing infrastructure		Y
Is located within 3/4 miles of a public transportation route		Y