

FY 2025 AHSP Application Staff Summary:

Asheville Area Habitat for Humanity: Glenn Bridge Phase II

5 Homes to Be Constructed	\$27,391 AHSP Request Per Unit	\$1.00 : \$9.00 Leverage Ratio AHSP \$: Non-County \$	≤80% AMI Target	30 Period of Affordability
\$273,909 Average Cost Per Home		\$192 Average Cost Per Unit Square Foot		2, 3 and 4 Bedrooms per Unit

Project Description: Asheville Area Habitat for Humanity (AAHH) submitted an application requesting construction loan funds in the amount of **\$136,954** to support five (5) additional homes in Phase II of the Glenn Bridge project in Arden.

AHSP Goal: Increase the supply of Affordable Housing for homeownership, especially for BIPOC households.

AHSP Objective: 400 ownership units for households at ≤80% AMI

Summary: AAHH’s request (**\$136,954**) supports an overall project budget of **\$1,369,543** for the construction of the last five (5) homes in the Glenn Bridge subdivision bringing the total number of units to 34. The proposed unit mix includes two (2) two-bedroom units, two (2) three-bedroom units, and one (1) four-bedroom unit. Two (2) units are slated for homeowners between 40%-50% AMI, and three (3) units are slated for homeowners between 51%-80% AMI. The project exists outside Asheville city limits. The request of \$136,954 will transfer to 5 qualified homebuyers as downpayment assistance (with a maximum downpayment not to exceed 10% of the construction cost of the unit to the eligible home buyer). The downpayment loans will be secured with a lien in the event homeowners’ default, vacate, sell, or refinance the units. Once construction is complete on each lot that portion of the loan will convert to a DPA loan held by the County. DPA is transferable to subsequent income eligible homebuyers. Repayment of DPA to the County is required when the home sells to a non-qualified homebuyer.

Capital Stack: The capital stack includes:

Committed:

- No funds indicated as committed at this time.

Requested

- \$1,232,589 in Private Funding
 - \$275,000 in house sponsorships
 - \$75,000 adopt-a-lot sponsorships
 - \$882,589 undesignated revenue and earned income

Requested Terms: 5-year term, at an interest rate of 0%.

Exceptions to Program Guidelines: The request for a 0% interest rate would be an exception to the standard construction loan terms at 2%, but is consistent with the AHSP policy for downpayment assistance loans and with prior awards where 100% of construction loan was converted to downpayment assistance.

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: AAHH has timely audits free of qualifications and findings. As of June 30, 2023, AAHH's financials show a healthy financial position.

Review and Recommendations:

Program Requirements: Community Development Division staff reviewed the project based on AHSP guidelines; the project appears to meet program requirements while requesting special terms for the construction loan.

Analysis and Assumptions:

The project reflects AAHH's emerging strategy to develop more compact communities and provide a greater variety of housing types. This strategy is based on the idea of making the community more attractive to a broader population, including smaller families and aging adults. Of the five (5) homes proposed in this request four (4) units are townhomes, and one (1) unit is a single-family home. The construction loan with the requested terms (0% interest) would allow AAHH to buy down the cost of the home, allowing the loan to be transferred as downpayment assistance to an eligible homebuyer.

Since its first award in FY 2022, the Glenn Bridge project has been able to install infrastructure to 29 homes. Of the proposed 34 homes, nine (9) are currently under construction, with the first home to close in March 2024. The proposed sales price of the homes does not exceed Housing and Urban Development's (HUD) new sale home price limits. The project's budget demonstrates balanced sources and uses (with the inclusion of this request). Planning staff is reviewing the Glenn Bridge Phase II application. It has not received Board of Adjustment approval. Securement of these funds would allow the applicant to commence work upon completion of the planning review process. The applicant is prepared to begin construction before July 1, 2025 and ideally begin offering homes for sale in 2026.

Affordable Housing Committee Consideration: The Affordable Housing Committee may recommend a construction loan up to \$136,954 with a 5-year term to be converted to downpayment assistance for income eligible homebuyers.

FY 2025 AHSP: Asheville Area Habitat for Humanity – Glenn Bridge Phase II

PROJECT SUMMARY SHEET		Y/N
Project Description/Narrative		
Clearly affordable housing focused		Y
Aligns with all components of the application		Y
Aligns with all tenants of the AHSP program		Y
Aligns with the selected strategic goal		Y
Designed to Serve Households with AMI		
<80%		Y
<50%		Y
<30%		N
Designed to Serve		
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
Project Expenses		
Complete		Y
Reasonable		Y
Project Sources		
Complete		N
Reasonable		Y
Includes leveraging additional investment (non-AHSP funds)		Y
Project Schedule		
Complete		Y
Reasonable		Y
Project Team		
Relevant experience and qualifications to complete the project		Y
Project History		
Indicates success in completing projects in the program category		Y
Applicant		
Has timely audits free of qualifications and findings which would adversely indicate ability to manage an AHSP allocation		Y
Shows a healthy financial position		Y
Is a non-profit applicant		Y

CONSTRUCTION PROJECT ADDITIONAL SUMMARY INFO		Y/N
Project		
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+))		Y
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		N