

Thursday – April 18, 2024 - 11:00 a.m.

Agenda Briefing Worksession - For April 23, 2024, Council Meeting

Present: Mayor Esther E. Manheimer, Presiding; Vice-Mayor Sandra Kilgore; Councilwoman S. Antanette Mosley; Councilwoman Kim Roney; Councilwoman Sheneika Smith; Councilwoman Sage Turner; Councilwoman Maggie Ullman; City Manager Debra Campbell; City Attorney Brad Branham; and City Clerk Magdalen Burleson

City Council held an agenda briefing worksession to discuss the upcoming and future agenda items. In addition, City Council reviewed upcoming City Council committees that will be taking place during the next two weeks.

Discussion occurred on the following other issues and updates:

- Budget Process Update
- National Community Survey
- Transit Overview

At 1:16 p.m., Mayor Manheimer adjourned the agenda briefing worksession.

Tuesday – April 23, 2024- 4:00 p.m

Regular Meeting

Present: Vice-Mayor Sandra Kilgore, Presiding; Councilwoman S. Antanette Mosley; Councilwoman Kim Roney; Councilwoman Sheneika Smith; Councilwoman Sage Turner; Councilwoman Maggie Ullman; City Manager Debra Campbell; City Attorney Brad Branham; and City Clerk Magdalen Burleson

Absent: Mayor Esther E. Manheimer

PLEDGE OF ALLEGIANCE

Vice-Mayor Kilgore led City Council in the Pledge of Allegiance.

I. PROCLAMATIONS:

A. PROCLAMATION PROCLAIMING APRIL 2024 AS “LESS PLASTIC ASHEVILLE MONTH”

Councilwoman Ullman read the proclamation proclaiming April, 2024, as "Less Plastic Asheville Month" in the City of Asheville. She presented the proclamation to Anna Alsobrook and Jane Laping, who briefed City Council on some activities taking place during the month.

B. PROCLAMATION PROCLAIMING MAY 12-18, 2024, AS “NATIONAL POLICE WEEK” AND MAY 15, 2024, AS “PEACE OFFICERS’ MEMORIAL DAY”

Vice-Mayor Kilgore read the proclamation proclaiming May 12-18, 2024, as "National Police Week" and "May 15, 2024, as "Peace Officers' Memorial Day" in the City of Asheville. She presented the proclamation to Chief Mike Lamb, Captain Sean Aardema, Captain Jannice Hawkins, Captain Jonathan Brown, and others, who thanked City Council for their support.

II. CONSENT AGENDA:

At the request of Councilwoman Roney, Consent Agenda Items “G” “H” “I” and “J” were removed from the Consent Agenda for discussion and/or individual votes.

- A. APPROVAL OF THE COMBINED MINUTES OF THE AGENDA BRIEFING WORKSESSION HELD ON MARCH 21, 2024, THE FORMAL MEETING HELD ON MARCH 26, 2024; AND THE BUDGET WORKSESSION HELD ON APRIL 9, 2024**

- B. RESOLUTION NO. 24-73 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH ROCK CREEK GRADING INC. FOR THE FISCAL YEAR 2023-24 VANCE GAP SLIDE REPAIR PROJECT, AND AUTHORIZE THE CITY MANAGER TO APPROVE ANY RIGHT-OF-WAY ACQUISITIONS NECESSARY TO COMPLETE THE PROJECT**

Action Requested: Adoption of a resolution authorizing the City Manager to execute a contract with Rock Creek Grading, Inc. in the amount of \$1,726,789.00, plus a 15% contingency of \$259,018.35 (\$1,985,807.35 total) for the Vance Gap Road Slide Repair contract; and authorize the City Manager to approve any right of way acquisitions necessary to complete the project.

Background:

- The original slide occurred in April of 2021.
- Public Works crews performed temporary repairs to the site, but it was determined that more permanent repairs would be needed.
- During the time taken to complete the repair design two smaller adjacent slides occurred.
- The contract was advertised on January 17, 2024, and bids were opened on February 29, 2024.
- The following bids were received:

Rock Creek Grading, Inc of Burnsville, NC	\$1,726,789.00
Cinderella Partners of Indian Trail, NC	\$1,979,237.22
Tennoca Construction Company of Candler, NC	\$2,283,417.00
NHM Constructors, Inc of Asheville, NC	\$2,309,645.10
B.H. Graning Landscapes of Sylva, NC	\$2,372,607.50
Patton Construction Group of Asheville, NC	\$2,851,360.00

Vendor Outreach Efforts:

- Funding for this project is provided through City general fund and/or operating budgets.
- As a result the outreach and engagement followed the City’s business inclusion processes.
- This process at a minimum requires staff to outreach businesses that have a documented contracting disparity directly and/or through prime contractors.
- Staff performed outreach to minority- and women-owned businesses through solicitation processes which include posting on the State’s Interactive Purchasing System and requiring prime contractors to reach out to Minority & Women-Owned Business Enterprise (MWBE) service providers for subcontracted services.
- Staff also checked the NC Historically Underutilized Business and NCDOT MWBE databases for potential contractors along with the City of Asheville ABI database.
- No companies from an identified disparity group (Black American) were found in the ten-county area.
- No companies from an identified disparity group submitted a bid for the project.
- One company from an identified disparity group (Hispanic) will perform as a subcontractor for the project. That company, RV Concrete Solutions from Burnsville, NC will be removing and hauling the existing asphalt.

- The contractor plans to expend 3.0% of the total dollar amount of the contract with this company.
- In addition two woman-owned companies will be working on this project. Boone Geomatrix from Burnsville, NC will be installing the erosion and traffic control devices. Concrete Specialty Contractors of Shelby, NC will be pouring concrete curb and ditching.
- The contractor anticipates spending 7.5% of the total contract dollar amount with these two companies.

Council Goal(s):

- A Well-Planned and Livable Community

Committee(s):

- None

Pro(s):

- The award of this contract will result in much needed stabilization to an approximately 350 feet long section of Vance Gap Road.

Con(s):

- Construction will cause access delays to the impacted neighborhoods.

Fiscal Impact:

- Funding for this project was previously budgeted and is available in the General Capital Projects Fund.
- In addition, previously budgeted contingency and savings from the annual resurfacing project in the General Capital Projects Fund will be utilized to fully fund this contract.

Motion:

- Motion to adopt a resolution authorizing the City Manager to execute a contract with Rock Creek Grading, Inc. in the amount of \$1,726,789.00, plus a 15% contingency of \$259,018.35 (\$1,985,807.35 total) for the Vance Gap Road Slide Repair contract. The City Manager is further authorized to approve any right of way acquisitions necessary to complete the project.

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- C. RESOLUTION NO. 24-74 - RESOLUTION FOR CITY COUNCIL TO ACCEPT A GRANT FROM THE N.C. DEPT. OF ENVIRONMENTAL QUALITY - DIVISION OF WATER INFRASTRUCTURE FOR STORMWATER INFRASTRUCTURE INVESTMENTS GRANT FOR STORMWATER ASSET INVENTORY AND ASSESSMENT SERVICES PROJECT; AND AUTHORIZE THE CITY MANAGER TO EXECUTE ALL APPROPRIATE DOCUMENTS**

ORDINANCE NO. 5067 - BUDGET AMENDMENT FOR STORMWATER ASSET INVENTORY AND ASSESSMENT SERVICES PROJECT

Action Requested: Adoption of a resolution for City Council to accept the Local Assistance for Stormwater Infrastructure Investments (LASII) Grant for Stormwater Asset Inventory and Assessment services, and authorize the City Manager to sign all of the appropriate documents; and adopt a budget amendment, in the amount of \$400,000, for these grant funds.

Background:

- The American Rescue Plan Act (ARPA), funded from the State Fiscal Recovery Fund, was established in Session Law (S.L.) 2021-180 to assist eligible units of local

government with meeting their drinking water and/or wastewater and/or stormwater infrastructure needs.

- Resolution No. 23-87 adopted on April 25, 2023, gave the City Manager the authority to apply for and accept this grant.
- NC Division of Water Infrastructure notified the City of Asheville of the grant award via a letter dated January 17, 2024.
- Upon acceptance of the grant, the City will need to submit a resolution with specific language provided by the North Carolina Division of Water Infrastructure, accepting the ARPA grant offer and making the applicable assurances contained therein.
- In accordance with the City of Asheville's NPDES Stormwater Permit, we are required to develop, update, and maintain a stormwater system map.
- The completion of a comprehensive system mapping of the City's existing stormwater conveyance system paired with standardized infrastructure condition assessments and strategic watershed planning will aid in the identification of opportunities to increase resiliency, equity, and sustainability while addressing aging infrastructure.
- This grant will assist in implementing the first phase of a larger comprehensive, multiyear system mapping effort.
- The last city-wide stormwater inventory survey was conducted in the late 1980s and early 1990s and there are inconsistent and incomplete inventories.
- Phase one of implementation will prioritize NC DEQ Potentially Underserved Block Groups within Asheville identified as areas most affected by flooding, runoff, and erosion as well as watersheds of impaired streams and waterbodies.
- Work funded by this grant will include:
 - Updating and collecting the first phase of the City's existing stormwater asset inventory to be compiled into an inclusive and consistent database that will replace or verify the existing data currently in use;
 - Developing and implementing a process to maintain an up-to-date asset inventory;
 - Integrating watershed planning with infrastructure condition assessments to identify optimal locations for green infrastructure retrofits such as bioretention areas; and
 - Integrating preliminary Capital Improvement Program planning with infrastructure condition assessments to identify opportunities for infrastructure rehabilitation or replacement in high-priority areas prior to imminent failure where that would result in flooding, additional infrastructure damage, and property damage.

Vendor Outreach Efforts:

- Execution of grant funds will follow federal guidelines for outreach to Disadvantaged Business Enterprises (DBEs).
- Funding for this project is provided from Federal funds administered by the State of NC via grants.
- Federal funds require alternative outreach and engagement requirements involving outreach to appropriate businesses through the NC Office of Historically Underutilized Businesses (HUB).

Council Goal(s):

- Clean, Safe, and Healthy Environment
- Improve and Expand Core Services
- Neighborhood and Climate Resilience

Committee(s):

- NA

Pro(s):

- Given limited financial and human resources, this funding allows the City to more quickly and comprehensively assess and maintain its stormwater system in the face of significantly aging, sometimes failing infrastructure and changing climate.
- Taking proactive action to update and maintain the stormwater system protects public safety, property, and the health of our natural resources by improving water quality and reducing flooding.
- The grant helps the City of Asheville to better meet requirements of our NPDES Stormwater Permit.

Con(s):

- Staff time to meet additional requirements for the distribution of federal funds.

Fiscal Impact:

- The grant will partially offset the cost of a planned multi-year system mapping project in the Stormwater Fund. \$500,000 was budgeted for this project in the current fiscal year.
- Matching funds are not required for this grant.

Motion:

- Motion to adopt a resolution for City Council to accept the Local Assistance for Stormwater Infrastructure Investments (LASII) Grant for Stormwater Asset Inventory and Assessment services; and authorize the City Manager to sign all of the appropriate documents; and adopt a budget amendment, in the amount of \$400,000 for these grant funds.

**RESOLUTION BOOK NO. 44 - PAGE 430
ORDINANCE BOOK NO. 35 - PAGE 256**

D. ORDINANCE NO. 5068 - ORDINANCE AUTHORIZING THE CITY OF ASHEVILLE COMPLIANCE DIVISION OF THE DEVELOPMENT SERVICES DEPARTMENT TO DEMOLISH AN ABANDONED SINGLE FAMILY HOME AT 158 SOUTH FRENCH BROAD AVENUE, ASHEVILLE, N.C.

Action Requested: Adoption of an ordinance authorizing the City of Asheville Compliance Division of the Development Services Department to demolish an abandoned single family home at 158 S. French Broad Avenue, Asheville, NC.

Background:

- The structure located at 158 S.French Broad Avenue has been determined by the Code Compliance Division to be unfit for human habitation.
- The structure has also been the subject of criminal activities, including an assault.
- The structure condition presents a life safety hazard to first responders.
- Contact was made with Arodorthy Wilson (responsible party for the property) on March 9th, 2023.
- A Notice of Violation explaining the dwelling was found to be Unfit for Human Habitation and posed a threat to the community was mailed by certified and regular mail on March 27th, 2023, with a note that a hearing would be held in Buncombe County on April 12, 2023.

- Staff held a hearing on April 12th, 2023. Arodorthy Wilson was not present during the hearing and the Compliance Coordinator issued an Order to Demolish the dwelling based on the facts of the case.
- The costs of renovating the structure would exceed 50% of the tax value of the property (current tax value \$108,700).
- An Order to Demolish was mailed by certified and regular mail to Arodorthy Wilson on April 12th, 2023. Delivery of the certified mail was confirmed on April 19th, 2023. The Order to Demolish included the Findings of Fact (to include photos) and provided 90 days to demolish the dwelling.
- A final contact letter was mailed on July 31st, 2023 informing the property owner the City of Asheville may choose to proceed with demolition.
- The Development Services Department is now requesting that the City Council approve an ordinance authorizing a demolition of this particular property and prohibiting use or occupation of the dwelling for human habitation.
- As required under state statute, the Development Services Department is also planning to mail notice of the order to demolish to certain affordable housing organizations that have requested such notice and wait at least 45 days after such mailing before performing any demolition.
- Staff contacted contractors and received estimates for the demolition of the structure from the following companies:
 - GQC Demolition & Debris L.L.C Asheville, NC
 - Carolina Demolition LLC, Anderson, SC
- The contract amount is estimated to be under the threshold requiring City Council authorization; therefore, City Council is not being asked to authorize the demolition contract.

Vendor Outreach Efforts:

- The Asheville Business Inclusion List was provided for contacting Demolition Companies.
- Staff performed outreach to minority- and women-owned businesses through a solicitation processes
 - Which included direct contact to 13 MWBE companies requesting a demolition estimate.
 - No companies from an identified disparity group submitted a bid for the project.
 - Two demolition companies outside of an identified disparity group submitted estimates for the demolition of the structure.

Council Goal(s):

- Clean, Safe and Healthy Environment
- Reimagining Public Safety

Committee(s):

- This action was not brought to a committee

Pro(s):

- Improve neighborhood safety
- Reduction of debris and loitering in the area
- Reduction of vandalism and crime
- Improve aesthetic value of neighborhood

Con(s):

- None

Fiscal Impact:

- Funding for this contract is available in the Development Services Department operating budget.
- A tax lien will be placed against the property and the funds will be recouped over time.

Motion:

- Motion to adopt an ordinance authorizing the City of Asheville Compliance Division of the Development Services Department to demolish an abandoned single family home at 158 S. French Broad Avenue.

Three individuals spoke in support of the demolition.

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E. RESOLUTION NO. 24-75 - RESOLUTION AUTHORIZING THE CITY MANAGER, OR ITS DESIGNEE, TO APPLY FOR U.S. DEPT. OF ENERGY ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT FUNDS TO PURCHASE ELECTRIC VEHICLES FOR THE CITY'S FLEET

Action Requested: Adoption of resolution authorizing the City Manager, or its designee, to apply to the U.S. Dept. of Energy Energy Efficiency and Conservation Block Grant funds to purchase electric vehicles for the City's fleet.

Background:

- The Energy Efficiency and Conservation Block Grant formulates the amount of funding available to each jurisdiction by population size. The City of Asheville is eligible for \$158,820.
- No match is required to access this funding.
- After review of the acceptable use of funds, Council's adopted goals, and level of staff capacity required to apply and administer the funds, staff determined the best use of these funds is to purchase electric vehicles for the City's fleet.
- This funding will support the purchase of three electric vehicles.
- Electric vehicle charging infrastructure has already been installed to support the fueling of these vehicles.
- If awarded, City staff will ask City Council to accept the grant and authorize the City Manager to sign all of the appropriate agreements.

Vendor Outreach Efforts:

- The City will not conduct any direct outreach as the intent is to purchase these electric vehicles through the NC Sheriff's Association Cooperative Procurement Program (NCSA).
- NC Statute allows the use of Cooperative Purchasing Programs in place of competitive bidding by the entity.
- NCSA conducted outreach in June 2023 through their bidding website, North American Procurement Council and The News and Observer in Raleigh.

Council Goal(s):

- Clean and Healthy Environment

Committee(s):

- None

Pro(s):

- The purchase of these vehicles will support implementation of the Municipal Climate Action Plan, specifically high impact activity # 12 “Utilize Green Fleet Policy for Fleet Electrification”

Con(s):

- None

Fiscal Impact::

- If awarded, this grant will offset the cost of future electric vehicle purchases in the General Capital Projects Fund.
- Matching funds are not required for this grant.

Motion:

- Motion authorizing the City Manager, or its designee, to apply to the U.S. Dept. of Energy Energy Efficiency and Conservation Block Grant funds to purchase electric vehicles for the City’s fleet.

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F. RESOLUTION NO. 24-76 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH LEICA GEOSYSTEMS INC. FOR THE CURRENT RENEWAL AND AN ADDITIONAL TWO YEARS OF OPTIONAL RENEWALS FOR CONTINUING THE MAINTENANCE, SERVICE, AND SUBSCRIPTIONS FOR THE ASHEVILLE POLICE DEPARTMENT’S LEICA RTC 360 LASER SCANNER CONTRACT

Action Requested: Adoption of a resolution authorizing the City Manager to allow for an amendment for the current contract renewal and two additional one-year options for renewal for continuing the maintenance, service, and subscriptions for the Asheville Police Department’s Leica RTC 360 Laser Scanner contract.

Background:

- The Asheville Police Department (APD) entered into a contractual agreement with Leica Geosystems, Inc. on 06/01/2022 to purchase the Leica RTC 360 Laser Scanner, including renewable annual maintenance, support, and continued subscriptions.
- APD’s Forensic Unit expects to use the device for 5-7 years depending on continued advancements in technology and ongoing support for the product by the vendor.
- The current contract expires 05/31/2025. Extending the option to renew the current contract an additional two years, through 05/31/2027, allows contracted coverage and subscription renewals for the minimum life expectancy of the product.
- In the first few years of use, the equipment was utilized as follows:
 - 2022 - 8 scans; 4 motor vehicle accidents, 4 other (homicide, death, gunshot wound/assault)
 - 2023 - 19 scans; 15 motor vehicle accidents, 4 other (homicide, death, gunshot wound/assault)
 - 2024 - 2 scans so far; both motor vehicle accidents

Vendor Outreach Efforts:

- A formal bid process was conducted by the City’s Purchasing Department in April 2022 for the original purchase of the product. The winning bidder was not an MWBE.

Council Goal(s):

- A Connected and Engaged Community

Committee(s):

- Environment & Safety Committee on 03/26/2024 - voted unanimously to move to City Council

Pro(s):

- Improves efficiency and productivity in the field and in the office
- Captures accurate and reliable 3D representations of scenes
- An extended contract period allows for continued use of an already purchased item through its minimum life expectancy.

Con(s):

- Continued annual cost of contracting

Fiscal Impact:

- Funding for the current year of this contract (\$16,000) is available in the Asheville Police Department operating budget. Future years will be planned during the annual budget development process.
- The total contract amount over a six-year period will be approximately \$135,000.

Motion:

- Adoption of a resolution authorizing the City Manager to allow for an amendment for the current renewal and two additional one-year options for renewal for continuing the maintenance, service, and subscriptions for the Asheville Police Department's Leica RTC 360 Laser Scanner contract.

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G. RESOLUTION FOR CITY COUNCIL TO ACCEPT THE U.S. DEPT. OF JUSTICE 2023 EDWARD BYRNE JUSTICE ASSISTANCE GRANT AND AUTHORIZE THE CITY MANAGER TO SIGN ALL OF THE APPROPRIATE AGREEMENTS

BUDGET AMENDMENT FOR THE 2023 EDWARD BYRNE ASSISTANCE GRANT

These items were removed from the Consent Agenda for discussion and/or an individual vote.

H. RESOLUTION FOR CITY COUNCIL TO ACCEPT THE 2023 BULLETPROOF VEST PARTNERSHIP GRANT FROM THE U.S. DEPT. OF JUSTICE AND AUTHORIZE THE CITY MANAGER TO SIGN ALL OF THE APPROPRIATE AGREEMENTS

BUDGET AMENDMENT FOR THE 2023 BULLETPROOF VEST PARTNERSHIP GRANT

These items were removed from the Consent Agenda for discussion and/or an individual vote.

I. RESOLUTION FOR CITY COUNCIL TO AUTHORIZE THE CITY STAFF TO APPLY FOR THE 2024 OFFICE OF COMMUNITY ORIENTED POLICE SERVICES (COPS), U.S. DEPT. OF JUSTICE LAW ENFORCEMENT AND MENTAL HEALTH WELLNESS ACT (LEMHWA) GRANT

This item was removed from the Consent Agenda for discussion and/or an individual vote.

J. RESOLUTION FOR CITY COUNCIL TO AUTHORIZE THE CITY STAFF TO APPLY FOR GRANT FUNDS FROM THE OFFICE OF NATIONAL DRUG CONTROL POLICY FOR THE 2025 HIGH INTENSITY DRUG TRAFFICKING AREAS (HIDTA) GRANT ON BEHALF OF THE ASHEVILLE HIDTA BRANCH

This item was removed from the Consent Agenda for discussion and/or an individual vote.

K. RESOLUTION NO. 24-81 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDMENT TO A CONTRACT WITH PEPSI COLA BOTTLING COMPANY OF HICKORY, NC, AT HARRAH'S CHEROKEE CENTER - ASHEVILLE

Action Requested: Adoption of a resolution authorizing the City Manager execute an amendment to a contract with Pepsi Cola Bottling Company of Hickory NC with an amount not to exceed \$600,000.

Background:

- After a competitive bid process, in December 2020 staff executed a six year sponsorship agreement with Pepsi Bottling Company of Hickory NC.
- Pepsi provides equipment for the HCCA at an in kind value of \$119,500, in kind marketing & product support and up to \$10,000 in cash annually.
- Pepsi provides fair product purchase rates, with locked in maximum increases for the duration of the contract.
- In exchange the HCCA exclusively sells Pepsi products at concession stands within the facility. This includes carbonated beverages, water and sport drinks. The original product purchase for resale budget was approved as not to exceed \$80,000 annually.
- Post-COVID event volumes and concession sales have increased significantly.
- The amended contract will increase the annual product purchase for resale budget not to exceed \$120,000 and will increase the contract maximum from \$480,000 to \$600,000.
- Average profit margin on Pepsi products sold at the HCCA is 76%.

Council Goal(s):

- A Financially Resilient City

Committee(s):

- None

Pro(s):

- Guaranteed purchase rates for the HCCA Food & Beverage department
- Pepsi is a North Carolina based company

Con(s):

- None.

Fiscal Impact:

- Funding (not to exceed \$120,000 annually) is available in the HCCA operating budget.
- Purchases through this contract are offset by product sales and will generate additional revenue.

Motion:

- Motion to adopt a resolution authorizing the City Manager execute an amendment to a contract with Pepsi Cola Bottling Company of Hickory NC with an amount not to exceed \$600,000 to purchase non-alcoholic beverages in alignment with the sponsorship agreement executed December 2020.

RESOLUTION BOOK NO. 44 - PAGE 437

L. ORDINANCE NO. 5071 - BUDGET AMENDMENT TO THE HARRAH'S CHEROKEE CENTER - ASHEVILLE OPERATING FUND TO REFLECT UPDATED FISCAL YEAR 2023-24 REVENUE AND EXPENDITURE PROJECTIONS

Action Requested: Adoption of a budget amendment to the HCCA Operating Fund in the amount of \$200,000 to reflect updated Fiscal Year 2023–24 (FY24) revenue and expenditure projections.

Background:

- Although the Thomas Wolfe Auditorium has not been available for event bookings for nearly 9 months of the fiscal year, events hosted in the ExploreAsheville.com Arena, and other ancillary spaces within the facility have increased and performed stronger than budgeted.
- HCCA Revenues are expected to total \$200,000 more than budgeted.
- HCCA Expenses are expected to potentially total \$85,000 more than budgeted.
- Concessions, ticketing and other show related revenues will cover all additional expenses; therefore, no additional transfer from the General Fund is required at this time.
- HCCA has 52 event dates booked in the last quarter of the fiscal year.

Council Goal(s):

- A Financially Resilient City
- This action supports the City Council Strategic Plan by supporting the HCCA as a regional entertainment destination and improving the client and customer experience.

Committee(s):

- None

Pro(s):

- Provides sufficient budget authorization for anticipated expenditures in the HCCA Fund without increasing the General Fund transfer.

Con(s):

- None

Fiscal Impact:

- This budget amendment is funded with HCCA operating revenues that are expected to exceed original budget estimates. Therefore, there is no expected impact to the City's General Fund budget.

Motion:

- Motion to approve a budget amendment in the amount of \$200,000 from HCCA operating revenue to increase the HCCA fund budget to reflect updated fiscal year 2023-24 revenue and expenditure projections.

M. ORDINANCE NO. 5072 - ORDINANCE AMENDING ARTICLE III, CHAPTER 2, DIVISION 2 AND ARTICLE II, CHAPTER 11, SECTION 11-32 OF THE ASHEVILLE CODE OF ORDINANCES TO INCLUDE ADVISING ON DEPARTMENT OF COMMUNITY AND REGIONAL ENTERTAINMENT FACILITIES MATTERS AND TO CHANGE THE NAME OF THE “CIVIC CENTER COMMISSION” TO THE “COMMUNITY ENTERTAINMENT FACILITIES COMMISSION” TO BETTER REFLECT THE COMMISSION’S EXPANDED ROLE

Action Requested: Adoption of amendments to Article III, Chapter 2, Division 2 of the Code of Ordinances and Article II, Chapter 11 (Section 11-32) to expand the Commission’s duties and functions to include advising on Department of Community and Regional Entertainment Facilities matters and to change the name of the “Civic Center Commission” to the “Community Entertainment Facilities Commission” to better reflect the Commission’s expanded role regarding the Civic Center Commission.

Background:

- The Asheville Area Civic Center Commission was established by City Ordinance No. 1975 on July 16, 1992, to serve the Asheville City Council and the community at large regarding the growth and development of the Asheville Civic Center and the Thomas Wolfe Auditorium.
- Since its inception, the Commission’s powers and duties have been mainly related to the operational, programmatic, and promotional needs of the City-owned Civic Center.
- However, the Commission has also had the stated general power and duty “to encourage the promotion of sports, recreation, entertainment, and cultural events and activities, and to facilitate the use of the services and facilities of the civic center.”
- A restructuring of City of Asheville departments and programs enacted in January 2022, resulted in the creation of the Department of Community and Regional Entertainment Facilities (herein “Department”), of which the Civic Center is now a part.
- In addition to the Civic Center, other city-owned facilities/programs included in the new Department are the WNC Nature Center, Municipal Golf Course, McCormick Field, Aston Park Tennis Center, JB Lewis Soccer Fields, and outdoor special events. The new Department was placed under the leadership of the General Manager of the Civic Center.
- At its meetings on April 4, May 2, June 6, August 1, and November 7, 2023, and January 9, 2024, the Commission discussed the Department and noted that sports, recreation and entertainment, and cultural events similar to those that occur in the Civic Center, occur in the other facilities within the new Department and noted other commonalities within the various components of the new Department including hosting events for which admission is charged to the general public, offering concessions and merchandise for sale, marketing their programs to the general public, and offering businesses and other organizations sponsorship opportunities.
- It is recognized that most of the programs/facilities within the Department have an existing affiliated organization working with them to operate the program/facility or to raise funds for a specific program/facility, however, no City board or commission is reviewing or advising on the operation of the overall Department’s facilities operations and programs.
- Since many components of the new Department relate so closely to the Commission’s role and interest in encouraging the promotion of sports, recreation, entertainment, and cultural events and activities to use the services and facilities like the Civic Center, the Commission believes that it would be useful and appropriate to expand its purview to serve as an advisory council to the Department of Community and Regional

Entertainment Facilities on any matter that the General Manager of the Civic Center deems necessary and to change its name to reflect this updated role.

- At its meeting on January 9, 2024, the Asheville Civic Center Commission voted unanimously to recommend approval of these amendments to the Civic Center Commission ordinance.

Council Goal(s):

- A Connected and Engaged Community
- A Well-planned and Livable Community

Committee(s):

- Civic Center Commission –January 9, 2024- voted unanimously to request City Council approval to amend the civic center commission ordinance as described herein.
- Boards & Commissions Committee - March 12, 2024 - voted unanimously (2-0) to move forward to City Council.

Pro(s):

- Updates the ordinance to be more in line with the Community & Regional Entertainment Facilities department after the change to departmental structure in January 2022

Con(s):

- None.

Fiscal Impact:

- This action requires no additional City resources and has no fiscal impact.

Motion:

- Motion to adopt amendments to Article III, Chapter 2, Division 2 and Article II, Chapter 11, Section 11-32 of the City of Asheville Code of Ordinances regarding the Civic Center Commission.

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N. RESOLUTION NO. 24-82 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A FIVE-YEAR MEMORANDUM OF UNDERSTANDING WITH THE FRIENDS OF THE WESTERN NORTH CAROLINA NATURE CENTER

Action Requested: Adoption of a resolution approving the City Manager to enter into a Memorandum of Understanding with the Friends of the WNC Nature Center for a term of five years.

Background:

- For the past 20 years, the Friends of the WNC Nature Center, a 501 c 3 not-for-profit fundraising organization, has supported the work of the WNC Nature Center through cash donations, marketing and promotional activities, special events and membership.
- Since the Center embarked on its current Master Plan in 2010, the Friends have committed over \$5 million in capital funding.
- These dollars have been used in the construction of the upgraded red wolf exhibit/arachnid adventure playground, the new front entrance and welcome plaza and the addition of the red panda exhibit to name only a few.
- The Friends have pledged to commit at least \$100,000 per year to continue to fund Nature Center enhancements and programs.

- Additionally, a portion of the Friends' restricted cash donation each year will be used to foster Diversity Equity and Inclusion at the Nature Center through initiatives and programs that strengthen existing partnerships between the Nature Center and local programs/organizations that currently reach audiences from marginalized communities.
- We will focus on building relationships to enhance existing networks of people, programs, and partnerships in Western North Carolina working to advance equity and inclusion, especially as it relates to outdoor education and the environment, across the Western NC region and particularly within Asheville's communities.

Council Goal(s):

- Equitable and Diverse Community
- A Well Planned & Livable Community
- Smart City

Pro(s):

- Continue the strong relationship between the City of Asheville's Western North Carolina Nature Center and the Friends of the WNC Nature Center.
- \$100,000 cash contribution each year to fund capital and program enhancements at the Nature Center

Con(s):

- None.

Fiscal Impact:

- If approved, the MOU will provide \$100,000 annually for use at the Nature Center to improve and update facilities and expand Diversity, Equity, and Inclusion programming.

Motion:

- Motion to adopt a resolution approving the City Manager to enter into a Memorandum of Understanding years with the Friends of the WNC Nature Center for a term of five years.

RESOLUTION BOOK NO. 44 - PAGE 438

O. ORDINANCE NO. 5073 - BUDGET AMENDMENT FOR CAPITAL IMPROVEMENTS AT THE ASHEVILLE MUNICIPAL GOLF COURSE

Action Requested: Adoption of a budget amendment, in the amount of \$56,000, to the Asheville Municipal Golf Course Capital Project account.

Background:

- Beginning in January 2023, the Asheville Municipal Golf Course began a \$2.9 Million restoration project.
- The project involves replacing stormwater lines on (5) holes and the parking lot, collecting and directing stormwater from the surrounding neighborhood and the golf course to the Swannanoa river.
- In addition to stormwater repairs the project is restoring, to the Donald Ross original design, all bunkers (sand traps), tee box complexes and greens.
- Sod upgrades to fairways, cart path repairs and clubhouse improvements are also included in the project.
- As part of the new management agreement for course operations a \$1 facility management fee per round was instituted to help fund recurring capital expenditures. In the first two quarters of FY 2024, \$26,000 has been collected.
- Currently the contractor is in the process of restoring bunkers, The original budget for bunkers would allow 75% of bunkers to be restored.

- In February 2024, the course was awarded a second \$30,000 grant from the Donald Ross Society Foundation. The grant did not require a match from the City. The grant is specifically to allow the course to complete the remaining 25% of bunker restoration.
- Facility management fee and grant revenue was not previously budgeted to be included in the current capital project.
- A budget amendment is requested for approval to spend these collected funds in the current fiscal year in order to save mobilization fees from the contractor. The contractor has advised their crew to stay on site to complete the bunker work during the current mobilization period.

Council Goal(s):

- A Financially Resilient City

Committee(s):

- None

Pro(s):

- Provides sufficient budget authorization for anticipated capital expenditures without requiring additional General Fund financial support for the project.
- Savings are created through economies of scale and elimination of the need for remobilization.

Con(s):

- None

Fiscal Impact:

- Funding for this project was previously budgeted and is available in the Capital Projects Fund.
- Additional funding for this project, available from Golf Course Facility Management fees (\$26,000) and the Donald Ross Society Foundation donation (\$30,000) will allow for more work to be completed by the current contractor at a lower overall cost.

Motion:

- Motion to approve a budget amendment to the Asheville Municipal Golf Course Capital Project account in the amount of \$56,000.

ORDINANCE BOOK NO. 35 - PAGE 266

P. RESOLUTION NO. 24-83 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN INTERLOCAL JOINDER AGREEMENT TO JOIN THE NORTH CAROLINA CLASS INVESTMENT POOL

Action Requested: Adoption of a resolution and interlocal joinder agreement to join the North Carolina CLASS Investment Pool.

Background:

- The City of Asheville is authorized to enter into interlocal agreements pursuant to N.C. Gen. Stat. § 160A-461.
- North Carolina General Statute §159-30 outlines the approved investment options for local governments for its funds.
- Local governments typically invest their funds in State-approved investment vehicles, but there is a need to keep a large amount of cash liquid to fund on-going operation.
- Historically, options for investing idle cash and keeping it liquid were limited to either the City's main bank or the North Carolina Capital Management Trust (NCCMT).

- Due to interest rate volatility over the past few years, Finance staff have identified the need for more investment options to allow diversification of investments of city funds.
- Local Government Investment Pools (LGIPs) are allowed by North Carolina State Statute to be formed by two or more participating local government units according to specific guidelines.
- Finance staff have identified the North Carolina Cooperative Liquid Assets Securities System Investment Pool (“NC Class”) as another LGIP option to increase diversification and flexibility of investment of its funds.
- The NC CLASS investment pool was formally established on April 12, 2023 by interlocal agreement in compliance with North Carolina general statutes. NC CLASS prioritizes safety, liquidity, and competitive returns on investments, balanced with legal compliance, convenience, and flexibility.
- Participation in NC CLASS does not prevent a local government from joining one or multiple other local government investment pools.
- Current investment pool participants are listed below; the investment pool anticipates several new members joining early in 2024.

Counties: Harnett, Gaston, Mecklenburg, Richmond, Lincoln, Buncombe

Municipalities: Hickory, New Bern, Holden Beach, Knightdale, Rocky Mount, Hope Mills, Bald Head Island

Authorities and special districts: County of Harnett District H Tourism Authority, Roanoke Rapids Sanitary District

Vendor Outreach Efforts:

- No competitive bid process was conducted

Council Goal:

- Financially Resilient City

Committee::

- No prior Committee approval.

Pro:

- Joining the North Carolina CLASS investment Pool will give the City increased options and additional flexibility for the investment of its funds.

Con(s):

- None

Fiscal Impact:

- As noted above, joining the North Carolina CLASS investment Pool will give the City increased options for the investment of cash which may have a small positive impact on investment earnings revenue.

Motion:

- Motion to adopt a resolution authorizing an interlocal agreement and joinder agreement to join the North Carolina CLASS Investment Pool.

RESOLUTION BOOK NO. 44 - PAGE 439

Q. RESOLUTION NO. 24-84 - RESOLUTION AUTHORIZING THE CITY MANAGER TO AMEND A CONTRACT WITH SITEWORK STUDIOS FOR NASTY BRANCH GREENWAY CONSTRUCTION DRAWING AND SPECIFICATION REVISIONS

Action Requested: Adoption of a resolution authorizing the City Manager to amend a professional services contract for design of the Nasty Branch Greenway project with Sitework Studios for providing necessary updates to the existing construction documents and specifications needed for the North Carolina Department of Transportation (NCDOT) approval and for bidding assistance in the amount of \$54,200.50; further authorizing the City Manager to execute any change orders that may arise during the documentation and bidding phases of the project up to the contingency amount of \$10,000.

Background:

- The Nasty Branch Greenway is a planned ¾-mile-long greenway that starts at the Grant Southside Center on Depot Street and Livingston Street and terminates at Phifer Street near the McDowell and Southside intersection.
- To-date, the City has contracted with Siteworks Studios totaling \$577,000 for project design.
- The original contract also included the design of the Clingman Greenway; this work has been completed allowing both projects to be bid as part of the River Arts District project.
- The project was not completed with the River Arts District project due to lack of funding.
- Additional funds were requested and granted through the Metropolitan Planning Organization (MPO) funding process.
- Authorization to accept the MPO grant for \$3.4 million was finalized in March of 2019.
- The new source of funding required a new project review through the NCDOT process.
- Additional review and changes to the stormwater systems associated with the project have also been required.
- Due to the length of this project, several members of the original design team are no longer with the company.
- In order to have the necessary revisions made and to have the plan set sealed for bidding, the requested contract amendment is necessary.
- The additional project scope with Siteworks Studios includes design work to comply with NCDOT funding requirements consisting of:
 - Drawing and specification updates
 - Permitting assistance for State and Federal environmental permits
 - Bidding assistance
- This design and engineering work is expected to begin spring 2024 with the project being ready to bid for construction in late summer 2024.

Vendor Outreach Efforts:

- This is an amendment to an existing professional services contract.

Council Goal(s):

- A Well-planned and Livable Community
- Transportation and Accessibility

Committee(s):

- N/A

Pro(s):

- This project provides an important East / West connection in the overall greenway network
- The alignment goes through the Southside Community, providing additional transportation investments and recreational opportunities for Southside residents
- This greenway will honor the history of the Southside neighborhood with Interpretive signage

Con(s):

- Construction activity will occur in two parks limiting active park space during construction

Fiscal Impact:

- Previously budgeted contingency in the General Capital Projects Fund will be utilized to fund this contract amendment.

Motion:

- Motion to adopt a resolution authorizing the City Manager to amend a professional services contract with Sitework Studios for providing necessary updates to the existing construction documents and specifications for the Nasty Branch Greenway project needed for NCDOT approval and for bidding assistance in the amount of \$54,200.50; further authorizing the City Manager to execute any change orders that may arise during the documentation and bidding phases of the project up to the contingency amount of \$10,000.

RESOLUTION BOOK NO. 44 - PAGE 441

R. RESOLUTION NO. 24-85 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A LEASE AGREEMENT WITH PACK SQUARE PROPERTY, LLC FOR REAL PROPERTY LOCATED IN THE JACKSON BUILDING COMPLEX AT 22 S. PACK SQUARE, 14 S. PACK SQUARE AND 8 MARKET STREET

Action Requested: Adoption of a resolution authorizing the City Manager to enter into a lease agreement with Pack Square Property, LLC for real property located in the Jackson Building Complex at 22 S. Pack Square, 14 S. Pack Square and 8 Market Street.

Background:

- The Municipal Building is the headquarters for the Asheville Police Department (APD), the Asheville Fire Department (AFD), and is the home of Fire Station 1.
- The Municipal Building Capital Repairs and Restoration Project starting later this fall, will involve the demolition and reconstruction of the elevated slab in Fire Station 1.
- The AFD administrative offices and the shared fitness center will need to relocate during construction.
- A functionally feasible space within the City's current space inventory was not available, so staff utilized the services of Dewey Property Advisors to search for commercial office space.
- Leasing space at the Jackson Building Complex was determined to best fit AFD's needs.
 - The Jackson Building Complex is located directly across Market Street from the Municipal building.
 - Due to the close proximity, AFD will be able to maintain their current parking adjacent to the Municipal Building.
 - The office space is mostly move-in ready and will only need a light upfit.
 - The shared fitness center space is being offered rent-free for two years. Shower facilities and some interior renovation are required. These improvements will come at the expense of the City.
- The recently completed Facility Master Plan includes plans for a new AFD headquarters. AFD will maintain their location in the Jackson Building while planning on the new headquarters is underway.
- Lease terms for the office space:
 - Size: 11,415 square feet.
 - Lease Term: five years, with an option for an additional three years.
 - Lease Rate: \$23 per square foot per year, escalated 2% per year.

- Full Service: lease rate includes electric, gas and water utilities; property expenses and building services.
- Lease terms for the fitness space:
 - Size: 3,000 square feet
 - Lease Term: two years, with an option for an additional two years.
 - Lease Rate: \$0 for the initial two year term.
 - Full Service: lease rate includes electric, gas and water utilities; property expenses and building services.

Vendor Outreach Efforts:

- Not applicable

Council Goal(s):

- Financially Resilient City
- A Well-Planned and Livable Community

Committee(s):

- None

Pro(s):

- This lease agreement will allow for planned structural repairs to proceed at the Municipal Building.
- The close proximity of the Jackson Building Complex to the Municipal Building will minimize operational impacts to the Department and inconvenience to the Public.
- The space fulfills the space requirements and needs of the Asheville Fire Department.
- This agreement will provide an interim space for AFD Administration while planning for a new headquarters is in process.

Con(s):

- The lease will add additional costs to the operational budget in future fiscal years.
- The construction project will cause an impact to existing operations for fire and police headquarters, and Fire Station 1.

Fiscal Impact:

- Funding for the first two years of this lease (\$530,341 total) and additional project costs for upfit, IT/security systems and relocation expenses (\$850,000) was previously budgeted and is available in the General Capital Projects Fund.
- The remaining lease term (approximately \$279,000 annually for years three through five) will be funded through the Asheville Fire Department's operating budget starting in FY 2026-27.

Motion:

- Resolution authorizing the City Manager to enter into a lease agreement with Pack Square Property, LLC for real property located in the Jackson Building Complex at 22 S. Pack Square, 14 S. Pack Square and 8 Market Street

RESOLUTION BOOK NO. 44 - PAGE 442

S. RESOLUTION NO. 24-86 - RESOLUTION RATIFYING A CHANGE ORDER WITH CHONZIE INC. IN RELATION TO THE VANCE MONUMENT REMOVAL

Action Requested: Adoption of a resolution ratifying a change order increasing the amount of the contract with Chonzie, Inc. in relation to the Vance Monument removal by \$99,402 plus a contingency of 10,000, for a total change order amount not to exceed \$109,402.

Background:

- In June of 2020, the Asheville City Council and Buncombe County Board of Commissioners jointly passed a resolution that established a community taskforce to recommend action related to the potential removal or re-purposing of the Vance Monument.
- Following a multi-week, community-led process of historical education, public input, and engagement, the taskforce voted to recommend removal of the monument and the City Council and Board of County Commissioners then voted in December of 2020 for the City Manager and County Manager to identify next steps.
- Bids for the demolition and removal of the Vance Monument were advertised January 7, 2021 and opened on January 28, 2021.
- The lowest responsive and responsible bidder, Chonzie, Inc. of Asheville, North Carolina was awarded the demolition contract with Council Resolution 21-64 in March 2021.
- In June 2021, the project was paused in compliance with Orders of the North Carolina Court of Appeals and Supreme Court pending litigation.
- The Supreme Court ultimately ruled in the City's favor, and the order staying removal has been lifted.
- The contractor will have to remobilize their equipment and crews a second time, and procure sufficient traffic control measures, resulting in a need to increase the total value of their contract.
- Upon removing the material, it will be the contractor's responsibility to dispose of the material.
- Additionally, the material is to be altered in some way that would make it impossible for the monument to be reassembled from the original material.
- The additional cost associated with the court mandated stop work order is \$99,401.42 and includes an additional remobilization, storage fees, and adjustments to rental and labor costs.
- The work is anticipated to be completed by the end of July 2024. After the remaining portion of the monument base is removed, staff will work with a minority-owned local landscape contractor to make landscaping improvements to the site.

Vendor Outreach Efforts:

- In the original bid solicitation, staff performed outreach to minority- and women-owned businesses through solicitation processes, which included posting on the State's Interactive Purchasing System and requiring prime contractors to reach out to Minority- & Women-Owned Business Enterprise (MWBE) service providers for subcontracted services.
- In addition, staff was able to break up the scope of work into multiple parts. One contract would address the monument demolition and removal. Separate from the Vance Monument removal contract, a temporary site restoration and landscape installation would be planned for the site where the Vance Monument stands.
- Outreach for separate site restoration work was performed following the Asheville Business Inclusion policy. A separate contract for site restoration would be awarded to MS Lean Landscaping, LLC.
 - The City followed standard practice for selecting contractors and MS Lean Landscaping was the lowest responsive responsible bidder. MS Lean Landscaping is an Asheville African American-owned Business.

Council Goal(s):

- An Equitable and Diverse Community; A Connected and Engaged Community; A Well Planned and Livable Community.

Committee(s):

- Vance Monument Task Force, 11/19/20 voted to recommend removal of the monument.

Pro(s):

- This change order will allow the completion of the monument removal that was begun in March 2021.

Con(s):

- All of the added costs of this change order are attributable to the legal complaint and associated court orders.

Fiscal Impact:

- Funding for this project was previously budgeted and is available in the General Capital Projects Fund.
- Previously budgeted contingency in the General Capital Projects Fund will be utilized to partially fund this contract amendment.

Motion:

Motion to adopt a resolution ratifying a change order increasing the amount of contract with Chonzie, Inc. in relation to the Vance Monument removal by \$99,402 plus a contingency of \$10,000 for a total change order amount not to exceed \$109,402.

RESOLUTION BOOK NO. 44 - PAGE 443

T. RESOLUTION NO. 24-87 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTACT WITH J BARTHOLOMEW CONSTRUCTION FOR THE WESTERN NORTH CAROLINA NATURE CENTER GATEWAY TO THE APPALACHIANS PROJECT

ORDINANCE NO. 5074 - BUDGET AMENDMENT THE WESTERN NORTH CAROLINA NATURE CENTER GATEWAY TO THE APPALACHIANS PROJECT

Action Requested: Adoption of (1) a resolution authorizing the City Manager to enter into a construction contract with J. Bartholomew Construction, LLC in the amount of \$1,074,000 for the Western North Carolina (WNC) Nature Center Gateway to the Appalachians Project, including authorizing the City Manager to execute any change orders that may arise during the project up to the contingency amount of \$107,400 (10%); and (2) adopt a budget amendment to the Nature Center Gateway Project account in the amount of \$350,000.

Background:

- This project will help the WNC Nature Center reach master plan goals by providing an entry experience to their Southern Appalachian journey. Specifically, this project includes a new gift shop, a new butterfly exhibit featuring native plants and education on the life cycle of the butterfly, creating an open guest plaza, and providing needed repairs to the barn.
- Bids for construction were initially advertised on February 22, 2024. The City received and opened bids on March 28, 2024. Three bids were submitted as follows:
 - Carolina Cornerstone Construction, Inc., Asheville, NC \$1,218,492
 - J. Bartholomew Construction, LLC., Hendersonville, NC \$1,095,000
 - Patton Construction Group, Inc., Arden, NC \$1,107,990
- J. Bartholomew is the lowest responsive, responsible bidder.
- The Nature Center has elected to take Alternate #2.
- Alternate #2 will leave a small shelter in place that was being considered for removal.
- By taking this alternative, the price is reduced by \$21,000.

- This deduction lowers the contract price from the base bid shown above.
- Funding contributors include the Friends of the Nature Center, Buncombe County Tourism Development Authority, and the City of Asheville.
- Construction is scheduled to be completed before the 2025 summer season.
- The \$200,000 budget amendment is needed to accept a \$200,000 contribution from the Friends of the Nature Center.

Vendor Outreach Efforts:

- Staff performed outreach to minority and women owned businesses through solicitation processes using the State’s Interactive Purchasing System and requesting prime contractors to reach out to Minority & Women-Owned Business Enterprise (MWBE) service providers for subcontracted services.
- No MWBE firms submitted bids with this prime contractor.

Council Goal(s):

- Council Priority: Improve and Expand Core Services
- Council Goals: Connected and Engaged Community, Well Planned and Livable Community

Committee(s):

- None

Pro(s):

- New exhibit to increase attendance at the WNCNC.
- Achieving master plan goals.
- Construction will conclude before the 2025 summer season

Con(s):

- Construction is to start at the beginning of the 2024 summer season

Fiscal Impact:

- Funding for this project was previously budgeted and is available in the Capital Projects Fund, including \$567,000 from a Buncombe County Tourism Development Authority (TDA) Tourism Product Development Fund grant.
- A \$350,000 donation from the Friends of the Nature Center will provide additional revenue to fully fund this project.
- Staff have also requested additional funding from the TDA. If awarded by the TDA, the planned donation from the Friend of the Nature Center would be redirected to other projects at the WNC Nature Center.

Motion:

- Motion to (1) adopt a resolution authorizing the City Manager to enter into a construction contract with J. Bartholomew Construction, LLC in the amount of \$1,074,000 for the WNC Nature Center Gateway to the Appalachians project, and further authorizing the City Manager to execute any change orders that may arise during the project up to the contingency amount of \$107,400 (10%); and (2) adopt a budget amendment to the Nature Center Gateway Project account in the amount of \$350,000.

**RESOLUTION BOOK NO. 44 - PAGE 444
ORDINANCE BOOK NO. 35 - PAGE 267**

U. RESOLUTION NO. 24-88 - RESOLUTION AUTHORIZING THE CITY MANAGER TO APPLY TO THE FEDERAL TRANSIT ADMINISTRATION GRANTS FOR BUSES AND BUS FACILITIES COMPETITIVE PROGRAM

Action Requested: Adoption of a resolution authorizing the City Manager to apply to the Federal Transit Administration (FTA) Grants for Buses and Bus Facilities Competitive Program for the purchase of fifteen (15) biodiesel 30' buses with associated transit technology equipment and accessories, to purchase an upgraded fare payment system, including upgraded fareboxes for all existing buses with obsolete systems, and a new administrative billing system and associated farebox servicing equipment for the transit garage.

Background:

- The Federal Transit Administration (FTA) issued a competitive grant opportunity under the Buses and Bus Facilities Competitive Program (49 U.S.C. 5339(b)) in February.
- This initiative awards grants through a competitive application process for the purpose of funding replacement, rehabilitation, and acquisition of buses and related equipment, as well as for the construction of bus-related facilities.
- The application deadline is April 25, 2024.
- Staff proposes to submit a grant application not to exceed \$11,299,185, which would include the purchase of fifteen (15) biodiesel buses, that would be purchased and budgeted over a period of three to four years, and that would include all of the required transit technology and equipment for each bus, as well as the purchase of 31 new fareboxes for existing buses that are currently using obsolete farebox equipment (Odyssey Fareboxes) and software.
- The required local match for the request is 20%, or \$2,259,837, which would be budgeted over several fiscal years, starting in FY 2025. The FY 2025 amount that would be budgeted if awarded, would be approximately \$1,100,000.
- The ART transit system has a fleet of 35 buses, of which nearly 50% (17 buses) have surpassed their typical useful life of 12 years and/or 500,000 miles.
- The continued use of these aged buses has led to inconsistencies in service and elevated maintenance expenses, as significant component replacements become increasingly necessary.
- The City's strategy to maintain the fleet in a state of good repair by acquiring 4-5 new buses annually has been compromised due to escalating costs and constrained funding.
- The purchase of new fareboxes is intended to replace the existing fareboxes that are no longer manufactured and the City is no longer able to purchase replacement parts.
- If awarded, the City would be able to upgrade all fareboxes and the associated administrative software and transit garage equipment, as well as provide opportunities to improve the fare payment process including mobile fare payment options that would be available to riders.
- If awarded, City staff would return to City Council to accept the grant, authorize the City Manager to sign all of the appropriate agreements, and approve a budget amendment to include the funds in the Capital Fund budget for FY 2025 and beyond.

Vendor Outreach Efforts:

- N/A. This request is for approval to apply for FTA Buses and Bus Facilities grant program funding. If awarded, funding for this project is provided by the Federal Transit Administration.

Council Goal(s):

- Improve/Expand Core Services

Committee(s):

- None

Pro(s):

- If awarded, the grant would allow the City to leverage significant federal funds to support the purchase and replacement of a minimum of 15 buses in the existing ART fleet that are beyond their useful life, thereby improving customer service by reducing breakdowns, improving fuel efficiency, and reducing maintenance costs for the City, and returning the overall fleet to a state of good repair.
- If awarded, the grant would allow the City to replace all of the obsolete fareboxes in the ART system and upgrade the associated administrative software and garage equipment.
- The new fareboxes would also provide the City with future opportunities to implement mobile payment options for riders.

Con(s):

- The City would be responsible for the local match of 20%, which would not exceed \$2,259,837, which would be budgeted over several Fiscal Years, starting in FY 2025.

Fiscal Impact:

- If awarded, the Federal Transit Administration provides 80% of the project cost, with the City of Asheville providing 20% of the remaining amount. The total grant request would not exceed \$11,299,185 (\$9,039,348 Federal and \$2,259,837 local).
- Staff would anticipate spreading the bus and farebox purchases over three to four years, therefore the required matching funds would be budgeted over the same time period.
- The FY 2025 amount that would be budgeted if awarded, would be approximately \$1,100,000.

Motion:

- Motion to adopt a resolution authorizing the City Manager to apply to the Federal Transit Administration (FTA) Grants for Buses and Bus Facilities Competitive Program for the purchase of fifteen (15) biodiesel 30' buses with associated transit technology equipment and accessories, to purchase an upgraded fare payment system, including upgraded fareboxes for all existing buses with obsolete systems, and a new administrative billing system and associated farebox servicing equipment for the transit garage.

Jonathan Wainscott asked Council to consider smaller vehicles.

RESOLUTION BOOK NO. 44 - PAGE 445

V. MONTHLY MUNICIPAL PROPERTY TAX REFUNDS OR RELEASES PER N.C. GEN. STAT. SEC. 105-381

Action Requested: Adoption of City of Asheville property tax refunds and releases for the month of February 2024.

Background:

- Buncombe County currently bills and collects City property taxes
- At the August 22, 2023, meeting, City Council approved an addendum to the existing tax collection agreement with Buncombe County to ensure that it fully conforms to the provisions of Chapter 105 of the North Carolina General Statutes, entitled The Revenue Act.
- As part of that compliance, the City Council must, on a monthly basis, approve all property tax releases and refunds that have been approved by the Buncombe County Board of Commissioners.
- City of Asheville refunds and releases for February 2024 are included in the document.

Council Goal(s):

- A Financially Resilient City

Pro(s):

- Ensures compliance with provisions of Chapter 105 of the North Carolina General Statutes, entitled The Revenue Act.

Con(s):

- None

Fiscal Impact:

- None.

Motion:

- Motion to adopt City of Asheville property tax refunds and releases for the month of J February 2024.

Vice-Mayor Kilgore said that members of Council have been previously furnished with a copy of the resolutions and ordinances on the Consent Agenda and they would not be read.

Councilwoman Turner moved for the adoption of the Consent Agenda, with the deletion of Consent Agenda Items “G”, “H”, “I”, and “J”. This motion was seconded by Councilwoman Roney and carried unanimously.

ITEMS REMOVED FROM THE CONSENT AGENDA FOR INDIVIDUAL VOTES

Honor Moor, representing the Asheville Coalition for Public Safety, spoke in support of bulletproof vests for sworn officers, along with a 6% increase for sworn officers.

Councilwoman Roney said that “everyone in Asheville deserves to be safe. We have heard and are going to be hearing a lot tonight about safety, starting with this Consent Agenda. True safety identifies community needs and utilizes the correct tools: mental health clinicians at 911 call center; Community Response Teams including uniquely-qualified behavioral health clinicians; care navigators for extended follow-up; co-response unit; and violence interrupter programming including community health workers and peer support specialists. This is what a Holistic Empathetic Assistance Response Team (HEART) could look like, but we are missing key components. Along with living wages for staff retention and recruitment, this doesn’t have to be a far off reality. It’s a list of data-driven, community safety solutions to the real crises our community is facing with programming starting here in Buncombe County, in Durham, and being considered in Raleigh and Fayetteville. With the vacancy rate at the Asheville Police Department, we have an opportunity and obligation to initiate a Community Safety Department, to start sending the right person with the right tools and training during crises of behavioral health, substance use poisoning/overdose, and homelessness. This requires a fundamental shift in priorities. Are we doing what we can? Am I doing everything I can? In February, I asked to meet with our new Fire and Police Chiefs, and I hope that meeting eventually happens, because I believe we have a concerned and caring community that will support current leadership in City Hall so we can invest in Community Safety and better serve our community. Today, I have to continue doing what I can. Our staff need bullet-proof vests and first aid kits, and I know the City of Asheville can and will fund them. I remain committed to transparency and accountability in our budgets, plans, and policies, to doing everything I can to shift to the quality, equitable public safety response our community deserves by saying no today to increased funding of business as usual today in order to give value to the yes our community needs.”

When Councilwoman Mosley said that the tools that Councilwoman Roney identified were functions of county government, Councilwoman Roney said there is precedent in North

Carolina for cities to step into this role. Councilwoman Ullman said that Durham City and County are a combined government.

G. RESOLUTION NO. 24-77 - RESOLUTION FOR CITY COUNCIL TO ACCEPT THE U.S. DEPT. OF JUSTICE 2023 EDWARD BYRNE JUSTICE ASSISTANCE GRANT AND AUTHORIZE THE CITY MANAGER TO SIGN ALL OF THE APPROPRIATE AGREEMENTS

ORDINANCE NO. 5069- BUDGET AMENDMENT FOR THE 2023 EDWARD BYRNE ASSISTANCE GRANT

Action Requested: Adoption of a resolution authorizing the City Manager to apply for and accept the United States Department of Justice (DOJ) 2023 Edward Byrne Justice Assistance (JAG) Grant, and adopt a budget amendment in the City's Special Revenue Fund in the amount of \$83,673.

Background:

- The City of Asheville receives an annual opportunity to apply for a Department of Justice (DOJ), Edward Byrne Justice Assistance Grant.
- The DOJ has preliminarily determined that the Asheville Police Department (APD) is eligible to receive a 2023 award of \$83,673 which is allocated to the APD and the Buncombe County Sheriff's Office in the amounts of \$65,195 and \$18,478 respectively.
- APD and Buncombe County will both use the funds to help pay for First Aid Responder Kits with AEDs for sworn personnel.

Vendor Outreach Efforts:

- Not applicable; Federally funded grant opportunity

Council Goal(s):

- A Connected and Engaged Community

Committee(s):

- Environment & Safety Committee on 03/26/2024 - voted unanimously to move to City Council

Pro(s):

- Ensures the ability to better protect the safety of the residents of Asheville and Buncombe County.

Con(s):

- None

Fiscal Impact:

- Matching funds are not required for this grant.

Councilwoman Mosley moved to adopt a resolution authorizing the City Manager to apply for and accept the United States Department of Justice (DOJ) 2023 Edward Byrne Justice Assistance (JAG) Grant, and adopt a budget amendment in the City's Special Revenue Fund in the amount of \$83,673. This motion was seconded by Councilwoman Turner and carried on a 5-1 vote, with Councilwoman Roney voting "no."

**RESOLUTION BOOK NO. 44 - PAGE 433
ORDINANCE BOOK NO. 35 - PAGE 260**

H. RESOLUTION NO. 24-78 - RESOLUTION FOR CITY COUNCIL TO ACCEPT THE 2023 BULLETPROOF VEST PARTNERSHIP GRANT FROM THE U.S. DEPT. OF JUSTICE AND AUTHORIZE THE CITY MANAGER TO SIGN ALL OF THE APPROPRIATE AGREEMENTS

ORDINANCE NO. 5070 - BUDGET AMENDMENT FOR THE 2023 BULLETPROOF VEST PARTNERSHIP GRANT

Action Requested: Adoption of a resolution authorizing the City Manager to apply for and accept the 2023 BVP Grant from the U.S. Dept. of Justice; and adopt a budget amendment in the City's Special Revenue Fund in the amount of \$40,973.40.

Background:

- The City of Asheville receives an annual opportunity to apply for a U.S. Department of Justice (DOJ), Bulletproof Vest Partnership (BVP) Grant.
- The DOJ has preliminarily determined that the Asheville Police Department (APD) is eligible to receive a 2023 award of \$20,486.70 which requires a dollar-for-dollar match by the City.
- Bulletproof vests expire after 5 years, and during the life of this grant 28 current officer's vests will expire and require replacement.
- The funding will allow the purchase of 52 bulletproof vests over the two-year life of the grant.

Vendor Outreach Efforts:

- Not applicable; Federally funded grant opportunity

Council Goal(s):

- A Connected and Engaged Community

Committee(s):

- Environment & Safety Committee on 03/26/2024 - voted unanimously to move to City Council

Pro(s):

- Increases officer safety by providing crucial safety equipment.
- Reduction in cost to the City of Asheville for the purchase of bulletproof vests

Con(s):

- None

Fiscal Impact:

- Funding for the required \$20,486.70 local match has been identified within the current fiscal year Asheville Police Department operating budget.
- This grant offsets the cost of equipment replacement that would otherwise be borne in full by the City.

Councilwoman Mosley moved to adopt a resolution authorizing the City Manager to apply for and accept the 2023 BVP Grant from the U.S. Dept. of Justice; and adopt a budget amendment in the City's Special Revenue Fund in the amount of \$40,973.40. This motion was seconded by Councilwoman Turner and carried on a 5-1 vote, with Councilwoman Roney voting "no."

**RESOLUTION BOOK NO. 44 - PAGE 434
ORDINANCE BOOK NO. 35 - PAGE 261**

I. RESOLUTION NO. 24-79 - RESOLUTION FOR CITY COUNCIL TO AUTHORIZE THE CITY STAFF TO APPLY FOR THE 2024 OFFICE OF COMMUNITY ORIENTED POLICE SERVICES (COPS), U.S. DEPT. OF JUSTICE LAW ENFORCEMENT AND MENTAL HEALTH WELLNESS ACT (LEMHWA) GRANT

Action Requested: Adoption of a resolution for City Council to authorize the City Manager to apply for the 2024 Office of Community Oriented Police Services (COPS), U.S. Dept. of Justice Law Enforcement and Mental Health and Wellness Act (LEMHWA) Grant.

Background:

- The City of Asheville receives an annual opportunity to apply for the Office of Community Oriented Police Services (COPS), U.S. Dept. of Justice Law Enforcement and Mental Health and Wellness Act (LEMHWA) Grant
- On April 12, 2022, Asheville City Council approved Resolution 22-65 authorizing the Asheville Police Department (APD) to apply for and accept this award for the first time for up to \$175,000 to fund a Wellness Coordinator Position within the department.
- On October 13, 2022, APD was notified of the grant award of the full \$175,000.
- APD hired the current Wellness Coordinator April 2023.
- The initial grant project period runs from 9/1/2022 through 8/31/2024.

Vendor Outreach Efforts:

- Not applicable; Federally funded grant opportunity

Council Goal(s):

- A Connected and Engaged Community

Committee(s):

- Environment & Safety Committee on 03/26/2024 - voted unanimously to move to City Council

Pro(s):

- Physically and mentally fit officers are able to:
 - demonstrate better de-escalation skills,
 - have lower rates of worker's compensation claims,
 - build community relations more effectively,
 - have lower suicide rates, have better decision-making skills, and
 - exhibit more positive behaviors.
- A successful employee total wellness program for police employees must include a continuum of physical wellness strategies beginning at the hiring process and continuing through retirement.

Con(s):

- If the grant is not renewed, maintaining the position after the grant funding is exhausted will require City funding.

Fiscal Impact:

- Matching funds are not required for this grant.

Councilwoman Mosley moved to adopt a resolution for City Council to authorize the City Manager to apply for the 2024 Office of Community Oriented Police Services (COPS), U.S. Dept. of Justice Law Enforcement and Mental Health and Wellness Act (LEMHWA) Grant. This motion

was seconded by Councilwoman Turner and carried on a 5-1 vote, with Councilwoman Roney voting “no.”

RESOLUTION BOOK NO. 44 - PAGE 435

J. RESOLUTION NO. 24-80 - RESOLUTION FOR CITY COUNCIL TO AUTHORIZE THE CITY STAFF TO APPLY FOR GRANT FUNDS FROM THE OFFICE OF NATIONAL DRUG CONTROL POLICY FOR THE 2025 HIGH INTENSITY DRUG TRAFFICKING AREAS (HIDTA) GRANT ON BEHALF OF THE ASHEVILLE HIDTA BRANCH

Action Requested: Adoption of a resolution to apply for the 2025 High Intensity Drug Trafficking Areas (HIDTA) Grant on behalf of the Asheville HIDTA branch in the amount of \$154,638.00.

Background:

- The purpose of the HIDTA program is to reduce drug trafficking and especially production in the United States, specifically in areas where drug-related activities are having a significant harmful impact.
- This unit does not focus on, or adopt cases, that are for simple possession, but focuses only on cases that deal in trafficking, manufacturing, and distribution of illegal drugs.
- The Asheville Police Department acts only as the fiduciary for the grant.
- When expenses are incurred, the fiduciary settles the claims using appropriated City of Asheville funds and then requests a 100% reimbursement from the federal government.
- The Asheville HIDTA is the direct beneficiary of the grant funds and not the Asheville Police Department.
- The Asheville HIDTA is comprised of members of the United States Drug Enforcement Administration, one officer from the Asheville Police Department, and various individuals from the Sheriff Offices of several Western North Carolina Counties.
- A United States Drug Enforcement Administration supervisor, who is the Asheville HIDTA manager, determines how grant funds will be expended.
- All members of the Asheville HIDTA receive reimbursement when they incur qualified expenses conducting Asheville HIDTA business.
- The Office of National Drug Control Policy has determined that the City of Asheville is eligible to manage this grant totaling \$154,638.00.
- Grant funds are used for overtime, travel, services and supplies.
- All expenses are tracked and audited by local and federal authorities.

Vendor Outreach Efforts:

- None. Funding for this grant is provided by the Office of National Drug Control Policy (ONDCP).

Council Goal(s):

- A Connected and Engaged Community

Committee(s):

- Environment & Safety Committee on 03/26/2024 - voted unanimously to move to City Council

Pro(s):

- Fosters partnerships with federal and local law enforcement agencies.

Con(s):

- None

Fiscal Impact:

- Matching funds are not required for this grant.

Councilwoman Mosley moved to adopt a resolution approving the application of the grant. This motion was seconded by Councilwoman Turner and carried on a 5-1 vote, with Councilwoman Roney voting “no.”

RESOLUTION BOOK NO. 44 - PAGE 436

III. NEW BUSINESS:

VI. NEW BUSINESS:

A. RESOLUTION NO. 23-89 - RESOLUTION ALLOCATING HOUSING TRUST FUND LOANS TO SPECIFIC AFFORDABLE HOUSING PROJECTS

Affordable Housing Officer Sasha Vrtunski said that this is the consideration of a resolution to allocate six (6) HTF applications, \$9,065,366, in total requests; and adoption of a resolution to approve five (5) applications for total HTF loan amount award of \$4,660,622.

Background:

- The HTF currently has \$4.5 million available for loan commitments. Additionally, there is a planned allocation from the General Fund of \$500,000 in the FY 2025 budget to the HTF, bringing the total available allocation to \$4.9 million.
- The City opened an application process for the HTF on December 15, 2023, and applications were due on January 31, 2024.
- Seven applications were received for this funding round; one withdrew their application.
- The total funding request from the six eligible applications was \$9,065,366.
- Staff had assistance from Training Development Associates (dba TDA Inc.), a consulting firm with expertise in affordable housing finance, with application analysis.
- Depending on the City Council’s final decision on April 23rd, all remaining HTF funds could be fully allocated.
- In April 2023, Council directed staff to work with Reasonable Development on the Oak Hill property.
- Staff has made progress on this project, and is now in a negotiation process with the developer.

Review:

- Three multifamily rental developments (Star Point Apartments, Roers Affordable and Overlook 157) are being proposed. Of those projects, two are utilizing Low Income Housing Tax Credit (LIHTC) project syndication equity with Star Point being a 9% tax credit project and Roers Affordable, a 4% project.
- There are two projects for Down Payment Assistance (DPA) being proposed (Mountain Housing and Habitat for Humanity).
- The remaining project is a new non-profit building auxiliary dwelling units for people in need of supportive housing and at risk of experiencing homelessness.

Name	# units	HTF request	TDC*	HTF % of TDC*	Type of Project	Targeted % of Area Median Income (AMI)
Star Point Apts	60	\$ 1,500,000	\$16,085,116	9.33%	Rental	30-60% AMI Avg

Roers Affordable	126	\$3,879,366	\$45,615,156	8.50%	Rental	60%
Overlook 157	72	\$ 2,000,000	\$41,439,728	4.83%	Rental	80% AMI
Hospitality Houses	2	\$ 40,000	\$40,000	100.00%	Rental	<60% AMI
MHO DPA	25	\$1,500,000	\$2,316,000	64.77%	Homeownership	80% AMI
Habitat DPA	4	\$146,000	\$1,460,000	10.00%	Homeownership	60% AMI
Total	289	\$9,065,366	\$106,956,000			

*Total Development Costs

(1) STAR POINT APARTMENTS

16 Restaurant Court, East Asheville

Background

- Star Point Apartments is a Low Income Housing Tax Credit project that was awarded 9% tax credits in 2023.
- The project will have 60 units and serve households at 30%, 50%, and 60% of Area Median Income (AMI).
- The development will include 14 efficiency units, 35 one-bedroom, and 11 two-bedroom units.
- The Housing Trust Fund has previously funded this project for land acquisition in 2022 for \$850,000.
- The City Council approved this project as a Conditional Zoning on April 25, 2023.

Proposal

- Mountain Housing Opportunities has requested \$1,500,000 in HTF financing.
- MHO also applied to Buncombe County for the same amount and has stated that it needs a total of \$1,500,000 from both entities (can be a combination of lower amounts from each).
- The request is for a 40-year loan, 0% interest with the principal due at maturity.
- The project will be affordable for 40 years.
- Staff has worked with County staff on an alternate proposal described below under Staff Recommendation.

Starpoint Apartments	60	Units		
HTF Request	\$1,500,000			
HTF Request per unit	\$25,000			
HTF Request as % of per unit cost	9.33%	\$1,500,000 request		
HTF Request as % of per unit cost	14.61%	Both FY24 and FY 25 requests		
<u>Funding Sources</u>				<u>% of TDC</u>
First Citizens Permanent			1,654,304	10.28%
NCHFA RPP			1,200,000	7.46%
Asheville HTF FY25			1,500,000	9.33%
Asheville HTF FY24			850,000	5.28%
Buncombe County AHSP (grant)			500,000	3.11%

LIHTC Equity (9%)		10,380,812	64.54%
	TDC	16,085,116	100.00%
<i>TDC - Total Development Cost</i>	TDC per Unit	\$268,085	

Housing Trust Fund Policy Compliance

- As long as the City's total contribution is less than \$1.6 million (under the 10% cap), the proposal conforms to the Housing Trust Fund policy.
- The project targets those at or below 60% AMI, which is an important goal of the Housing Trust Fund.

Pro(s):

- This funding will support the construction of 60 new affordable apartments for families including youth coming out of foster care.
- The affordability period will be 40 years.
- This redevelopment aligns with the City of Asheville's Consolidated Plan goals of prioritizing rental housing affordable to 60% AMI and below.
- The project will supply a large number of needed one-bedroom units.
- Mountain Housing will be pursuing the Foster Youth to Independence (FYI) vouchers for 12 units. This is a population that is very vulnerable coming out of foster care and prone to homelessness.
- The development is located adjacent to a corridor with access to transit and services.

Con(s):

- The 40-year loan term requested is quite lengthy and repayment would not occur until 2064.

Staff Recommendation:

- Staff has worked with Buncombe County staff to share funding of the gap in financing.
- The County is now able to make projects tax exempt which would theoretically enable MHO to have a larger permanent loan and reduce the funding gap down from \$1,500,000.
- Both City and County staff are asking MHO to defer a part of their developer fee, further reducing the gap in funding needed.
- The following recommendation is based on MHO deferring 21% of their developer fee, which is well below the North Carolina Housing Finance Agency (NCHFA) limit for deferred fees.
- With these adjustments, staff recommends approval of the loan of \$252,838 with a 40-year maturity; payments deferred; the City will be in third lien position; with the full loan amount due at maturity.
- If both the City and County approve, each local government would contribute \$1,102,838 to Star Point Apartments.

STAFF RECOMMENDATION - Star Point Apartments		
Funding Source	Amount	Notes
LIHTC	\$10,380,812	
RPP	\$1,200,000	
Permanent Loan	\$2,045,792	
Deferred Developer Fee	\$252,838	This amount equals a 21% deferred developer fee
Previous COA Award	\$850,000	

Previous County Award	\$500,000	
Proposed Additional County Award	\$602,838	<i>This amount is equal to \$350,000 plus \$252,838.</i>
Proposed Additional City Award	\$252,838	
Total	\$16,085,118	

- MHO has stated that they are not able to lock in a larger permanent loan at this time, and it will not be clear until construction is finished what the final loan amount will be.
- They have requested that the City and County contribute \$195,744 more each to close their calculated remaining gap of \$391,488.
- There are sufficient funds in the Housing Trust Fund to accommodate this request if Council approves it.

(2) ROERS AFFORDABLE

Pine Lane, Southwest Asheville

Background

- Roers Companies, a Minnesota-based multifamily housing developer, is seeking funding for Roers Asheville Affordable (Pine Lane) a new construction, 126-unit family development comprised of four (4) three/four-story buildings and a (1) one-story clubhouse.
- All 126 units will be affordable to families at or below 60% AMI.
- The project will have 14 one-bedroom, 28 two-bedroom, 63 three-bedroom, and 21 four-bedroom apartments.
- The project site is approximately 10 acres in size and is located east of Interstate 26 near the intersection of Pine Lane and Brevard Road in Asheville.
- The developer will pursue Conditional Zoning approval for the site.

Proposal

- Roers Companies has requested a \$3,879,366, interest-only loan with a 30-year loan term, at 2% interest rate.
- The project has also requested \$8,619,031 in funding from Buncombe County.
- In order to make the project work, the developer has requested for the payments to be made from cash flow versus a straight interest rate calculation. This practice is common in affordable housing finance.

Roers Affordable	126	Units	
HTF Request	\$3,879,366		
HTF Request per unit	\$30,789		
HTF Request as % of per unit cost			
			<u>% of TDC</u>
LIHTC (4%)		\$ 16,765,626	36.75%
Buncombe County		\$ 8,619,031	18.90%
Loan - Unspecified		\$ 14,460,000	31.70%
Asheville HTF FY25		\$ 3,879,366	8.50%
Deferred Developer Fee		\$ 1,891,133	4.15%
	TDC	45,615,156	100.00%

TDC - Total Development Cost	TDC per Unit	\$362,025
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Housing Trust Fund Policy Compliance

- Project complies with the Housing Trust Fund policy and meets underwriting metrics.
- The total request of \$3.88 million equals 8.5% of the total development cost, under the 10% cap.
- The per unit subsidy is reasonable given current construction costs.
- Under the HTF policy, the City could fund this project up to 10% of the cost per unit, which would be \$4.56 million.
- The current HTF policy does not address payments made from cash flow, but staff agrees that this is important to making this project work.

Pro(s):

- This funding will support the construction of 126 affordable apartments for families, all at or below 60% AMI for 30 years.
- The subsidy per unit in this request is \$30,488 per unit.
- This development aligns with the City of Asheville’s Consolidated Plan goals of prioritizing rental housing affordable to 60% AMI and below.
- The development will produce 63 three-bedroom and 21 four-bedroom units which are less prevalent in the marketplace.
- The project is substantially leveraging private capital for permanent financing.
- The development is located in a corridor with access to transit.
- The project’s developer is very experienced with successful projects all over the country.
- Low Income Housing Tax Credits enable the City’s funds to go further than a project financed with only private equity.

Con(s):

- The total requested, \$3.88 Million is a substantial amount of the City’s available HTF funding for the year.

Staff Recommendation: City staff is recommending fully funding this request with a \$3,879,366 loan with a 2 percent interest rate with payments being made from cash flow. The term would be 30 years, and the City would be in a third lien position.

(3) OVERLOOK 157

157 New Leicester Highway, West Asheville

Background

- Cohen Esrey Development Group, a Kansas-based multifamily housing developer, is seeking \$2M in HTF funding for Overlook 157, a new construction, 141-unit family development comprised of one (1) five-story, mid-rise building.
- The project is comprised of 73 one-bedroom and 68 two-bedroom apartment units.
- Located on New Leicester Highway in West Asheville, the project is designed as a mixed-income development with 51% of the units (72 units) designated for tenants earning less than 80% AMI. The remaining 69 units would be “market rate” with no tenant income or rent restrictions.
- This project received a Land Use Incentive Grant up to the amount of \$1,688,299 in February 2023.

Proposal

- A 3-year construction loan in the amount of \$2 million for the development of 72 affordable 1 and 2-bedroom units.
- Interest rate only loan and 2% interest rate.

- The affordability period as proposed is 8 years.

Overlook 157	72	Units	
HTF Request	\$2,000,000		
HTF Request per unit	\$27,778		
HTF Request as % of per affordable unit cost	9.46%	Using 51% of TDC	
<u>Funding Sources</u>			<u>% of TDC</u>
Asheville HTF FY25		2,000,000	4.83%
Equity - Enterprise		17,218,728	41.55%
Sterns - Construction Loan		22,221,000	53.62%
	TDC	41,439,728	100.00%
<i>TDC - Total Development Cost</i>	TDC per Unit	\$575,552	

Housing Trust Fund Policy Compliance

- The request of \$2,000,000 equals 9.46% of the total development cost, which is under the policy cap of 10% of total development costs per affordable unit.
- The project has already been subsidized through the Land Use Incentive Grant Program at an estimated grant value of \$1,688,299.
- The City expects greater affordability or longer affordability terms when additional funding is directed toward a project. This project does that by expanding the number of affordable units from 29 to 72.
- The LUIG grant and the HTF loan add up to \$3,688,299. If it is assumed that both subsidies are spread out among all 72 affordable units, the total subsidy represents approximately 8.9% of the total cost per affordable unit.
- Because this is a construction loan, a shorter affordability period is allowed by the policy.
- The Housing Trust policy emphasizes maximizing the number of affordable units, length of affordability and a deeper level of affordability (to incomes below 60% AMI).

Pro(s):

- Cohen Esry is an experienced and financially capable multifamily developer with a large, national development portfolio.
- The project is leveraging a substantial amount of funds including construction/mini permanent debt with current LOI from Stearns Bank and equity LOI from Enterprise Community Partners' Opportunity Zone Fund (ECOZF).
- Request is for a short-term construction/bridge facility that would be fully amortized and repaid at 2% simple interest within 36 months allowing the City to recoup investment and reinvest in other projects in the near term.

Con(s):

- Affordable units (72) will be targeted to those earning 80% AMI and below, with a limited affordability period of 8 years, far below the standard of 15 years for the Housing Trust Fund.
- The request of a \$2 million loan appears to be made mainly because of the lower interest rate.
- Stearns Bank's letter offers up to 58% LTC (Loan to Construction value) value which could be maximized instead of a Housing Trust Fund.

- The units are only affordable to those at 80% AMI.

Staff Recommendation: Considering current HTF funding limitations, limited affordability, and external funding resources for this project, staff does not recommend funding this project at this time.

(4) HOSPITALITY HOUSES

Scattered ADUs

Background

- Hospitality Houses, a yet-to-be-formed 501(c)3 non-profit affiliate of WNC Ministries, is seeking \$40,000 in HTF funding to construct two (2) accessory dwelling units (ADU's) to provide transitional housing for persons experiencing homelessness or who are at risk of homelessness.
- The units will accept housing vouchers and all residents will be matched with supportive services to ensure longevity and success.
- The program is proposed for a minimum 10-year period. It is expected that renters will be in the ADU for up to 2 years while gaining life skills and readiness to move into a more mainstream unit, making the ADU available to the next person.
- The two (2) ADUs would be 384 square feet, one-bedroom, one-bathroom units. The application does not identify specific project sites (the ADUs will be constructed in the backyards of existing, single-family homes whose owners agree to participate in the program). Still, it does note there are multiple potential sites located in the City of Asheville.
- A pilot project was constructed in the backyard of the project sponsor's executive director in nearby Candler, but at the time of application, the unit was not yet occupied.
- This program is modeled on an existing program for homeless veterans, YardHomesMN, currently underway in Minneapolis, Minnesota.
- Hospitality Houses has partnered with Western Carolina Rescue Mission as their fiscal agent while they get their 501(c)3 status.
- Additionally, the Western Carolina Rescue Mission will provide case management for the renters.

Proposal

- Hospitality Houses is requesting \$40,000 for two ADUs to be built in the city limits.
- The actual building cost is approximately \$54,600, while the total development cost is \$67,169 per unit.
- The proposed affordability period for the ADUs is a minimum of 10 years, possibly up to 15 years. At the end of the period, the ownership of the ADU is transferred to the homeowner.
- Hospitality Houses is amenable to restricting the future use of the ADUs to prohibit use as short-term rentals or homestay uses. The units could be used for the homeowner's own use or as long-term rental property.
- The loan requested is a 3-year construction loan with 2% interest, interest only.

Hospitality Houses	2	Units	
HTF Request	\$40,000		
HTF Request per unit	\$20,000		
HTF Request as % of per unit cost	29.78%		
<u>Funding Sources</u>			<u>% of TDC</u>
Buncombe County AHSP		42,500	
Asheville HTF FY25		40,000	29.78%

Other Foundations/Donations		43,137	
In-kind Labor (Fair Market Value)		3,500	
In-kind Materials (Fair Market Value)		5200	2.61%
	TDC	134,337	100.00%
<i>TDC - Total Development Cost*</i>	TDC per Unit	\$67,169	
<i>* Excludes Supportive Services</i>			

Housing Trust Fund Policy Compliance

- The construction of Accessory Dwelling Units is an allowable use under the Housing Trust Fund policy.
- The requested loan terms are reasonable given the population served, and the affordability complies with the policy for shorter-term construction loans.

Pro(s):

- A new, “outside the box” development concept designed to address high-risk, permanent supportive housing populations (i.e., tenants with incomes at or below 30% AMI) that looks to add housing in backyards where there is none.
- This is a modest investment for the City to do a pilot project to test out the new model.
- While a new organization, Hospitality Houses has partnered with a long-standing service provider in our area and secured case management services for the first 6 tenants.

Con(s)

- Hospitality Houses is a brand new organization that does not yet have its 501(c)3 status. There is some risk involved with making this loan for the program, but it is a smaller risk given the amount.
- Although one unit has already been built, the model hasn’t been proven, and the organization will still be learning as they go.

Staff Recommendation: Staff is recommending approval of this project with the requested terms. Although it is brand new, City staff have been meeting with the Executive Director for the past six months, and they have taken staff suggestions and greatly improved the model to adapt it to Asheville. If Council would prefer, the loan could be structured only to lend the first \$20,000 and wait until completion of the first unit before lending the second \$20,000 to minimize the risk further.

(5) MOUNTAIN HOUSING OPPORTUNITIES - DOWN PAYMENT ASSISTANCE
 Scattered Sites within Asheville

Background

- MHO is seeking \$1.5 million in HTF funding for its MHO Loan Fund down payment assistance (DPA) program. The program was established in 2008 and currently serves roughly 20 clients per year. The average homebuyer participating in their program earned 62% of AMI and received \$35,750 in DPA.
- Housing Trust funds would be used to expand the program and provide increased DPA limits within City limits, allowing more families to purchase homes within the City. Without additional funding, MHO’s current DPA limit of \$40,000 restricts the number of homes available that the targeted buyers can purchase.
- MHO uses a “shared appreciation” model whereby a lien is placed on the house bearing no interest or debt service, and upon sale of the property, the owner must repay the DPA loan plus a

percentage equal to the appreciation on the home. For example, a home that was originally purchased for \$200k with \$20k in DPA (10% of the purchase price) and subsequently sold for \$300,000 would owe \$30,000 upon sale, and the homeowner would capture \$70,000 of the increased home value.

- The shared appreciation model is a useful one in that it replenishes itself so that MHO can help the next homebuyer without a constant infusion of new funds to the program.

Proposal

- MHO is requesting a \$1.5 million loan at 0% interest for 40 years, payable at the end of the term. The loan will cover the DPA program for five years.
- The funds will be used for down payment assistance, while overall MHO works to expand the program including adding a loan officer.
- Homes will be maintained as affordable for at least ten years.

MHO Loan Fund	25	Units	
HTF Request	\$1,500,000		
HTF Request per unit	\$60,000		
<u>Funding Sources</u>			<u>% of TDC</u>
NeighborWorks America		60,000	2.59%
CDFI Pending		300,000	12.95%
Program Repayment/Interest Revenue		250,000	10.79%
Asheville HTF FY25		1,500,000	64.77%
Loan Processing Fees		6,000	0.26%
Dogwood Health Trust		200,000	8.64%
	TDC	2,316,000	100.00%
	TDC per		
<i>TDC - Total Development Cost</i>	Unit	\$92,640	

Housing Trust Fund Policy Compliance

- Down payment assistance is an allowed use under the Housing Trust Fund Policy.
- The policy does not have limits for DPA on a per-home basis, making it flexible to the market conditions.
- Down payment assistance operates differently than permanent loans for rental housing, so the 10% of the per unit cost is not necessarily applicable to DPA.

Pro(s):

- Expands operations of an existing DPA program with a track record of assisting low-income home buyers.
- MHO is a well-established local non-profit CDFI with significant experience in affordable housing.
- Leverages existing program resources and funding to assist low-income home buyers.
- The subsidy per unit is reasonable for a homebuyer initiative, and the shared appreciation model has a record of sustaining production with limited infusions of additional capital.

Con(s):

- While a very worthwhile project, the request for \$1.5 million is a large one given the other projects under consideration. A multi-year request like this would be better funded in a year with a larger balance of available HTF funds.

Staff Recommendation: Staff recommends funding this project for one year of operations at \$300,000. While this may not allow the program to invest in new staff as much in Year 1, longer-term funding could be possible if a larger balance of HTF funds is available in future years.

(6) AA HABITAT FOR HUMANITY - DOWN PAYMENT ASSISTANCE

Scattered Sites within Asheville

Background

- Habitat for Humanity (AAHH) is seeking funding for both rehabilitation and down payment assistance for four (4) homes.
- AAHH maintains a right of first purchase on the homes they build and sell. When home buyers sell their homes, they have to first offer it to Habitat for purchase at market rate. If possible, Habitat will purchase the home, make any necessary repairs, and then resell it to a qualified home buyer.

Proposal

- Habitat is requesting \$146,000 to help acquire homes and provide down payment assistance for four (4) homes within the city limits.
- The work will be completed over a 3-year period.
- The loan term is 0% interest for 30 years, with a 30-year affordability term.
- This request is similar to the last award Habitat received from the HTF that enabled the rehabilitation and resale of eight (8) homes with down payment assistance.

AAHH Loan Fund		4 Units	
HTF Request	\$146,000		
HTF Request per unit	\$36,500		
<u>Funding Sources</u>			<u>% of TDC</u>
Asheville HTF FY25		146,000	10.00%
Internal Revenue		1,314,000	90.00%
		TDC	1,460,000
			100.00%
<i>TDC - Total Development Cost</i>	TDC per Unit	\$365,000	

Housing Trust Fund Policy Compliance

- The Housing Trust Fund allows for funds to be used both for rehabilitation of units and down payment assistance.
- The amount requested is equal to 10% of the total development cost of each unit.
- Although not an HTF guideline, a Right of First Purchase will not be actionable on homes where previous HOME funds have been used, and the HOME lien is still active. If the lien has been satisfied, there is no restriction.

Pro(s):

- Assists in preserving the affordability of four (4) homes previously developed by Habitat.
- Leverages AAHH funds to achieve preservation at a modest per-unit cost compared to the initial cost in typical homebuyer projects.

Con(s):

- Individual homes have not been identified yet. Staff can work with Habitat staff to ensure adequate information on each home is documented before each project is started.

Staff Recommendation: Staff recommends fully funding the request at \$146,000 given the need for homeownership opportunities for residents at or below 60% AMI.

Staff Recommendation Summary

Name	HTF request	Rec. Loan Amount	No. of Aff. Units	Total Development Costs (TDC)	Loan as % of TDC	Recommended Loan Terms
Star Point Apts	Up to \$ 1,500,000	\$ 252,838 \$1,102,838	60	\$16,085,116	1.57% 6.86%	40-year term, 0% interest
Roers Affordable	\$3,879,366	\$3,879,366	126	\$45,615,156	8.50%	30-yr term, 2 % interest
Overlook 157	\$ 2,000,000		0	\$41,439,728	9.46%	
Hospitality Houses	\$ 40,000	\$40,000	2		29.8%	3 year term, 2% interest.
MHO DPA	\$1,500,000	\$300,000	5	\$2,316,000	64.77%	40-year term, 0% interest
Habitat DPA	\$146,000	\$146,000	4	\$1,460,000	10.00%	30 year term, 0% interest
Recommended Funding Total		\$4,618,204	197			

**Total Development Costs*

Note: For Star Point Apartments, the recommended loan amount is \$252,838. When added to the previous loan of \$850,000, the total HTF funds in the project will be \$1,102,838 or 6.86% of the total development cost per affordable unit.

Council Goal(s):

- Quality Affordable Housing
- An Equitable and Diverse Community

Committees:

- Housing and Community Development 4/16/24 - Unanimous (3-0) approval of the Housing Trust Fund allocations in the amount of \$4,618,204 for five development projects which will produce

197 units in affordable housing, with an additional recommendation to allocate up to an additional \$195,000 for StarPoint contingent upon the county vote at their affordable housing committee.

Fiscal Impact

- Staff estimates that the current available balance in the Housing Trust Fund is approximately \$4.5 million. Additionally, a planned allocation from the General Fund of \$500,000 in the FY 2024-25 budget to the Housing Trust Fund, brings the total available allocation to \$4.9 million. If the City Council approves this \$4,618,204 allocation, there will be an estimated available (unallocated) balance of approximately \$440,000.

Ms. Vrtunski outlined the following key takeaways from her presentation as follows: (1) Six eligible applications are being considered for the current round funding from the Housing Trust Fund (HTF), totaling \$9,065,366. The current available balance of the Fund is \$4.9 million. This includes the \$500,000 HTF allocation anticipated in the FY 25 budget; (2) and This round of funding was coordinated to align with Buncombe County’s process to assist in decision making and provide more predictability to the development community. She then went into detail of the five projects, their pros and cons, and staff’s recommendation for each project. Regarding the Star Point Apartments, (1) MHO has stated that they are not able to lock in a larger permanent loan at this time, and it will not be clear until construction is finished what the final loan amount will be; (2) They have requested that the City and County contribute \$195,744 more each to close their calculated remaining gap of \$391,744; (3) This afternoon the Buncombe County Affordable Housing Committee considered this, but they did not vote; (4) However, they did fund the Star Point Apartments at \$1.3 Million, which includes the \$195,744, and she felt there is a good possibility for approval. That Committee meets again on April 30; and (5) The City does have sufficient funds in the Housing Trust Fund to accommodate the request, if Council approves it. If Council approves the additional \$195,744 for Star Point Apartments, staff recommends funding 5 projects, totaling \$4,813,948 in HTF funding to assist in the construction of 197 units. Making these allocations will use almost all available funds in the Housing Trust Fund. She then reviewed the Housing & Community Development Committee’s recommendation on April 16, 2024, along with the fiscal impact.

At the suggestion of Councilwoman Turner, Ms. Vrtunski said that having a bucket of money for small projects; however, we are now working on an Affordable Housing Plan and she wants to make sure that that process gets honored.

In response to Councilwoman Roney, Ms. Vrtunski said that she does not have the conversation with the developers about a plan for renewables to have their bills be affordable.

Councilwoman Roney was excited to support these partnerships noting that transit routes are important to her when we look at building affordable housing.

When Vice-Mayor Kilgore asked for public comments, none were received.

Vice-Mayor Kilgore said that members of Council have been previously furnished with a copy of the resolution and it would not be read.

Councilwoman Turner moved to approve the Housing Trust Fund allocations in the amount of \$4,813,948 for five development projects that will produce 197 units of affordable housing (noting this includes an additional \$195,744 for Star Point Apartments). This motion was seconded by Councilwoman Mosley and carried unanimously.

RESOLUTION BOOK NO. 44 – PAGE 446

B. RESOLUTION NO. 23-90 - RESOLUTION APPROVING THE RECOMMENDATIONS FOR STRATEGIC PARTNERSHIP GRANT PROGRAM

AWARDS AND AUTHORIZING THE CITY MANAGER TO EXECUTE GRANT AGREEMENTS

Economic Development Division Manager Rachel Taylor said that this is the consideration of adoption of a resolution approving recommendations for Strategic Partnership Grant Program awards and authorizing the City Manager to execute grant agreements.

Background:

- In June 2022, the scope of the Strategic Partnership Grant (SPG) program was refined to focus on closing the opportunity gap for low- to moderate-income school-aged youth.
- From Fiscal Year (FY) 2022-23 to present, the SPG program has awarded \$781,709 to 16 programs serving over 1,700 students.
- The SPG program balance currently totals \$237,000, which is available to support the grant program in FY2024.
- Applications for the SPG program were accepted from December 15, 2023, through February 2, 2024.
- Staff received 21 applications from qualified agencies. Additionally, applicants were required to submit a recorded presentation by February 16, 2024.
 - These pre-recorded presentations replaced the live presentations previously held during specially scheduled Council Committee meetings.
- For each funding cycle, a cross-disciplinary Evaluation Panel reviews applications and makes recommendations for City Council consideration. The Evaluation Panel finalized its recommendations on Saturday, March 9.
- The Evaluation Panel consisted of seven members:
 - Asheville City Schools
 - Rheta West, Assistant Principal
 - LeVette Campbell, Social Worker
 - City of Asheville
 - Dennis Newburn, Community Development Division Manager, CED
 - Frank McGowan, Strategic Services Manager, Finance
 - City of Asheville Youth Leadership Academy (CAYLA)
 - Two students
 - Western Carolina University
 - Dr. JoBeth Shafran
- During the March 13th Equity and Engagement Committee (EEC) meeting, staff presented the Evaluation panel's funding recommendations.
- At the EEC's direction, staff completed additional follow-up interviews with each of the five (5) agencies recommended for funding by the evaluation panel.
- The interviews confirmed that the funding recommendations as presented to the EEC and reflected in this staff report below, have the least impact on the number of students served.
- Staff acknowledges the need to enhance reporting and impact assessments and are working with regional partners and agencies receiving SPG funding to improve performance measurement.
- On April 16, 2023, the EEC reviewed the Evaluation Committee's recommendations and recommended funding 5 agencies for a total grant award of \$237,000.
- The EEC's recommendations are included as part of the suggested City Council motion below.

Council Goal(s):

- An Equitable and Diverse Community
- A Connected and Engaged Community

Committee(s):

- Equity and Engagement on 03/13/2024- Heard Funding Recommendations;
- Equity and Engagement on 04/16/2024 - approved unanimously (3-0) as described in suggested motion below.

Pro(s):

- Additional resources available in summer 2024 to help address the opportunity gap and provide programming for school-aged youth.

Con(s):

- Rounds two and three agreements remain active, meaning not all awardees have fully expended their awards and are not yet required to submit their final reports.

Fiscal Impact:

- A total of \$237,000 will be available to support the Strategic Partnership Program in the latest round of funding.
- Should the City Council authorize funding the full \$237,000 recommended as part of the Strategic Partnership Grant program, there will be a remaining balance of \$0 for the current fiscal year. There is currently \$242,000 programmed in the draft Fiscal Year 2025 operating budget.

Ms. Taylor outlined the following key takeaways from her presentation as follows: (1) In June of 2022, the scope of the Strategic Partnership Grant (SPG) program was refined to focus on closing the opportunity gap for low to moderate income school-aged youth; (2) From Fiscal Year (FY) 2023 to present, the SPG program has awarded \$781,709 to 16 programs serving over 1,700 students; (3) For the latest application cycle, the program received 21 applications and pre-recorded presentations; (4) The Evaluation Panel reviewed applications and provided funding recommendations; (5) The Equity and Engagement Committee reviewed and finalized recommendations to fund five (5) agencies at a total of \$237,000; (6) City Council is being asked to review and consider approval of the Equity and Engagement Committee's funding recommendations at the April 23rd meeting; and (7) Staff acknowledges the need to enhance reporting and impact assessments and are working with regional partners and agencies receiving funding to improve performance measurement. She explained the SPG Program evolution by saying in 2022, the program scope was changed to address impacts of the opportunity gap by supporting low to moderate income school-aged youth. In FY23 and FY24, the program implemented the following changes across two rounds of applications: Streamlined communications and administrative requirements by updating application process; Increased award minimum to \$35,000 per program; Provided award recommendations based on full funding for requests; Required applicants to submit a recorded presentation in lieu of presenting live in a special EEC meeting; Updated scoring criteria; and Connected the indicated program Focus Areas, based on opportunity gap key indicators, to evaluation review and discussion. Future SPG Program improvements will consist of (1) In the Summer of 2022, the program was relaunched with the refined scope and the additional goal to minimize the burden of reporting requirements on grantees - In previous years, awardees have been asked to provide progress reports and annual reports; (2) Since the program has been operating, the Cease the Harm Audit has occurred and the Carter Development Group will presented the recommendations; (3) The program is now in a better position to make additional program improvements to measure impact and track data; (4) Staff will work with each awardee to develop an agreement and a reporting framework that are applicable to each program; (and (5) Additionally, staff will develop a framework of consistent data points that can be tracked across grantees and will work to develop impact measures specific to each focus area to streamline reporting requirements in future funding cycles. She then showed a chart of the SPG budget for Fiscal Year 2022 - Fiscal Year

2024, along with mentioning the evaluation panel. She said their funding recommendations are below:

Agency	Program	Average % Score	Students Served	Funds Requested	Funds Recommended
PODS Inc	Food Security Enhances Learning	92.4%	200	\$75,600	\$67,859
Horizons at Carolina Day	Summer 2024 Enrichment Program Expansion	92.2%	105	\$35,000	\$35,000
Literacy Together	Youth Literacy	88.6%	50	\$35,000	\$35,000
The Arc of Buncombe County	Bolstering Transportation Support for the I/DD Community	88.6%	50	\$35,000	\$35,000
Serve to LEAD	Youthful H.A.N.D. Summer Jump Start Program	87.6%	60	\$64,141	\$64,141
Total Grant Award Recommendation				\$244,741	\$237,000

She said on April 16, 2024, the Equity and Engagement Committee reviewed the Evaluation Panel’s funding recommendations and made funding recommendations for full City Council consideration. The Committee unanimously approved (3-0) the funding recommendations.

Councilwoman Roney thanked Ms. Taylor and team for the extra effort getting these funds into the community in advance of Summer programming needs, to our evaluation panel, and to the students who participated! As noted, there is a recommendation from the Equity and Engagement Committee to identify additional funding. She knows that we care about our youth who are falling through the racial opportunity gap in our schools and we need to make this a priority in our budget so we’re not nickel and diming our partners.

When Vice-Mayor Kilgore asked for public comments, none were received.

Vice-Mayor Kilgore said that members of Council have been previously furnished with a copy of the resolution and it would not be read.

Councilwoman Roney moved to approve the recommended \$237,000 in awards for the Strategic Partnership Grant Program and authorize the City Manager to execute the following grant agreements:

Program	Agency	Recommended Funding
Food Security Enhances Learning	PODS, Inc.	\$67,859
Summer 2024 Enrichment Program Expansion	Horizons at Carolina Day	\$35,000
Youth Literacy	Literacy Together	\$35,000
Bolstering Transportation Support for the I/DD Community	The Arc of Buncombe County	\$35,000
Youthful H.A.N.D. Summer Jump Start Program	Serve to LEAD	\$64,141
Total Grant Award Recommendation		\$237,000

This motion was seconded by Councilwoman Smith and carried unanimously.

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IV. PRESENTATIONS & REPORTS:

V. PUBLIC HEARINGS:

A. PUBLIC HEARING TO CONSIDER AN AMENDMENT TO THE UNIFIED DEVELOPMENT ORDINANCE TO CHANGE THE DEVELOPMENT REGULATIONS RELATED TO COTTAGE DEVELOPMENT

Vice-Mayor Kilgore said that the applicant has requested a continuance of this public hearing, until April 11, 2024. Councilwoman Smith moved to continue this public hearing.

Councilwoman Ullman said that based on the agenda briefing discussion on April 18, she felt there is a unified voice to wrap our hands around the recommendations of the Missing Middle Study around displacement methods. She is eager to pursue amendments to our cottage development standards and our flag lot standards; however, she feels these amendments are out of sync.

Director of Planning & Urban Design Stephanie Dahl said that she believes her staff can present policy recommendations to City Council by September 10, 2024. Those recommendations will go before the Planning & Economic Development Committee, and any other Council committees the City Manager’s Office decides, prior to coming to City Council.

Councilwoman Smith then withdrew her motion.

Councilwoman Ullman moved to continue the public hearing regarding cottage development standards until September 10, 2024. This motion was seconded by Councilwoman Smith and carried unanimously.

B. PUBLIC HEARING TO CONSIDER AN AMENDMENT TO THE UNIFIED DEVELOPMENT ORDINANCE TO CHANGE THE DIMENSIONAL AND OTHER REQUIREMENTS RELATED TO THE CREATION OF FLAG LOTS

Vice-Mayor Kilgore said that the applicant has requested a continuance of this public hearing, until April 11, 2024. As per the earlier discussion regarding cottage development standards, Councilwoman Ullman moved to continue the public hearing on an amendment to the

Unified Development Ordinance regarding flag lot standards to September 10, 2024. This motion was seconded by Councilwoman Smith and carried unanimously.

C. PUBLIC HEARING TO CONSIDER CONDITIONAL ZONING OF 767 NEW HAW CREEK ROAD FROM RS-4 RESIDENTIAL SINGLE-FAMILY MEDIUM DENSITY DISTRICT TO RESIDENTIAL EXPANSION - CONDITIONAL ZONE FOR THE PURPOSE OF BUILDING 95 NEW SINGLE-FAMILY HOUSING UNITS

At the request of the applicant, Councilwoman Turner moved to continue the public hearing to consider the conditional zoning of 767 New Haw Creek Road until June 11, 2024. This motion was seconded by Councilwoman Ullman and carried unanimously.

NOTE - CHANGE IN AGENDA - INFORMAL DISCUSSION AND PUBLIC COMMENT:

Several individuals spoke to City Council about various matters, some being, but are not limited to: need to increase pay for firefighters; information on Stand T.A.L.L. and how they provide funding to provide area law enforcement with equipment, training opportunities and mental health support; concerns over BID public hearing process; request for Council to adopt a resolution calling for a ceasefire in Gaza; need to increase pay for police officers 1% above the standard employee raises; support for the Southside Community Garden; appreciation to Council for efforts towards reparations; and concern about the populations of homelessness, unsheltered and at-risk mental disability.

D. PUBLIC HEARING RELATIVE TO ESTABLISHING A BUSINESS IMPROVEMENT DISTRICT

At the request of Vice-Mayor Kilgore, City Attorney Branham said that with regard to the public hearing on the BID, Council may proceed with opening the public hearing and taking comments prior to the presentation on this item. When the presentation is ready to proceed, the public hearing can be closed and then reopened afterwards to receive the remaining public comments. North Carolina law doesn't require that a presentation be given prior to conducting the public hearing. Therefore, altering the usual process in this manner is acceptable. He said that there will be no vote at this meeting. Two separate votes will need to be taken, and would need to be approved by City Council at both readings to approve the BID. The first reading will be on May 14, 2024, and the second and final reading will be on June 11, 2024.

After a brief discussion about the process, it was the consensus of Council that all public comments would be limited to three minutes, and there would be no time limit on the public comment period. It was the consensus of City Council to proceed with opening the public hearing at this time, hear the presentation, and then reopen the public hearing to hear any remaining public comments.

Staff Report: "This is the consideration of a public hearing to consider establishing a Business Improvement District. This public hearing was advertised on April 12, 2024.

Background:

- The City Council is authorized to establish a Municipal Service District, also known as a "Business Improvement District" (hereinafter referred to as a "BID") pursuant to N. C. Gen. Stat. 160A-537.
- A BID is utilized in order to finance, provide, or maintain, within the defined district, certain services, facilities, or functions in addition to, or to a greater extent, than those already provided to the entire City.

- A BID may only be established upon a finding by the City Council that the proposed district is in need of one or more of the services, facilities, or functions, as authorized by N.C. Gen. Stat. 160A-536, to a demonstrably greater extent than the remainder of the city.
- North Carolina law requires the City Council to hold a public hearing on the BID, and provide a report containing (1) a map of the proposed district, showing its proposed boundaries; (2) a statement showing that the proposed district meets the legal standards; and (3) a plan for providing in the district one or more of the services listed in N. C. Gen. Stat. 160A-536.
- In Spring 2023, the Asheville Area Chamber of Commerce (Chamber) began working with downtown stakeholders to address their concerns around services, safety, and cleanliness.
- The Chamber contracted with Progressive Urban Management Associates (P.U.M.A.) to conduct a BID Feasibility Study and to prepare the required BID Operational Plan Report for Downtown Asheville.
- On March 21, 2024, the Chamber submitted the BID Operational Plan Report to the City, and public notice has been provided to all property owners within the proposed BID that the report is available for public inspection for a period of four weeks, and that a public hearing on the BID will be conducted on April 23, 2024.
- Following the public hearing on April 23, 2024, the BID must be voted upon twice by the City Council. These votes will occur on May 14, 2024, and the second and final required vote on the BID ordinance occurring on June 11, 2024.
- The initial decision by Council will be limited to establishing the BID, and setting the applicable BID tax rate. The governance structure for the BID will be determined at a later date, prior to the implementation of BID service delivery.

Vendor Outreach Efforts:

- n/a

Council Goal(s):

- Thriving Local Economy
- Clean, Safe and Healthy Environment

Committee(s):

- Downtown Commission: 3/22/2024 received presentation.
- Downtown Commission: 4/26/2024

Pro(s):

- A BID would provide additional funding to meet the demonstrably greater need for certain services, facilities, and functions within the downtown district.

Con(s):

- The BID levies an additional property tax upon downtown property owners, and the effect of this may be passed on to tenants and customers.

Fiscal Impact:

- The proposed annual assessment rate is 0.0919 per \$100 of taxable value (example: property with taxable value of \$500,000 has an annual BID assessment of \$459.50).
- The BID proposed services and annual budget include:
 - Safety and Hospitality Services: \$700,000
 - Enhanced Cleaning Services: \$300,000
 - Contingency: \$100,000
 - BID Management and Administration: \$150,000
 - Total BID Budget: \$1,250,000”

Vice-Mayor Kilgore opened the public hearing at 6:31 p.m.

Two individuals spoke in support of the BID, for several reasons, but the main theme was the enhanced safety and cleaning.

Eleven individuals spoke against the BID. A compilation of opposition comments for this public comment period and the later public comment period are outlined below.

Vice-Mayor Kilgore closed the public hearing at 7:03 p.m.

Eva-Michele Spicer, Steering Committee Member, spoke on behalf of the steering committee, explained what a Business Improvement District (BID) is. It is a financing mechanism used to provide revenue for a variety of local improvements and services that enhance (but do not replace) existing municipal services. A BID, by state statute, is authorized by the City, but self-governed and traditionally requested by private sector property owners and businesses. A BID provides a managed, maintained and marketed approach to enhancing a designated area within the City. She then gave a brief history of her association with Asheville, asking for support in making another one of those transformational decisions that will make our city center an even greater asset to our region and community.

She said that “we come before you, as residents, business owners, property owners, and community leaders to recommend that Council create a community-managed Business Improvement District along what are the traditional boundaries of the Central Business District. And while the term used is Business Improvement District, to be clear this BID will also serve the more than 2000 residents that call the CBD home, making it one of the largest single neighborhoods in the city. But the BID isn’t just for the businesses and residents of downtown, it is to make sure that downtown is safe and clean for the enjoyment of everyone in the community. As the city’s center, downtown Asheville’s foot traffic, bike traffic, and car traffic are significant. Tens of thousands of people come into downtown Asheville each day to work and play which exacerbates public safety needs. This significant daily influx of the public into downtown also means that it is a bigger lift to keep the sidewalks, parks, and gathering spaces clean. Rather than stretch the city’s resources further, to the possible detriment of other neighborhoods, the residents and business owners of the CBD come before you tonight to request a dedicated tax assessment managed by a community board to provide significantly expanded safety and cleanliness services downtown. The core work of all BIDs is safety and cleanliness which is implemented through a team of well-trained ambassadors. BID ambassadors are trained to triage situations such that the right responders may be called, and the right response implemented, whether that is led by the police, community paramedics, mental health providers, or whomever appropriate. This not only reduces response times, ensures the right professionals are helping, but it also, importantly, puts more eyes and ears on our sidewalks to make sure that folks in need, are not overlooked, missed, or even, ignored. To be clear, the ambassadors are not a replacement for any of the essential responders. They can’t be and shouldn’t be. They are not armed. They are not medically equipped. The ambassadors are the eyes and ears to make sure that folks in need get the help they require. BID Ambassadors will fill a crucial gap in community care. The BID will also have a team dedicated to keeping downtown Asheville clean and in good repair. The significant influx of people into downtown each day means that public trash cans need to be emptied more frequently, street gutters and sidewalks need to be cleaned more often, and that there are benches that need to be repaired and street posts that need tags removed and repainted. The BID proposal team interviewed leadership from BIDs all over the country and visited several throughout the region and the responses were universal: they said it was one of the smartest things we did for our community, it not only has made the area safer and cleaner but has markedly improved the relationship and trust between

the city and community members. And while a downtown BID is but one tool in a multifaceted approach to enhancing the vitality of our city center, it is a very effective one. Through many conversations with the downtown community and surrounding areas, we've worked to develop a framework for how a Business Improvement District may be most impactful in Downtown Asheville. At this juncture, it is our goal to secure the creation of the BID through City Council, look to the City of Asheville to conduct a request for proposals for management of the Business Improvement District, and to establish the founding community board.

"Our vision for the Business Improvement District in its implementation is threefold: Be transparent. The BID will follow Open Meetings and Public Records laws to ensure transparency. Each year, Asheville City Council will approve the Board of Directors and Budget. The Board of Directors will develop a 3-5 year strategic plan, that will be operationalized by a local management organization. While the initial period for the BID is 10 years, there will be an annual report presented to City Council and a significant review at 5 years. We also recommend that the Business Improvement District be subject to a regular financial audit. Be inclusive. Because anyone who pays property taxes within the BID District, either directly or through a lease agreement will be included in the Business Improvement District and can be considered to serve on the Board of Directors, when nominating the Board of Directors, the BID should consider diversity of industry, geography within the district, race, gender, and socio-economic status. The BID should also regularly convene community partners such as the Businesses of South Slope, Asheville Independent Restaurants, the Block Collaborative, Go Local Asheville, the Asheville Downtown Association, the Chamber of Commerce, Explore Asheville, and Downtown Asheville Residential Neighbors, among many others. This will ensure the voices of a cross-section of stakeholders are taken into consideration. Have integrity. The Business Improvement District will offer full-circle reporting on engagement with the community, including staff shift reports. All BID employees will receive several levels of training including anti-racism training, equity training, and de-escalation training. The BID will consistently track and implement best practices for racial equity and peer support. The BID will offer competitive, sustainable living wages for all staff and position itself as a premier place to work. Transparency, inclusivity, and integrity will ensure a successful Business Improvement District that truly serves our entire community. Using the BID framework to levy resources from downtown to support downtown, means that the needs of other neighborhoods are not adversely affected by the additional needs of downtown. Asheville has come a long way since its near collapse in the 1970s thanks to great leadership and transformational decisions. This is one of those transformational decisions, a moment we will look back on for years to come as one that advanced Asheville for the good of all its people. On behalf of your neighbors that have come together to enthusiastically request that the city establish a downtown improvement district in Asheville, we appreciate your time and thoughtful consideration."

General Manager of the Foundry Hotel Larry Crosby said that the BID boundary change is the removal of residential on Hildebrand. Changes in the proposed Board structure include (1) add representative from Community Council; (2) Brings total Board count to 15; (3) residency is part of the nominations criteria; (4) add ex officio seat for City Council ; and (5) change Tourism Development Authority to Community Council. He said the make-up of the BID board is 3 major property owners (commercial property, combined taxable >\$1.5 Million); 2 large property owners (commercial property, combined taxable value \$500,000 to \$1.5 Million); 2 small property owners (commercial property, combined taxable value of <\$500,000); 2 residents (own a dwelling within the district, primary place of residence); 1 resident tenant (rents primary place of residence within the district; 1 retail tenant; 1 food and beverage tenant; 1 office tenant; 1 Community Council representative; and 1 at-large. Ex officio non-voting seats include the City Manager or designee; County Manager or designee; and City Council member.

In response to Councilwoman Mosley, Zack Wallace, Vice-President of Public Policy with the Asheville Area Chamber of Commerce, said that they propose that the Block will choose someone to place in the 15th seat of the Community Council.

Discussion occurred regarding City Council's discretion over the BID Board makeup and the use of funds.

Vice-Mayor Kilgore then re-opened the public hearing at 7:50 p.m.

Ten individuals spoke in support of the BID for several reasons outlined in Ms. Spicer's presentation.

Twenty-five individuals spoke against the BID, for various reasons, some being, but are not limited to: serving homelessness and mental health crises is the responsibility of the City and County, not downtown property owners; the makeup of the board proposed and how members are appointed further consolidate power in the hands of wealthy property owners; concern about contracting of privatized security to police downtown Asheville, allowing for an unaccountable, non-public force to police residents; lack of investment in community paramedicine & co-responder program; need for a 24/7 community paramedic response with behavioral health specialists uniquely qualified to address the behavioral health and opioid epidemic in downtown; need to incorporate results of the Cease the Harm Equity Audit and the Affordable Housing Plan into the plan for the BID; local small businesses should not be burdened with additional taxes to pay for services that are already the City's responsibility; any additional taxes will be passed down to renters and small business owners; the BID will create another dysfunctional and unaccountable body like the Tourist Development Authority; BID Board is an unelected board dominated by wealthy property owners; need to allow public comment at the May 14th and June 11th meetings, where the ordinance will be voted upon by City Council; require an open application process for the initial BID Board and for future vacancies - applicants should not need to be "nominated" by the BID Board to be considered by City Council; and City Council should review all applications from eligible residents and retain full authority to make appointments.

Vice-Mayor Kilgore closed the public hearing at 9:33 p.m.

Vice-Mayor Kilgore said that the next step will be the first reading of the ordinance to establish the BID on May 28, and the second and final reading of the ordinance is scheduled on June 11, 2024.

VI. UNFINISHED BUSINESS:

VIII. ADJOURNMENT:

Vice-Mayor Kilgore adjourned the meeting at 9:35 p.m.

CITY CLERK

MAYOR