

Thursday – June 18, 2025 - 11:00 a.m.

Agenda Briefing Worksession - For June 24, 2025, Council Meeting

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

Absent: Councilwoman Sheneika Smith

City Council held an agenda briefing worksession to discuss the upcoming and future agenda items.

At Noon, Mayor Manheimer adjourned the agenda briefing worksession.

Tuesday – June 24, 2025 - 5:00 p.m

Regular Meeting

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

Absent: Mayor Esther E. Manheimer and Councilwoman Sage Turner

PLEDGE OF ALLEGIANCE

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

I. PROCLAMATIONS:

A. PROCLAMATION PROCLAIMING JULY 2025 AS “40TH ANNIVERSARY OF PARKS & RECREATION MONTH”

Councilman Hess read the proclamation proclaiming July, 2025, as the “40th Anniversary of Parks & Recreation Month” in the City of Asheville. He presented the proclamation to Parks & Recreation Director D. Tyrell McGirt, and others, who briefed City Council on some activities taking place during the month and who thanked Council for this recognition.

II. CONSENT AGENDA:

A. APPROVAL OF THE COMBINED MINUTES OF THE AGENDA BRIEFING WORKSESSION HELD ON JUNE 5, 2025, AND THE FORMAL MEETING HELD ON JUNE 10 , 2025

B. RESOLUTION NO. 25-131 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ACCEPT DONATION OF UP TO \$110,000, FROM BROWN, PARKER & DEMARINIS ADVERTISING LLC, ON BEHALF OF MISSION HEALTH HOSPITAL MANAGER TO HELP REDUCE THE COSTS ASSOCIATED WITH ESTABLISHING TEMPORARY RECREATION AMENITIES; AND TO EXECUTE ANY DOCUMENTS NECESSARY RELATED TO THE USE OF THESE DONATED FUNDS

ORDINANCE NO. 5146 - BUDGET AMENDMENT TO BUDGET THE DONATED FUNDS

Action Requested: Adoption of a resolution authorizing the City Manager to accept a financial donation of up to \$110,000 from Brown Parker & DeMarinis Advertising, LLC (herein “BPD”) on behalf of Mission Health Hospital Manager, LLC to help reduce the costs associated with establishing temporary recreation amenities and to execute any documents necessary related to the use of these donated funds; and approval of a budget amendment to budget the funds within the Special Revenue Fund.

Background:

- Tropical Storm Helene significantly damaged park amenities and open spaces.
- The City’s Infrastructure Recovery Support Group (“RSG”) and Asheville Parks & Recreation have been working to identify and establish temporary recreation amenities for the community.
- Mission Health, as part of HCA Healthcare, participates in the Show Love Project.
- BPD, the agency of record representing HCA Healthcare, expressed an interest in providing a financial donation for projects that would benefit the community during the recovery and rebuilding efforts.
- Donated funds can enable the City to build temporary recreation amenities that would otherwise require expenditure of City funds.
- The donation of \$35,000 will assist in the development of a temporary dog park at Riverbend Park.
- An additional donation of \$75,000 can be used to establish other recreation assets destroyed by Tropical Storm Helene such as, but not limited to sand volleyball, pickleball, or a skating rink.

Vendor Outreach Efforts:

- Not applicable

Council Goal(s):

- Clean, Safe and Healthy Environment
- Financially Resilient City

Committee(s):

- None

Pro(s):

- Financial donations help offset the costs associated with establishing temporary amenities that are not eligible for FEMA reimbursement.

Con(s):

- None known

Fiscal Impact:

- \$110,000 will be added to the Special Revenue Fund.

Motion:

- Motion to authorize the City Manager to accept a financial donation of up to \$110,000 (which includes a \$35,000 donation for a temporary dog park to be located at Riverbend Park) from Brown Parker & DeMarinis Advertising, LLC on behalf of Mission Health Hospital Manager, LLC to help reduce the costs associated with establishing temporary recreation amenities and to execute any documents necessary related to the use of these

donated funds; and approval of a budget amendment to budget the funds within the Special Revenue Fund.

**RESOLUTION BOOK NO. 46 - PAGE 1
ORDINANCE BOOK NO. 36 - PAGE 229**

C. RESOLUTION NO. 25-132 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT FOR INTERNAL AUDIT PROGRAM SERVICES WITH PLANTE MOAN FOR A TERM OF ONE YEAR, WITH TWO ADDITIONAL ONE YEAR RENEWAL OPTIONS, AND FURTHER AUTHORIZING THE EXECUTION OF CHANGE ORDERS TO ADJUST THE TOTAL AMOUNT OF THE CONTRACT IN FUTURE FISCAL YEARS, CONTINGENT ON BUDGET APPROPRIATIONS IN FUTURE FISCAL YEARS

Action Requested: Adoption of a resolution authorizing the City Manager to enter into a contract for internal audit program services with Plante Moran for a term of one year, with two additional one year renewal options, and further authorizing the execution of change orders to adjust the total amount of the contract in future fiscal years, contingent on budget appropriations in future fiscal years.

Background:

- The mission of the City's Internal Audit division is to promote efficient, effective, and accountable city government by conducting financial, operational, and compliance audits of all City departments, divisions, and programs.
- Due to staff turnover within the division and ongoing recruitment challenges, which are prevalent throughout the industry, the City has decided to continue a co-sourced model for Internal Audit Services in which most of the audits are contracted out with a City staff position being maintained as project manager for the program.
- To facilitate this service model, contracted Internal Audit Services were sought via a Request for Proposals (RFP) in the spring of 2025.
- The City received nine RFP responses which were reviewed by a team consisting of City staff.
- Plante Moran was the highest scoring RFP responder.
- Actual costs will be billed on a per-hour basis.

Vendor Outreach Efforts:

- Staff performed outreach to minority- and women-owned businesses through solicitation processes following the City's ABI process and posting to the State's Electronic Vendor Portal (eVP) and the HUB.
- Of the nine RFP responses reviewed by staff, none identified as MWBEs.
- All of the nine firms that responded to the RFP chose the Self-Performing Option on the City's ABI forms.

Council Goal(s):

- Financially Resilient City

Committee(s):

- None

Pro(s):

- Provides services to support and enhance the City Internal Audit program.

Con(s):

- Will require additional budget resources in future years to continue the co-sourced service model.

Fiscal Impact:

- Funding for the \$115,000 in first year costs for this contract is available in the FY 2025-26 Internal Audit division operating budget.
- Future years will be planned during the annual budget development process.
- The contract is contingent on budget appropriations in future fiscal years.

Motion:

- Motion to adopt a resolution authorizing the City Manager to enter into a contract for internal audit program services with Plante Moran for a term of one year, with two additional one year renewal options, and further authorizing the execution of change orders to adjust the total amount of the contract in future fiscal years, contingent on budget appropriations in future fiscal years.

RESOLUTION BOOK NO. 46 - PAGE 2

D. ORDINANCE NO. 5147 - TECHNICAL BUDGET AMENDMENT IN THE CITY'S MULTI-YEAR ENTERPRISE FUNDS FOR YEAR-END CLEAN UP RELATED TO TROPICAL STORM HELENE BUDGETS ADOPTED EARLIER IN THE FISCAL YEAR; AND FOR DEBT REFUNDING EXPENSES IN THE TRANSIT SERVICES FUND

Action Requested: Adoption of a Technical Budget Amendment in the amount of \$4.2 million in the City's Multi-Year Enterprise Funds for year-end clean up related to Tropical Storm Helene budgets adopted earlier in the fiscal year, and in the amount of \$776,000 for debt refunding expenses in the Transit Services Fund.

Background:

- At the end of September 2024, the City of Asheville experienced large-scale devastation and destruction as a result of Tropical Storm Helene that has affected residents, businesses and city-owned property and infrastructure.
- A budget amendment was adopted by City Council on November 12, 2024 to add budgets in the City's Enterprise Operating Funds for Helene-related expenses.
- As staff has reviewed that earlier budget amendment, we have determined that from an accounting perspective certain budgets and expenses need to be moved from Enterprise Operating Funds to Enterprise Multi-Year Funds prior to the end of the fiscal year.
- This is a technical budget amendment in the sense that it is not adding a budget, it is simply moving previously adopted budgets from one fund to another.
- In addition, at the May 27th meeting, City Council approved a technical budget amendment in the General Fund (2100 Fund) related to the refunding of debt which occurred in April, but staff failed to include the part of that transaction which occurred in the Transit Services Fund. This technical amendment will correct that oversight.

Council Goal(s):

- A Financially Resilient City

Pro(s):

- Allows the City to budget for expenses related to Tropical Storm Helene response and recovery and be in compliance with NC General Statutes and Generally Accepted Accounting Principles.
- Amends the Fiscal Year (FY) 2024-25 Transit Services Fund budget in order to ensure statutory budgetary compliance.

Con(s):

- None.

Fiscal Impact:

- There is no net fiscal impact from this technical budget amendment.
- As noted above, the Helene part of this technical amendment will simply move budgets from one fund to another. It is anticipated that Federal Emergency Management Agency (FEMA) reimbursements will cover the costs for all expenses.
- For the Transit debt refunding, the amendment will reflect the receipt of refunding proceeds from the bank and the subsequent payment to pay off the prior debt issuance.

Motion:

- Motion to adopt: A Technical Budget Amendment in the amount of \$4.2 million in the City's Multi-Year Enterprise Funds for year-end clean up related to Tropical Storm Helene budgets adopted earlier in the fiscal year, and in the amount of \$776,000 in the Transit Services Fund for debt refunding expenses.

ORDINANCE BOOK NO. 36 - PAGE 230

E. RESOLUTION NO. 25-133 - RESOLUTION TO ENTER INTO A ROUND 2 CASHFLOW LOAN AGREEMENT WITH THE STATE OF NORTH CAROLINA AND TO AUTHORIZE THE CITY MANAGER TO EXECUTE THE ASSOCIATED DOCUMENTS

ORDINANCE NO. 5148 - BUDGET AMENDMENT TO BUDGET THE LOAN IN THE HELENE CASHFLOW LOAN FUND, AS REQUIRED BY THE LOAN AGREEMENT

Action Requested: Adoption of 1) a resolution to enter into a Round 2 cashflow loan agreement with the State of North Carolina and to authorize the City Manager to execute the associated documents; and 2) a budget amendment in the amount of \$1,842,175.47 to budget the loan in the Helene Cashflow Loan Fund, as required by the loan agreement.

Background:

- The North Carolina General Assembly created a \$100 million cashflow loan program under the Disaster Recovery Act of 2024, which was passed on December 11, 2024.
- The goal of the program is to help local governments whose communities were devastated by Tropical Storm Helene while they wait for federal money to arrive.
- In late February, the City received notice that it was awarded a \$2,791,793.35 Round 1 loan as part of this program, and City Council approved the Round 1 loan agreement in March.
- On June 13th, the City received notice that it was awarded an additional \$1,842,175.47 Round 2 loan.
- The loan, which is not structured as a forgivable loan due to duplication of benefit concerns with Federal Emergency Management Agency (FEMA) funding, comes with a 0% interest rate and a five-year payback schedule.
- To participate in the cashflow loan program Round 2, local governments must execute a loan agreement, promissory note, and other associated agreements with the State.

- Staff is recommending approval of a resolution accepting this second round of loan funding from the State and authorizing the City Manager to execute necessary documents to participate in the loan program.

Council Goal(s):

- A Financially Resilient City

Pro(s):

- While the loan can't be utilized to replace revenue that City lost due to Helene, it will help with overall cash flow and strengthen the City's year-end balance sheet.
- The State has indicated the possibility of multiple rounds of financial support so acceptance of this loan will help demonstrate to the State and other potential funders that there is a continued need for additional Helene-related assistance.

Con(s):

- None

Fiscal Impact:

- As noted above, the City will receive approximately \$1.8 million in cash from the loan to support Helene-related expenses incurred in the current fiscal year.
- The loan is designed to be a cash flow bridge until FEMA reimbursements are received, which will then be used to pay back the loan.
- Unlike the Community Disaster Loan (CDL) program, which allows funding to be used to maintain essential government services after a natural disaster, the funding from this State loan can only be used for Helene-related response expenses that will ultimately be reimbursed as part of the FEMA Public Assistance Program.

Motion:

- Motion to adopt 1) a resolution to enter into a Round 2 cashflow loan agreement with the State of North Carolina and to authorize the City Manager to execute the associated documents; and 2) a budget amendment in the amount of \$1,842,175.47 to budget the loan in the Helene Cashflow Loan Fund, as required by the loan agreement.

**RESOLUTION BOOK NO. 46 - PAGE 3
ORDINANCE BOOK NO. 36 - PAGE 232**

F. RESOLUTION NO. 25-134 - RESOLUTION DELEGATING THE AUTHORITY TO THE CITY MANAGER, OR ITS DESIGNEE, TO ACCEPT DONATIONS OFFERED TO THE CITY

Action Requested: Adoption of a resolution delegating the authority for the City Manager, or a designee, to accept donations offered to the City.

Background:

- A municipal government is authorized to accept donations of personal or real property pursuant to North Carolina General Statute 160A-11.
- The authority to accept these donations lies with the governing board unless and until this is delegated to City staff pursuant to North Carolina General Statute 160A-12.
- During a review of City policies for an upcoming donation, City staff learned that the Council had not yet delegated the authority to accept donations to the City Manager, or a designee.
- Until Council delegates the authority, as requested, all donations must be approved by the Council.

- Community members, nonprofit organizations and businesses often make donations to the City and this is an important outlet for connecting donated resources to meet the needs of the City's operations.
- Donated funds can enable the City to take actions that would otherwise require expenditure of City funds.
- By delegating this authority to staff, the process of accepting these donations will be streamlined, improving efficiency and easing the burden on City Council.
- Donations of \$90,000 or greater will require City Council approval.

Vendor Outreach Efforts:

- Not applicable.

Council Goal(s):

- Connected and Engaged Community
- Financially Resilient City

Committee(s):

- Not applicable.

Pro(s):

- Delegates authority to accept donations to the City manager or a designee which means that not all donations will require Council approval.

Con(s):

- None known.

Fiscal Impact:

- No fiscal impact. Future donations can be added to the budget through a budget amendment or through the annual Budget Ordinance if needed.

Motion:

- Motion to delegate the authority to the City Manager or their designee to accept donations offered to the City.

RESOLUTION BOOK NO. 46 - PAGE 4

G. RESOLUTION NO. 25-135 - RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN AN AGREEMENT WHEREBY THE CITY RECEIVES COMPENSATION FROM BUNCOMBE COUNTY FOR FIRE PROTECTION AND RESCUE SERVICES IN CERTAIN AREAS OF THE COUNTY

Action Requested: Adoption of resolution authorizing an agreement whereby the City receives compensation from Buncombe County for fire protection and rescue services in certain areas of the County.

Background:

- The Biltmore Estate has been served by the City of Asheville Fire Department since 1995 and Haw Creek has been served by the City of Asheville Fire Department since 2009 through contracts with Buncombe County.
- The Asheville Special Fire Protection and Rescue Service District of Buncombe County was established and created effective July 1, 2016.
- It comprises the Biltmore Estate property, and portions of the Haw Creek District.

- It is served by the Asheville Fire Department for fire protection, medical response, and rescue services.
- The County levies a special tax in the District and appropriates those funds to the City of Asheville.
- The taxes collected by the County from the District are paid to the City by the last day of each month in twelve equal monthly installments.
- At the end of the fiscal year, the County reconciles the monthly payments made to the City and the actual amounts collected to make a final adjusted payment in July of the following fiscal year.
- The current agreement with the County expires at the end of June 2025, and staff seeks approval of a new agreement with the County, effective July 1, 2025, that will run through the end of the current fiscal year.

Council Goal(s):

- Improve and Maintain Infrastructure and Core Services.

Committee(s):

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Pro(s):

- This contract provides revenue for the City of Asheville that is greater than the cost of services.

Con(s):

- None

Fiscal Impact:

- The agreement will provide reimbursement for services provided to the County, which is budgeted in the FY2026 Special Revenue Fund.
- Revenue from this agreement is included in the FY2026 Adopted Budget.

Motion:

- Motion to adopt a resolution authorizing the City Manager to execute an agreement whereby the City receives compensation from Buncombe County for fire protection and rescue services in certain areas of the County.

RESOLUTION BOOK NO. 46 - PAGE 5

H. RESOLUTION NO. 25-136 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN EXTENSION TO THE AGREEMENT WITH N.C. EMERGENCY MANAGEMENT FOR THE STATE REGIONAL HAZARDOUS MATERIALS RESPONSE TEAM #6

Action Requested: Adoption of a resolution authorizing the City Manager to execute the Fiscal Year 2026 Contract Extension Agreement for the State Regional Hazardous Materials Response Team Number Six (6).

Background:

- North Carolina is divided into seven geographical regions for the purpose of hazardous material emergency response.
- The North Carolina Department of Public Safety contracts with municipalities across North Carolina to respond into the geographical regions and provide technician level hazardous materials emergency response.
- The region's six areas encompass the westernmost twenty counties.

- The City of Asheville has been a regional hazardous materials provider since Fiscal Year 1994-1995.
- The State of North Carolina provides funding that fully supports the operational costs of the program.
- The City is reimbursed at 100% of the costs expended when the team is deployed for a state mission.
- The Asheville Fire Department wishes to renew the agreement for July 1, 2025 - June 30, 2026.

Vendor Outreach Efforts:

- N/A These services will be delivered internally by staff.

Council Goal(s):

- Clean, Safe and Healthy Environment
- Financially Resilient City

Committee(s):

- None

Pro(s):

- The State of North Carolina provides the hazardous materials response truck, all response equipment and provides for administrative costs of operating the team.
- In addition, the state funds extensive training for members of the Asheville Fire Department to enable us to competently handle hazardous materials emergencies.
- The City of Asheville has full use of the truck and all specialty equipment within the City of Asheville.
- Without the state hazardous materials contract, Asheville taxpayers would need to provide much of the resources necessary to properly respond to emergencies within Asheville.
- With the contract, the city has the advantage of the equipment and resources being funded at the state level, rather than at the local level.
- During the 19 years that the City has provided regional hazardous materials response services, it has not experienced difficulties or disadvantages with the program. This program is also consistent with the City's Strategic Operating Plan in partnership.
- Firefighter and public safety will be enhanced.

Con(s):

- None Identified

Fiscal Impact:

- There are no fiscal impacts that have been identified

Motion:

- Motion to adopt a resolution authorizing the City Manager to enter into a contract extension agreement with the North Carolina Department of Public Safety to provide regional hazardous materials emergency response for region 6.

RESOLUTION BOOK NO. 46 - PAGE 6

- I. **RESOLUTION NO. 25-137 - RESOLUTION TO PERMIT THE POSSESSION AND CONSUMPTION OF MALT BEVERAGES AND/OR UNFORTIFIED WINE AT THE INDEPENDENCE DAY BLOCK PARTY ON JULY 4, 2025**

**RESOLUTION NO. 25-138 - RESOLUTION TO PERMIT THE POSSESSION
AND CONSUMPTION OF MALT BEVERAGES AND/OR UNFORTIFIED WINE
AT THE ASHEVILLE HALF MARATHON 10K & 5k ON AUGUST 23, 2025**

**RESOLUTION NO. 25-139 - RESOLUTION TO PERMIT THE POSSESSION
AND CONSUMPTION OF MALT BEVERAGES AND/OR UNFORTIFIED WINE
AT THE BOOMTOWN ARTS & HERITAGE FESTIVAL ON AUGUST 29-31,**

**RESOLUTION NO. 25-140 - RESOLUTION TO PERMIT THE POSSESSION
AND CONSUMPTION OF MALT BEVERAGES AND/OR UNFORTIFIED WINE
AT THE BLUE RIDGE PRIDE FESTIVAL ON SEPTEMBER 27, 20225**

Action Requested: Adoption of resolutions to permit the possession and consumption of malt beverages and/or unfortified wine at the Independence Day Block Party, Asheville Half Marathon 10K & 5K, Boomtown Arts & Heritage FestAVL, and the Blue Ridge Pride Festival

Background:

- N. C. Gen. Stat. sec. 18B-300(c) authorizes the City by ordinance to regulate or prohibit the consumption and/or possession of open containers of malt beverages and unfortified wine on the public streets and property owned, occupied, or controlled by the City and to regulate or prohibit the possession of malt beverages and unfortified wine on public streets, alleys or parking lots which are temporarily closed to regular traffic for special events.
- The City Council of the City of Asheville has adopted an ordinance pursuant to that statutory authority; and that ordinance, codified as Section 11-11 in the Code of Ordinances of the City of Asheville, provides that the City Council may adopt a resolution making other provisions for the possession of malt beverages and/or unfortified wine at a special event or community festival.
- The following organizations have requested that City Council permit them to serve beer and/or unfortified wine at their events and allow for consumption at the events:
 - Asheville Downtown Association for the Independence Day Block Party to be held on July 4, 2025, on Coxe, Banks, and Buxton Avenues.
 - Sisu Running Foundation for the Asheville Half Marathon 10K & 5K to be held on August 23, 2025, at Pack Square Park.
 - LEAF Global Arts for the Boomtown Arts & Heritage FestAVL to be held on August 29 - 31, 2025, at Pack Square Park.
 - Blue Ridge Pride, Inc. for the Blue Ridge Pride Festival to be held on September 27, 2025, at Pack Square Park.
- Alcohol boundaries are defined as per the accompanying event site maps.

Council Goal(s):

- This action has no direct connection with the City Council 2036 Vision.

Committee(s):

- None

Pro(s):

- Allows fundraising opportunities for the sponsoring nonprofit organization.

Con(s):

- None

Fiscal Impact:

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

Motion:

- Motion to adopt resolutions to permit the possession and consumption of malt beverages and/or unfortified wine at the Independence Day Block Party, Asheville Half Marathon 10K & 5K, Boomtown Arts & Heritage FestAVL, and Blue Ridge Pride Festival

RESOLUTION NO. 25-137 - RESOLUTION BOOK NO. 45 - PAGE 7
RESOLUTION NO. 25-138 - RESOLUTION BOOK NO. 46 - PAGE 10
RESOLUTION NO. 25-139 - RESOLUTION BOOK NO. 45 - PAGE 13
RESOLUTION NO. 25-140 - RESOLUTION BOOK NO. 46 - PAGE 16

**J. RESOLUTION NO. 25-141 - RESOLUTION AUTHORIZING THE CITY
MANAGER TO EXECUTE A CONTRACT WITH TARHEEL PAVING AND
ASPHALT FOR THE FISCAL YEAR 2025 ASPHALT RESURFACING
PROJECT**

Action Requested: Adoption of a resolution authorizing the City Manager to execute a contract with Tarheel Paving and Asphalt in the amount of \$1,850,118.10 plus a 15% contingency of \$277,517.72 (\$2,127,635.82 total) for the FY 25 Asphalt Resurfacing contract.

Background:

- The project scope consists of resurfacing 21 streets for a total of 4.32 miles and upgrading of 26 ADA ramps in the work zone.
- An inventory of the streets was provided..
- The project was advertised on April 25, 2025, and bids were opened on May 15, 2025.
- Work is anticipated to start September 1, 2025.
- The following bids were received:

Tarheel Paving and Asphalt, Inc. of Hendersonville, NC	\$1,850,118.10
French Broad Paving, Inc. of Marshall. NC	\$2,143,558.00
APAC-Atlantic, Inc., Asheville Division of Asheville, NC	\$3,857,947.45

Vendor Outreach Efforts:

- 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.
- Two companies from an identified disparity group (Black American and Native American) were found in the ten-county area and staff directly contacted those companies.
- Neither company submitted a bid.
- Two women-owned businesses were also directly contacted and neither company submitted a bid.
- One woman-owned company (Appalachian Paving and Concrete of Swannanoa, NC) will be operating as subcontractor on the project.
- Tarheel Paving and Asphalt anticipates expending 18.0 percent of the total dollar amount of the contract with this company.

Council Goal(s):

- A Well-Planned and Livable Community

Committee(s):

- None

Pro(s):

- The award of this contract will result in the resurfacing of 4.32 miles of City streets.
- ADA ramps in the work zone will be upgraded.

Con(s):

- Construction will cause temporary disruptions in the impacted neighborhoods.

Fiscal Impact:

- Funding for this contract is provided in the Fiscal Year 2025 Streets Program.

Motion:

- Motion to adopt a resolution authorizing the City Manager to execute a contract with Tarheel Paving and Asphalt in the amount of \$1,850,118.10 plus a 15% contingency of \$277,517.72 for a total not-to-exceed amount of \$2,127,635.82 for the FY 25 Asphalt Resurfacing contract.

RESOLUTION BOOK NO. 46 - PAGE 19

K. ORDINANCE NO. 4149 - ORDINANCE AMENDING CHAPTER 15 OF THE CODE OF ORDINANCES, SOLID WASTE MANAGEMENT, TO PROVIDE CLARIFYING INFORMATION ABOUT THE PROVISION OF WASTE COLLECTION SERVICES ON PRIVATE ROADS

Action Requested: Adoption of an ordinance amending Chapter 15, Solid Waste Management, to provide language regarding provision of waste collection services on private roads.

Background:

- The Sanitation Division and their contractor(s) provide waste collection services on private roads within City limits.
- Chapter 15 Solid Waste Management of the City's Code of Ordinances currently does not define the parameters within which private roads may be serviced.
- A Private Road Agreement between the City and the owners of the road is generally required in order for the City (or their contractors) to provide service on privately owned roads.
- In order to align with state law, and in collaboration with the City's Legal and Risk personnel, the Private Road Agreement was revised, and language defining the parameters within which private roads may be serviced will be added to Chapter 15 Solid Waste Management, specifically, a new subsection will be added to Section 15-39(a)(5).
- The new ordinance language will clarify that, if the Public Works Department is asked to provide solid waste collection services along a private road, and determines in its sole discretion that it is feasible to provide such services along the private road, it shall be the affirmative obligation of the owner of the road to keep it in a state of good repair, and free from any and all obstructions.
- No substantive changes are being made to waste collection services; the City is simply revising the ordinance to align with practice and state law.

Council Goal(s):

- Improve and Maintain Infrastructure and Core Services

Committees(s):

- N/A

Pro(s):

- Clarifies and codifies City practice regarding the practice of waste collection on private roads.

Con(s):

- None

Fiscal Impact:

- None

Motion:

- Motion to adopt an ordinance amending Chapter 15, Solid Waste Management, of the City Code of Ordinances to provide language regarding the provision of waste collection services on private roads, effective June 24, 2025.

ORDINANCE BOOK NO. 36 - PAGE 233

- L. RESOLUTION NO. 25-142 - RESOLUTION REPEALING RESOLUTION NO. 22-16 WITH AUTHORIZED THE CITY MANAGER TO EXECUTE A N.C. DEPT. OF TRANSPORTATION FUNDING AGREEMENT FOR THE PATTON AVENUE SIDEWALKS IMPROVEMENT PROJECT; AND REPLACING IT WITH A NEW RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A NEW NCDOT FUNDING AGREEMENT**

Action Requested: Adoption of a resolution repealing Resolution No. 22-16 which authorized the City Manager to execute a N.C. Dept. of Transportation (NCDOT) Funding Agreement in the amount of \$90,000.00 for Patton Avenue Sidewalk Improvements and replacing it with a new resolution authorizing the City Manager to execute a new NCDOT Funding Agreement up to \$150,000 maximum reimbursement.

Background:

- The City is preparing to implement a sidewalk project along Patton Avenue between Druid Drive and Louisiana Avenue.
- In 2021, NCDOT requested the City include concrete curb and gutter as part of the City's design and construction project, and entered into a funding agreement with the City for reimbursement of said curb and gutter installation. The reimbursement from NCDOT to the City was in an amount not to exceed \$90,000.00.
- On January 25, 2022, the City Council approved Resolution No. 22-16 authorizing the City Manager to enter into the requested Funding Agreement with NCDOT.
- The project was bid twice in May 2023, but received no interested bidders. Staff decided not to move forward with the project at that time.
- The project was successfully rebid in March 2025, and the City awarded the contract to the lowest, responsive, responsible bidder (Appalachian Sitework Inc; 04/08/2025; Resolution No. 25-78).
- The cost for curb and gutter has increased in the three years since the original NCDOT funding agreement was approved. City Staff and NCDOT have agreed to enter into a new funding agreement with a higher cost reimbursement in the amount of \$150,000.

Council Goal(s):

- This project aligns with the Council's 2036 vision of "Transportation and Accessibility", a "Connected and Engaged Community", and "Thriving Local Economy". This project is

also part and parcel of “closing the gap” as described in Asheville’s Greenway, ADA, and Pedestrian (GAP) Plan.

Committee(s):

- None

Pro(s):

- NCDOT will reimburse the City for the cost of the additional curb and gutter requested by NCDOT, including the City's project management overhead costs.

Fiscal Impact:

- Funding for this contract is included in the adopted Capital Improvement Program (CIP).
- The Funding Agreement with NCDOT will benefit the City up to \$150,000 of construction cost.

Motion:

- Motion to adopt a resolution repealing and replacing Resolution No. 22-16 and authorizing the City Manager to execute a new Funding Agreement with the NCDOT for reimbursement of up to \$150,000.00 for construction costs related to curb and gutter installation on the Patton Avenue Sidewalk Improvements Project..

RESOLUTION BOOK NO. 46 - PAGE 20

M. RESOLUTION NO. 25-143 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH HAYNES ELECTRIC UTILITY FOR THE TRAFFIC AND PEDESTRIAN SIGNAL AND POLE INSTALLATION AT THE SOUTH CHARLOTTE STREET AND MARTIN LUTHER KING JR. DRIVE INTERSECTION

Action Requested: Adoption of a resolution authorizing the City Manager to execute a contract with Haynes Electric Utility, a division of MB Haynes Corporation in the amount of \$399,350 with a contingency amount of \$59,900 for a total not to exceed contract amount of \$459,250 for a traffic and pedestrian signal and pole installation at the intersection of South Charlotte Street and Martin Luther King Jr. Drive.

Background:

- Charlotte Street is a busy, frequently traveled north / south route, connecting north Asheville through the edge of downtown.
- Several multi-family housing units located off of Martin Luther King, Jr. Drive (MLK) have been developed over the past few years, increasing the amount of traffic turning from MLK onto S. Charlotte Street, and increasing the pedestrian traffic needing to cross at the intersection.
- In order to provide safe vehicular and pedestrian turning and crossing, the City of Asheville engaged traffic engineering firm Ramey Kemp Associates to provide construction documents for traffic and pedestrian signal pole installation at the intersection.
- Construction is expected to start in late 2025 or early 2026 as the signal poles have a long leadtime, typically 6-9 months.

Vendor Outreach Efforts:

- Staff performed outreach to minority and women owned businesses through solicitation processes which include posting a bid for construction on the NC electronic Vendor Portal (eVP) and requiring prime contractors to reach out to Minority & Women-Owned Business Enterprise (MWBE) service providers for subcontracted services.

- Two bids were received. No MWBE service providers submitted bids. The following companies submitted bids:
 - Haynes Electric Utility, a division of MB Haynes Corporation of Asheville, NC for \$399,350.00
 - Stansell Electric Company of Nashville, TN for \$473,250.00

Council Goal(s):

- Well Planned and Livable Community
- Transportation and Accessibility

Committee(s):

- None

Pro(s):

- Adding traffic signals at this intersection will provide safer, more consistent turning for vehicles during the heaviest traveled times including morning and evening rush hour and Asheville Tourists games.
- Adding pedestrian signals at this intersection and safe, consistent crossing for pedestrians, especially during heavily traveled times like the Asheville Tourists games

Con(s):

- Impacts to the community during construction

Fiscal Impact:

- Funding for this contract is already included in the Transportation Capital Improvement Program (CIP).

Motion:

- Motion authorizing the City Manager to execute a contract with Haynes Electric Utility, a division of MB Haynes Corporation in the amount of \$399,350 with a contingency amount of \$59,900 for a total not to exceed contract amount of \$459,250.

RESOLUTION BOOK NO. 46 - PAGE 21

N. RESOLUTION NO. 25-144 - RESOLUTION FOR CITY MANAGER TO ACCEPT THE INTERNAL REVENUE SERVICE CLEAN ENERGY TAX CREDIT FUNDS FROM PURCHASE OF ELECTRIC VEHICLES AND INSTALLATION OF A PHOTOVOLTAIC ARRAY AT BROADWAY PUBLIC SAFETY STATION, AND TO AUTHORIZE THE CITY MANAGER OR HER DESIGNEE TO EXECUTE ANY RELATED DOCUMENTS

Action Requested: Adoption of a resolution for the City Manager to accept the Internal Revenue Service clean energy tax credit funds from purchase of electric vehicles and installation of a photovoltaic array at Broadway Public Safety Station and to authorize the City Manager or their designee to execute any related documents.

Background:

- Through the Elective Pay program the Internal Revenue Service (IRS) allows tax-exempt and governmental entities to claim clean energy tax credits.
- The IRS required the City, as a non tax entity, to define our "tax year" which was determined to be the fiscal year.
- In fiscal year 2024 (July 2023 - June 2024), the City placed the following assets in service: four Ford Lightning electric vehicles and one 62kW photovoltaic system at Broadway Public Safety Station.

- The eligible tax credit amount is \$59,098.
- Tax credit funds received will be deposited into the Green Savings Fund for future reinvestment in clean and renewable energy projects and purchases.
- The Elective Pay program was enabled through the Inflation Reduction Act and is subject to change.
- Staff will continue to monitor this opportunity and pursue clean energy tax credits using Elective Pay for eligible projects.

Council Goal(s):

- Clean and Healthy Environment

Committee(s):

- None

Pro(s):

- Ongoing investment in clean and renewable energy projects supports implementation of the Municipal Climate Action Plan, specifically high impact activities #1 “Continue Installation of Renewable Energy Resources on Municipal Property and # 12 “Utilize Green Fleet Policy for Fleet Electrification”.

Con(s):

- N/A

Fiscal Impact::

- Tax credit funds will offset the cost of future clean and renewable energy assets investment.

Motion:

- Motion authorizing City Council to accept the U.S. Internal Revenue Service clean energy tax credit funds and authorizing the City Manager or her designee to sign and execute any related documents.

RESOLUTION BOOK NO. 25 - PAGE 22

- O. ORDINANCE NO. 5150 - ORDINANCE ENACTING A 20 MILES PER HOUR SPEED LIMIT ON ATLANTA AVENUE IN ITS ENTIRETY; BAKER AVENUE IN ITS ENTIRETY; BOYD AVENUE IN ITS ENTIRETY; BRYANT STREET IN ITS ENTIRETY; BUFFALO STREET IN ITS ENTIRETY; CLAY STREET IN ITS ENTIRETY; DOWNING STREET IN ITS ENTIRETY; EDGAR STREET IN ITS ENTIRETY; FAYETTEVILLE STREET IN ITS ENTIRETY; IVY STREET IN ITS ENTIRETY; MARDELL CIRCLE IN ITS ENTIRETY; MARTIN AVENUE IN ITS ENTIRETY; OHIO STREET IN ITS ENTIRETY; SARATOGA STREET ITS ENTIRETY; AND TEXAS STREET IN ITS ENTIRETY**

Action Requested: Adoption of an ordinance enacting a 20 mph speed limit on Atlanta Avenue in its entirety; Baker Avenue in its entirety; Boyd Avenue in its entirety; Bryant Street in its entirety; Buffalo Street in its entirety; Clay Street in its entirety; Downing Street in its entirety; Edgar Street in its entirety; Fayetteville Street in its entirety; Ivy Street in its entirety; Mardell Circle in its entirety; Martin Avenue in its entirety; Ohio Street in its entirety; Saratoga Street in its entirety; and Texas Street in its entirety.

Background:

- N.C. Gen. Stat. § 20-141 gives the City the authority to regulate speed limits within its corporate limits.

- City staff received requests from constituents to consider changes to speed limits.
- City staff performed appropriate traffic engineering reviews along fifteen streets where speed limit changes are recommended within the Burton Street Neighborhood.
- The speed limit on the following streets will be set at 20 miles per hour:
 - Atlanta Avenue
 - Baker Avenue
 - Boyd Avenue
 - Bryant Street
 - Buffalo Street
 - Clay Street
 - Downing Street
 - Edgar Street
 - Fayetteville Street
 - Ivy Street
 - Mardell Circle
 - Martin Avenue
 - Ohio Street
 - Saratoga Street
 - Texas Street
- Safety concerns have been raised about speeding in the Burton Street Neighborhood.
- A strategy to promote consistent speed limits is part of the adopted Burton Street Neighborhood Plan.
- More than half of the public streets within the Burton Street Neighborhood do not have a speed limit assigned in City Code.
- The speed limit changes are recommended in order to establish lower, safer speed limits that are consistent with the context of these streets.
- A consistent 20 mph speed limit is recommended for public streets internal to the Burton Street Neighborhood that do not currently have a codified speed limit, along with three other residential streets that are currently codified for 25 mph.
- The Asheville Police Department has reviewed the subject actions and they concur with them.
- Once the subject action is approved and prior to the installation of appropriate signs on the City-maintained streets, Transportation Department staff will coordinate outreach and public education with the Communication & Public Engagement Department (CAPE) and the Asheville Police Department.
- Subpart A, Article II, Section 18 of the City of Asheville's Charter requires revising or amending ordinance sections by repealing the original ordinance sections completely and replacing them with revised or amended ordinance sections.
- Staff is therefore requesting a repeal and replacement of the relevant ordinance sections to accomplish these speed limit changes.
- A short version of the ordinance changes is included with this staff report.

Council Goal(s):

- Transportation and Accessibility.

Committee(s):

- MMTC - not presented due to no scheduled meetings.
- The speed limit consistency approach for the Burton Street Neighborhood was presented at the May 8, 2025 City Council Briefing

Pro(s):

- City staff have been able to respond favorably to constituent requests.
- Provides a more appropriate posted speed limit in commercial and residential areas.
- Provides more appropriate posted speed limits for pedestrians, transit, and bicycle riders.

Con(s):

- None

Fiscal Impact:

- The cost of installing and maintaining speed limit signs is included in the Transportation Department operating budget.

Motion:

- Motion to repeal ordinance sections and replace with the revised ordinance sections to enact a 20 mph speed limit on the following streets in their entirety: Atlanta Avenue, Baker Avenue, Boyd Avenue, Bryant Street, Buffalo Street, Clay Street, Downing Street, Edgar Street, Fayetteville Street, Ivy Street, Mardell Circle, Martin Avenue, Ohio Street, Saratoga Street, and Texas Street.

ORDINANCE BOOK NO. 36 - PAGE 236

Vice-Mayor Mosley asked for public comments on any item on the Consent Agenda, but received none.

Vice-Mayor Mosley 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 Roney moved for the adoption of the Consent Agenda. This motion was seconded by Councilwoman Ullman and carried unanimously.

III. PRESENTATIONS & REPORTS:

IV. PUBLIC HEARINGS:

A. PUBLIC HEARING TO CONSIDER REZONING 99999 TRADE STREET FROM RIVER ARTS DISTRICT - NEIGHBORHOOD TRANSITION TO RM-8 RESIDENTIAL MULTI-FAMILY MEDIUM DENSITY DISTRICT

Principal Planner Will Palmquist said that this is the consideration of an ordinance to rezone 99999 Trade St from River Arts Form District - Neighborhood Transition (RAD-NT) to RM-8 Residential Multi-Family Medium Density District. This public hearing was advertised on June 13 and 20, 2025.

Project Location and Contacts:

- The rezoning petition consists of one property totalling 0.27 acres and located at 99999 Trade St (PIN 9638-98-2953).
- Owner: Brunos LLC.

Summary of Petition:

- The applicant requests a rezoning of one property to the Residential Multi-Family Medium Density (RM-8) district.
- The property is currently zoned River Arts Form District - Neighborhood Transition (RAD-NT).
- The property is currently vacant.
- The subject property is designated "Traditional Neighborhood" on the city's Future Land Use (FLU) Map. A change to the FLU Map is not required.

Staff Recommendation:

- Staff recommends **approval** of this rezoning request based on the reasons stated below.

Comprehensive Plan Consistency:

- The proposed rezoning supports a number of goals in the Living Asheville Comprehensive Plan including:
 - **Increase and Diversify the Housing Supply** - by promoting zoning policies to encourage more housing (p. 179).
 - **Celebrate the Unique Identity of Neighborhoods Through Creative Placemaking** - by continuing to support contextually appropriate infill development and a variety of housing types (p. 153).
- The proposed rezoning is compatible with the Future Land Use designation of “Traditional Neighborhood” which is described, in part, that “The types of housing can vary and often include a mix of housing types such as single family with accessory dwelling units, duplexes, townhomes and multifamily apartments usually located seamlessly together” (p. 345).
- Residential Multi-Family High Density (RM-8) is cited as an appropriate zoning district within the “Traditional Neighborhood” Future Land Use category.

Compatibility Analysis:

- The purpose of the Residential Multi-Family Medium Density (RM-8) district is, “to permit a full range of medium density multi-family housing types along with single-family detached and attached residences. This district is intended to provide a transitional area between high density single-family and multi-family areas, and to permit medium density multi-family development in areas where existing conditions make higher density development inappropriate. Non-residential development normally required to provide the basic elements of a balanced and attractive residential area is also permitted.” (UDO Sec. 7-8-6).
- The proposed rezoning petition is compatible with the surrounding land uses, including:
 - Residential Medium-Family Medium Density (RM-8) zoned property to the east and south of the subject property.
 - River Arts Form District - Neighborhood Transition (RAD-NT) zoned property to the west and south of the subject property.

Council Goal(s):

- This project is most closely aligned with the council goal of *A Well-Planned and Livable Community*.

Committee(s):

- Planning & Zoning Commission (PZC) - June 4, 2025 - Recommended Approval (Vote 6:0)

Pro(s):

- Provides zoning regulation consistent with the larger WECAN neighborhood, which is already zoned Residential Multi-Family Medium Density (RM-8).

Con(s):

- A reduction in the diversity of allowed land uses.
- Removal of the form-based code elements in the RAD-NT district which promotes a more urban and walkable development pattern.

- Reduction in maximum height of adjacent RAD-NT-zoned properties to the north and west as they would now be adjacent to residentially-zoned properties and limited to 3 stories and 45' in height, instead of the maximum 4 stories and 55' in height.

UDO District Comparison

UDO Provision	River Arts Form District - Neighborhood Transition (RAD-NT)	RM-8: Residential Multi-Family Medium Density
Allowed uses:	<ul style="list-style-type: none"> • Townhouse • Multi-Family • Accessory Dwelling Unit • Limited public, institutional, recreational, commercial, and retail uses 	<ul style="list-style-type: none"> • Single-Family Detached • Duplex • Townhouse • Multi-Family • Accessory Dwelling Unit • Cottage Development • Limited public, institutional, and recreational uses
Density:	8 units per acre	2 units / 4,000 s.f., plus 1 more unit for each 1,000 s.f.
Structure Size:	n/a	MF: 4,000 max s.f. footprint, 12,000 s.f. max total size
Lot Size Minimum:	n/a	Min. 4,000 s.f.
Lot Width Minimum:	Min. 100'	Min. 40'
Building Height:	4 stories/55' OR 3 stories/45' if adjacent to RS/RM zoning	Max. 40'
Building Setbacks:	Front: 0' min, 10' max	Front: 15'
Parking	None required for residential uses	Standard (1 per unit typically)
Bike parking	0.5 per unit (short & long)	0.1 per unit
Build-to-Zone	70% primary street	n/a
Transparency	20% residential OR 50%/20% non-res	n/a
Sidewalks	8'-wide primary, 6'-wide side	Only required if 20+ houses

Mr. Palmquist reviewed the existing and proposed zoning, the aerial imagery and the future land use map. The Planning & Zoning Commission voted unanimously to approve the project. He provided a zoning district comparison between the two districts. He reiterated the pros and cons of the rezoning. Regarding the compatibility analysis, he said the purpose of the Residential Multi-Family Medium Density (RM-8) district is, "to permit a full range of medium density multi-family housing types along with single-family detached and attached residences. This district is intended to provide a transitional area between high density single-family and multi-family areas, and to permit medium density multi-family development in areas where existing conditions make higher density development inappropriate. Non-residential development

normally required to provide the basic elements of a balanced and attractive residential area is also permitted.” (UDO Sec. 7-8-6). The proposed rezoning petition is compatible with the surrounding land uses, including: Residential Medium-Family Medium Density (RM-8) zoned property to the east and south of the subject property; and River Arts Form District - Neighborhood Transition (RAD-NT) zoned property to the west and south of the subject property. He then explained how the project was consistent with the Living Asheville Comprehensive Plan. He said that staff concurs with the Planning & Zoning Commission and recommends approval of the rezoning.

Vice-Mayor Mosley opened the public hearing at 5:18 p.m.

Mr. Boone Guyton had no issue with the change of zoning; however, he owns the lot adjacent to this property just to the north of this lot. There is a right-of-way or alley there and he wanted to make sure that this rezoning will not affect his use of that right-of-way.

Mr. Bo Carpenter, land use attorney representing the applicant, said that the applicant wants to build single-family residential on this piece of property. He was not aware of Mr. Guyton's concern and would be happy to talk with him. However, he felt this is a property concern, not a zoning concern. He said the right-of-way/alley is part of his client's deed and his client owns that tract. He understood that the right-of-way/alley has not been used. He did note that they do want to cooperate with their neighbors.

In response to Councilwoman Ullman, Mr. Palmquist said that this appears to be a right-of-way/alley on the map, but does not appear to have been officially opened. He understands that this is part of the rezoning application.

Vice-Mayor Mosley closed the public hearing at 5:20 p.m.

Vice-Mayor Mosley said that members of Council have previously received a copy of the ordinance and it would not be read.

Councilwoman Smith moved to approve the rezoning request for the property located at 99999 Trade St from River Arts Form District - Neighborhood Transition (RAD-NT) to Residential Multi-Family Medium Density (RM-8) and find that the request is reasonable, is in the public interest, is consistent with the city's comprehensive plan and meets the development needs of the community in that the request: 1) promotes zoning policies to encourage more housing; and, 2) supports contextually appropriate infill development and a variety of housing types. This motion did not receive an immediate second.

Before declaring the motion failed, Councilwoman Roney spoke saying that she was not inclined to downzone property 3-tenths of a mile from high-frequency transit, a 10 minute walk from RAD infrastructure and 15 minute walk from Downtown. Additionally, her no reflects my consistent concern for the need for sidewalks in this busy, multimodal corridor. This downzoning from RAD-NT removes sidewalk requirements, a sorely needed infrastructure.

There was a brief discussion regarding the question of a land use or real estate question regarding the piece of land Mr. Guyton spoke about. City Attorney Branham said that the applicant can only rezone that piece of land if they are the owner.

Mr. Carpenter then asked for a continuance of this rezoning application. Councilwoman Smith moved to continue this public hearing until July 29, 2025. This motion was seconded by Councilman Hess and carried unanimously.

B. PUBLIC HEARING TO CONSIDER AMENDMENTS TO CHAPTER 7 OF THE CODE OF ORDINANCES TO REINSERT SECTIONS 7-11-8 (c) (d), (e) AND (f) WHICH WERE INADVERTENTLY REMOVED DURING THE RECENT ZONING TEXT AMENDMENT ADOPTED IN ORDINANCE NO. 5127 ON MARCH 11, 2025

ORDINANCE NO. 5151 - ORDINANCE TO AMEND CHAPTER 7 OF THE CODE OF ORDINANCES TO REINSERT SECTIONS 7-11-8 (c) (d), (e) AND (f) WHICH WERE INADVERTENTLY REMOVED DURING THE RECENT ZONING TEXT AMENDMENT ADOPTED IN ORDINANCE NO. 5127 ON MARCH 11, 2025

Principal Planner Will Palmquist said that this is the consideration of an ordinance to consider amendments to Chapter 7 of the Asheville Code of Ordinances, to reinsert sections 7-11-8(c), (d), (e), and (f) which were inadvertently removed during the recent zoning text amendment adopted in Ord. No. 5127 on March 11, 2025. This public hearing was advertised on June 13 and 20 , 2025.

Background:

- Ordinance 5127 was adopted on March 11, 2025 and amended portions of the Unified Development Ordinance (UDO) regarding project level thresholds, site compliance requirements, and new sidewalk construction requirements.
- These changes to sidewalk requirements (UDO section 7-11-8) were intended to eliminate the requirement for new sidewalks when a building was vacant for a period of more than 180 days.
- The ordinance re-adopted UDO section 7-11-8 in its entirety, but only included subsections 7-11-8(a) and (b), while inadvertently removing sections 7-11-8(c), (d), (e), and (f).
- This proposed zoning text amendment will restore the sections removed inadvertently to what existed prior to the adoption of Ordinance 5127, while retaining the intended change to not require sidewalks when the use of a building has ceased for a period of more than 180 days.

Comprehensive Plan Consistency:

- This proposal supports a number of goals in the *Living Asheville Comprehensive Plan*, including:
 - **Make Streets More Walkable, Comfortable and Connected** - by eliminating gaps in the city-wide sidewalk network.
 - **Enhance the Safety of the Public Realm** - by constructing pedestrian facilities that enhance pedestrian safety.

Council Goal(s):

- This project is most closely aligned with the council goal of A Well-Planned and Livable Community.

Committees:

- Planning & Zoning Commission - June 4, 2025: Recommended Approval (Vote 6:0) with the condition that an additional criterion for sidewalk fee-in-lieu eligibility be added to include instances where a conditional zoning application is seeking a technical modification to sidewalk construction and agrees to the payment of fee-in-lieu.

Pros:

- Re-inserts language to clarify when new sidewalk construction is required and when the payment of fee-in-lieu of sidewalk construction may be administered.

Cons:

- None identified.

Fiscal Impact:

- n/a.

Staff Recommendation:

- Staff recommends approval of this zoning text amendment request based on the reasons stated above; the text amendment provided does not include the additional fee-in-lieu criterion proposed by the Planning & Zoning Commission because the City Attorney's Office has concluded it would not be a legally permissible part of the conditional zoning process.

Mr. Palmquist reviewed the background and proposed amendments as follows: (1) Ordinance 5127 was adopted on March 11, 2025 and amended portions of the Unified Development Ordinance (UDO) regarding project level thresholds, site compliance requirements, and new sidewalk construction requirements; (2) These changes to sidewalk requirements (UDO section 7-11-8) were intended to eliminate the requirement for new sidewalks when a building was vacant for a period of more than 180 days; (3) The ordinance re-adopted UDO section 7-11-8 in its entirety, but only included subsections 7-11-8(a) and (b), while inadvertently removing sections 7-11-8(c), (d), (e), and (f); and (4) This proposed zoning text amendment will restore the sections removed inadvertently to what existed prior to the adoption of Ordinance 5127, while retaining the intended change to not require sidewalks when the use of a building has ceased for a period of more than 180 days. He said that on June 4, 2025, the Planning & Zoning Commission (PZC) recommended approval (Vote 6:0) with the condition that an additional criterion for sidewalk fee-in-lieu eligibility be added to include instances where a conditional zoning application is seeking a technical modification to sidewalk construction and agrees to the payment of fee-in-lieu. He reiterated the pros and cons and how the amendment was consistent with the Living Asheville Comprehensive Plan. He said that staff concurs with the Planning & Zoning Commission and recommends approval of the proposed zoning text amendment. The text amendment provided does not include the additional fee-in-lieu criterion proposed by the Planning & Zoning Commission because the City Attorney's Office has concluded it would not be a legally permissible part of the conditional zoning process.

In response to Councilwoman Roney, City Attorney Branham said that the current City ordinance regarding sidewalks describes when sidewalks are required to be implemented as part of the development or provides the option to do a fee-in-lieu under certain circumstances. There are situations where sidewalks are not required and he believed the question was can the City ask for a fee-in-lieu where a sidewalk would not otherwise be required. When the ordinances do not require a sidewalk, asking an applicant to pay a fee-in-lieu would be beyond our legal authority.

Vice-Mayor Mosley opened the public hearing at 5:36 p.m., and when no one spoke, she closed the public hearing at 5:36 p.m.

Vice-Mayor Mosley said that members of Council have previously received a copy of the ordinance and it would not be read.

Councilwoman Roney moved to approve the proposed wording amendments to Chapter 7 of the Asheville Code of Ordinances and find that the proposed amendments are reasonable, are in the public interest, are consistent with the City's comprehensive plan and meet the development needs of the community in that the amendments will: 1) make streets more walkable, comfortable, and connected by eliminating gaps in the city-wide sidewalk network; and,

2) enhance the safety of the public realm by constructing pedestrian facilities that enhance pedestrian safety. This motion was seconded by Councilwoman Ullman and carried unanimously.

ORDINANCE BOOK NO. 36 – PAGE 252

C. PUBLIC HEARING REGARDING SUBMISSION OF THE 2025-2029 CONSOLIDATED PLAN AND THE 2025-2026 ANNUAL ACTION PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG) AND HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) TO THE U.S. DEPT. OF HOUSING AND URBAN DEVELOPMENT, AS WELL AS SUBSTANTIAL AMENDMENTS TO PREVIOUS ACTION PLANS

RESOLUTION NO. 25-145 - RESOLUTION AUTHORIZING THE SUBMISSION OF THE 2025-2029 CONSOLIDATED PLAN AND THE 2025-2026 ANNUAL ACTION PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG) AND HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) TO THE U.S. DEPT. OF HOUSING AND URBAN DEVELOPMENT, AS WELL AS SUBSTANTIAL AMENDMENTS TO PREVIOUS ACTION PLAN; AND AUTHORIZING THE CITY MANAGER TO EXECUTE ALL DOCUMENTS NECESSARY TO GIVE EFFECT TO THIS RESOLUTION

ORDINANCE NO. 5152 - BUDGET AMENDMENT FOR CDBG AND HOME TO ACCEPT GRANT AWARDS FROM HUD

Community Development Division Manager James Shelton said that this is (1) a public hearing; (1) resolution authorizing the submission of the 2025-2029 Consolidated Plan and the 2025-2026 Annual Action Plan for the Community Development Block Grant Program (CDBG) and HOME Investment Partnerships Program (HOME) to the U.S. Department of Housing and Urban Development, as well as substantial amendments to previous Annual Action Plans; authorizing the City Manager to execute all documents necessary to give effect to this resolution; and (3) budget amendments in the amount of \$1,022,202 for CDBG and \$1,245,387 for HOME. This public hearing was advertised on June 13, 2025.

Background:

- The City of Asheville is an entitlement community and participating jurisdiction with the US Department of Housing and Urban Development and receives formula funding through the Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME).
- The City receives these allocations annually through a federal formula allocation process.
- CDBG funds support housing and community development activities within the City of Asheville. HOME funds support affordable housing activities within the four-county Consortium region including Buncombe, Madison, Transylvania, and Henderson Counties.
- All funded activities must meet the goals and priorities as outlined in the City's Consolidated Plan 2025-2029.
- In order to remain in compliance with HUD and to outline the CDBG & HOME priority needs and strategic goals, City Council must authorize the submission of the 2025-2029 Consolidated Plan
- In order to access these funds for community development projects, the City Council will need to authorize staff to submit the FY25-26 Annual Action Plan to HUD, which will provide a concise summary of the projects and activities that will be used to address the priority needs and specific goals identified by the Consolidated Plan.

- Also, staff are requesting authorization to submit substantial amendments to several projects from prior years' Action Plans in order to effectively repurpose funding from projects that have not been realized.
- On May 15, 2025 HUD released the 2025-2026 formula allocations for the CDBG and HOME programs.
 - The City was awarded \$972,202 in CDBG funding and estimates \$50,000 in Program Income and \$15,000 in cancelled FY 24/25 funding. The total amount of CDBG funding available is **\$1,037,202**.
 - The City was awarded \$1,051,896 in HOME funding and has \$193,490 in uncommitted Program Income. In addition, there is \$200,000 of rescinded project funding available for a total of **\$1,445,386**.

Council Goal(s):

- Homelessness Strategies
- Equitable and Affordable Housing and Stability
- Thriving Local Economy

Committee(s):

- The Housing and Community Development (HCD) Committee reviewed this item at their meeting on Tuesday, June 17 and voted 3-0 approval to move forward to City Council.
- Asheville Regional Housing Consortium Board - On June 11, 2025, the Consortium Board approved strategies and allocations for FY 25-26 HOME funding.

Pro(s)

- Approval of the Consolidated Plan and Annual Action Plan paves the way for HUD funding to be utilized by partners in the City of Asheville and the region, with funds to be used to create affordable housing and jobs and to make positive impacts in our low and moderate income communities.

Con(s)

- It is not always possible to fund all of the applications received, and many agencies funded will receive less than the requested amounts.
- It is necessary to be strategic in project selection as CDBG funding for FY 2025-2026 has decreased from previous fiscal years.

Fiscal Impact:

- The Annual Action Plan is fully funded from federal CDBG and HOME entitlement grants, unspent funds from prior-year allocations, and estimated program income.
- Staff costs to administer the program are paid from federal sources.
- The FY 2025-26 budgets for both the CDBG and HOME programs require budget ordinance amendments to be adopted by City Council.
- The development of the 2025-2029 Consolidated Plan was funded through the Community & Economic Development contracted services account via the General Fund.

Mr. Jacob Compher, Land of Sky Regional Council on behalf of the Community Development Division, provided the following key takeaways from his and Community Development Division Manager James Shelton's presentation: (1) The Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) Programs are U.S. Department of Housing & Urban Development funding opportunities that supports community development and affordable housing activities - Estimated available grant funding for 2025 - 2026 - CDBG = \$1,037,202; HOME = \$1,745,386; and (2) Staff is seeking council's approval of the 5 year Consolidated Plan, 2025 - 2026 CDBG Annual Action funding recommendations, and substantial amendments for approval by HUD.

The purpose of the Consolidated Plan is that it describes needs and priorities for housing and community development activities for the next five years, strategies to be pursued, and performance targets to be achieved. The Guide on how HUD (Housing and Urban Development) funds will be distributed: The Consortium will receive \$1,051,896.04 million HOME = HOME Investment Partnerships Program; and The City of Asheville will receive \$972,202 CDBG = Community Development Block Grant. He reviewed the HOME funding uses and projects, along with some HOME project examples. He then explained the distribution of HOME funds; along with the CDBG funding uses and projects. He explained the plan process, the plan timeline, public surveys, and stakeholder meetings. He described the framework of organizations that will carry out the plan.

Regarding the Asheville Region Housing Needs Assessment, Mr. Compher reviewed the determining needs and priorities; renter assistance priorities; homeowner/buyer assistance priorities; and homeowner/buyer assistance priorities. The recommendations are (1) Set realistic/attainable short-term housing goals... ..that support the preservation and development of residential units; (2) Reassess, enhance leverage existing government housing incentives to encourage or support the preservation of existing housing and the development of new residential units; and (3) Explore and support housing policies, programs and incentives to support the preservation of existing housing and the development of new residential units... ..initiatives should focus on those programs that support low-income households (seniors and families), workforce households, and first-time homebuyers. Mr. Compher then reviewed the 2020-2024 Consolidated Plan priorities.

Regarding the CDBG & HOME funding recommendations, Community Development Division Manager James Shelton said the following chart contains the CDBG substantial amendments:

2024 - 2025 Action Plan			
Project	Original Funded Amount	Amendment	New Funded Amount
Fair Housing	\$15,000	Cancel project and allocate funding to FY 25/26 projects	\$0
Technical Assistance	\$24,000	Cancel project and move funding to Homeward Bound Coordinated Entry	\$0
Homeward Bound of WNC - Coordinated Entry	\$37,900	Add \$24,000 for new budget line item for "Contracted Services"	\$61,900

For the 2025-2026 CDBG funding, the funding available is:

Estimated CDBG Funding	
FY 25/26 Allocation	\$ 972,202
Estimated Program Income	\$ 50,000
Cancelled 2024 - 2025 Funding Available	\$ 15,000
Total	\$ 1,037,202
Available to Award	

Public Services Cap 15%	\$ 155,580
Planning & Admin Cap 20%	\$ 207,440
Available for Non-Public Services	\$ 674,182
Total	\$ 1,037,202

Funding recommendations will be based on: (1) Clearly demonstrating CDBG eligibility and community need; (2) Organizational capacity as demonstrated by prior effective use of funds and historical performance; (3) Funding fewer activities at higher amounts to reduce administrative burden - Staff continue to contribute significantly to Helene recovery efforts on top of regular duties; (4) Allocating remaining Non-Public Services dollars for public facility investments (i.e. community centers, infrastructure); (5) Maintain strategic cushion below the 15% Public Services; and (6) Maintain 20% Planning and Administration funding necessary to manage the CDBG Program. *The CD Division met HUD's timely drawdown of funds requirement for the first time in 4 years this year.*

Regarding public services funding recommendations, the below allocations were unanimously approved by the Housing and Community Development (HCD) committee on 6/17/2025:

Applicant	Description	Amount Requested	Funded Amount
Appalachian Mountain Health	Community Resource Advocates to connect homeless with services	\$87,464	\$12,000
SPARC Foundation	Domestic Violence Intervention Program (DVIP) and Strong Fathers	\$24,999	\$20,000
OnTrack	Individual counseling and group workshops for financial literacy	\$39,000	\$28,000
Pisgah Legal	Legal assistance to prevent homelessness	\$60,000	\$37,000
Helpmate Emergency Shelter	Salary and benefits for our Shelter Case Manager/Facilities Manager	\$72,174	\$38,000
Total Funded Amount			\$135,000 (13.0%)

Regarding non-public services funding recommendations, the below allocations were unanimously approved by the Housing and Community Development (HCD) committee on 6/17/2025:

Applicant	Category	Description	Amount Requested	Funded Amount
Helpmate	Housing Services	Housing case management services	\$65,000	\$65,000
Homeward Bound of WNC	Rental Assistance	Rapid Rehousing	\$144,364	\$144,364

Mountain BizWorks	Microenterprise Assistance	Business coaching, classes and business assistance	\$154,000	\$154,000
Safe Shelter	Public Facilities	Sprinkler system for code compliant bed expansion	\$185,000	\$185,000
City of Asheville	Public Facilities	Contingency for public facilities and improvements	-	\$146,398
Total Funded Amount				\$694,762

The chart below shows the 2025-26 HOME funding:

Estimated HOME Funding	
FY 25/26 Allocation	\$ 1,051,896
Uncommitted Program Income	\$ 193,490
Rescinded Project Funding Available	\$ 500,000
Total	\$ 1,745,386
Available to Award	
CHDO Operating Reserve - 5% of Allocation	\$ 52,595
Planning & Admin Cap - 10% of Allocation	\$ 105,189
Available for Projects	\$ 1,587,602
Total	\$ 1,745,386

Below are charts for the substantial amendments for HOME:

2023 - 2024 Action Plan			
Project	Original Funded Amount	Amendment	New Funded Amount
LDG Development - Meribel - HOME	\$500,000	Cancel project and add \$300,000 to HAC-Apple Ridge and \$200,000 to FY25/26 programs	\$0

2021 - 2022 Action Plan			
Project	Original Funded Amount	Amendment	New Funded Amount
Asheville Buncombe Community Land Trust	\$202,500	Change activity to be only for home repair	\$202,500 (no change)

Permanently Affordable Homes - HOME			
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2020 - 2021 Action Plan			
Project	Original Funded Amount	Amendment	New Funded Amount
Asheville Buncombe Community Land Trust Permanently Affordable Homes - HOME	\$59,463	Change activity to be only for home repair	\$59,463 (no change)

Regarding the HOME Program funding, the Asheville Regional Housing Consortium (HOME Consortium/ARHC) unanimously approved the below funding allocations on 6/11/2025:

Project	Description	Funded Amount
CHDO Operating Reserve	Assistance to Community Housing Development Organizations (CHDOs) for operations (5% of allocation)	\$52,595
Planning and Administration	City of Asheville HOME staff salaries and planning costs (10% of allocation)	\$105,189
Tenant Based Rental Assistance (TBRA)	Funding for security deposits, monthly rent, and utility assistance	\$300,000
HAC - Apple Ridge	Additional funding to existing new affordable rental housing construction project that was previously awarded \$600,000 (non-substantial amendment)	\$300,000
Down Payment Assistance (DPA)	Assistance to homebuyers for purchasing a home	\$400,000
Homeowner Rehabilitation	Rehabilitation of owner-occupied single family housing units	\$587,602
Total Funded Amount		\$1,445,386

Mr. Shelton said the next steps are that City Council approves submission to HUD of: 2025 - 2029 Consolidated Plan; 2025 - 2026 Annual Action Plan; and Substantial Amendments. Staff submits plans and amendments to HUD by July 13, 2025.

Vice-Mayor Mosley opened the public hearing at 5:51 p.m., and when no one spoke, she closed the public hearing at 5:51 p.m.

Vice-Mayor Mosley said that members of Council have previously received a copy of the resolution and ordinance and they would not be read.

Councilwoman Ullman moved to approve the submission to HUD of the 2025-2029 Consolidated Plan, the 2025-2026 Annual Action Plan and Amendments to prior year Annual

Action Plans which are hereto summarized and provided as Exhibit A; City Council authorizes the City Manager to sign all contracts, grants, and loan agreements, after approval by the City Attorney, with HUD and other designated agencies for the 2025-2029 Consolidated Plan, the 2025-2026 Annual Action Plan and related amendments; and City Council approves the associated budget amendment for CDBG and HOME to accept the grant awards from HUD. This motion was seconded by Councilwoman Smith and carried unanimously.

**RESOLUTION BOOK NO. 46 – PAGE 23
ORDINANCE BOOK NO. 35 – PAGE 257**

V. UNFINISHED BUSINESS:

VI. NEW BUSINESS:

A. RESOLUTION NO. 25-146 - RESOLUTION APPROVING A \$250,000 GRANT FOR THE PURCHASE OF 32 GRAIL STREET AND 32 OLIVE STREET BY THE ASHEVILLE-BUNCOMBE COUNTY LAND TRUST TO ALLOW THE HOMES TO BE SOLD TO QUALIFYING HOUSEHOLDS AT OR BELOW 80% AMI AND BE PERMANENTLY AFFORDABLE

Affordable Housing Officer Sasha Vrtunski said that this is the consideration of a resolution approving of a \$250,000 grant for the purchase of 32 Grail Street and 32 Olive Street by the Asheville Buncombe County Land Trust (ABCLT) to allow the homes to be sold to qualifying households at or below 80% AMI and be permanently affordable.

ABCLT Background

- The Asheville Buncombe Community Land Trust (ABCLT) was formed as the result of a series of community conversations that started in 2015 around building permanently affordable housing created and directed by the community.
- In 2017, City Council allocated \$1 million of the \$25 million affordable housing bond dollars to the ABCLT to produce affordable homes.
- The ABCLT formed a board, created policies, and ultimately received its non-profit status in 2019.

Use of the 2016 Bond Funds

- In 2021, the ABCLT and the City signed an agreement for the \$1 million of bond funds to produce eight (8) permanently affordable homes.
- Since then, the ABCLT has used those funds to purchase four homes and two parcels of land for future homes.
- Proceeds from home sales are recycled into future purchases.
- In general, home acquisition and rehabilitation costs have risen dramatically over the past five years, with the median sales price almost doubling since 2020.
- This has forced ABCLT to use more resources for each home purchased.

Property	Purpose	Funds Spent
401 Caribou	Affordability gap	\$83,641
26 Hildebrand	Affordability gap	\$209,969
90 Wyatt	Acquisition*	\$50,000
94 Wyatt	Acquisition*	\$50,000

173 Fayetteville	Acquisition*	\$310,000
41 Grail	Acquisition*	\$315,000
	Total Spent	\$1,018,610

**Although the funds are drawn down in acquisition, a CLT proforma is determined by funding the 'affordability gap' of the homeowner. Acquisition funds are recycled until they are all applied to an affordability gap when the home is sold.*

32 Grail Street Background

- In 2021, an Opportunity Zone investor bought the house at 32 Grail Street, an adjacent lot, and Cappadocia Church, with plans to demolish the house and the church.
- The Preservation Society of Asheville and Buncombe County (PSABC) purchased the property in 2022 with input and support from the neighborhood.
- The 1910 house needed many major repairs and would have typically been demolished because of its condition.
- 1,600 sq ft 4-bed, 2-bath home, built around 1910, down the street from Stephens-Lee.
- Purchased by the Preservation Society for \$200k, with \$475k invested for rehabilitation.
- Rehabilitation has included restoring all original doors, period-appropriate front stairs, foundation repairs, new roof, and HVAC system.
- ABCLT is ready to purchase the home for \$350,000 and sell to a qualifying family for \$200,000, with a deed restriction to ensure permanent affordability.

32 Olive Street Background

- The home was built in 1922 in the Southside Neighborhood.
- Mountain Housing Opportunities (MHO) received this home from WNC Housing, a housing non-profit organization that no longer exists.
- MHO is selling the home to ABCLT for \$200,000, below the market price.
- After acquiring the property, ABCLT will make the necessary renovations and then sell it to a qualifying family for \$185,000, with a deed restriction to ensure permanent affordability.

Funding Request

- The Asheville Buncombe Community Land Trust is requesting \$250,000 to help fill the gaps for two home purchases in Legacy Neighborhoods.
- \$206,500 for 32 Grail Street
- \$43,500 for 32 Olive Street
- Both homes will be sold to qualifying home buyers at very affordable prices: 32 Grail at \$200,000 and 32 Olive Street \$185,000.
- By ABCLT policy, qualifying home buyers must have incomes at or below 80% AMI, however the average income of existing ABCLT homeowners is 55% AMI.
- The Preservation Society is contributing \$100,000 towards 32 Grail Street.
- ABCLT is pursuing additional funds for both homes from other sources.

Project Financing

32 Grail Street:

Development Costs	
Acquisition (by Preservation Society)	\$200,000

Additional Development Costs (Rehabilitation)	\$506,000
Total Development Cost	\$706,000
Development Income	
Sales revenue (Purchase price for new homeowner)	\$200,000
City Funds	\$124,500
Requested City Funds	\$206,500
PSABC contribution	\$100,000
Grants submitted	\$75,000

32 Olive Street:

Development Costs	
Property Purchase Price	\$200,000
Rehabilitation Price	\$103,500
Total Costs	\$303,500
Funding Sources	
Sales Revenue (purchase price)	\$185,000
Requested City Funds	\$43,500
Grants submitted	\$75,000
	\$303,500

Council Goals:

- An Equitable and Diverse Community
- A Well-Planned and Livable Community
- Quality Affordable Housing

Fiscal Impact:

- Approval of the \$250,000 grant would be sourced from the 2016 bond funds, and would decrease funds available in the Housing Trust Fund, leaving a balance of \$1,320,000.

Committee(s):

- The Housing and Community Development (HCD) Committee reviewed this item at their meeting on Tuesday, June 17 and voted 2-1 to move forward to City Council.

Pro(s):

- Both homes will be permanently affordable and located in high-opportunity areas, both extremely close to downtown.
- Meets the City's stated goals of anti-displacement, preserving naturally occurring affordable housing, and partnering with local agencies and neighborhoods to do so.
- Both projects preserve historic homes in neighborhoods that lost many historic homes through urban renewal.

Con(s):

- The request for 32 Grail Street is a substantial investment for a unit serving only one low-income household at a time.
- The City funds will not totally fill the gaps on these two projects, and additional funds will still be needed.

Staff Recommendation:

- Staff recommends awarding the Asheville Buncombe Community Land Trust (ABCLT) a \$250,000 grant from the 2016 bond to fund homes at 32 Grail Street and 32 Olive Street. These homes will be permanently affordable and sold to qualifying households at or below 80% AMI.

Ms. Vrtunski said that the following are the key takeaways from her presentation: (1) The Asheville Buncombe Community Land Trust is requesting \$250,000 to help fill the gaps for two home purchases in Legacy Neighborhoods; (2) The ABCLT is the only community land trust in the region and creates permanently affordable housing for qualifying households. This requires more investment than typical affordable housing programs; (3) These projects fall under the Affordable Housing Plan goals of funding anti-displacement work, building community partnerships, and preserving naturally occurring affordable housing; and (4) If approved, the \$250,000 grant would be funded from 2016 Bond funding.

She explained how the Community Land Trusts work noting (1) Land owned by a CLT is taken out of the private real estate market and is community owned; (2) Homeowners are able to build equity and may move into the private market if they choose to buy a different home; and (3) A CLT home is inheritable asset providing for generational wealth-building.

The ABCLT background is that (1) The ABCLT formed as the result of a series of community conversations that started in 2015 around building permanently affordable housing created and directed by the community; (2) In 2017, City Council allocated \$1 million of the \$25 million affordable housing bond dollars to the ABCLT to produce affordable homes; (3) ABCLT formed a board, created policies and ultimately received its non-profit status in 2019; (4) In 2021, the ABCLT and the City signed an agreement for the \$1 million of bond funds to produce eight (8) permanently affordable homes; (5) Since then, the ABCLT has used those funds to purchase four homes and two parcels of land for future homes; and (6) Proceeds from home sales are recycled into future purchases.

The following chart is the ABCLT use of 2016 Bond funds:

Property	Purpose	Funds Spent
401 Caribou	Affordability gap	\$83,641

26 Hildebrand	Affordability gap	\$209,969
90 Wyatt	Acquisition*	\$50,000
94 Wyatt	Acquisition*	\$50,000
173 Fayetteville	Acquisition*	\$310,000
41 Grail	Acquisition*	\$315,000
Total Spent		\$1,018,610

**Although the funds are drawn down in acquisition, a CLT proforma is determined by funding the homeowner's affordability gap. Acquisition funds are recycled until they are all applied to an affordability gap when the home is sold.*

In general, home acquisition and rehabilitation costs have risen dramatically over the past five years, with the median sales price almost doubling since 2020. This has forced ABCLT to use more resources for each home purchased.

The funding request is (1) The Asheville Buncombe Community Land Trust is requesting \$250,000 to help fill the gaps for two home purchases in Legacy Neighborhoods - \$206,500 for 32 Grail Street; and \$43,500 for 32 Olive Street; (2) Both homes will be sold to qualifying home buyers at very affordable prices: \$200,000 for 32 Grail and \$185,000 for 32 Olive Street; (3) By ABCLT policy, qualifying home buyers must have incomes at or below 80% AMI, however the average income of existing ABCLT homeowners is 55% AMI; (4) The Preservation Society is contributing \$100,000 towards the cost of 32 Grail Street; and (5) ABCLT is pursuing additional funds for both homes from other sources.

She then showed a map of the two locations: 32 Grail Street in the East End/Valley Street area; and 32 Olive Street in the Southside neighborhood.

The background of 32 Grail Streets is (1) In 2021, an Opportunity Zone investor bought the house at 32 Grail Street, an adjacent lot, and Cappadocia Church, with plans to demolish the house and the church; (2) The Preservation Society of Asheville and Buncombe County (PSABC) purchased the property in 2022 with input and support from the neighborhood; and (3) The house, built in 1910, needed many major repairs and would have typically been demolished because of its condition. The rehabilitation summary is (1) 1,600 sq ft 4-bed, 2-bath home, built around 1910, down the street from Stephens-Lee; (2) Purchased by the Preservation Society for \$200k, with \$475k invested for rehabilitation; (3) Rehabilitation has included restoring all original doors, period-appropriate front stairs, foundation repairs, new roof and HVAC system; and (4) ABCLT is ready to purchase the home for \$350,000 and sell to a qualifying family for \$200,000, with a deed restriction to ensure permanent affordability.

The background of 32 Olive Street is (1) Home built in 1922 in the Southside Neighborhood; (2) Mountain Housing Opportunities (MHO) received this home from WNC Housing, a housing non-profit organization that no longer exists; (3) MHO is selling the home to ABCLT for \$200,000, which is below the market price; and (4) After acquiring the property, ABCLT will make the necessary renovations, then sell it to a qualifying family for \$185,000, with a deed

restriction to ensure permanent affordability.

The sources and uses of 21 Grail Street are as follows:

Development Costs		
	Acquisition (by Preservation Society)	\$200,000
	Additional Development Costs (Rehabilitation)	\$506,000
	Total Development Cost	\$706,000
Development Income		
	Sales revenue (Purchase price for new homeowner)	\$200,000
	City Funds	\$124,500
	Requested City Funds	\$206,500
	PSABC contribution	\$100,000
	Grants submitted	\$75,000
		\$706,000

The sources and uses of 32 Olive Street are as follows:

Development Costs		
	Property Purchase Price	\$200,000
	Rehabilitation Price	\$103,500
	Total Costs	\$303,500
Funding Sources		
	Sales Revenue (Purchase price for new homeowner)	\$185,000
	Requested City Funds	\$43,500
	Grants submitted	\$75,000
		\$303,500

She then went over a chart of the detailed costs for 32 Grail Street - total as of June 18,

2025 is \$470,202.88.

Ms. Vrtunski then reiterated Council goals; fiscal impact; and pros and cons. Staff then recommended Council (1) award a grant of \$250,000 from the 2016 bond to the Asheville Buncombe Community Land Trust (ABCLT) to fund homes at 32 Grail Street and 32 Olive Street. These homes will be sold to qualifying households at or below 80% AMI and be permanently affordable; and (2) approve a \$250,000 grant to the Asheville Buncombe Community Land Trust to fund the purchase of 32 Grail Street and 32 Olive Street for permanently affordable homeownership to qualifying households.

In response to Councilwoman Ullman, Ms. Vrtunski said that if the ABCLT does not get the additional grants, the City will not disburse the funds until everything is ready to close.

Councilwoman Roney said that she had the opportunity to visit 32 Grail Street again this week, it's just around the corner from and housed faculty members of the historic Stephens-Lee school that is now a community center in East End/Valley Street and was anticipated for demolition due to being in such bad disrepair. Protecting vulnerable neighborhoods from gentrification can include: Investing in property repair and preservation; Securing affordability; Partnerships with neighborhoods and non-profits; Place-making, historic designation, and preservation of cultural identity; and Multigenerational families and/or businesses staying or being able to return. Along with preservation and adding to our small but growing ecosystem of permanently affordable housing, these are among the reasons she is thrilled that these properties in East End/Valley Street and Southside are on our Council agenda tonight! Grail Street also represents a first partnership between The Preservation Society of Asheville & Buncombe County and Asheville-Buncombe Community Land Trust, and she hoped there's more partnerships to come.

Four individuals were very supportive of the City approving a grant for the purchase of 32 Grail Street and 32 Olive Street by the Asheville-Buncombe County Land Trust.

Vice-Mayor Mosley felt this was an excellent opportunity for the rehabilitation of these two structures.

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

Councilwoman Smith moved to approve a \$250,000 grant to the Asheville Buncombe Community Land Trust to fund the purchase of 32 Grail Street and 32 Olive Street for permanently affordable homeownership to qualifying households. This motion was seconded by Councilwoman Ullman and carried unanimously.

RESOLUTION BOOK NO. 46 – PAGE 29

- B. RESOLUTION NO. 25-147 - RESOLUTION APPROVING A DEVELOPMENT AND LEASE AGREEMENT WITH LAUREL STREET RESIDENTIAL LLC FOR THE DEVELOPMENT OF MIXED-INCOME AND AFFORDABLE HOUSING AT 319 BILTMORE AVENUE (3 & 4 JOHN WALKER AVENUE); A RE-AFFIRMATION OF RESOLUTION NO. 22-184 TO SELL THE PROPERTY TO LAUREL STREET RESIDENTIAL LLC VIA LONG-TERM GROUND LEASE; AND APPROVAL OF A HOUSING TRUST FUND LOAN AND TAX GRANT TO LAUREL STREET RESIDENTIAL LLC FOR THE SAME DEVELOPMENT**

Affordable Housing Officer Sasha Vrtunski said that this is the consideration of a resolution approving a Development and Lease Agreement with Laurel Street Residential LLC for the development of mixed-income and affordable housing at 319 Biltmore (3 & 4 John Walker Avenue) and allocate funding for the affordable units.

Background:

- As part of the affordable housing bond initiative, the City began the development of City-owned land for affordable housing in 2018.
- The City hired Lord Aeck Sargent (LAS) to conduct a site suitability assessment for City-owned properties. LAS presented their final report to the City Council in December of 2018. That study recommended that the 319 Biltmore site include housing for a mix of incomes.
- In winter 2020, the City released a request for proposals (RFP) for the development of the 319 Biltmore property. Nine proposals were received, and Homes Urban was selected as the top-ranked firm. Following the scoring process, the City initiated negotiations with Homes Urban.
- In February 2022, Homes Urban withdrew its proposal. The City then approached Laurel Street Residential (LSR), the second-ranked firm.
- The City signed a Letter of Intent with LSR on February 21, 2022, and began negotiating terms of an agreement.
- In August 2022, City Council approved a purchase and sales agreement for Laurel Street Development to construct a mixed-income development. This development included:
 - Total of 221 units in 2 buildings (originally 215, but updated to 221 with the zoning approval)
 - 30% of the units would be affordable, 20% at 60% AMI, 10% at 80% AMI
 - Affordability period of 30 years
 - No additional funding for the affordable units, beyond the value of the land.
- In August 2022, City Council approved Resolution No. 22-184 authorizing the sale of the city-owned property located at 319 Biltmore Avenue to Laurel Street for the above-described affordable housing development. Private negotiation of the sale was authorized pursuant to NCGS §157-9 because it was agreed that the proposed development would contain at least 20% of the units affordable to households at 60% AMI and below for a period of at least 30 years.
- In June 2023, City Council approved Conditional Zoning (Ordinance No. 5024) for the site (RES-EXP CZ).
- In January 2024, Laurel Street (LSR) applied for a County Affordable Housing Services Program loan; funding was not approved until May 2024.
- During 2024 and 2025, LSR has continued to work on its plans.
- In Fall 2024, LSR approached City staff to collaborate on a revised proposal to meet City expectations.

319 Biltmore: Updated Proposal Summary

Entire Project: 221 units

- Phase I - 109 units with 33 project-based vouchers
- Phase II - 112 units - 4% LIHTC
- 162 units (73% of total) are affordable
- 29% of total units serve those at 30% AMI
- Ground lease up to 99 years
- 40-year affordability period
- Ground Lease rather than Purchase—At the end of the 99-year lease, the Land and buildings will revert to the City.

Phase I Specifics (3 John Walker Avenue):

- \$3,000,000 City Housing Trust Fund loan (from the current balance of \$1.57M and new bond funds)
- Up to \$100,000 Tax Grant/year for 20 years.
- Start construction in 2026

Phase II Specifics (4 John Walker Avenue):

- \$7 million gap to be filled by other sources (City/State CDBG-DR)
- Up to \$100,000 Tax Grant/year for 20 yrs
- No HTF funds
- Start construction in late 2026/early 2027

Project Timelines

<p><u>Phase I - Mixed Income Housing</u></p> <ul style="list-style-type: none"> • June 2025 - Site Control • June 2025 - City HTF Commitment • September 2025 - Architect & Construction Drawings • February 2026 - Building Permit • February 2026 – Financial Closing • February 2026 - Start Construction • Q3/Q4 2027 - Construction complete 	<p><u>Phase II - LIHTC - Tentative Schedule</u></p> <ul style="list-style-type: none"> • June 2025 – Site Control • Oct. 2025/Jan.2026 – Preliminary LIHTC application • Jan. 2026/Aug.2026 – 4% Tax and Bond Allocation • December 2026 – Closing, Permitting, Construction <p>Potential Sources of Gap Funding</p> <ul style="list-style-type: none"> • City CDBG-DR • State CDBG-DR
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Distribution of Units by Income

	30% AMI	60% AMI	80% AMI	Market	Total
Phase I	33	0	17	59	109
Phase II	31	46	35	0	112
Total	64	46	52	59	221
Total % of units	29%	21%	23%	27%	100%

Current Context for Affordable Housing Development

- Development costs are increasing, markets are uncertain, and the new Federal budget could cut HUD funding.
- Even with the new Affordable Housing Bond dollars, there are not enough resources to fund new projects without additional subsidies from other sources.
- City CDBG-DR and State CDBG-DR funds will be crucial to making housing projects viable.
- Over the past five or more years, the City and County have often been co-funders of affordable housing projects. In some cases, the funding was close to equal, and in other cases, the County took a larger role.

- Buncombe County has expended most of their bond funds and will likely use the remaining dollars for the projects on County-owned Land (e.g. Coxe Ave). The new County budget, similar to the City budget, does not have general fund allocations to affordable housing in FY 26. Usually several million dollars of the County's budget is dedicated to affordable housing projects.
- The County's changed role, combined with the City's CDBG-DR funds, means that the source of subsidy and decision-making will shift to the City in large part, and also include the State for projects starting in 2025 and moving forward.
- Staff has compiled a comparison of projects to understand the role of public dollars in bringing affordable housing to fruition.

Project Comparison

To understand whether the proposed funding request is a good deal for the City, staff gathered information about several projects that have been recently funded or are being considered for funding. In the table below, there are two 9% LIHTC projects, one 4% LIHTC project, and one project that incorporates both types of tax credit deals.

	Coxe Ave (Bunc Co) (both 4% and 9% LIHTC)	Pine Lane Apts (4% LIHTC)	Fairhaven Summit (9% LIHTC)	Starpoint (9% LIHTC)	319 Biltmore (Mixed income & 4% LIHTC)
Affordable units	206 units	126 units	77 units	60 units	162 units
Estimated Funding Sources (loans, tax equity, fees)	\$57,700,000	\$38,383,761	\$21,226,548	\$13,693,541	\$60,193,716
Public Funding/Gap	\$16,800,000	\$10,397,065	\$3,117,000	\$2,401,420	\$15,700,000*
Total Development Cost	\$74,500,000	\$48,780,826	\$24,343,548	\$16,094,961	\$70,193,716
Public Funding as % of total (City, County, Fed)	22.55%	21%	12.80%	15%	22.37%
Per unit Total Cost (all units)	\$361,650	\$387,149	\$316,150	\$268,249	\$317,619
Subsidy per Affordable unit	\$81,553	\$82,516	\$40,481	\$40,024	\$96,914*

**Coxe Avenue estimates do not include the cost of land, nor tax exemption as part of the subsidy. LUIG/Tax Exemption for Coxe Avenue, Fairhaven Summit, and 319 Biltmore is not included in the subsidy shown. Without the land used as a subsidy, the subsidy per affordable unit for 319 Biltmore is \$61,728.*

Comparison Highlights

- When compared to other projects, 319 Biltmore aligns with them, especially larger 4% developments.
 - Similar or lower cost per unit
 - A similar percentage of public subsidy is needed overall

- 319 Biltmore subsidy estimate includes the cost of land.
- Without the land, the subsidy per unit is \$61,728
- The most relevant comparable development is the County's project at Coxe Avenue, and subsidy levels are in line with those projections.

Analysis Summary

- Construction costs have escalated dramatically since 2022.
- Phase I will cost more for the City in the short term, but allows the project to move forward, and LSR to work on the LIHTC portion (Phase II), which will not have additional City bond or Housing Trust Fund monies.
- The new proposal provides more units of affordable housing than the previous proposal.
- LSR is an experienced, qualified developer and is ready to proceed once City financing is approved.
- The land lease structure means that at the end of the lease, the land and improvements (buildings) will revert to the City's ownership.
- Following TS Helene and the resulting reduction in both affordable and market-rate housing stock, it is essential that the City maintain progress on the affordable housing pipeline to mitigate further damage to the market.

Council Goal(s):

- An Equitable and Diverse Community
- A Well-Planned and Livable Community
- Quality Affordable Housing

Fiscal Impact:

- Approval of a Development and Lease Agreement will obligate the City to lease the land to LSR for 99 years.
- Deal approval would allocate \$3 million of Housing Trust Fund/ Affordable Housing Bond funds to the project through a loan with a 20-year term and 2% interest only through cash flow.
- Approval of the deal includes tax grants for both parcels, for up to \$100,000/year for 20 years.
- The project will very likely apply for CDBG-DR funds for multifamily construction through the City and the State of NC.

Committee(s):

- The Housing and Community Development (HCD) Committee reviewed this item at their meeting on Tuesday, June 17 and voted 3-0 approval to move forward to City Council.

Pros:

- The City will gain approximately 162 new affordable housing units for a period of 40 years.
- Approval of the proposal will allow the developer to proceed with Phase I, which will start construction in Q1/Q2 of 2026. It will also allow the developer to proceed with Phase II and begin preparing the Low-Income Housing Tax Credit application.
- Staff has worked with an experienced consultant who has confirmed this is an advantageous deal for the City and the community.
- The proposal is in line with other current projects regarding subsidies and costs.
- The ground lease means that the land and buildings will come back to the City and be available for rehabilitation or redevelopment at that time.

Cons:

- Funds used for 319 Biltmore will not be available for other projects.

- The deal structure means that the City is putting HTF funds up front when the majority of the affordable units are in Phase II.
- The project will need additional funds for Phase II. Those funds will not come from City tax dollars, but likely from Federal resources (CDBG-DR). The CDBG-DR funding process will be competitive.

Staff Recommendation: Staff recommends approval of the development proposal which includes: a 99-year lease for City owned Land, 40 year affordability, \$3M gap funding at 2% interest only from cashflow for 20 yrs, and a 20-year tax grant as a reimbursement of City portion of property tax paid for each of the two parcels in the development.

- The HTF gap funding request will help close a funding gap due to cost escalation as a result of current market conditions and hurricane impact.
- The total public subsidy needed for the project is in line with comparable developments.
- Phase I has 50 affordable units (including 33 units serving those at 30% AMI), and can be started and be placed in service at the end of 2026/early 2027.
- The total number of affordable units planned for Phase I and II (50+112=162) is 2.5 times the original 66 units approved in 2022.
- Phase I doesn't rely on 4% tax credits, and will therefore get under construction much faster.
- Mixed-income development adjacent to Maplecrest Apartments aligns with the initial vision for the property.
- Complies with Policies for Implementing Affordable Housing on City-owned Land.
- Provides affordability across 1, 2, and 3-bedroom units, allowing opportunities for families.
- Affirms the 2022 Council decision to sell the property, but now as a ground lease. Per NC Statutes, lease of city-owned property for longer than 10 years must be treated as a sale of property.

Ms. Vrutnski said the following are the key takeaways from her presentation: (1) Staff and Laurel Street Residential are presenting a new development deal that addresses current housing challenges, provides more affordable units, and gets the first phase underway in 2026; (2) The affordable housing funding landscape has changed since TS Helene and the City will have a much larger role in projects for the next 2-4 years; (3) It is essential to continue development of affordable housing to assist with recovery from Hurricane Helene. Costs will continue to rise, and time is of the essence; and (4) The revised deal for 319 Biltmore has been vetted by an outside expert, and is recommended by staff, and is in line with other current affordable housing projects and the associated subsidies.

Regarding affordable housing - changing environment, (1) Costs are increasing, markets are not certain, and there are potential cuts to HUD funding in the new budget; (2) Even with the new AH Bond dollars, there are not enough resources to fund new projects without additional subsidy from other sources.; (3) City CDBG-DR and State CDBG-DR funds will be crucial to making housing projects viable; (4) Over the past five or more years, the City and County were often co-funders of affordable housing projects. In some cases the funding was close to equal, in other cases, the County took a larger role - Buncombe County has expended most of their bond funds and will likely use the remaining dollars for the projects on County-owned Land (e.g. Coxe Ave). The new County budget, similar to the City budget does not have general fund allocations to affordable housing in FY 26; (5) The County's changed role combined with the City's CDBG-DR funds, means that the source of subsidy and decision-making will shift to the City in large part, and also include the State for projects starting in 2025 and moving forward; and (6) Staff has put together a comparison of projects to understand the role of public dollars in making affordable housing come to fruition.

Deal structuring in affordable housing, (1) Public subsidies are usually between 10% - 20+% of a project's total cost; (2) 4% LIHTC projects require more public subsidy than 9% projects; (3) 9% tax credits are used for smaller projects (currently 50 units or less); and (4) Affordable housing developers have to find multiple sources of funding to create a capital stack that allows the project to "pencil." (a) Lenders require a certain amount of cash flow and debt coverage; (b) Projections include increases in rent over time, but must also provide for operations, maintenance and reserves; (c) Investors require a rate of return and the developer must also make a profit to pay employees and continue their work in the next project; and (d) Costs are increasing, but rents are not escalating in the current market, which increases the gap for projects.

The chart below shows a project comparison - public subsidy needed:

	Coxe Ave (both 4% and 9% LIHTC)	Pine Lane Apts (4% LIHTC)	Fairhaven Summit (9% LIHTC)	Starpoint (9% LIHTC)
Affordable units	206 units	126 units	77 units	60 units
Estimated Funding Sources (loans, tax equity, fees)	\$57,700,000	\$38,383,761	\$21,226,548	\$13,693,541
Public Funding/Gap	\$16,800,000	\$10,397,065	\$3,117,000	\$2,401,420
Total Development Cost	\$74,500,000	\$48,780,826	\$24,343,548	\$16,094,961
Public Funding as % of total (City, County, Fed)	22.55%	21%	12.80%	15%
Per unit Total Cost (all units)	\$361,650	\$387,149	\$316,150	\$268,249
Per Affordable unit Subsidy	\$81,553	\$82,516	\$40,481	\$40,024

*Note: Coxe Avenue estimates do not include cost of land, nor tax exemption as a part of the subsidy
LUIG/Tax Exemption for Coxe Avenue and Fairhaven Summit is not included in the subsidy shown*

She showed a chart of the housing needs assessment for 2025. She said (1) Market -Rate: Brand new data shows that the overall vacancy rate for surveyed Asheville multifamily rental units is 4%, which is up from 2.8% in 2019; and (2) Subsidized: Affordable units continue to be in high demand with long wait lists (a) Vacancy rate of 1.4% for tax credit projects; and (b) Vacancy rate of 0.2% for projects with government subsidies (this includes projects where 50% of the residents are at or below 50% AMI).

Regarding 319 Biltmore, (1) 2019 - City Purchased 319 Biltmore 5.3+/- acre site for \$5,300,000, appraised at \$5,700,000; (2) 2020 - City issued RFP to leverage City owned land for the development of multi-family, mixed use rental development (a) At least 20% of total units must be targeted to 60% AMI Households per policy; and (b) Must include a long-term deed restriction: a minimum of 20 years with a preference for 30 years to preserve affordability; (3) 2020 - City

began negotiations with the first ranked firm, Homes Urban; (4) Homes Urban ultimately withdrew from the project in early 2022; (5) February 2022 - Staff began negotiations with Laurel Street Residential (LSR); (6) August 2022 - Council approved resolution for 221 unit-development with 66 affordable units; (7) June 2023 - Conditional zoning approved; (8) January 2024 - LSR applied for County AHSP loan funding was not approved (May 2024); (9) 2024-2025 - LSR working on technical review; and (10) Fall 2024 - April 2025 - LSR approached City staff to collaborate on revised proposal to meet City expectations

Regarding LSR, (1) LSR has over 14 years of experience developing high quality affordable and workforce housing; (2) Since its founding in 2011, LSR has developed more than 4,490 units in the South East (NC, SC, GA and VA) with additional 1,065 units under construction or in the pipeline; and (3) LSR is a key partner for municipalities collaborating to provide a comprehensive range of housing focused on community need.

The following is the proposal summary:

Entire Project: 221 units

- Phase I - 109 units with 33 project-based vouchers
- Phase II - 112 units - 4% LIHTC
- 73% of total units are affordable (162)
- 29% of total units serve those at 30% AMI

Phase I & II

- Ground lease up to 99 years, minimum 75 years
- 40-year affordability period
- Land and buildings will revert back to the City

Phase I Specifics:

- \$3,000,000 City HTF gap funding (from the current balance of \$1.57M and new bond funds)
- Up to \$100,000 Tax Grant/year for 20 years
- Start construction in 2026

Phase II Specifics (TBD):

- \$7 million gap to be filled by other sources (City/State CDBG-DR)
- Up to \$100,000 Tax Grant/year for 20 yrs
- No HTF funds
- Start construction in late 2026/early 2027

The chart below shows the Area Medium Income (AMI) distribution for Phase I and II:

	30% AMI	60% AMI	80% AMI	Market	Total
Phase I	33	0	17	59	109
Phase II	31	46	35	0	112
Total	64	46	52	59	221

Total % of units	29%	21%	23%	27%	100%
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- 73% of total units are affordable (162)
 - 29% of total units serve those at 30% AMI
- The timeline of Phase I and Phase II are as follows:

Phase I - Mixed Income Housing

- June 2025 - Site Control
- June 2025 - City HTF Commitment
- September 2025 - Architect & Construction Drawings
- February 2026 - Building Permit
- February 2026 – Financial Closing
- February 2026 - Start Construction
- August - Oct 2027 - Construction complete

Phase II - LIHTC - Tentative Schedule

- June 2025 – Site Control
- Oct. 2025/Jan.2026 – Preliminary LIHTC application
- Jan. 2026/Aug.2026 – 4% Tax and Bond Allocation
- December 2026 – Closing, Permitting, Construction

Potential Source of Gap Funding

- Dogwood Foundation/Self-Help AH Loan Fund
- City CDBG-DR
- State CDBG-DR

Regarding the ground lease's key elements, (1) Disposition of 319 Biltmore was approved in August 2022 by Council Resolution. Laurel Street is going above and beyond the requirements of that resolution; (2) All leases greater than 10 years are treated as a sale of property under NC law; (3) Land and buildings will revert to the City at the end of the 99 year lease term; (4) The ground lease will outline the use of the property - which will be for affordable and limited market rate housing. Any changes to the use of the property must be re-negotiated with the City; (5) Ground lease will require the property be maintained and kept in good condition; and (6) There will be performance benchmarks built into the ground lease: (a) Date for the construction of Phase I; (b) Date for the construction of Phase II; and (c) If Phase II does not get built, the City would revise the ground lease, take back the property, and then pursue the development of that parcel separately.

The project comparison is as follows: (1) When 319 Biltmore is added into the Project Comparison, it is in line with other projects, especially larger 4% projects (a) Similar or lower cost per unit; and (b) Similar percentage of public subsidy needed overall; (2) 319 Biltmore estimates include the cost of land; (3) Without land, the subsidy per unit is \$61,728; and (4) The most relevant analogue is the County's project at Coxe Avenue and subsidy levels are in line with those projections.

The chart below shows the project comparison:

	Coxe Ave (both 4% and 9% LIHTC)	Pine Lane Apts (4% LIHTC)	Fairhaven Summit (9% LIHTC)	Starpoint (9% LIHTC)	319 Biltmore (Mixed income & 4% LIHTC)
Affordable units	206 units	126 units	77 units	60 units	162 units
Estimated Funding Sources (loans, tax equity, fees)	\$57,700,000	\$38,383,761	\$21,226,548	\$13,693,541	\$60,193,716
Public Funding/Gap	\$16,800,000	\$10,397,065	\$3,117,000	\$2,401,420	\$15,700,000*
Total Development Cost	\$74,500,000	\$48,780,826	\$24,343,548	\$16,094,961	\$70,193,716
Public Funding as % of total (City, County, Fed)	22.55%	21%	12.80%	15%	22.37%
Per unit Total Cost (all units)	\$361,650	\$387,149	\$316,150	\$268,249	\$317,619
Per Affordable unit Subsidy	\$81,553	\$82,516	\$40,481	\$40,024	\$96,914*
<i>*Coxe Avenue estimates do not include land cost, while 319 Biltmore does include land costs. LUIG/Tax Grants/Exemptions for Coxe Avenue, Fairhaven Summit and 319 Biltmore are not included in the subsidies shown.</i>					

The analysis is (1) Construction costs have escalated dramatically since 2022; (2) Phase I will cost more for the City in the short term, but allows the project to move forward, and LSR to work on the LIHTC portion (Phase II), which will not have additional City bond or Housing Trust Fund monies; (3) The new proposal provides more units of affordable housing than the previous proposal; (4) LSR is an experienced, qualified developer, and is ready to proceed once City financing is approved; (5) The land lease structure means the City will become the owner of property and improvements at the end of the lease; and (6) Following TS Helene and the resulting reduction in both affordable and market-rate housing stock, it is essential that the City maintain progress on the affordable housing pipeline to mitigate further damage to the market.

Staff's recommendation is (1) Approve development proposal: (a) A ground lease of up to 99 years for City owned Land, 40-year affordability period; (b) \$3M gap funding at 2% interest only from cash flow for 20 years; and (c) Tax grant as a reimbursement of City portion of property tax paid; and (2) Reasons for the recommendation: (a) The HTF request will help close a funding gap due to cost escalation as a result of current market conditions and hurricane impact; (b) Total public subsidy need for the project is in line with comparable developments; (c) Phase I has 50 affordable units (including 33 units serving those at 30% AMI), and can be started and placed in service Q3/Q4 2027; (d) Total planned affordable units for entire Phase I & II (50+112=162) exceeds the original 66-unit City requirement; and (e) Phase I does not rely on 4% tax credits, and will therefore begin construction much sooner.

She then reiterated Council's goals; fiscal impact; and the pros and cons. Staff's suggested motion is to recommend that the Asheville City Council authorize the City Manager to

negotiate and enter into a Development and Lease Agreement with Laurel Street Residential for the development of 319 Biltmore, which will include 162 units affordable for 40 years and a ground lease up to 99 years. Additionally, we recommend that City Council approve a \$3 million loan to LSR and a tax grant for each parcel up to \$100,000 per year for 20 years.

Mr. Lee Cochran thanked City Council for their support for this project.

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

Councilwoman Ullman moved to authorize the City Manager to negotiate and enter into a Development and Lease Agreement with Laurel Street Residential for the development of 319 Biltmore, which will include 162 units affordable for 40 years and a 99-year ground lease; and reaffirm the 2022 decision (Resolution No. 22-184) to “sell” the property, but now as a ground lease and according to the new project proposal of greater number of affordable units and longer period of affordability. Additionally, we recommend that City Council approve a \$3 million loan to Laurel Street Residential and a tax grant for each parcel up to \$100,000 per year for 20 years. This motion was seconded by Councilwoman Roney and carried unanimously.

RESOLUTION BOOK NO. 46 – PAGE 30

C. BOARDS & COMMISSIONS

RESOLUTION NO. 25-148 - RESOLUTION APPOINTING MEMBERS TO THE ASHEVILLE-BUNCOMBE HISTORIC RESOURCES COMMISSION

Vice-Mayor Mosley, Chair of the Boards & Commissions Committee, said that this is the consideration of appointing members to the Asheville-Buncombe Historic Resources Commission.

The terms of Sara Groce and Amy Moxley, as members on the A-B Historic Resources Commission expire on July 1, 2025.

The following individuals applied for the vacancies: Kim Dills, Amy Gharst, Nicholas J. Harden, Carole H. Martin and Robert Mays.

The Chair and the staff liaison of the Historic Resources Commission recommend reappointment of Amy Moxley and appointment of Amy Gharst.

Councilwoman Roney moved to (1) reappoint Amy Moxley to serve a three-year term, term to expire June 30, 2028, or until Amy Moxley’s successor has been appointed; and (2) appoint Amy Gharst to serve a three-year term, term to expire June 30, 2028, or until Amy Gharst’s successor has been appointed. This motion was seconded by Councilwoman Ullman and carried unanimously.

RESOLUTION BOOK NO. 46 - PAGE 32

VII. INFORMAL DISCUSSION AND PUBLIC COMMENT:

Several individuals spoke to City Council about various matters, some being, but are not limited to: urge the City to adopt a resolution opposing UNC-Asheville’s plan to bulldoze a 45-acre urban forest in a quiet neighborhood to build a 5,000 seat mixed-use stadium and concert venue, market-rate housing and retail; ask for Council support of the Healthy Opportunities Pilot

Program; and not to stifle board public engagement and professional expertise while trying to streamline the boards and commissions structure to align with City Council's priorities.

In response to Councilwoman Roney, City Manager Campbell said that she would provide Council with the balance of the tree fee-in-lieu of fund and how it can be used.

Vice-Mayor Mosley announced the next formal meeting of City Council would be on July 29, 2025.

VIII. ADJOURNMENT:

Vice-Mayor Mosley adjourned the meeting at 7:21 p.m.

CITY CLERK

MAYOR