

MINUTES

HOUSING TRUST FUND SELECTION COMMITTEE

Thursday, March 10, 2022 – 3:30 PM

City Hall Council Chambers

Members Present: Gary Daniel, City Council Member
Maurice Jones, City Council Member
Steve Harrell, Interim City Manager
Dean Luebbe, Finance Director
Paul Ray, Planning Director
Greg Hunter, Planning Board Chair
Tommy Kilgore, Citizen Member (via Zoom)
Victor Foster, Citizen Member

Staff Present: Emily Brewer, Planner
Denise Hodsdon, Executive Assistant

Guests: Jim Yamin, Workforce Homestead, Inc. (via Zoom)
Diane Livingston, Resident

Media: Jonathan Rich, *Transylvania Times*

A. Welcome and Call to Order

Gary Daniel welcomed everyone and called the meeting to order at 3:32 PM.

B. Certification of Quorum

Quorum was certified by Executive Assistant Denise Hodsdon.

C. Approval of Minutes of the February 3, 2022 Meeting

Motion by Mr. Jones, seconded by Mr. Ray to approve the minutes of the February 3, 2022 minutes as presented. The motion carried unanimously.

D. Workforce Homestead, Inc. Juniper Project Presentation – Jim Yamin

Mr. Yamin discussed his request for financing toward his planned Juniper affordable rental housing development on Fisher Road. Mr. Yamin explained that this project will consist of 72 affordable units and will be accessed via Holden Road, which presents some challenges. He does however, have a verbal agreement with a

property owner on Fisher Road, which would allow him to have access from Fisher Road. The properties would need to be rezoned and he currently has an application to the City for conditional rezoning.

He has submitted a preliminary application to North Carolina Financing Agency for federal housing tax credits. The final application deadline is in mid-May and the Agency will announce award winners in mid-August. As part of that application process he will need to include any element of financing that he is proposing to include in the overall financing structure for the project and he will need to provide a letter confirming commitment for those funds from the source. If the City agrees to approve his request for financing for this project, he would request a letter regarding that commitment by early May. He is requesting \$300,000 to help support this overall financing and it would greatly contribute to the overall competitiveness of the application, because the more financing he can bring to the table, the less credits he needs to request. The \$300,000 would be used for the access road, which would ultimately be dedicated to the City. He would request that the money be used during construction and stay in place as part of the permanent financing structure. If his application is approved by the Housing Financing Agency, he plans to begin construction by April 2023 and complete construction by August 2024.

During discussion it was pointed out that the Housing Trust Fund does not have \$300,000 available and the committee asked Mr. Yamin if his project is dependent on the City of Brevard doing the full \$300,000. Mr. Yamin said it would be ideal to have the entire \$300,000, but if it is less than that, it's not going to kill the project, but the less tax credits you ask for, the more competitive your application is.

There was discussion that affordable housing is important, but we are also very concerned about workforce housing. Mr. Yamin's project is for 60% of the Area Median Income (AMI) which is only for affordable housing. Workforce housing is between 80 to 120%. Mr. Hunter said he feels that If there is more federal funding available for low income, and less available for moderate income, then our use of the limited funds we have would be better applied on that moderate side to help fill that gap toward more moderate workforce housing. Mr. Harrell said staff would do some research to find out what agencies are loaning money that goes up to the 80%. It was decided to table this until we get more information on available agencies that might go up to 80% AMI and at our next meeting we could give Mr. Yamin a more definitive answer.

E. Proposed Text Amendment to Waive Tap Fees for Qualified Projects

Mr. Ray explained that when City Council granted the Affordable Housing Project Agreement with Sunnyside Properties, LLC to waive water and sewer tap fees in exchange for building two affordable housing units off North Lane, Council asked the Planning Board to consider codifying an ordinance to help facilitate additional affordable housing projects in Brevard by offering this financial incentive to

qualifying projects on a more permanent basis. He noted that the proposed text amendment requires that developers stay within the HUD's range of low to moderate income for at least 5 years in exchange for waiving the water and sewer tap fees. He explained that waiving these fees is an actual cost to the City and we would have to somehow make up the money and pay back the Water and Sewer Utility Fund.

There was discussion about using funds from the Housing Trust Fund to pay back the Water and Sewer Utility Fund, but those funds can only be used to make loans. However, this committee could recommend to City Council that they set aside a certain amount of money every year in the General Fund for this purpose. Mr. Harrell pointed out that this committee's charge is workforce and affordable housing and it is only the CDBG money that you can't spend on workforce housing. If City Council wanted to move money into the Housing Trust Fund and earmark it for workforce, they could do that because it is not federal money. Mr. Harrell also mentioned that one avenue we can start looking at is when someone comes forward with something like this we can go to the Dept. of Commerce and see if there is any CDBG money available to do that. He suggested that staff do some research on that as well.

Mr. Daniel said it would be reasonable to have it on the record that this is a direction in which we'd like to go, even if we can't right now. Mr. Ray pointed out that we could still pass the text amendment, but if the program isn't funded in any given year, then it wouldn't be available that year. He said he would like a recommendation from this committee that Staff move forward with bringing a draft text amendment implementing this program to City Council and let City Council determine how to fund the program. Motion by Mr. Hunter, seconded by Mr. Ray to direct Staff to move forward with bringing a tap fee waiver text amendment to City Council. The motion carried unanimously.

Additional Comments:

Diane Livingston, a member of St. Philip's Episcopal Church said she is interested in learning ways that faith-based communities can help with affordable housing.

Mr. Hunter mentioned that the Bowen Report notes the cost of land was a common obstacle to development. He asked what if the City looked at purchasing land and putting it on a long-term lease with restrictions about what could be utilized on that land? We could control use of that land. Mr. Harrell suggested that we look at what land the City already owns and discuss at the next meeting.

Emily Brewer said she has done a lot of research on affordable housing in the past and there are other ways that the City can use these different resources besides just giving money, such as deed restrictions on city-owned land or some kind of development agreement that would require a number of years of affordability in order to sell the land at a discount to a developer. She will put together some case

studies of different tools that might be at the disposal of the City for discussion at the next meeting.

F. Set Date for Next Meeting

The next meeting of the Housing Trust Fund Selection Committee is scheduled for Tuesday, April 12, 2021 at 3:30 pm.

G. Adjourn

There being no further business, the meeting adjourned at 4:56 P.M.

X 

Gary Daniel
City Council Member

Minutes Approved: April 12, 2022

X 

Denise Hodsdon
Executive Assistant