

# **Welcome!**

## **To the City Manager's Development Forum Fall 2019**



# **Agenda**

**City Manager's Development Forum  
Fall 2019: Friday, November 15<sup>th</sup>**

**US Cellular Center Banquet Hall**

**11:30 - 12:00 Lunch & Networking**

**12:00-12:45 Presentation**

**12:50-1:00 Question & Answer Session**



# Business Inclusion Office Updates

## City Manager's Development Forum

**Rosanna Mulcahy**

Business Inclusion  
Manager

Community & Economic  
Development Department



# Minority Business Program Rebrand

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*City of Asheville*

**BUSINESS INCLUSION OFFICE**

“A community in which all people regardless of race, ethnicity, and gender, have the same opportunity for wealth creation”.



# Mountain Community Capital Fund

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Small and historically underrepresented business owners are an engine of employment. Greater capital access for these firms is essential to sustain their growth, to reduce unemployment levels, and to strengthen the foundation of our local economic productivity.



# Moving Forward

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- Engage the community
- Listen
- Act
  - Policy, practices & procedures changes
  - Provide tangible solutions
- Communicate Outcome
- REPEAT

# Planning and Urban Design Department Update

## City Manager's Development Forum

**Todd Okolichany**

Director

Planning & Urban  
Design Department



# Development Moratorium for Hotels

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## Issue

- Since 2015, **1,344** hotel rooms have opened in the COA out of approximately **2,761** approved rooms
- Community members, staff and Council have expressed concerns about the **impact of hotels**
- City currently lacks **concrete policies**, strategies and tools to effectively manage the impacts of these uses
- Lack of direction resulting in **uncertainty for developers**, staff and community members
- Current conditions resulting in **adversarial** and sometimes hostile development climate in the community

# Development Moratorium for Hotels

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## Need, Parameters and Timeframe

- To effectively respond and provide some level of certainty and to determine acceptable hotel development proposals, City needs to **enhance its land use policies, tools and strategies** to better regulate this land use
- On September 24, 2019 Council unanimously approved a temporary development moratorium on hotels for up to **one year** to provide the time needed to determine impacts and remedies
- Moratorium applies to “**Hotel, extended stay**”, “**Hotel, large**” and “**Hotel, small**” as defined by UDO and within City of Asheville limits.

# Development Moratorium for Hotels

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## Planning Process - Two Concurrent Phases (up to 1 year total)

### **Phase 1 (up to 6 months):**

- City has contracted with Urban Land Institute (ULI) Charlotte District Council to provide unbiased, pragmatic advice
- Two public sessions and a written report on best land use practices for management of hotel development

### **Phase 2 (up to 9 months):**

- City staff conducts supplemental research and analysis of policies, strategies and tools
- Staff presents recommendations to City Council for action



# Urban Centers Rezoning



Less of this

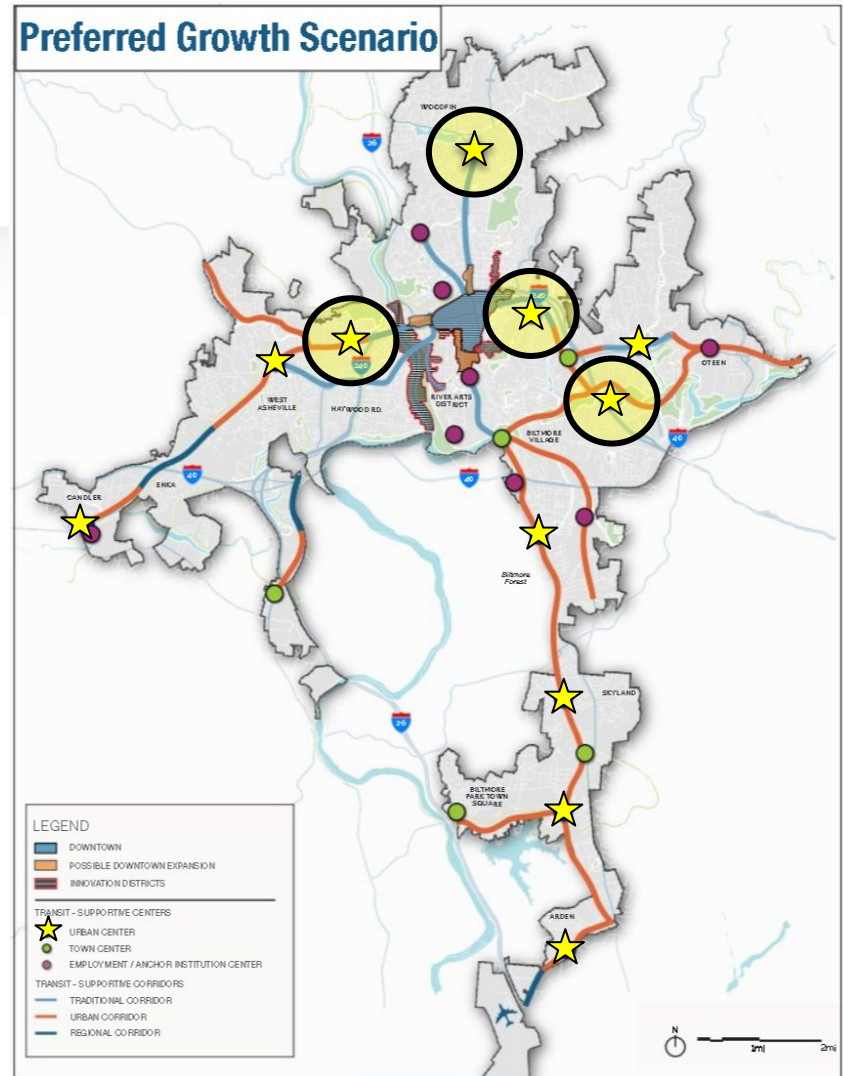


More of this



# Urban Centers Rezoning

The current initiative is focusing on Urban Centers located on high-frequency transit corridors (circled location).



# Haywood and Page Project



# Development Services Department Update

## City Manager's Development Forum

**Ben Woody**

Director

Development Services Department



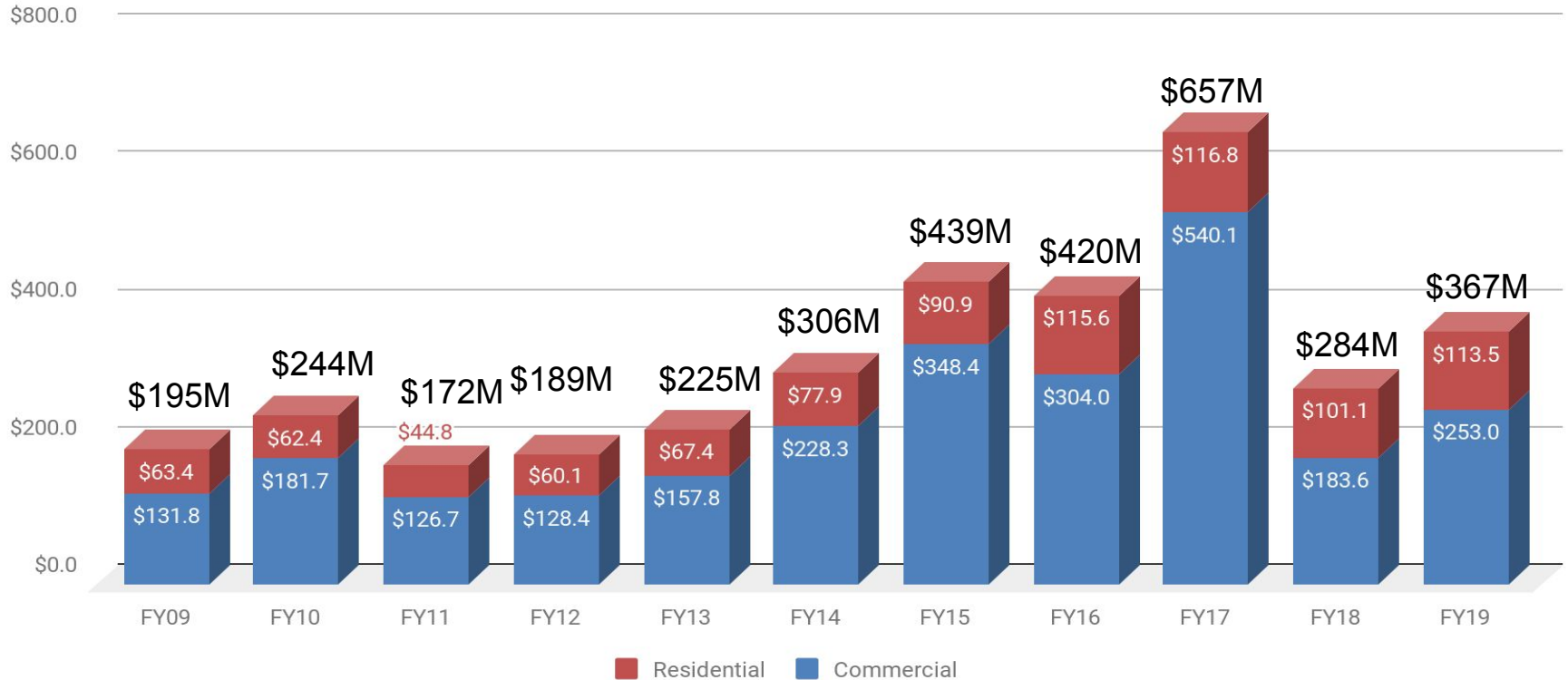


# Overview

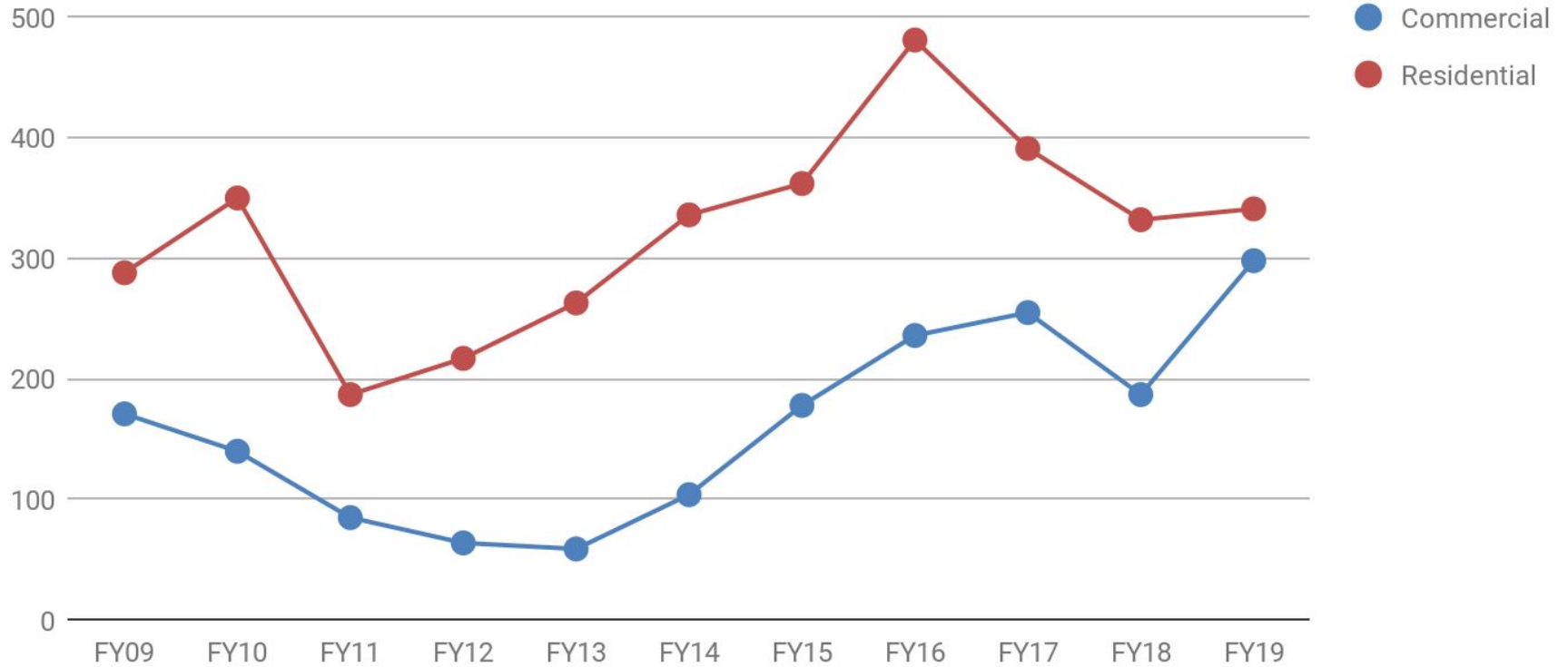
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- FY19 Permit Data and Trends
- DSD Major Initiatives
  - Residential permitting improvements:  
Digital Plan Review
  - Development Notification Tool

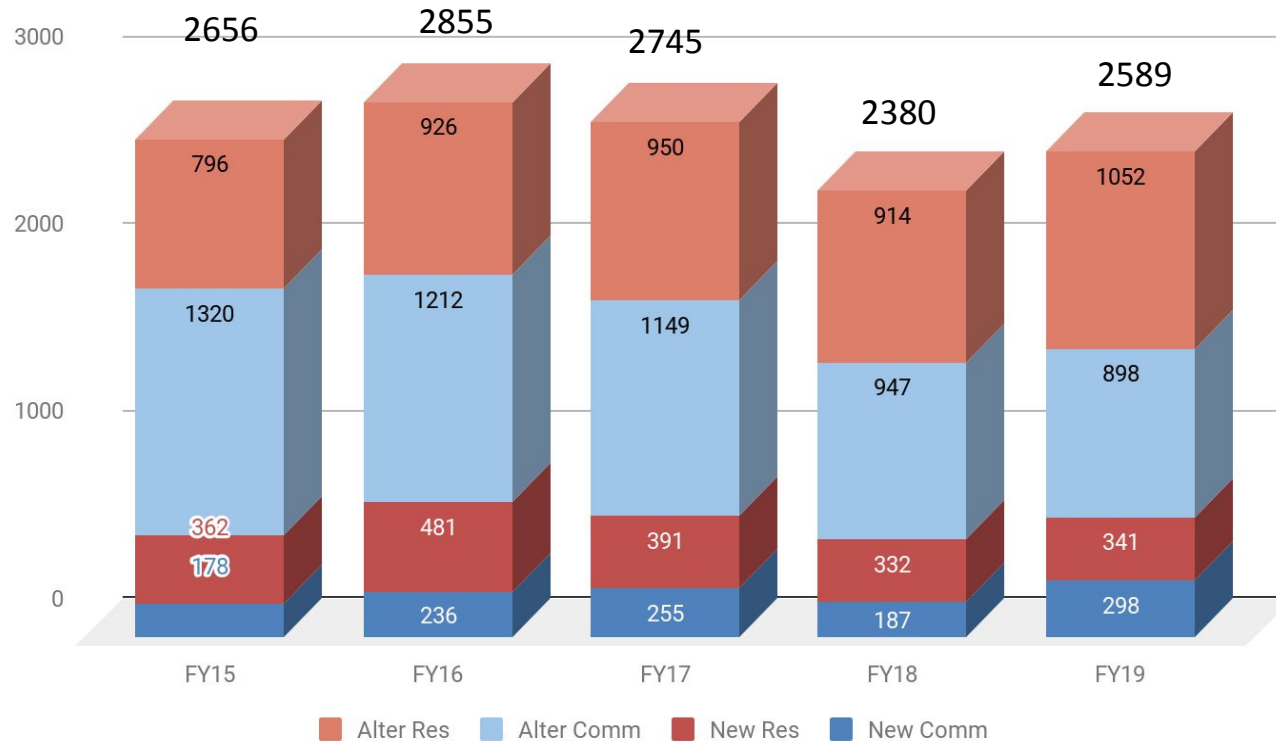
# Annual Construction Value of Issued Permits



# New Construction Permits Issued



# Construction Permits Issued



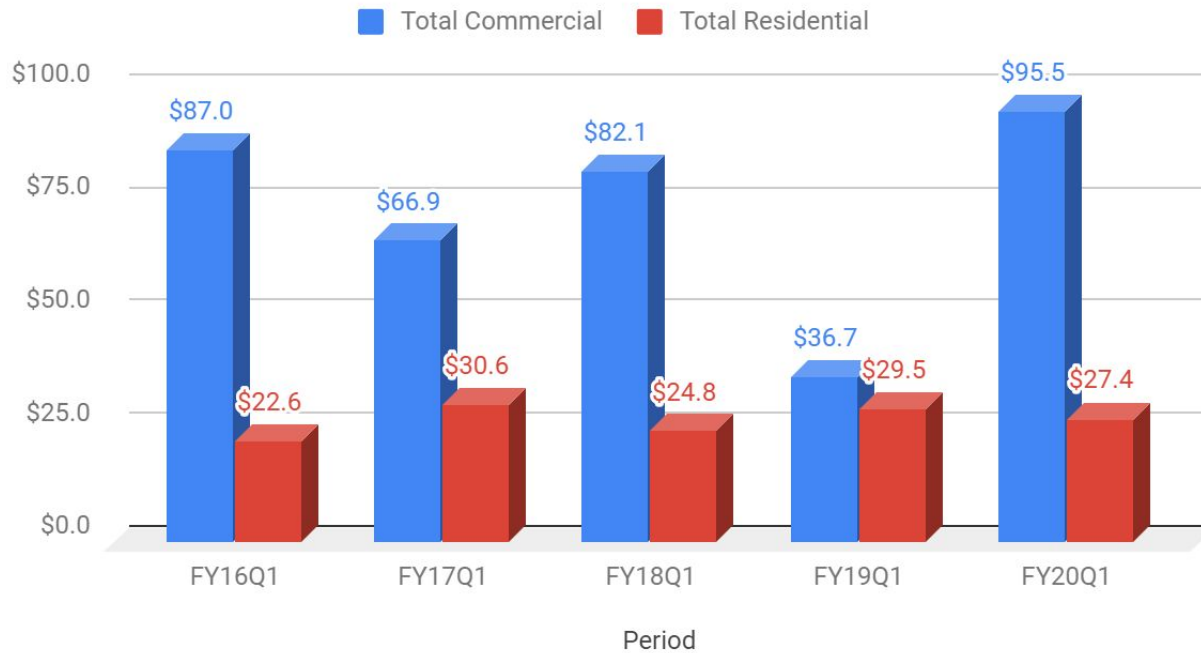


# Average Total Monthly Inspections

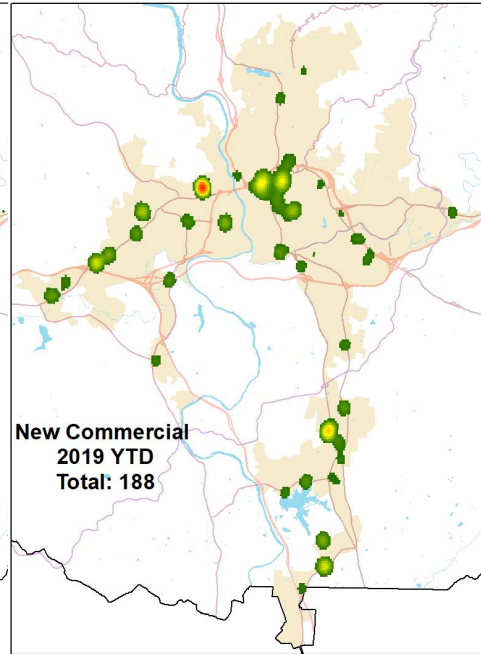
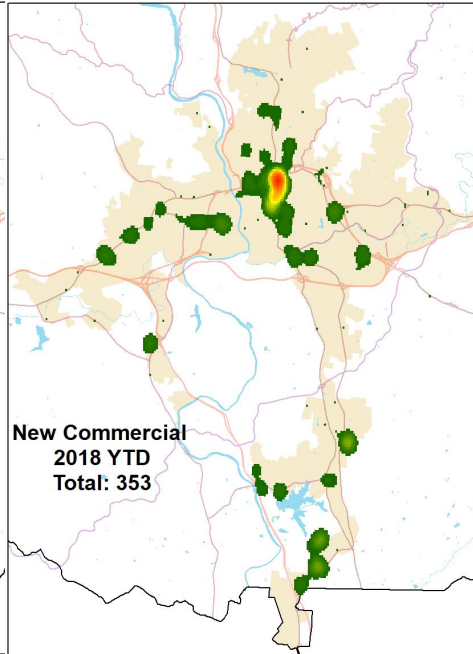
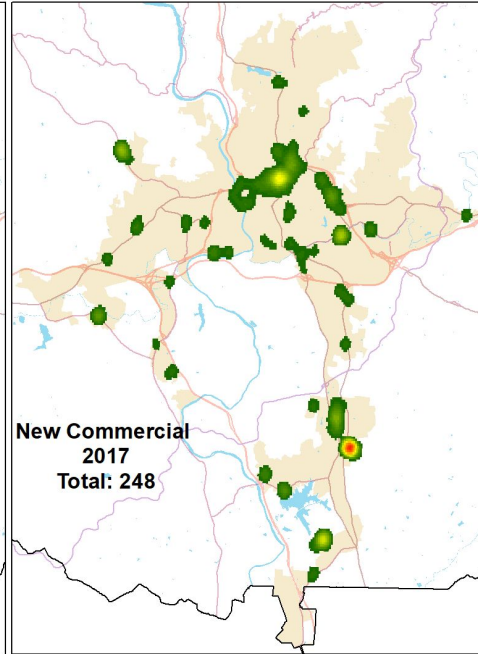
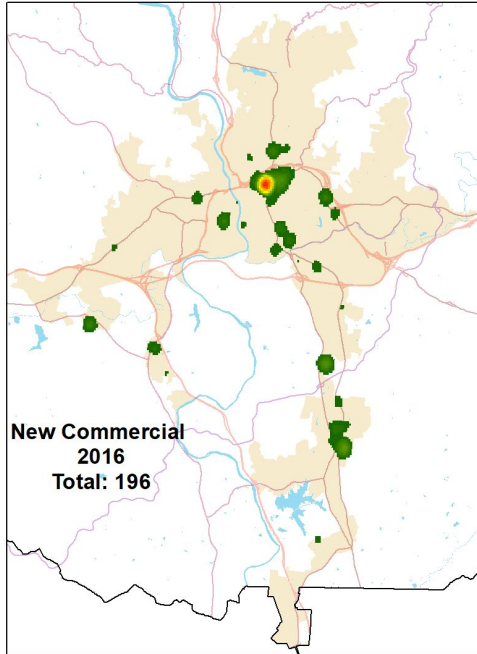


# Q1 Construction Value

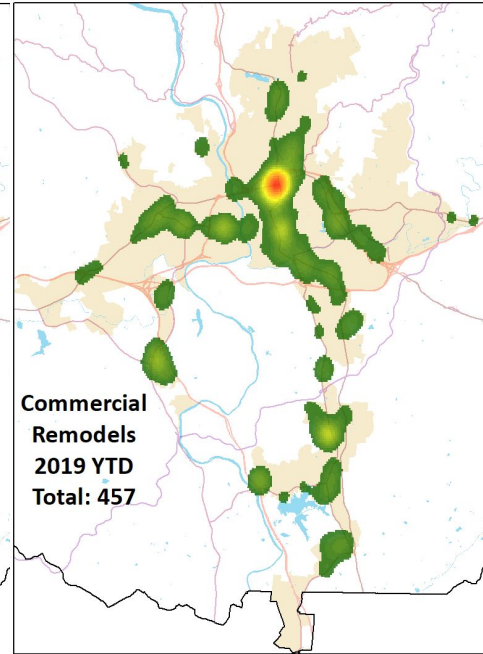
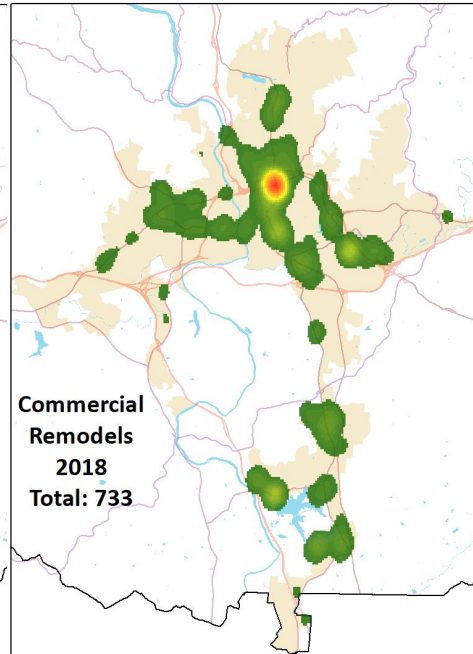
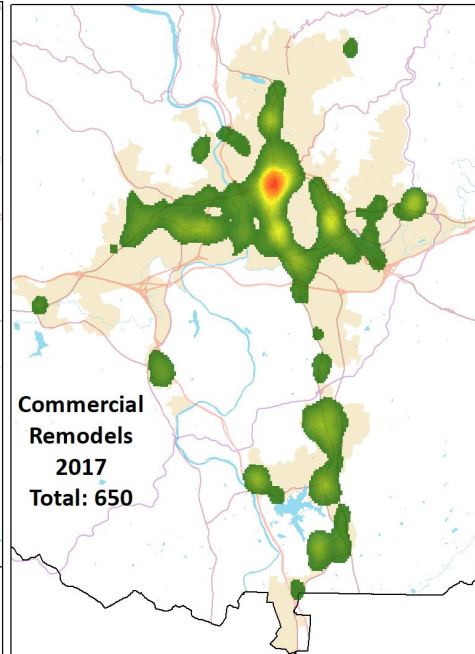
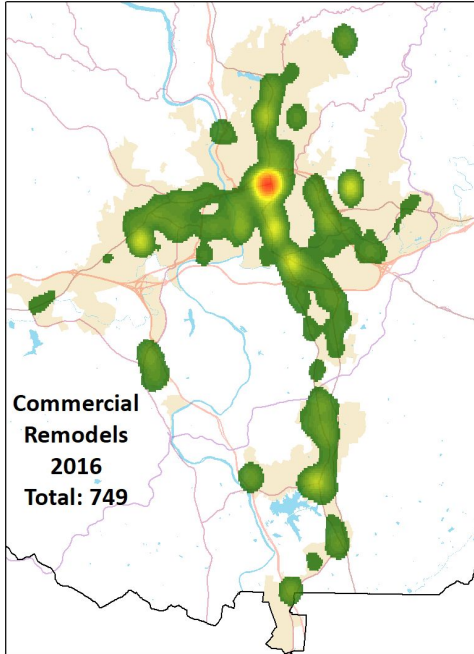
Q1 Comparison of Construction Value (\$Mil)



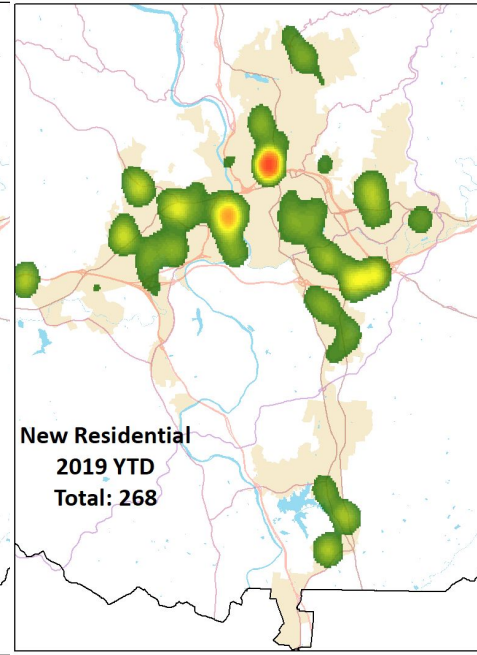
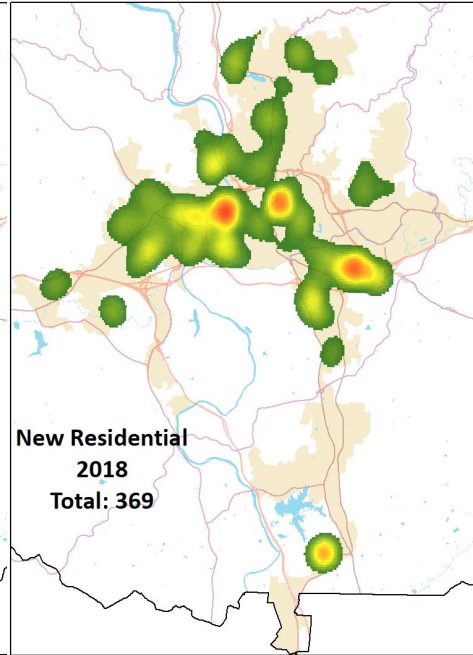
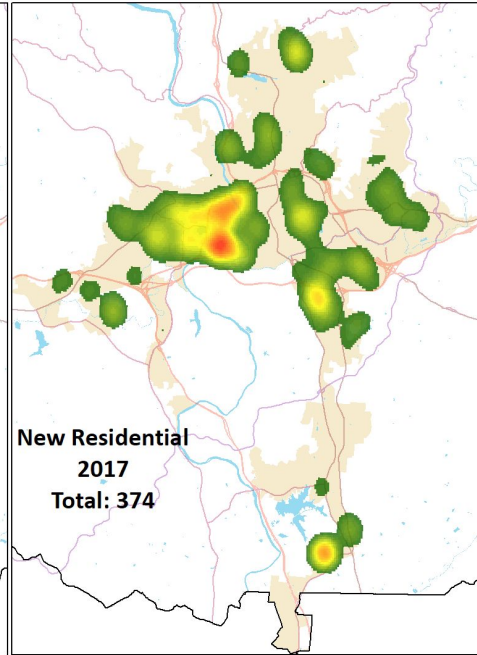
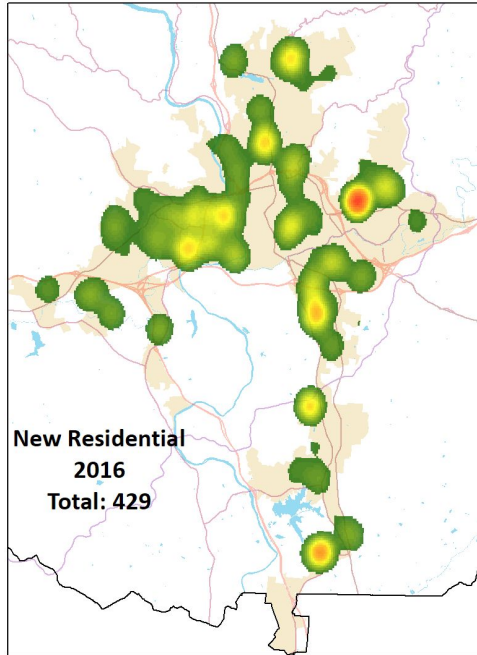
# Commercial New Construction



# Commercial Alterations and Additions

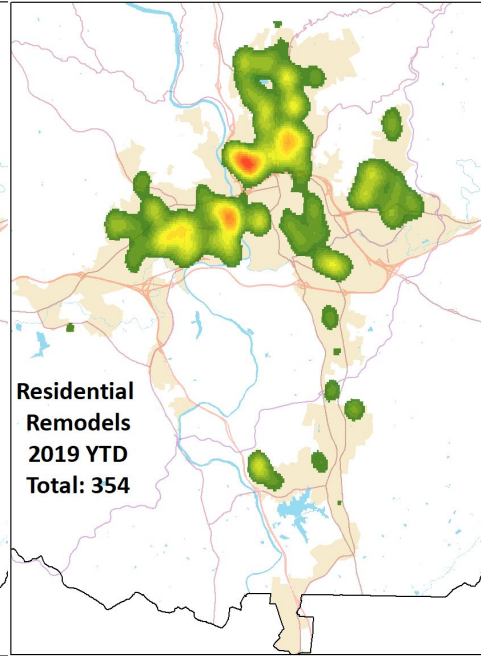
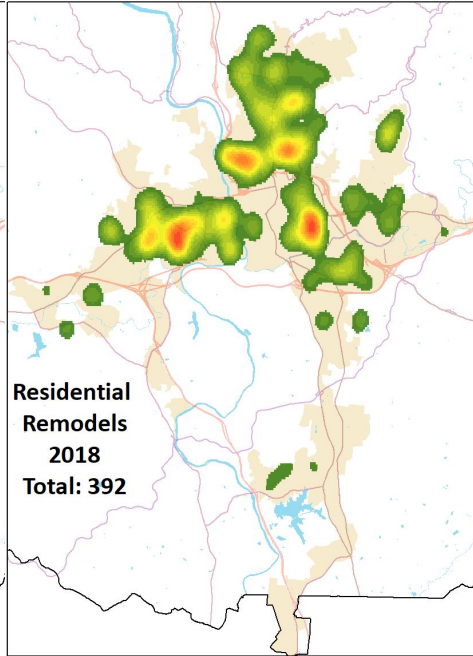
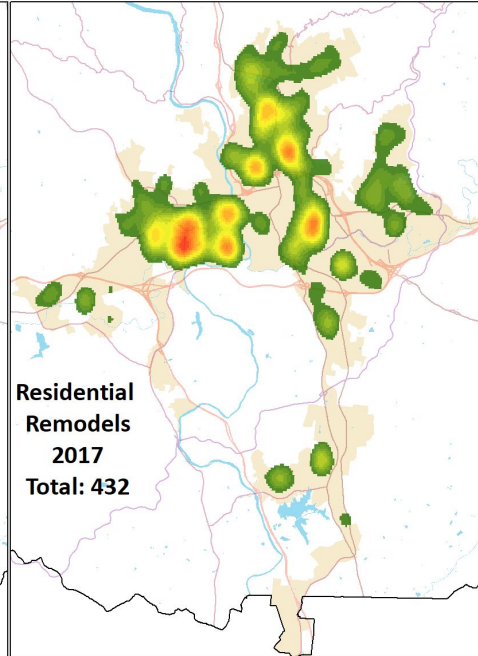
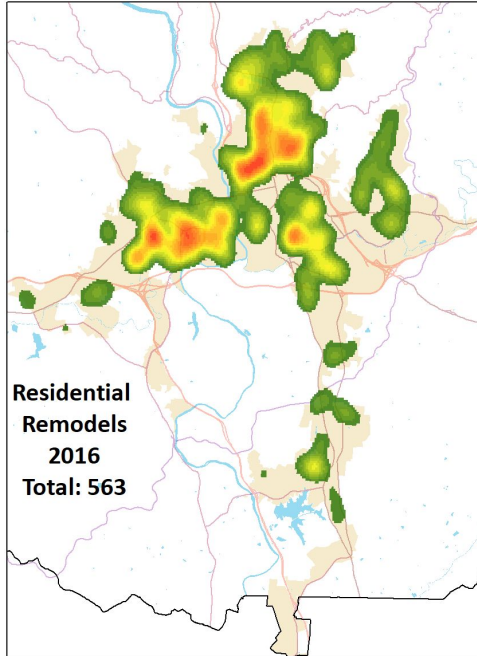


# Residential New Construction





# Residential Alterations and Additions

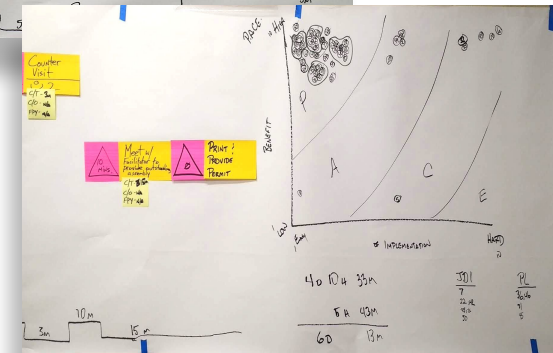


# Residential Permitting Improvements



## LEAN Residential Permitting Improvements:

- Digital plan submittal and review capability
- Improved website and forms
- Customer self-service resources
- Clarified requirements for customers
- Improved metrics, reporting and standards







#### Look up Property Information

- Zoning Designation
- PIN #
- Civic Address ID



#### Submit a New Application and Resubmit an Existing Application

- [Residential Building Permits](#)
- [Site Development Permits](#)
- [Trade Permits](#)

Note: online submittal is **not** currently available for Commercial Building permits.



#### Estimate Permit Costs

- [Residential Projects](#)
- [Commercial Projects](#)

Note: This tool estimates permit costs for initial scoping purposes; final estimates will be provided by DSD staff following application submittal.



#### Follow-up on a Submitted Application

- Pay Fees
- Check Permit Status
- Pick-up Plan Review Comments/Approvals (for Residential projects only)



#### Schedule an Early Assistance Meeting

Note: Optional paid service to discuss code and development questions with staff



#### Request Inspections

Note: Account login is required to request inspections



#### Schedule a TRC Pre-Application Meeting

Note: Mandatory for Level II, Level III, Conditional Zoning and Major Subdivision Development Review



#### Look up Development Activity

- [Individual Permit Search](#)
- [Major Development Project Information](#)
- [Technical Review Committee \(TRC\) Meeting Information](#)

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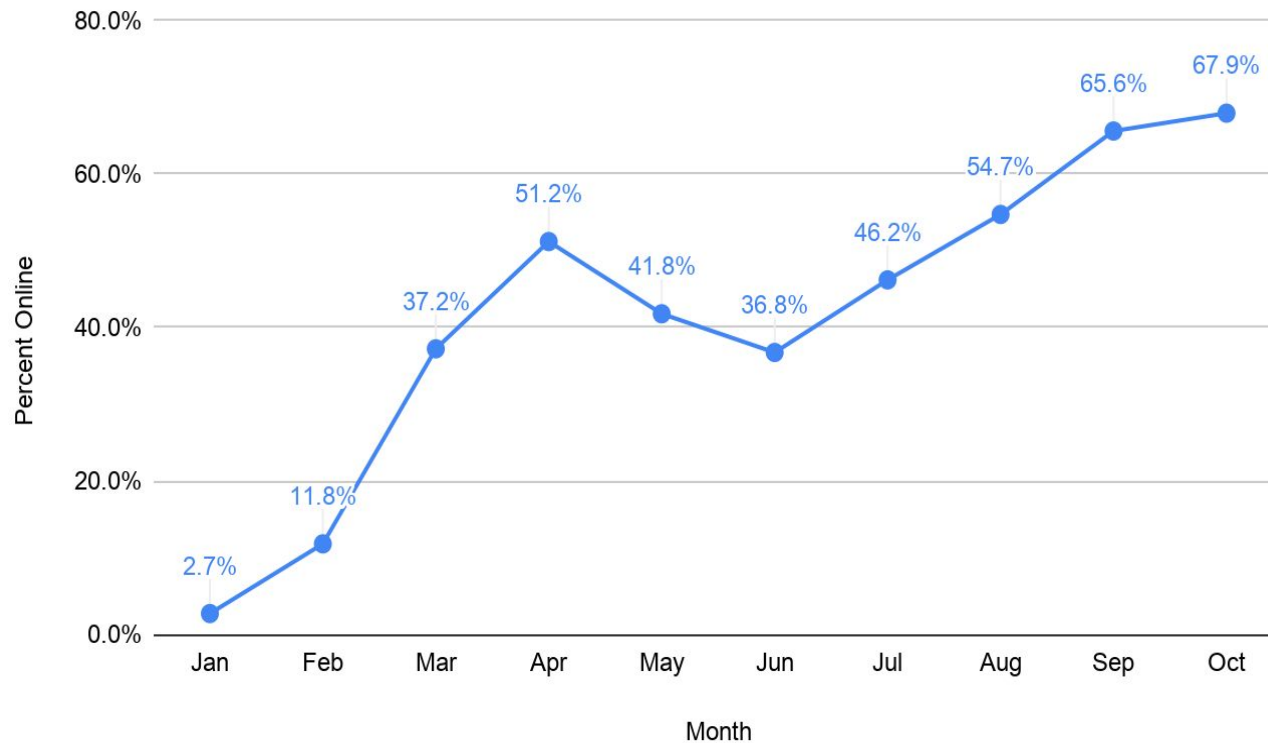
**Updated  
Development Portal**  
[develop.ashevillenc.gov](http://develop.ashevillenc.gov)



[Development Portal  
Frequently Asked Questions](#)

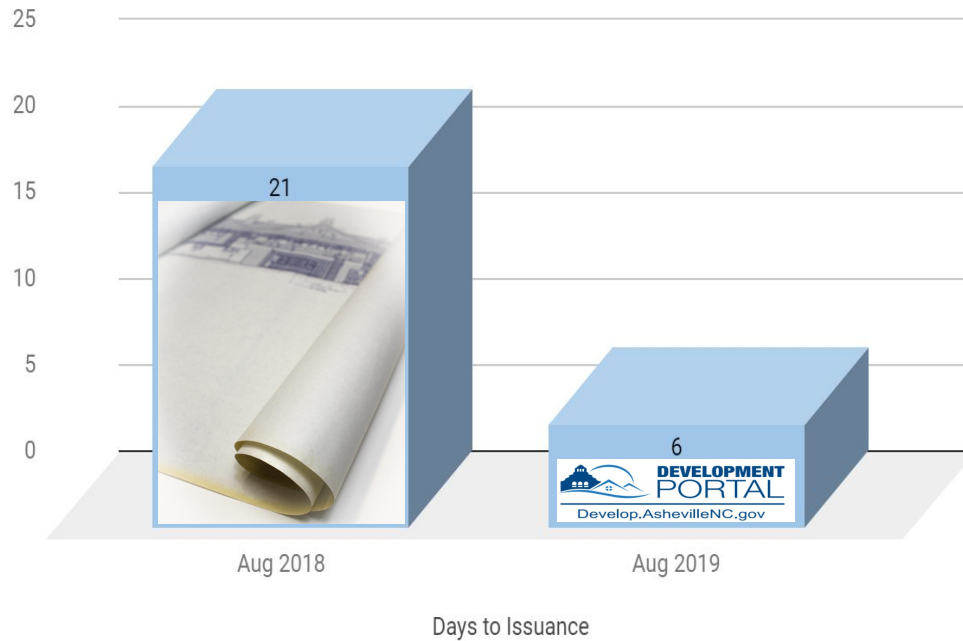
# Residential Permits Opened in Online Portal

2019 Est. Percent of Residential Non-Trade Records Opened Online

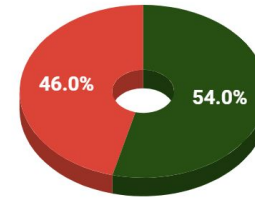


# From Paper to Digital

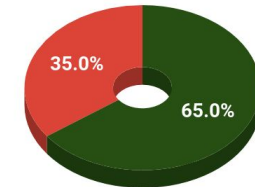
Days to Issuance - Typical New Single Family Home



% With No Customer Delay - Aug 2018

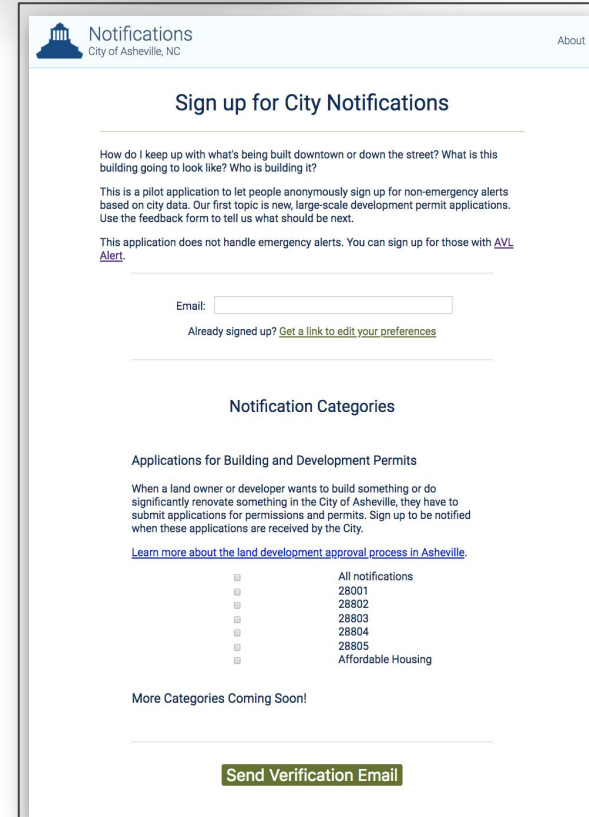


% With No Customer Delay - Aug 2019



# Development Notification Tool

- Major Development
  - Level I, II, III
- Opt-In notifications
- Choose notification type
- Email delivery
- Project information
- Process education



The screenshot shows a web page titled "Notifications" for the City of Asheville, NC. The page has a header with the city logo and an "About" link. The main heading is "Sign up for City Notifications". Below this, there is a paragraph explaining the purpose of the tool: "How do I keep up with what's being built downtown or down the street? What is this building going to look like? Who is building it?" It states that this is a pilot application for non-emergency alerts based on city data, specifically for new, large-scale development permit applications. A feedback form is mentioned. Below this, there is a note that the application does not handle emergency alerts and a link to sign up for those with "AVL Alert". There is an email input field and a link to edit preferences if already signed up. The "Notification Categories" section lists "Applications for Building and Development Permits" and explains that land owners or developers must submit applications for permissions and permits. A link to learn more about the land development approval process is provided. A list of notification categories is shown with checkboxes: "All notifications", "28001", "28802", "28803", "28804", "28805", and "Affordable Housing". A note says "More Categories Coming Soon!". At the bottom, there is a "Send Verification Email" button.

Notifications  
City of Asheville, NC [About](#)

## Sign up for City Notifications

How do I keep up with what's being built downtown or down the street? What is this building going to look like? Who is building it?

This is a pilot application to let people anonymously sign up for non-emergency alerts based on city data. Our first topic is new, large-scale development permit applications. Use the feedback form to tell us what should be next.

This application does not handle emergency alerts. You can sign up for those with [AVL Alert](#).

Email:

Already signed up? [Get a link to edit your preferences](#)

### Notification Categories

#### Applications for Building and Development Permits

When a land owner or developer wants to build something or do significantly renovate something in the City of Asheville, they have to submit applications for permissions and permits. Sign up to be notified when these applications are received by the City.

[Learn more about the land development approval process in Asheville.](#)

- ☐ All notifications
- ☐ 28001
- ☐ 28802
- ☐ 28803
- ☐ 28804
- ☐ 28805
- ☐ Affordable Housing

More Categories Coming Soon!

[Send Verification Email](#)

City of Asheville Notifications >



asheville\_notifications@ashevillenc.gov via amazonses.com  
to me ▾

Sat, Oct 12, 4:00 AM



## New large-scale development proposed in Asheville

The City of Asheville began processing the following large-scale development applications yesterday. Click on a project name to view details.

- [The Commons at A-B Tech](#)

You are receiving this email because you signed up for notifications. No longer interested?

- [Unsubscribe](#)
- [Change your preferences](#)
- [Learn more about large-scale development in Asheville](#)



Reply



Forward



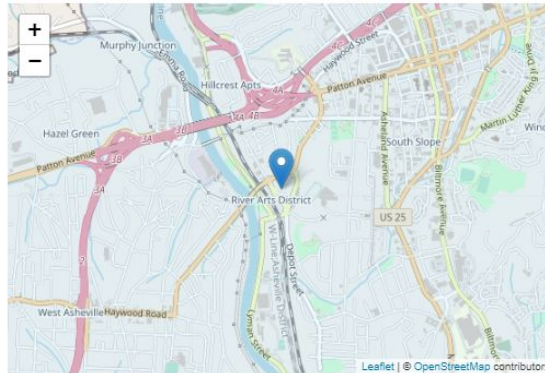


## Radview

A request for the review of a Level II site plan to develop a 22,600 square feet, 4 story building with retail space, office space and 26 residential studio units, on 0.47 acres known as PIN 9648071311 and 163 Park Avenue North. The property owner is Radview Asheville LLC and the project contact is Laura Hudson.

City staff began processing this application on August 28, 2019. City staff is reviewing this plan for compliance with local, state, and/or federal standards.

### Where is it in the process?



Address	20 ARTFUL WAY
Type of permit review	Level II
Site plans and documents	documents folder
Application Number	19-06594PZ
Contact	pod@ashevillenc.gov

This is a major development. [Learn more](#) about the large-scale development process in Asheville.

## Zoning Details

Zoning district	RAD-NT
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## Environmental Details

Average slope of the property	21%
Maximum elevation of the property	2035 feet

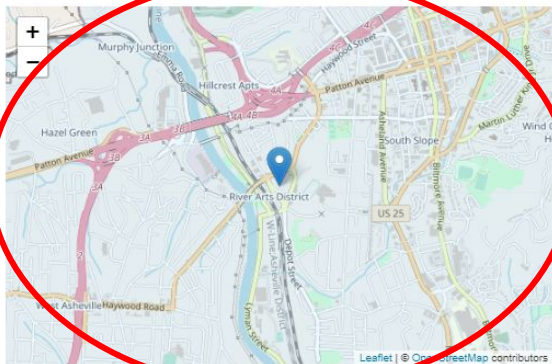


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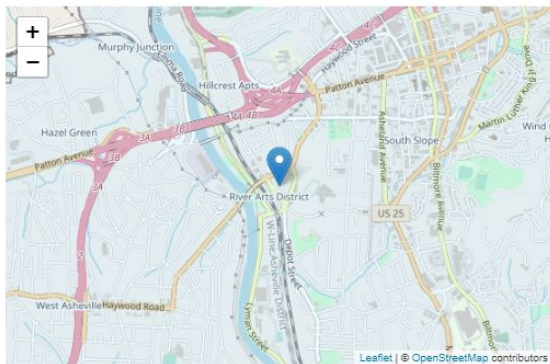


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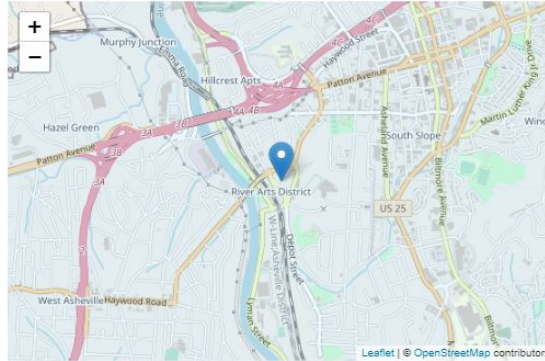
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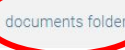
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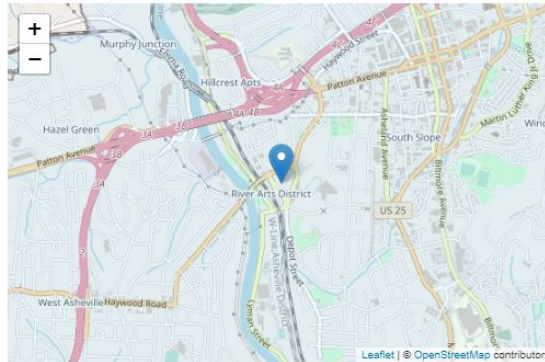
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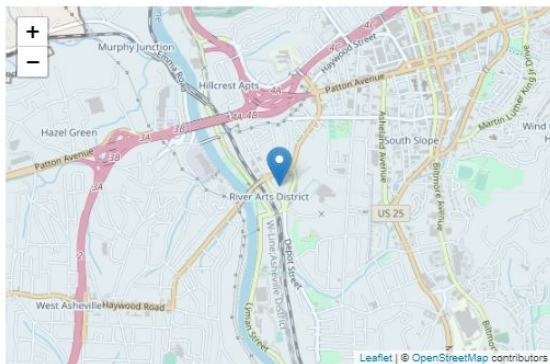


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Enter address for trash pickup day, property details, and more

Search text...



*Or search by: owner, neighborhood, pin number, or street*

View citywide topic **dashboards** about your community.



BUDGET



CAPITAL PROJECTS



DEVELOPMENT



Project Types

Process

Get Notifications

Project Details

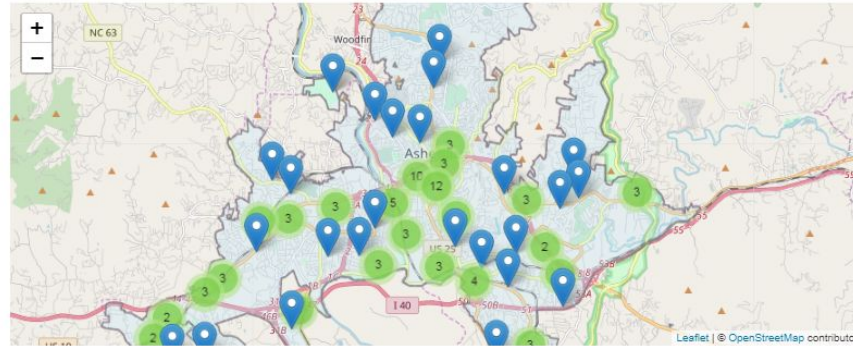
Get Involved

Frequently Asked Questions

## Development details

The map and table below contain proposed, large-scale, private development projects for which a permit application has been submitted. You can also see a [table of all permit applications](#) or [search an address](#) to find nearby development. Visit [the old TRC projects map](#) to see projects that were started more than two years ago.

From  through



Permits					
Date Applied	Address	Type	Status	Project	Record Link
Search Date App	Search Address	Search Type	Search Status	Search Project	Search Record Li
Nov 01, 2019	1100 T TUNNEL RD	Level I	Plan Check	VA HOSPITAL	19-08243PZ
Oct 30, 2019	1256 T	Level I	Plan Check	HENDERSONVILLE	19-08147PZ

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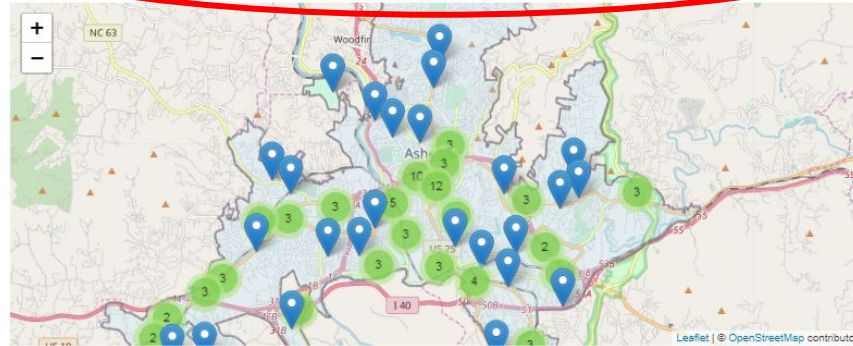


- Project Types
- Process
- Get Notifications
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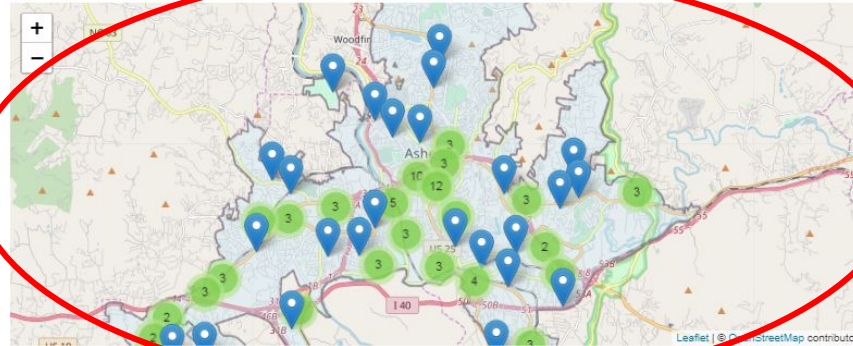
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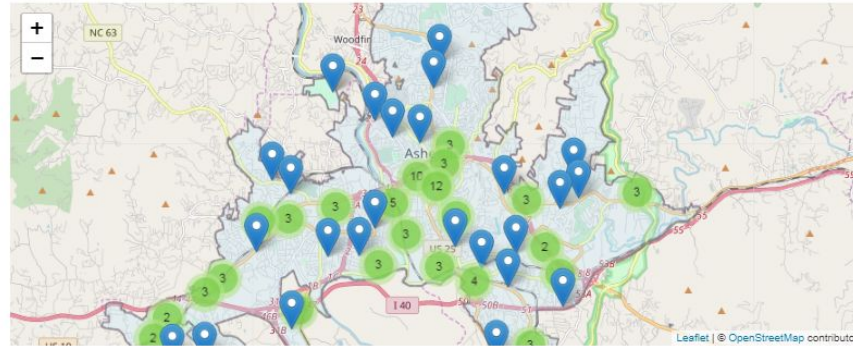
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From  through

Dec 16 Jan 17 Feb 17 Mar 17 Apr 17 May 17 Jun 17 Jul 17 Aug 17 Sep 17 Oct 17 Nov 17 Dec 17 Jan 18 Feb 18 Mar 18 Apr 18 May 18 Jun 18 Jul 18 Aug 18 Sep 18 Oct 18 Nov 18 Dec 18 Jan 19 Feb 19 Mar 19 Apr 19 May 19 Jun 19 Jul 19 Aug 19 Sep 19 Oct 19 Nov 19



Permits					
Date Applied	Address	Type	Status	Project	Record Link
Search Date App	Search Address	Search Type	Search Status	Search Project	Search Record Li
Nov 01, 2019	1100 T TUNNEL RD	Level I	Plan Check	VA HOSPITAL	19-08243PZ
Oct 30, 2019	1256 T	Level I	Plan Check	HENDERSONVILLE	19-08147PZ

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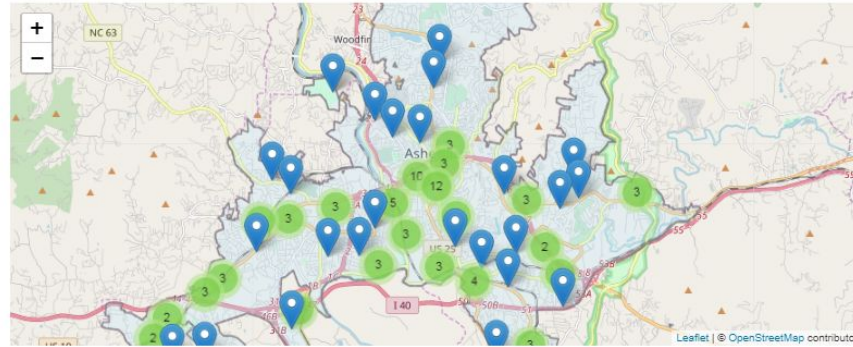


- Project Types
- Process
- Get Notifications
- Project Details
- Get Involved
- Frequently Asked Questions

## Development details

The map and table below contain proposed, large-scale, private development projects for which a permit application has been submitted. You can also [see a table of all permit applications](#) or [search an address](#) to find nearby development. Visit [the old TRC projects map](#) to see projects that were started more than two years ago.

From  through



Permits					
Date Applied	Address	Type	Status	Project	Record Link
Search Date App	Search Address	Search Type	Search Status	Search Project	Search Record Li
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# Questions?

Staff Located in Adjoining Room

OR

Contact [BWoody@ashevillenc.gov](mailto:BWwoody@ashevillenc.gov)

# Affordable Housing Update

## City Manager's Development Forum

**Nikki Reid**

Real Estate Program Director

**Paul D'Angelo**

Community Development Program  
Director

Community & Economic  
Development Department



# What we'll learn together

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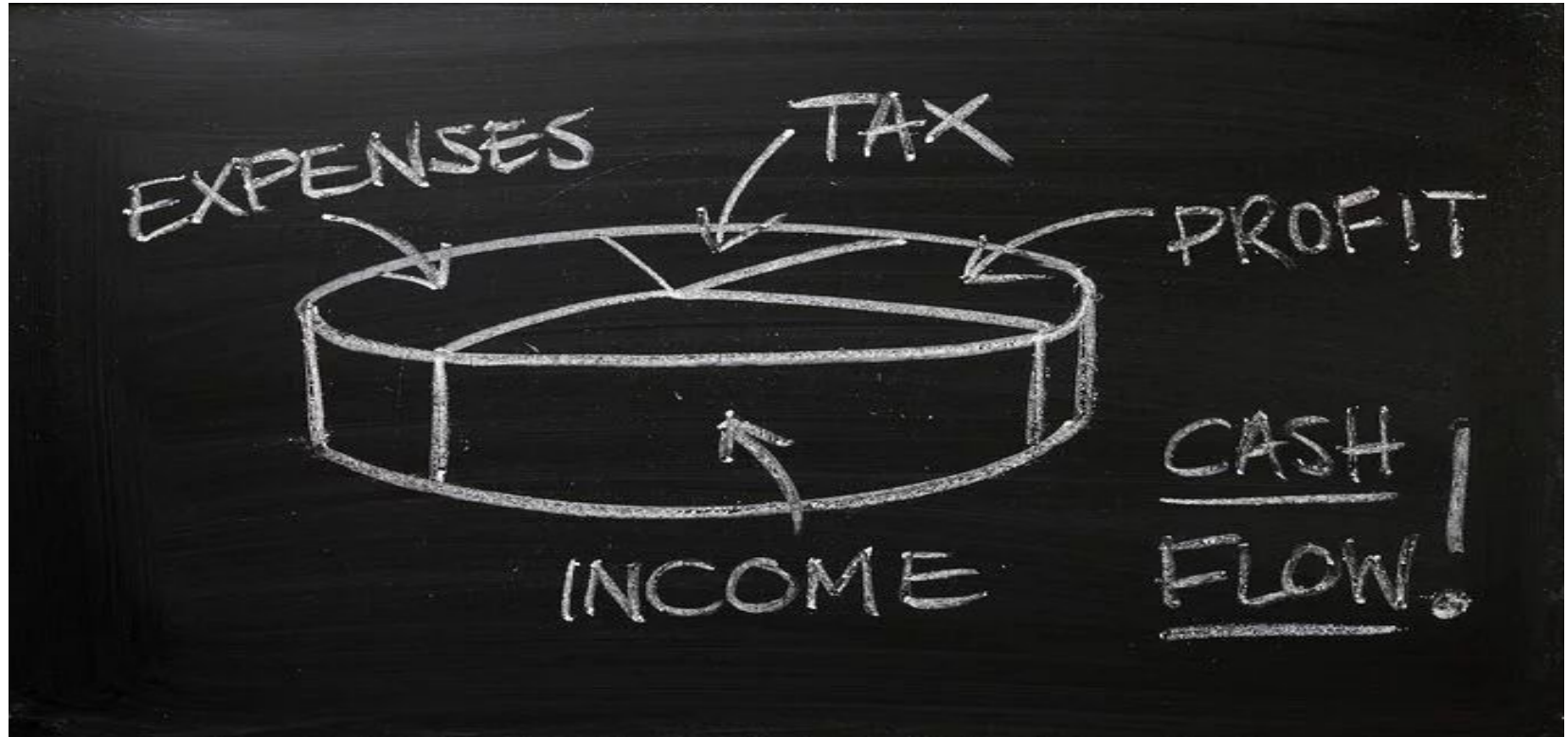
1. What is affordable housing?
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# Affordable Housing - Hard & Complicated

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# Affordable Housing - Does it Pencil?



# Subsidy - \$ - Investment

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Invest on the front end ... \$\$ incentivize the  
**developer**

-or-

Invest on the back end ... \$\$ subsidize the  
**renter or homeowner**



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# What is Affordable Housing?

## *Affordable Housing*

Households, both rental & homeownership, should spend no more than **30% of their gross income** on housing costs, including utilities, insurance, taxes.



.....The more \$\$ we spend on housing, the less we have to spend on life's other necessities and to **support the local economy.**

# Wages, Housing Types & ... Our Mission

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Most wages, salaries & incomes we produce in our area don't support the average housing costs in Asheville, both rental & homeownership.

\*\*\*\*\*

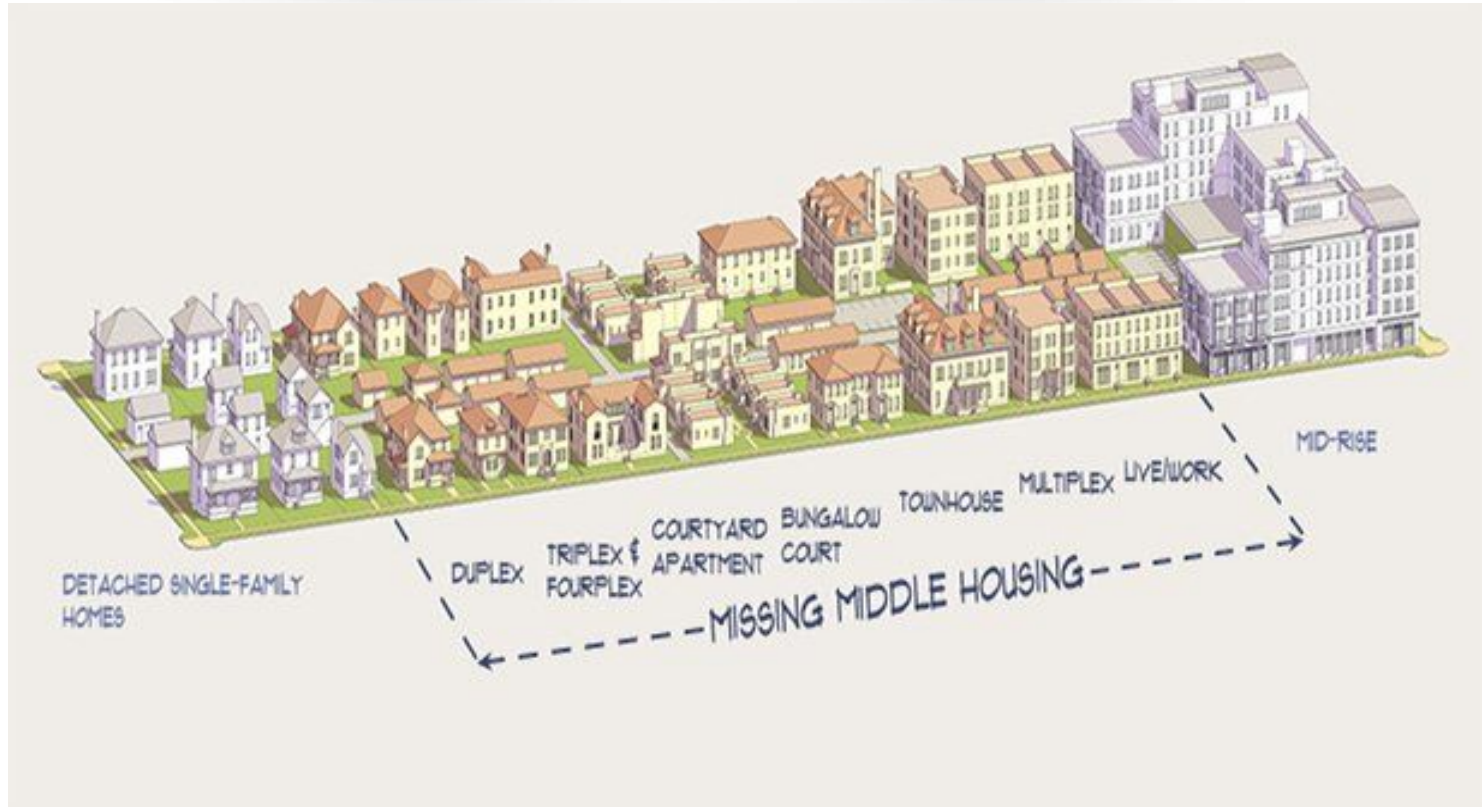
A healthy affordable mixed-income community needs a variety of housing types at a variety of price points, both homeownership and rental, for the variety of incomes & wages we produce in Asheville.

# Wages, Housing & The Gap

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# Housing Types



# FY 2019 Income Limits Summary

Household Size	Extremely Low Income (30% AMI)	Very Low Income (50% AMI)	Low Income (60% AMI)	Low Moderate Income (80% AMI)	Moderate Income (100% AMI)
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Six-person	\$34,590	\$38,550	\$46,200	\$61,600	\$77,000



# Affordable Housing & Asheville



**\$39,818 Average Annual Salary \***  
**(think Heating & Air Technician)**  
**(\$19.14 an hour)**

On that salary, a person or household would have **\$995** to spend per month on housing. This salary could be supporting a family of 1, 2, 3, 4 +.

- Renter - rent & utilities
- Homeowner - mortgage, insurance & taxes

\*Bureau of Labor Statistics / American Community Survey / National Low Income Housing Coalition

Average Salary	Average Costs	Gap
<p>\$995/month on housing (including utilities)</p> <p><b>\$831/month on rent (not including utilities)</b></p>	<p><b>Average rent in Asheville - \$1148</b></p>	<p><b>That's <u>\$317</u> more than the average household can afford per month</b></p>
<p>\$995 to spend per month on housing (includes insurance &amp; taxes)</p>	<p><b>Median House cost \$315,000</b></p> <p>Your mortgage payment would be <b>\$1653 /month</b></p> <p>(w/20% down)</p>	<p><b>That's <u>\$733</u> (<b>minimum</b>) more than the average household can afford per month</b></p>

# What we'll learn together

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# Highlights of the Bowen Report

## \*Rental\*

### Cost-Burdened:

- 46.1% of renters (17,643 households) are *cost burdened*
  - Paying over 30% of their income towards housing costs
- 19.4% of renters (7,439 households) are *severely cost burdened*
  - Paying over 50% of their income towards housing costs

### Rising rents:

- Since 2014, rent in Asheville has increased by 5.4% annually.
- For the average renter, this means if their rent was \$1,000 in 2014, it is now \$1,300.



# Highlights of the Bowen Report

## \*Rental-Vacancy\*

**Vacancy rate of Market-rate Apartments:** Tipping up, new construction of multi-family units are bringing the market into better balance.

December 2014	January 2019
1.2 %	<6%

**Vacancy rate of Affordable Apartments:** However, there remains limited availability for lower income households seeking affordable rental housing.

December 2014	January 2019
0 %	0 % - 0.2%

# Major Issues of the Bowen Report

**\*For Sale\***

## **Among owner households:**

- 21.3% of homeowners (14,310 households) are cost burdened
  - Paying over 30% of their income towards housing
- 7.9% (5,283 households) are severely cost burdened
  - Paying over 50% of their income towards housing

## **For Sale inventory:**

- Currently, the available homes priced under \$200,000 has diminished to just 63 units, down from 460 homes in 2014.

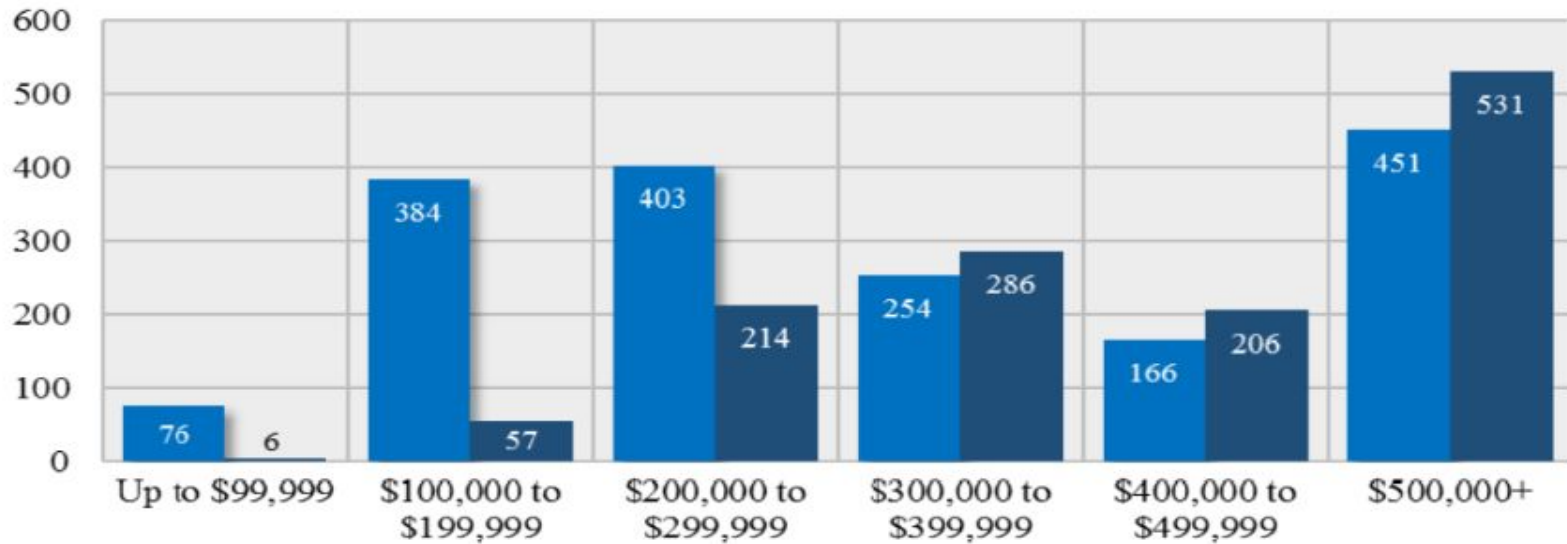
*Individuals & families earning below \$60,000 have very limited home buying choices in the community.*



# Local Housing Challenges

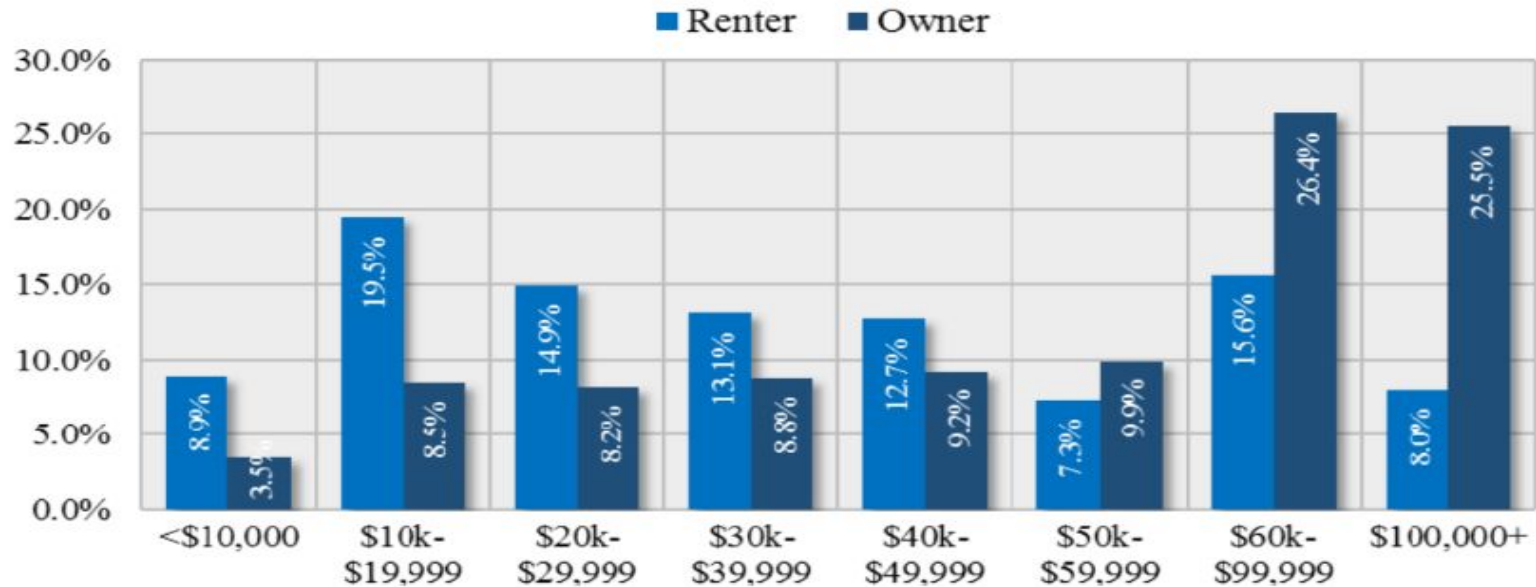
**Buncombe County Available Homes by Price**

■ As of 11/21/14   ■ As of 07/31/19



# Local Housing Challenges

**Buncombe County Share of Household Heads by Tenure/Income (2018)**



# What we'll learn together

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# The City's role in Affordable Housing

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Funding

Regulatory

City-owned Land

Collaborator / Convenor

# Partner Funding - Affordable Housing

- LIHTC - Low Income Housing Tax Credit / 4% , 9%
- Other Tax Credits / Historic & Mills
- Rent Subsidies - Housing Choice Vouchers
- Bank financing
  - Community Development Financial Institutions (CDFI)
  - Federal Home Loan Bank (FHLB)
  - Community Reinvestment Act (CRA)
- Developer Fee Deferral
- Grants
- Philanthropic



# City of Asheville - Funding Incentives

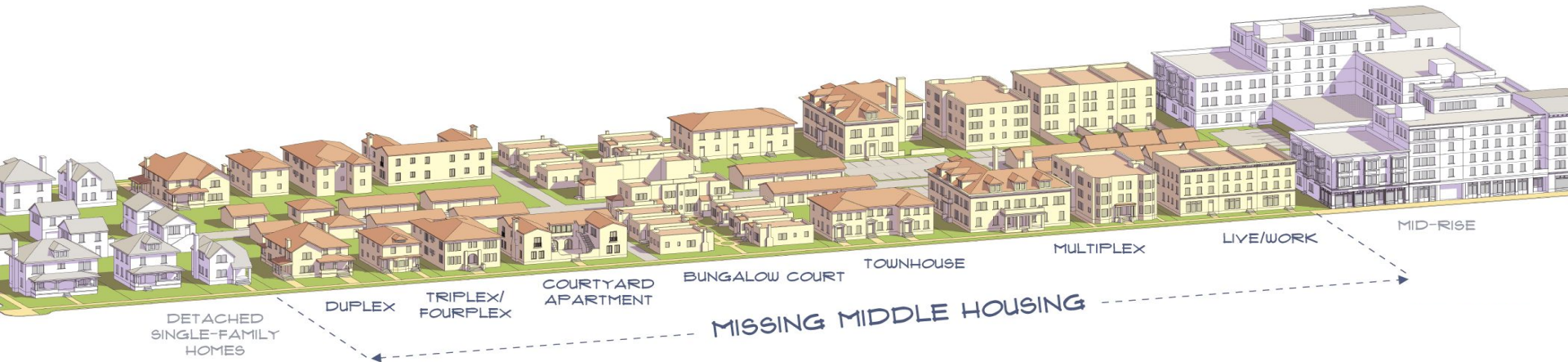


- City as Lender: Funding \$streams
  - Bond: \$25M
    - \$15M Hi-Impact Sites
    - \$5M Housing Trust Fund
    - \$3M Land Banking
    - \$1M Down Payment Assistance
    - \$1M Community Land Trust
  - Annual Housing Trust Fund: \$500,000
  - Annual Capital Improvement Program: \$2M
  - Annual Allocation of Federal Funds (HOME, CDBG, CoC): \$3.2M
- [Land Use Incentive Grant](#)
- [Fee Grant Program](#) / MSD



# City of Asheville - Regulatory Incentives

- Zoning Tools to incentivize affordable development
  - Conditional Zoning
- Expedited Development Review



# City Land for Development

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- Under Contract:
  - 360 Hilliard - 86 total units, 34 affordable
- 319 Biltmore - 309 total units
- 91 Riverside - 60+ total units
- Cedar Hill - 239 total units
- *S. Charlotte (future)*

# City Land for Development





# City Land for Development



# Policy Goals

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- Affordable Housing Baseline #1:
  - When developing City property, it is the City's goal to obtain a minimum of 20% of all units at 60% Area Median Income, and accept Housing Choice Vouchers.
- Affordable Housing Baseline #2:
  - Affordability period of at least 20 years, with a strong preference towards an affordability period of 30 years or longer.
- Exceeding the baseline: It is the City's strong preference that the development of City property exceed these baselines, where appropriate, and/or offer other community benefits.

# Policy Guidelines

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- Procedure 1: The City decides when properties are available for redevelopment.
- Procedure 2: The City obtains appraisals and due diligence of property it seeks to redevelop.
- Procedure 3: The City selects developers through an open and competitive process (RFQ, RFP or RFQ/P), unless otherwise directed by the Asheville City Council or City Manager.



# Policy Guidelines

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- Affordable Housing Financial Incentive: The City may negotiate a sale or lease price at less than fair market value to ensure that affordable housing goals are met with the goal of achieving the longest terms of affordability.
- All financial incentives must be demonstrated in a pro forma.
- All funds received from the sale of City land for affordable housing will be designated to be used for affordable housing.

# What we'll learn together

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# FY 2019 Income Limits Summary

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Five-person	\$30,170	\$35,900	\$43,000	\$57,350	\$71,680
Six-person	\$34,590	\$38,550	\$46,200	\$61,600	\$77,000

# Back to AMIs / Who's doing what?

---

- <30% Area Median Income  
**Homeless Agencies - Housing First**
- 30%-80% of Area Median Income  
**Public Housing**
- 30%-60% of Area Median Income  
**Housing Choice Voucher (Section 8 / Rental & Homeownership)\***  
**Tax Credit Housing (9% or 4%)**
- 80-120% of Area Median Income  
**Workforce Housing - In Asheville Moderate Income Housing\***
- 100% of Area Median Income +  
**Market Rate Housing**

# Subsidy Needed

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- <30% Area Median Income  
**Up to \$120,000 per unit**
- 30-60% of Area Median Income  
**Up to \$100,000 per unit**
- 80% of Area Median Income  
**Up to \$80,000 per unit**

Depends on % of AML, length of affordability, # of units, location of build, style of build

# Understand what it takes to build Affordable Housing

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- **Developers**
    - Non-profit, Mission-driven, Tax credit, For-profit
  - **Partners**
    - Housing Authority, Habitat, Land Trust, City/County
  - **Funding / Programs**
    - LIHTC, HOME, Rent subsidies, Banks / CDFIs, Philanthropic
  - **Incentives**
    - Housing Trust Fund, City/County Land, Tax Abatement
  - **Coalition**
    - Plans & Committees, Community / Education
- = COLLECTIVE IMPACT**



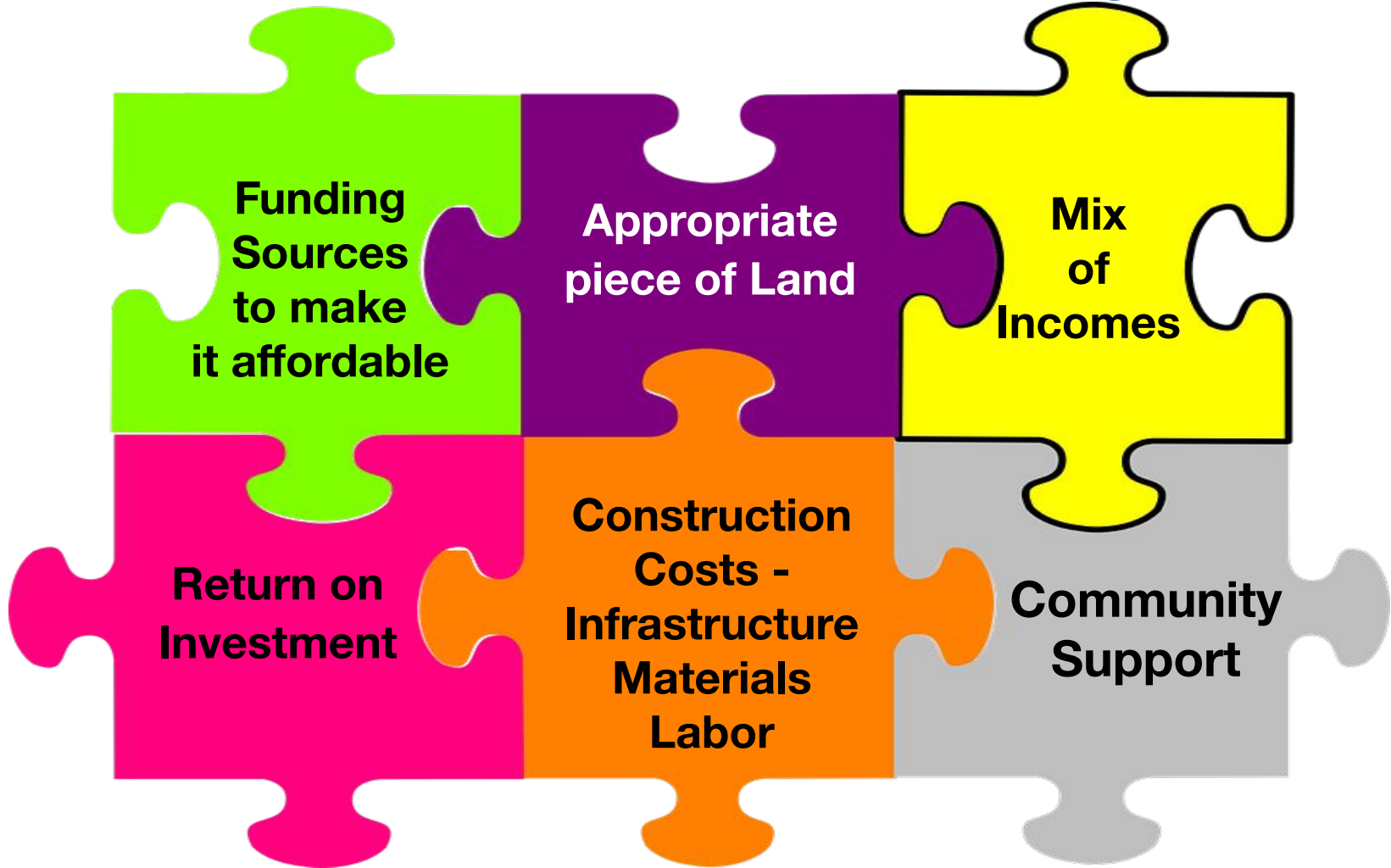
# Understand Costs

- Land
- Labor
- Lumber
- Materials
- Infrastructure
- Developer Fee
- Construction Costs
- Soft costs / Administration
- Tariffs, Immigration, Natural Disasters



While also understanding funding sources, proforma ...  
How costs affect the balance sheet and cash flow

# Understand the challenges



# Collective Impact & Build Mixed-Income Communities



**Community**

## Developers/Partners

ABCLT  
MHO  
Habitat  
HACA  
Homeward Bound  
Buncombe County  
CAO  
Land of Sky COG  
NCHFA  
Other Developers  
For-profit Developers

## Funding

LIHTC  
CDBG  
HOME  
Rent Subsidy  
CoC / ESG  
CDFIs, FHLB  
Banks / CRA  
Developer Fee  
Grants  
Philanthropic

## Incentives

Bonds  
HTF  
CIP  
LUIG  
Fee Grants  
Expedited Review  
City Land  
Infill  
Infrastructure

## AMI Rental / Homeowner

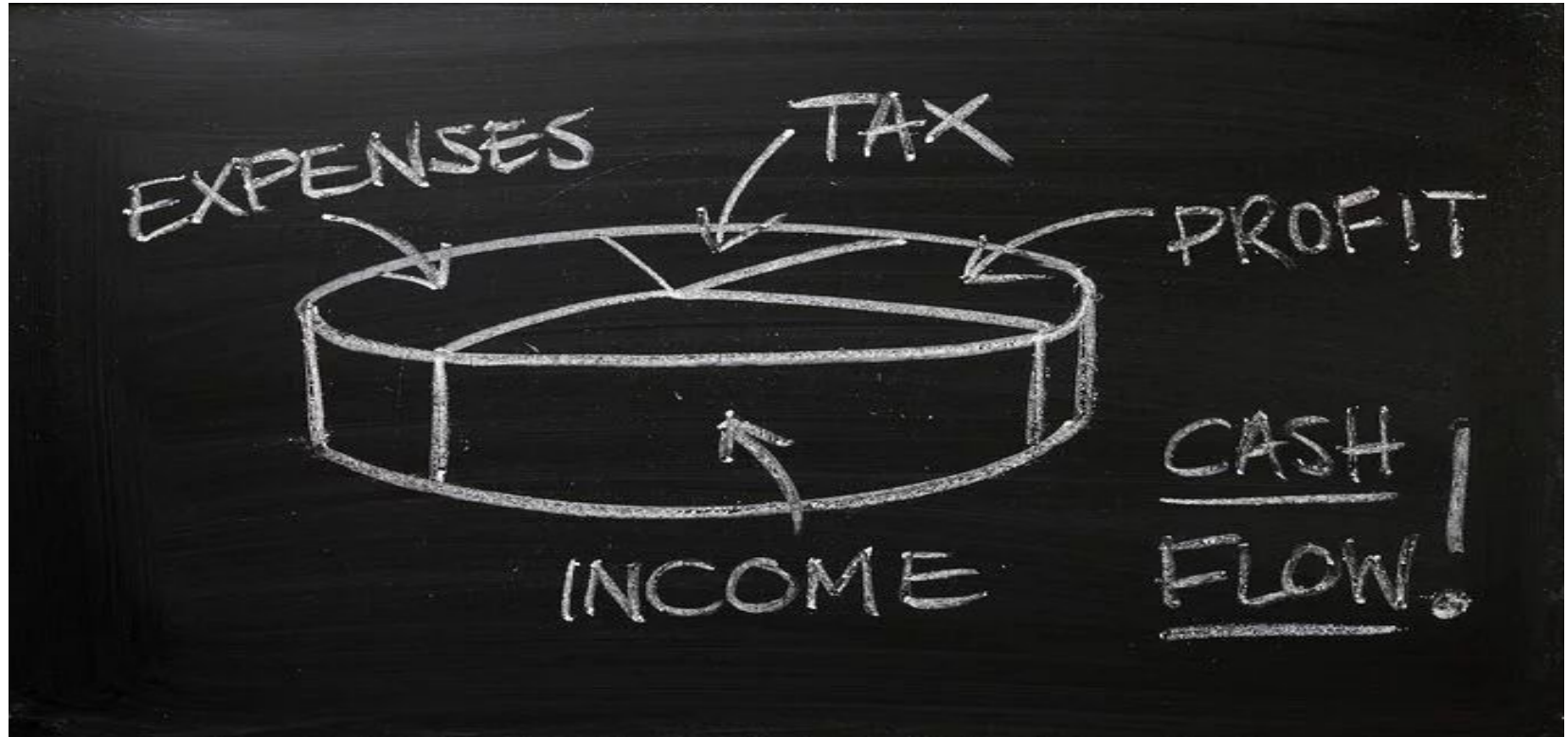
Homeless  
<30%  
<60%  
60%-80%  
80%  
100%  
Rehab  
Preserving  
Protecting  
Maintaining  
Permanent

# What we'll learn together

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# It's a Numbers Game



# FY 2019 AMIs / \$315k Asheville Home

## Income Inequality

Household Size	Extremely Low Income (30% AMI)	Very Low Income (50% AMI)	Low Income (60% AMI)	Low Moderate Income (80% AMI)	Moderate Income (100% AMI)	High Moderate Income (120% AMI)
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Three-person	\$21,330	\$29,900	\$35,850	\$47,800	\$59,750	\$71,700
Four-person	\$25,750	\$33,200	\$39,840	\$53,100	\$66,400	\$79,680
Five-person	\$30,170	\$35,900	\$43,000	\$57,350	\$71,680	\$86,010
Six-person	\$34,590	\$38,550	\$46,200	\$61,600	\$77,000	\$92,400

# FY 2019 AMIs / \$1200\* Asheville Rent Income Inequality

Household Size	Extremely Low Income (30% AMI)	Very Low Income (50% AMI)	Low Income (60% AMI)	Low Moderate Income (80% AMI)	Moderate Income (100% AMI)	High Moderate Income (120% AMI)
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Six-person	\$34,590	\$38,550	\$46,200	\$61,600	\$77,000	\$92,400



# Takeaways

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Support the partners already doing the hardest work, the under 60% AMI individuals and families



Identify the gaps in the partnerships, funding, programs, incentives, regulations and fill them so municipal resources can go farther for 60% - 80% - 100% AMI



Call on for-profit developers & lenders to be a part of the solution



Build Community Coalition & Bring More Partners to the Table

# Questions?

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# Thank You!