



CITY OF HENDERSONVILLE STRATEGIC HOUSING PLAN STEERING COMMITTEE

City Operations - Assembly Room | 305 Williams St. | Hendersonville NC 28792
Monday, September 16, 2024 – 4:00 PM

MINUTES

Present: Council Member Lyndsey Simpson, Council Member Jennifer Hensley, Robert Hooper (WNC Source), Debi Smith, (TDA), Madeline Offen (Pisgah Legal), Connie Stewart (Housing Authority); Hilary Paradise (Land of Sky); Jennifer Duvall (HAC),

Absent: Sarah Cosgrove (Builder's Assoc. of the Blue Ridge; Carsten Erkel (Partnership for Economic Development)

Staff Present: City Manager John Connet, City Attorney Angela Becker, City Clerk Jill Murray, Communications Manager Allison Justus and Community Development Director Lew Holloway

1. CALL TO ORDER

Council Member Jennifer Hensley called the meeting to order at 4:03 p.m. and welcomed those in attendance. Council Member Lyndsey Simpson arrived at 4:09 p.m.

2. PUBLIC COMMENT - None

3. APPROVAL OF AGENDA

Connie Stewart moved to approve the agenda as presented. A unanimous vote of the Committee Members present followed. Motion carried.

4. APPROVAL OF MINUTES

Robert Hooper moved to approve the minutes of July 15, 2024 and August 19, 2024 as presented. A unanimous vote of the Committee Members present followed. Motion carried.

5. NEW BUSINESS

A. Affordable Housing Trip Debrief – Angie Becker, City Attorney

City Attorney Angie Becker said we would like to get your impressions of what you did like and didn't like and gave a "refresher" with a brief PowerPoint presentation for the benefit of the public who could not be there to show what we saw while we were there.



Housing Research Trip - August 19, 2024



Communications Manager Allison Justus began with the PowerPoint and said that on August 19th, 25 people from the City of Hendersonville traveled to Durham/Chapel Hill for a research trip on housing. The City has entered into a partnership with the Development Finance Initiative, a group from the UNC School of Government and they advise communities in North Carolina to attract private investment for transformative projects like affordable housing.

Development Finance Initiative



These are some of the projects that are across North Carolina that DFI has been working with or is currently working on and the photo of the Durham County one is on 500 East Main and we toured the one at 300 East Main so between these two projects, they're doing great things in Durham County. We want to go over this to show the kinds of things that DFI provides and what we're hoping they can help us do in Hendersonville. Keep in mind, this project that I'm talking about is on a very large scale in Durham, so our transformative project may not be quite to this scale but the same process that they're using in Durham County is the process that we're working on with them right now. Currently, DFI is conducting an housing needs assessment in Hendersonville similar to what they did for Durham County. They will be identifying sites for potential public/private partnerships where the city can work with them to develop an affordable housing project. They will do a high level site analysis, a high level financial analysis and at the end of this process, we hope they will be able to identify two sites in Hendersonville or Henderson County that may be desirable to developers to come in and work with us. They will also provide us with advice and strategies on next steps.

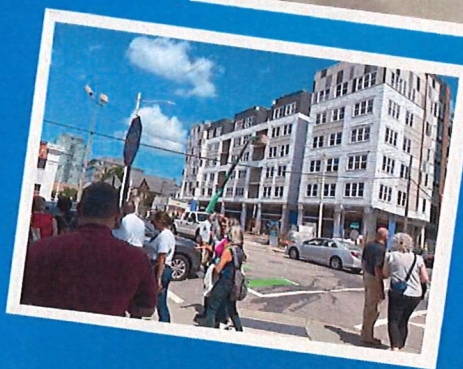
DEVELOPMENT FINANCE INITIATIVE

DFI Projects

Slide from: 6/26/24 DFI City Council Presentation

Here's some photos of us on our tour of the 300 Main Street Building. You can see some exterior photos as well as a group of us standing in the parking deck. This project is an affordable housing mixed-use project that is a work in progress between Durham County, Laurel Street who is a mixed income developer and DFI.

300 E. Main St. Durham



This project combines ground floor retail as well as affordable housing apartments. It actually includes a child-care center and structured parking. So, there is a parking garage that is wrapped with apartments and that parking is going to be used for people accessing retail, for those living in the apartments, accessing the childcare center and county employees because it is located close to the library and other county services. It is a low-income housing tax credit project and very walkable so that people living here can access services.

Partnership between Durham County Laurel Street UNCSOG DFI

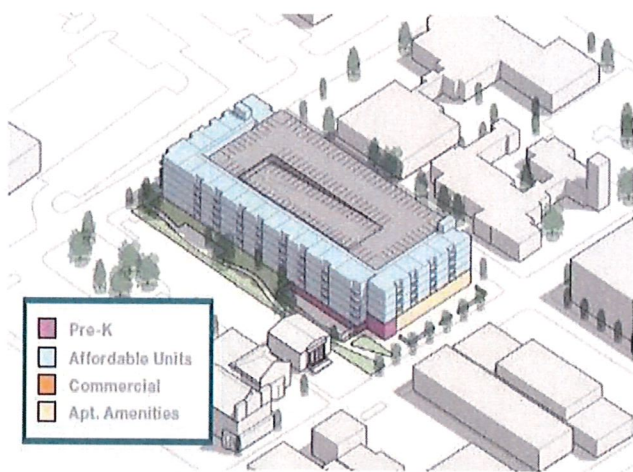


LITEC Project



This is an older slide so the breakdown on apartments is a little different from what we heard when we toured it but they told us there are 15 studio apartments, 30 one-bedroom, 50 two-bedroom and 10 three-bedroom apartments and they are all meeting 80% AMI and below. The site that we did not have a chance to tour at 500 East Main Street is a mix of market rate and affordable units.

300 EAST MAIN STREET PROGRAM



UNIT MIX	300 EAST
Affordable:	
Studio	20
1-Bedroom	33
2-Bedroom	38
3-Bedroom	14
TOTAL (AFFORDABLE)	105
Market	0
GRAND TOTAL	105

INCOME TARGETING	300 EAST
30% AMI and Below	21
60% AMI and Below	61
80% AMI and Below	23
Market	0
TOTAL	105

COMMERCIAL SPACE	300 EAST
Pre-K classrooms	6,500 SF
Resident Amenity Space	3,350 SF
Commercial Space in Parking Decks	3,950 SF
TOTAL	13,800 SF

*15 studio, 30 1-bedroom, 50 2-bedroom, 10 3-bedroom

Slide from: www.dconc.gov/home/showpublisheddocument/29584/637092361385730000

Includes:

Ground-floor retail

Childcare center

Structured parking

Affordable, mixed-income apartments



After this we went to lunch and then to the UNC School of Government where we received a presentation from Community Home Trust and then toured some of their sites.

City Attorney Angie Beeker said DFI will be coming to speak to you all at our October meeting I believe. So as Allison said, we went over to Chapel Hill to meet with Community Home Trust which is the Land Trust in Chapel Hill. Even some students who wanted to learn more joined us there.

Land Trusts 101 -

Special Thanks to CHT
for next few slides!

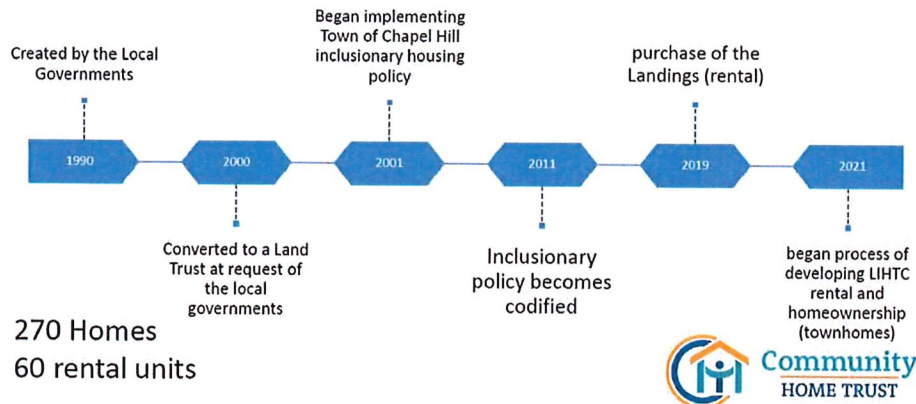


Land Trusts 101



Land Trusts 101

CHT Timeline

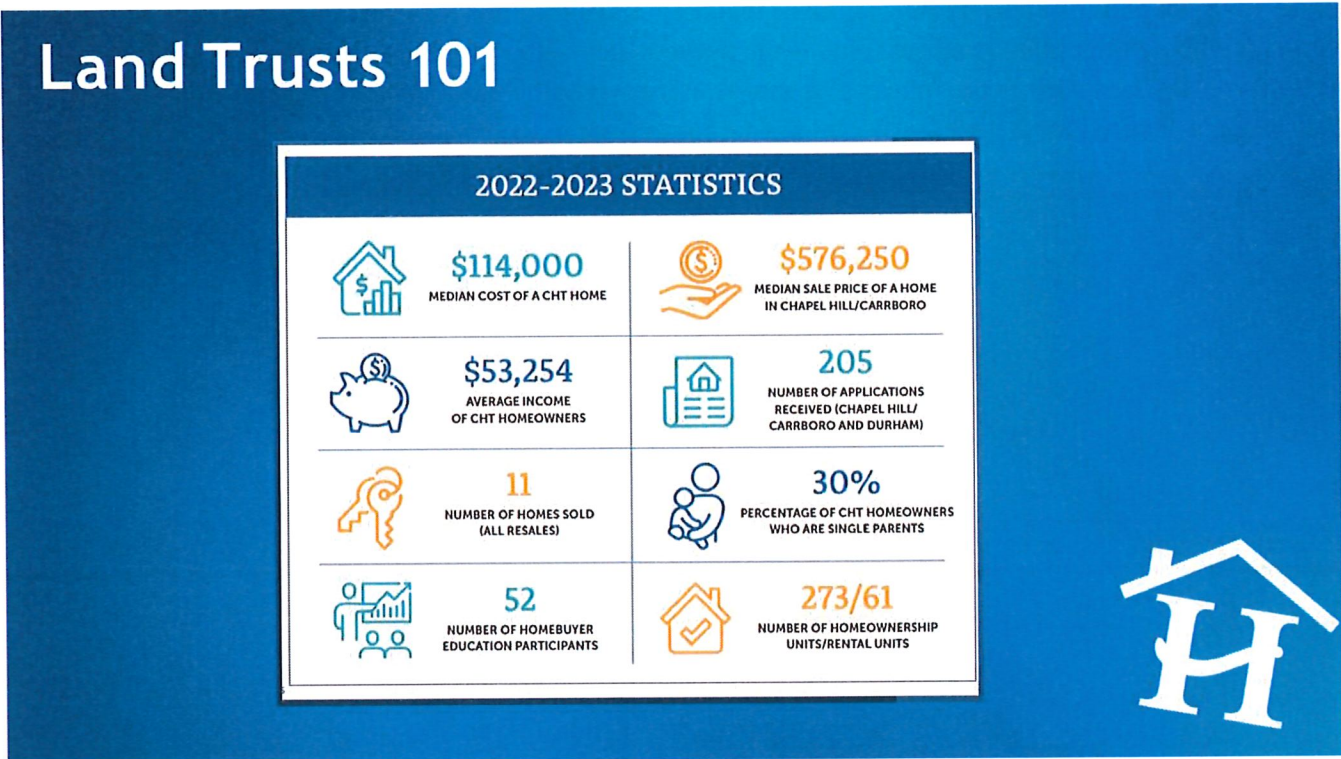


Pick out the affordable house in this picture. That was one of the main points that we saw while we were there. You can't. The affordable units and market rate units that they own are integrated into mixed-income housing and so they all look alike.

Land Trusts 101



This is their 2022-2023 statistics. As you can see the median cost of a Community Home Trust home is \$114,000 compared to the median cost of a market rate home in Chapel Hill is \$576,250. Pretty incredible.



Their model is the Land Trust owns the land and the homeowner owns the building and leases the Ground Lease with the Home Trust. It's a 99 year Ground Lease with the homeowner and the Ground Lease is what allows the Home Trust to keep it permanently affordable. The Ground Lease sets out a lot of the program and it's the way they can maintain permanent affordability. You take the cost of the land and development out of the equation for the home and so that's one way that the price is brought down.

Land Trusts 101



Leasehold Ownership Rights are restricted.
Cannot sell to anyone at any price.
Appreciation is limited.
Must be your primary residence.

Definition - Ground Lease:
Legal document that transfers the ownership rights to the homebuyer



They also have a self-insurance program for everyone that buys through them has to contribute a monthly amount. They meet with the homeowner and come up with a budget because they don't want the homeowner to be cost burdened. So depending on the homeowners income, they determine 30% for house payment and utilities and this payment that they make into this self-insurance program and they come up with a budget that is affordable for the homeowner. They pay every month into this fund for repairs so that when their home needs a new roof, it's covered by the fund or if their air-conditioning ages out, it's covered by the fund. Below is what they cover in the program.

Land Trusts 101

Stewardship Program

Covered Items:

- HVAC Replacement and major repairs
- Hot water heater replacement
- Flooring
- Termite treatment
- Exterior repairs and roof replacement



Land Trusts 101

Summary Advantages

- Lower up front purchase price
- Lower monthly payments – usually cheaper than a comparable rental
- Ability to own a home in Chapel Hill or Carrboro
- Security and stability of homeownership.
- Able to earn equity by appreciation and paying down your mortgage
- Willable upon death



Land Trusts 101

Summary Disadvantages

- Limited appreciation (capped at 1% per year)
- Resale Restrictions (can't rent it out, must sell back through CHT)
- It is more difficult to access equity – home equity line of credits and reverse mortgages are not options in our program
- You are responsible for repairs (not the same as renting)
- It takes longer to sell
- It takes longer to buy – more applicants than we have homes



Community Home Trust



Community HOME TRUST

281 Permanently affordable homes

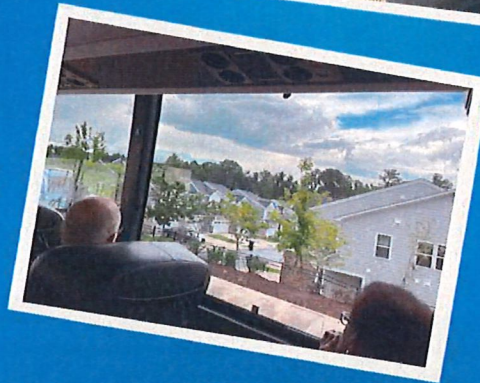
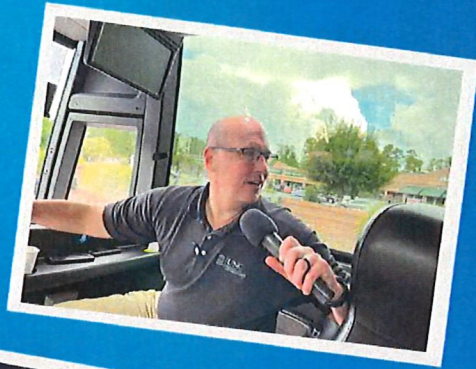
60 rental properties

East 54 34 condos	Homestead Gardens 21 townhomes (coming soon)
Greenway 16 condos	Courtyards 2 55+ single-family homes
Rosemary Place 32 townhomes	Bridgepoint 5 townhomes
140 West Franklin St 18 co-ordiniums	Vineyard Square 30 townhomes
Northside 15 single-family homes	Aura Booth Park 8 townhomes (coming soon)
The Landings at Winmore 58 apartments	Scan to view all our communities!

Community Home Trust delivers housing affordability to diverse populations in partnership with our communities.

communityhometrust.org | 919.967.1545 | Chapel Hill, NC

Tour of CHT Housing



Discussion & Questions



Angie ended by saying that she wanted to know if this is something that this committee is interested in submitting to City Council.

Robert Hooper moved, seconded by Madeline Offen, that we recommend the Community Land Trust model to City Council for their consideration. A unanimous vote of the committee members present followed. Motion carried.

B. Community Development Department Presentation – Lew Holloway, Community Development Director

Lew briefly explained the Comp Plan and Zoning. The comp plan begins to suggest some implementation strategies and it's in the Zoning and Code Enforcement which are locally adopted guidelines used by staff to tell developers how they can develop their property. What are we trying to accomplish? Policy objectives. So we have our Comp Plan and FountainWorks is working with city staff and communications to engage the community and the we have the UNC School of Government doing the site assessment. He referred to Shane Phillips' book as well. What I would like you to take away from this is that there are some very low hanging elements of the affordable housing question that are held almost exclusively in our zoning and our ability to allow certain things. Zoning in its basic form tells you how you can use the land.

City Manager Connet made a suggestion that Council may wish to tackle zoning ordinance stuff first as the Land Trust is going to take establishing a non-profit, looking for loan products and its going to take a while to put those pieces together and to find the land. Luckily, we may have a million dollars to start with which is great seed money. We've got HAC as a partner and we probably will have some other partners too in the community

After further discussion amongst the committee, John suggested that Lew perhaps pull stuff out of the Comp Plan and let this committee prioritize them and we can send it to City Council and then on the backside write into the plan. In addition, maybe you can create a work plan for this board and establish some time lines for who is responsible for what and then you can come back and adopt that.

6. OTHER BUSINESS

Communications Manager Allison Justus reminded everyone about the Affordable Housing Listening Sessions that are kicking off on Monday with Council Member Jennifer Hensley at Trailside at 6 p.m. and then Tuesday night with Council Member Jeff Miller at the Veteran Services Building and if you're watching/listening online, you can visit Hendersonvillenc.gov/housingplan to get all of those dates. We hope the committee members can make some of those dates as well.

7. ADJOURNMENT

There being no further business, the meeting was adjourned at 5:15 p.m.



Jennifer Hensley, City Council Member & Chairman

ATTEST:



Jill Murray, City Clerk

