

# MINUTES

## HOUSING TRUST FUND SELECTION COMMITTEE

Tuesday, April 12, 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  
Victor Foster, Citizen Member

Absent: Greg Hunter, Planning Board Chair  
Tommy Kilgore, Citizen Member

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

### **A. Welcome and Call to Order**

Gary Daniel welcomed everyone and called the meeting to order at 3:30 PM.

### **B. Certification of Quorum**

Quorum was certified by Executive Assistant Denise Hodsdon.

### **C. Approval of Minutes of the March 10, 2022 Meeting**

Motion by Mr. Jones, seconded by Mr. Foster to approve the minutes of the March 10, 2022 meeting as presented. The motion carried unanimously.

### **D. Possible Funding Solutions for Workforce Housing**

Mr. Harrell provided information on the Community Development Block Grant Neighborhood Revitalization Program and the eligibility requirements for that program. He explained that primarily the eligible projects are infrastructure and public improvements that benefit low to moderate income, which under Federal guidelines is up to 80% of AMI. In areas where you would want to encourage low to moderate income housing, then you could put in water and sewer or streets and curb and gutter into that area using CDBG funds. You could also use it to improve public facilities such as parks, which might generate some interest from a developer. CDBG funds could be used for housing rehab projects, but those are strictly for owner-occupied homes, with the idea to rehab and save existing housing.

Mr. Harrell also discussed the UNC School of Government's Development Finance Initiative. He explained that they do a market analysis for retail trade, residential or office market areas. They look at things like existing supply, comparable properties, absorption rates, and geographic barriers, and they do this for both commercial and residential property. He suggested that it might be of interest to find out an actual analysis of our housing market and get some feedback as to what are some options here to do workforce housing given the market for housing in Brevard. He will contact them to find out what they would have to offer us and what the fee would be.

Additionally, Mr. Harrell noted that the North Carolina Housing Finance Agency does have workforce housing loans that they will loan on tax credit properties to developers, and those loans are for 80% to 120% of AMI.

#### **E. Affordable Housing Tools and Next Steps**

City Planner Emily Brewer gave a presentation of several options and ideas of things to consider including in our affordable/workforce housing toolkit, and proposed next steps (copy attached as Exhibit A).

Ms. Brewer noted that in the Housing Trust Fund bylaws there are general priorities and funding maximums that are stated, but it doesn't specify allocations. She said there needs to be some type of strategy or way to prioritize the available and incoming funds and one of her proposed next steps is that we take a look at those bylaws and think about what our priorities are now vs. what the priorities were when this committee was established. Following the presentation, Mr. Ray said he and Ms. Brewer will narrow these ideas down and bring some suggested solutions back to the committee.

#### **F. Discussion re Possible Use of City-owned Property for Housing Projects**

This item was discussed as part of Ms. Brewer's presentation.

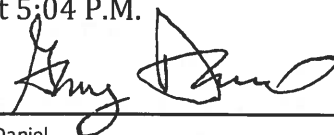
#### **G. Set Date for Next Meeting**

The next meeting of the Housing Trust Fund Selection Committee is scheduled for Tuesday, May 10, 2021 at 3:30 pm.

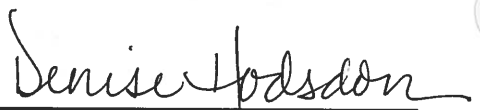
#### **H. Adjourn**

There being no further business, the meeting adjourned at 5:04 P.M.

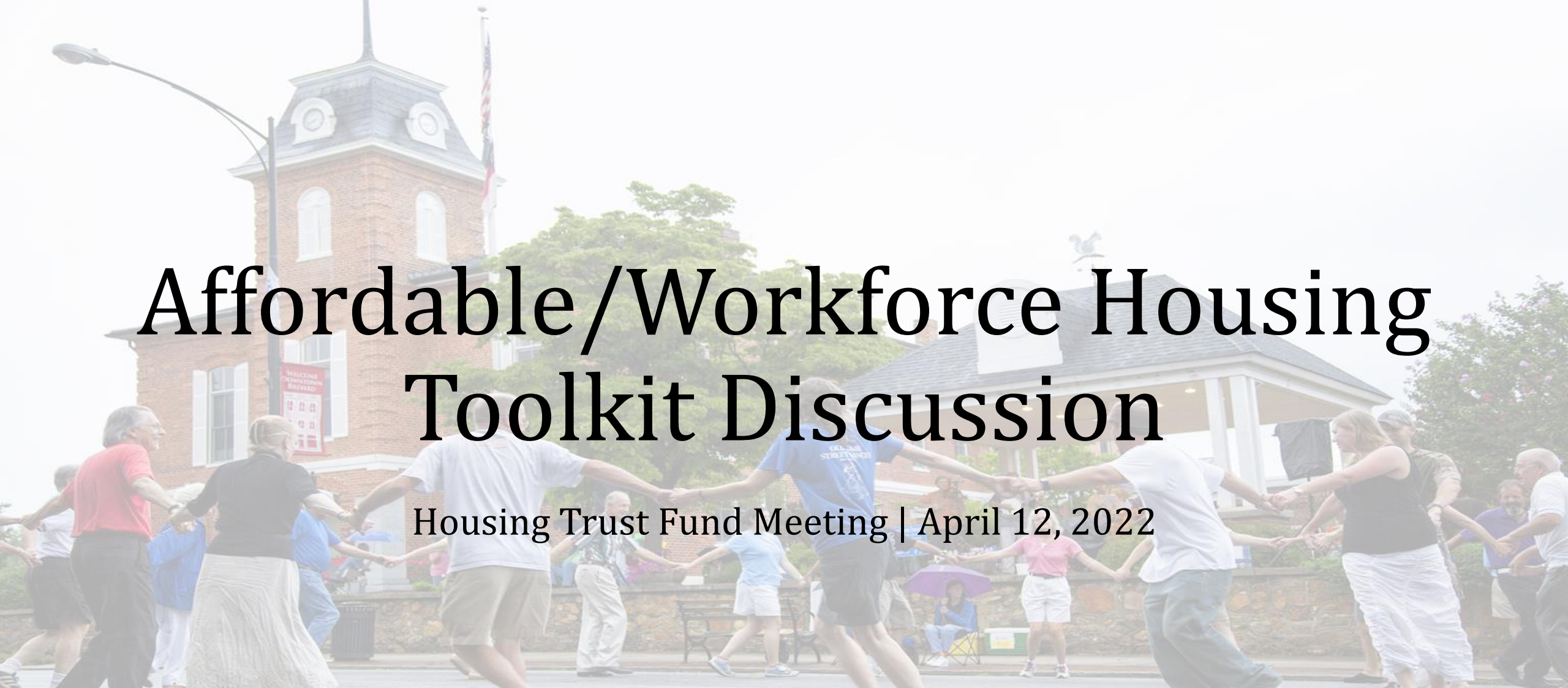
Minutes Approved: May 10, 2022

X 

Gary Daniel  
City Council Member

X 

Denise Hodsdon  
Executive Assistant



# Affordable/Workforce Housing Toolkit Discussion

Housing Trust Fund Meeting | April 12, 2022



The City of  
*Brevard*  
North Carolina

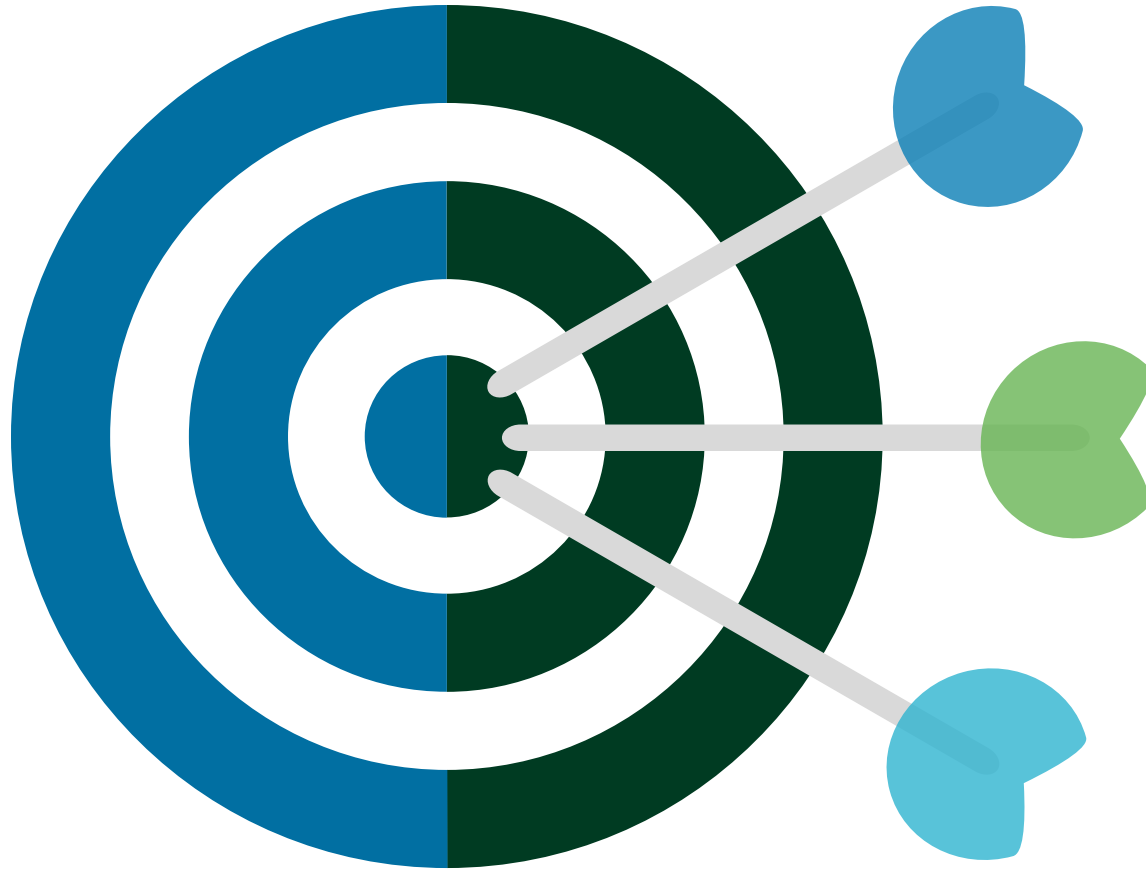
# Enabling Legislation | NCGS § 160D- 1316

Any local government is authorized to exercise the following powers:

1. To engage in and to appropriate and *expend funds* for residential housing construction, new or rehabilitated, for sale or rental to persons and families of low and moderate income. Any governing board may contract with any person, association, or corporation to implement the provisions of this subdivision.
2. To *acquire real property* by voluntary purchase from the owners to be developed by the local government or to be used by the local government to provide affordable housing to persons of low and moderate income.
3. To *convey property* by private sale *to any public or private entity* that provides affordable housing to persons of low or moderate income under procedures and standards established by the local government, The local government shall include as part of any such *conveyance covenants or conditions* that assure the property will be developed by the entity for sale or lease to persons of low or moderate income.
4. To *convey residential property* by private sale *to persons of low or moderate income*, in accordance with procedures and standards established by the local government, with G.S. 160A267, and with any terms and governing board may determine.



# Goals for Affordable/Workforce Housing



## **Creating New Affordable/Workforce Units**

The City can use the policies, programs, and tools at its disposal to allow for the creation of more affordable/workforce housing.

## **Supporting Affordable/Workforce Housing Programs**

The City can engage with others to invest in and support affordable/workforce housing programs and projects.

## **Preserving Existing Affordable/Workforce Housing**

The City can implement policies to protect the affordable/workforce housing created by the market.



# Affordable/Workforce Housing Toolkit

*This is by no means an exhaustive list. This is meant to initiate and inform our discussion.*



## Creating New Affordable/ Workforce Units

- Ordinance Revisions for 'Missing Middle' Housing
- Ordinance Revisions for Accessory Dwelling Units
- Incentives for New Affordable Housing
- Inclusionary Zoning
- Land Banking



## Supporting Affordable/ Workforce Housing Programs

- Housing Trust Fund Spending Strategy
- New Subsidy Programs
- Community Land Trust Assistance
- Prioritization of Long-term or Legacy Residents



## Preserving Existing Affordable/Workforce Housing

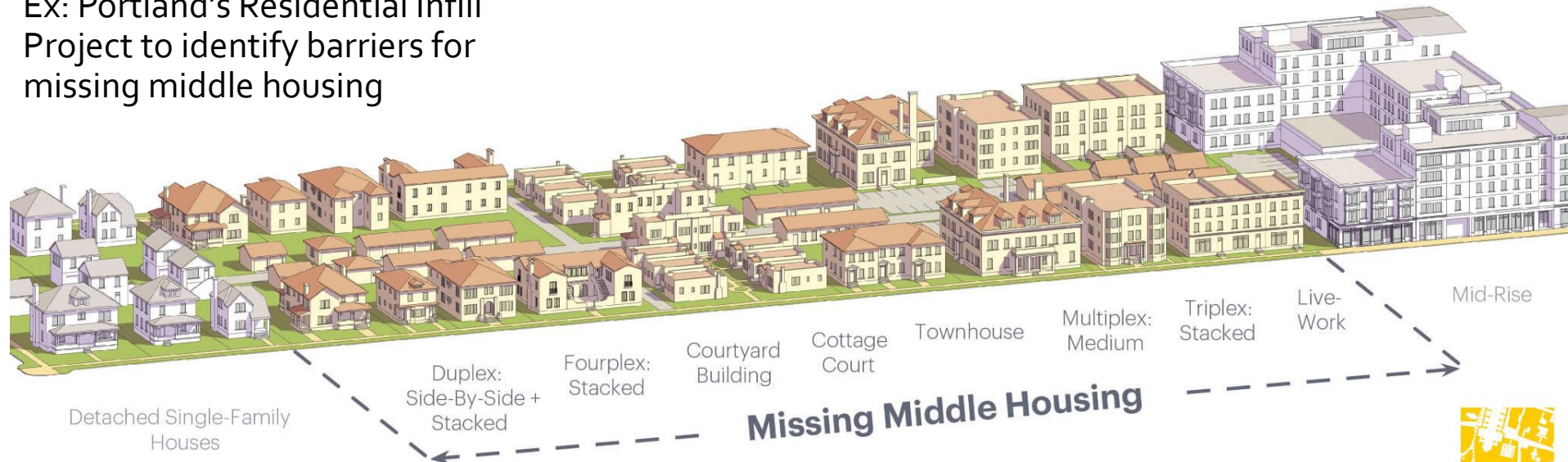
- Deed Covenants
- Affordable Housing Programs Education
- Tax Reductions for Various Homeowner Groups



# Creating New Affordable/Workforce Housing

- **Ordinance Revisions for 'Missing Middle' Housing**

- This could include examining by-right uses, building types, density, setbacks, parking requirements, etc.
- Ex: Portland's Residential Infill Project to identify barriers for missing middle housing



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Image Sources:  
Missing Middle  
Housing by Opticos



# Creating New Affordable/Workforce Housing

## • Ordinance Revisions for Accessory Dwelling Units (ADUs)

- Currently limited to 1 ADU (regardless of lot size) at only 800 ft
- Ex: Raleigh allows any size as long as the floor area is less than the principal structure
- Ex: Seattle permits an additional ADU in exchange for affordability guarantee

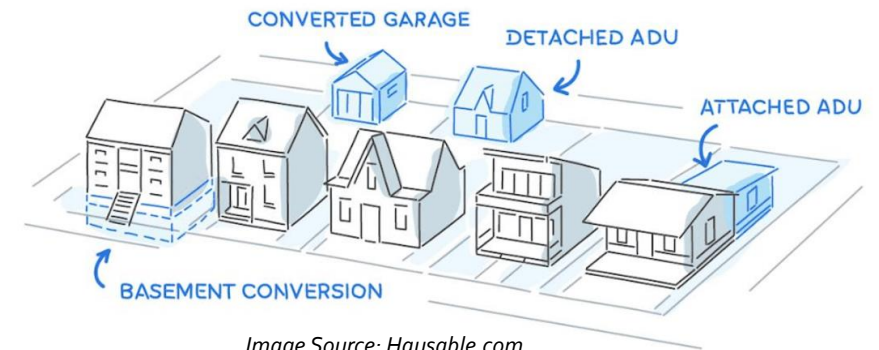


Image Source: Hausable.com

## • Incentives for New Affordable Units

- Financial, land use, design and/or process incentives that compensate for the reduced revenues attributed to affordable/workforce units
- Ex: Seattle reduces the minimum parking required
- Ex: Wilmington grants density bonuses
- Ex: Asheville provides financial stipends with Land Use Grant Program



Image Source: West Denver Renaissance Collaborative



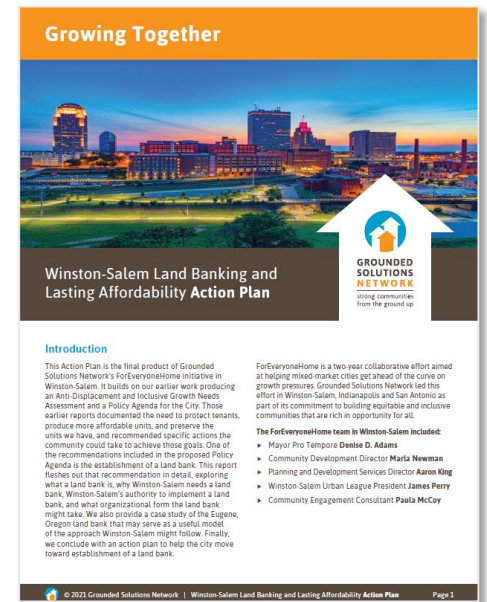
# Creating New Affordable/Workforce Housing

## • Inclusionary Zoning

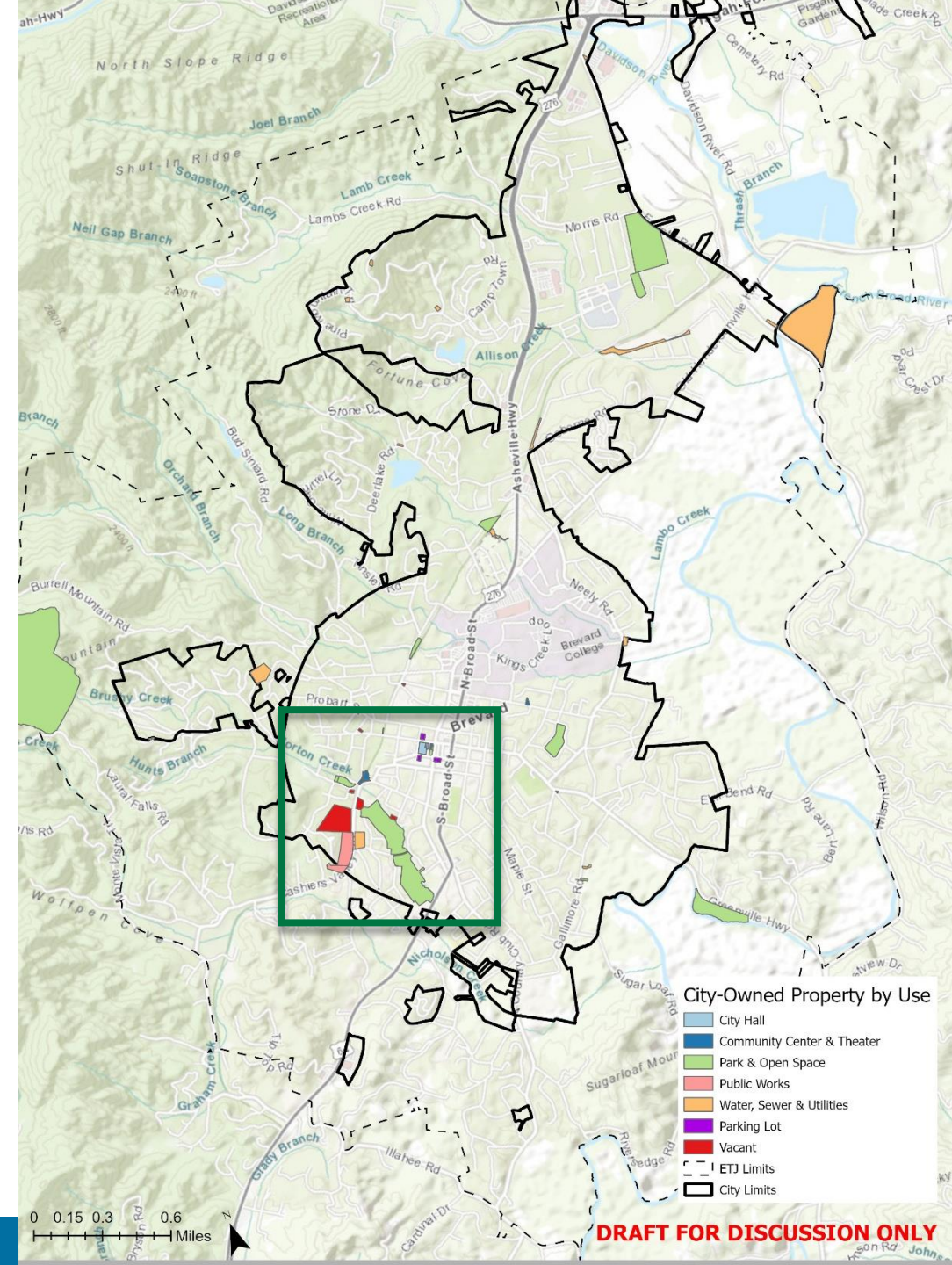
- Requiring and/or incentivizing all new housing projects over a certain size maintain a portion be affordable/workforce
- Incentives are usually granted in exchange
- Could provide fee-in-lieu option that can support other housing programs/activities
- Authority not explicitly given by the State, but other NC cities have implemented ordinances
- Ex: Chapel Hill (10-15%) has created 190 as of 2014 (not including the fees-in-lieu)
- Ex: Davidson (12.5%) has created 64 units as of 2016 (plus 8+ under construction)

## • Land Banking

- An acquisition/disposition strategy for underutilized land that could be used for affordable/ workforce housing
- NC does not grant cities authority to create an independent “land bank,” but cities can conduct the basic functions of one
- Example: Chapel Hill Land Bank / Affordable Housing Development Reserve
- Example: Winston-Salem Land Banking Action Plan



# City-Owned Parcels by Use



# Supporting Affordable/Workforce Housing Programs

- **Housing Trust Fund Spending Strategy**

- A strategy that outlines how the Housing Trust Fund will prioritize available and incoming funds
- General priorities and funding maximums are stated in the Housing Trust Fund establishing ordinance, but does not specify allocations

- **New Subsidy Programs**

- Using funds (e.g., fees-in-lieu) to provide other funding assistance
- Ex: Big Car Collaborative Artist Housing Program offers housing/subsidies for artists that support culture of the City
- Ex: West Denver ADU Pilot Program provides design-finance-build services for low-income homeowners and requires the ADU be rented by another low-income household

TYPES OF FUNDING ASSISTANCE			
EMPHASIS ON BUILDING WEALTH			EMPHASIS ON PRESERVING AFFORDABILITY
<b>Forgivable Loan or Grant</b>	<b>Loan with 0% Interest</b>	<b>Loan with Interest</b>	<b>Shared Equity Homeownership</b>
If homebuyer remains in the home for a minimum period (e.g. 5 years), the down payment assistance loan is forgiven and becomes part of the household's assets.	When homebuyer sells the home, they repay the down payment assistance out of sale proceeds. Funds are redirected to a new homebuyer. The loan could be partially forgiven.	When homebuyer sells the home, they repay the down payment assistance with interest out of sale proceeds. Funds are redirected to a new homebuyer.	Both the homebuyer and the homeownership program build equity in the property, which must be sold to another income-qualified household.

Image Source: HR&A Advisors, Apex Affordable Housing Plan



# Supporting Affordable/Workforce Housing Programs

## • Community Land Trust Assistance

- Nonprofit trusts that own the land that affordable/workforce housing units are built on. Individuals buy the house and lease the land from CLT.
- Cities can partner with citizens/ organizations to support CLT (e.g., providing capital, land, tax incentives)
- Ex: Orange County, NC Community Home Trust
- Ex: Durham Community Land Trust, which functions as a hybrid CLT with for-sale and for-rent homes

## • Prioritization of Long-term or Legacy Residents

- A City and/or HTF policy that prioritizes long-term or “legacy” residents in housing projects and programs
- Ex: Portland North/Northeast Affordable Housing Preference Policy - points based on current/past residence, plus that of a direct relative within areas of concentrated urban renewal

### Community Land Trusts: *How do they work?*

Image Source: City of Asheville



# Preserving Existing Affordable/Workforce Housing

- **Deed Covenants**

- A deed restriction or covenant program ensures that units created by these affordability programs or in exchange for an incentive (opt-in) retain affordability after it is sold
- Ex: Boulder, CO ties resale price to change in AMI over the ownership period, but caps increase at 3.5%

- **Affordable Housing Programs Education**

- Grants and loans are available for residents through the City (see the bylaws), County, the State, and other organizations that have varying levels of participation
- A resource bank and an education program could help equip people to better afford housing

- **Tax Reductions for Various of Homeowner Groups**

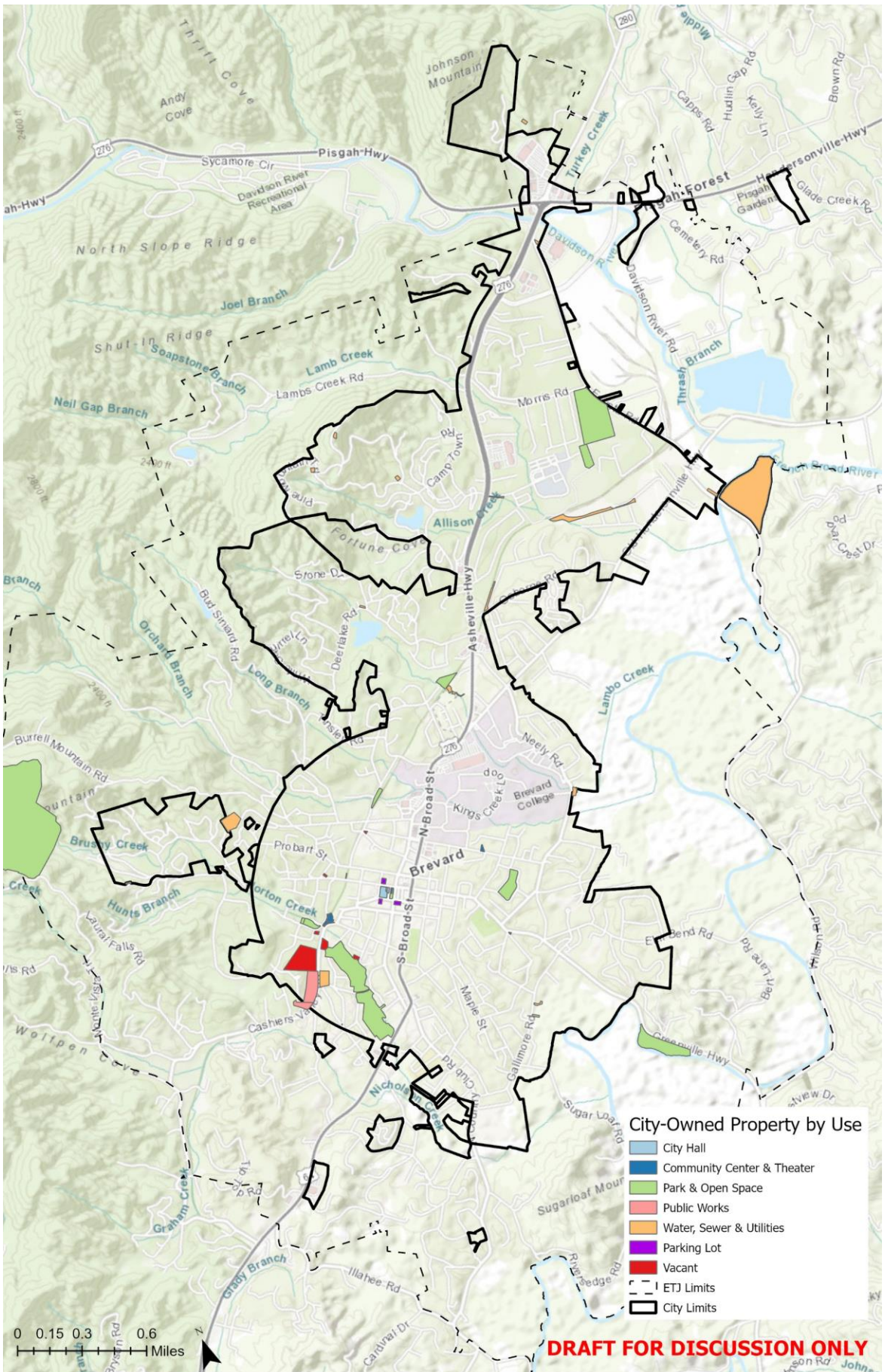
- Property taxes are reduced for at-risk homeowners, such as community servants (teachers, first responders, etc.) or long-time homeowners who have lived in their home for more than 10 years
- These programs limit or lock a home's assessment value for eligible households
- Example: Philadelphia Long-Time Owner Occupants Program



# Proposed Next Steps

- **Housing Trust Fund**
  - Review bylaws and priorities
  - Develop / formalize application process
- **City Staff**
  - Reviews tool applicability/viability and makes proposals for text amendments and/or policy development
    - Coming soon – ADU revisions and allowing triplexes and duplexes in GR with additional standards
  - Research and consider alternative funding sources
- **Comprehensive Land Use Plan**
  - Recommendations for creating and/or enabling affordable/workforce housing as part of the City's long-range plan
  - Survey coming soon to assess community priorities





# City of Brevard Property by Use

State of North Carolina DOT,  
 Tennessee SITS GIS, Esri, HERE,  
 Garmin, GeoTechnologies, Inc.,  
 USGS, METI/NASA, NGA, EPA,  
 USDA