

# MINUTES

## HOUSING TRUST FUND SELECTION COMMITTEE

Monday, April 12, 2021 - 2:00 PM  
City Hall Council Chambers

Members Present: Gary Daniel, City Council Member  
Maurice Jones, City Council Member  
Jim Fatland, City Manager/Finance Director  
Paul Ray, Planning Director  
Christopher Strassner, Planning Board Chair  
Victor Foster, Citizen Member

Members Absent: Tommy Kilgore, Citizen Member

Staff Present: Aaron Bland, Planner & Assistant Zoning Administrator

Guests: Jim Yamin, Workforce Homestead, Inc.

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

Gary Daniel welcomed everyone and called the meeting to order at 2:03 PM.

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

Quorum was certified by Executive Assistant Denise Hodsdon.

### **C. Approval of Agenda**

Motion by Mr. Jones, seconded by Mr. Strassner to approve the agenda as presented.  
The motion carried unanimously.

### **D. Approval of Minutes of the February 13, 2017 Meeting**

Motion by Mr. Jones, seconded by Mr. Fatland to approve the minutes of the February 13, 2017 minutes as presented. The motion carried unanimously

### **E. Committee Orientation**

Mr. Daniel explained that the Committee has not met since 2017 because at the last meeting we decided that our funds were limited and the plan was to allow the funds to accumulate enough to where we would have something that we could leverage and until today, we have not had any requests.

Mr. Fatland added that we were trying to get the funds built up over the years and currently our cash balance is \$167,564. He explained that this money is coming in from two projects that were developed over the years - the Broad River Terrace project and the Cottages project. Those developers are paying back so much per year over a 20-year period and as that cash comes available, that is what we have to invest in any projects.

Mr. Ray said it was his understanding that the committee wanted to see these funds build up to \$150,000, with \$50,000 reserved for smaller money projects, and \$100,000 was reserved for major projects. That was approved by City Council in 2017.

It was noted that the amount outstanding from the two current projects is \$230,000. We will receive annual payments on the Broad River Terrace project until 2032 and on the Cottages project until 2035. There was discussion about how best to use those funds and how we become sustainable after 2035. Mr. Daniel noted that we could borrow against that money if there was a project we wanted to embrace.

There was discussion about the definitions and qualifications for affordable and workforce housing. Mr. Daniel remarked that Assistant Planning Director Aaron Bland recently reported on affordable and workforce rental housing to City Council, and there is 100% occupancy in rentals in the city limits of Brevard. He said this is something that is becoming very critical to the community and City Council and this is an issue that needs to be addressed.

#### **F. Falling Waters Project Request – Jim Yamin, Workforce Homestead, Inc.**

Mr. Ray introduced Jim Yamin of Workforce Homestead, Inc. who wants to propose an affordable rental housing project called Falling Waters off of Rosman Highway using tax credits. He feels that some funding commitment from the City of Brevard would allow him to have a more competitive application to receive tax credits this year. A copy of Mr. Yamin's presentation is filed with the minutes.

Mr. Yamin explained that this is the 4<sup>th</sup> year that he is applying to the NC Housing Finance Agency and he explained the process, guidelines, and how they score applications. He believes that this application will be different because the NCHFA has tweaked their qualified allocation plan and have agreed to include a tiebreaker provision that favors counties like Transylvania that have not received any allocations of tax credits in the last five years. He is hopeful that this year is going to have the necessary provisions for Transylvania County to be a favored application.

He explained that one of the ranking points for the application includes whether a project has been able to attract City or County funding, which reduces the amount of tax credits that he would need to request. Applications that do have support are going to be at an advantage. He is proposing a 20-year, 2% loan structure where the loan would be partially amortized over the 20-year period with a balloon at the end,

which is the same way the previous two loans were structured. He would be requesting a loan that would be available during construction and would also roll over into the permanent phase and would require annual payments back to the City over the course of the 20-year term.

Mr. Yamin explained that the proposed project is for 80 units (1, 2, and 3-bedroom units) and will be targeted to households earning 40, 50, 60 and 80 percent of the County median, taking advantage of a relatively recent change that the IRS instituted with the tax credit program called income averaging, which widens the window of availability for those earning up to 80% of the county median.

Mr. Yamin explained that the site he has under contract is not served by sewer and the budget for the project includes a .6 mile extension of sanitary sewer down Route 64. His engineer has advised that \$900,000 would be the appropriate figure to budget for that sewer extension. Mr. Yamin is requesting \$300,000 from the City of Brevard. He noted that this will be a significant collateral benefit to the City where there would be a new sewer line down that stretch of Rosman Highway which would facilitate follow-along development that would be able to tap into that new line. Mr. Ray noted that there is another piece of property in the vicinity of the parcel Mr. Yamin has under contract that a developer has been looking at for another affordable housing project.

Mr. Yamin said the application deadline is May 14<sup>th</sup> and if he is going to show any local support as part of his funding sources, he will need to have a letter from the City documenting a conditional commitment for those funds. Mr. Fatland explained that per the Housing Trust Fund Ordinance \$100,000 could come from this fund and the other \$200,000 would have to come from the General Fund and/or the Water and Sewer Fund. Mr. Daniel said he would like to take the request for the additional \$200,000 to City Council for consideration.

Following discussion, Mr. Fatland moved and Mr. Daniel seconded to recommend to City Council to appropriate \$100,000 from the Housing Trust Fund toward this project. The motion carried unanimously.

Mr. Jones moved and Mr. Daniel seconded to direct the City Manager to explore other financing options for City Council consideration for an additional \$200,000 for the project. The motion carried unanimously.

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

It was decided the committee would meet again when needed.

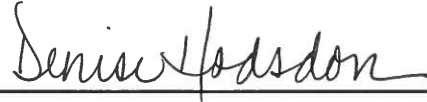
#### **H. Adjourn**

There being no further business, the meeting adjourned at 3:14 P.M.

X 

Gary Daniel  
City Council Member

Minutes Approved: June 23, 2021

X 

Denise Hodsdon  
Executive Assistant