

Tuesday – February 22, 2022 - 2:30 p.m.
Harrah's Cherokee Center - Asheville

Budget Worksession

Present: Mayor Esther E. Manheimer, Presiding; Vice-Mayor Sheneika Smith; Councilwoman Sandra Kilgore; Councilwoman S. Antanette Mosley; Councilwoman Kim Roney; Councilwoman Sage Turner; Councilwoman Gwen C. Wisler; City Manager Debra Campbell; City Attorney Brad Branham; and City Clerk Magdalen Burleson

City Manager Campbell said this budget worksession will focus on the budget process; financial update; capital improvement plan (CIP) and capital project update; and capital project Council and community engagement.

Budget Manager Taylor Floyd reviewed the key takeaways of the Fiscal Year (FY) 2023 budget process is focused on connecting resources, services and community impact through (1) communication - sharing information that clearly links budget decisions to community interests; (2) collaboration - collaborating across departments to achieve goals; and (3) accountability and alignment - showing alignment between budget, services and stated goals.

Mr. Taylor provided Council with the FY 2021-22 budget process overview, reviewing the process drivers, challenges identified and response strategies for the FY 2022 internal budget development, the community engagement updates; and the City Council strategies and priorities. An update on the FY 2022 budget priorities are (1) reparations - sale of City-owned land proceeds set aside - \$2.1 Million; (2) reimagining - 911 consolidation with County complete - \$1.9 Million; (3) compensation - class and compensation study implemented - \$7.9 Million; and (4) American Rescue Plan Act (ARPA) funding - funding allocation process underway - \$26.2 Million. He reviewed the Council priority strategies, along with the FY 2022 property tax strategy. The FY 2022 process summary includes (1) Council priorities - continuing work to achieve stated goals; (2) financial management - balancing strategic investments with financial impact on community; (3) community engagement - building on previous work in community, including reimagining public safety engagement; and (4) internal process - focusing on neighborhood level information and data-informed decision making.

Mr. Taylor provided Council with the FY 2022-23 budget process overview. There was a management team retreat in which collaboration, alignment, prioritization and prioritization was discussed.

Finance Director Tony McDowell reported on the end of year FY 2021 (1) General Fund (a) property and sales tax exceeded budget; and (2) Fund balance exceeded policy target; and (2) Other Funds (a) parking fund ARPA allocation; and (2) Harrah's Cherokee Center Shuttered Venue Operator's Grant. The FY 2022 forecast includes (1) General Fund revenue likely better than budget due to strong growth in sales taxes; (2) General Fund expenses on target for this point in the fiscal year; (3) General Fund fund balance of \$22.3 Million expected to meet policy target (15%); and (4) Enterprise Fund budgets on target except for the Parking Fund. Underperforming revenues may impact ability to subsidize transit. Next year (FY 2023) assumptions are that anticipated revenue growth will be needed to continue existing service delivery (1) compensation (including retirement and health); (2) inflation; (3) capital contribution; (4) new fire station online; and (5) service needs in water, sanitation and stormwater. The financial overview summary is (1) overall financial position is strong; (2) working to provide existing level of service within financial constraints; and (3) maintaining existing services will require fee increases in water, stormwater and sanitation.

Mr. Taylor explained the CIP and capital projects update. He explained how capital projects impact service (1) improved road conditions; (2) more access to recreational

opportunities; (3) increased ADA accessibility/compliance; (4) move towards sustainability goals; (5) enhanced building longevity; (6) improved environment for public and staff; (7) preservation of historic buildings; (8) improved energy efficiency; and (9) achievement of City goals. He explained the capital project financing - debt issued to finance capital projects is paid for using general revenues. He then explained the capital planning summary.

Capital Projects Director Jade Dundas explained several completed transportation projects, parks projects, funding of affordable housing projects, completed building projects, along with the list of projects in progress.

Mr. Dundas explained the future capital project outlook (2-10 years) along with the major facility needs. In summary, (1) they are on schedule to complete the 206 General Obligation bond work (65% spent); (2) working to develop a better understanding of our capital needs, prioritization and funding strategy; (3) capital needs are increasing due to additional services, aging infrastructure and facilities, and effects of climate change and carbon reduction goals; and (4) the future success of the City's capital program is dependent upon a consistent plan that considers the long view and avoids frequent adjustments.

He then explained the engagement planning for capital projects (1) engagement efforts are designed based on community impact and project complexity (a) a new park is a complex project with heavy community involvement; (b) a roof replacement at Public Works is low community impact and communications are limited to internal audiences; and (2) there is a spectrum of engagement. He then outlined a suggested process for the public, and City Council, for the highest impact and complexity, noting that not all steps will be used in all projects. In summary, (1) capital planning and project execution needs more attention; (2) large, high value projects need more discussion; (3) the communications loop between staff, the community, and City Council needs to be closed; and (4) these engagement efforts will be applied with the understanding that engagement differs based upon scope and impact.

Mr. Floyd then reviewed the Council budget timeline, with the public hearing being held on June 14 and the final adoption on June 28, 202.

Throughout the presentation, City Manager Campbell, along with Mr. McDowell, Mr. Floyd and Mr. Dundas responded to various questions/comments from Council, some being, but are not limited to: suggestion to have equity lens in all staff reports; why the technology in our parking decks is not allowing the equipment to work properly causing revenue loss; request for report on revenue loss in our Parking Fund from parking deck equipment failure, along with progress made; process for placing a dedicated local sales tax for transit on the ballot; do we have any problems meeting deadlines for construction completion of bond projects; request for an analysis after the bond program to see if it has met our needs, e.g., minority outreach; request for follow-up on Civic Center's digital signage; request for spreadsheet that explains the bond investments and when they amortize; need for regular cycle for issuing bonds; need to add to our upcoming legislative agenda the issue of occupancy tax and the split is not appropriate; request for a report listing all the ways we seek funding from the Tourism Development Authority; due to the N.C. Dept. of Transportation funding problems, concern that there will be a push for the City to assume transportation projects; request for comprehensive facilities study; is the City planning on making any applications for funding from the Tourism Development Authority; request for benchmarking of other cities our similar size for their General Fund fund balance; and request to have staff review the climate justice initiative when we look at our older facilities and stormwater mitigation.

At 4:12 p.m., Mayor Manheimer adjourned the budget worksession.

Tuesday – February 22, 2022 - 5:00 p.m.

Regular Meeting

Present: Mayor Esther E. Manheimer, Presiding; Vice-Mayor Sheneika Smith; Councilwoman Sandra Kilgore; Councilwoman S. Antanette Mosley; Councilwoman Kim Roney; Councilwoman Sage Turner; Councilwoman Gwen C. Wisler; City Manager Debra Campbell; City Attorney Brad Branham; and City Clerk Magdalen Burleson

Mayor Manheimer said that the City Council wants the public to still have the opportunity to participate in the decisions of your government. She then explained the 2 options for providing public comment - voicemail and email.

PLEDGE OF ALLEGIANCE

Mayor Manheimer led City Council in the Pledge of Allegiance.

I. PROCLAMATIONS:

A. RECOGNITION OF COUNCILWOMAN MOSLEY RECEIVING THE ROSA PARKS AWARD GIVEN BY THE DR. MARTIN LUTHER KING JR. ASSOCIATION OF ASHEVILLE AND BUNCOMBE COUNTY

Mayor Manheimer was pleased to announce that Councilwoman Mosley was one of four local women who has been selected as a recipient of the annual Rosa Parks Award, given by Dr. Martin Luther King, Jr. Association of Asheville and Buncombe County. The award honors women in the community who have fulfilled four criteria, including fostering a culture of inclusion in the Asheville community, working to achieve a just society for the disadvantaged, exemplifying a nonviolent philosophy in pursuit of a better life for non-majority people and inspiring direct action in the cause of social justice. Councilwoman Mosley has been a force in the community for improving affordable housing opportunities, supporting Black businesses and eliminating the racial opportunity gap in local schools.

The other three local women were Kathey Avery, Sophie Dixon and Dr. Tiece Ruffin.

II. CONSENT AGENDA:

At the request of Councilwoman Roney, Consent Agenda Item "H" was removed from the Consent Agenda for discussion and/or an individual vote.

- A. APPROVAL OF THE MINUTES OF THE REGULAR MEETING HELD ON FEBRUARY 8, 2022**
- B. RESOLUTION NO. 22-30 - RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN A LEASE WITH BUNCOMBE COUNTY FOR THE CONTINUED OPERATION OF OAKLEY LIBRARY LOCATED AT 749 FAIRVIEW ROAD**

Action Requested: Adoption of a resolution authorizing the City Manager to execute a lease with Buncombe County for the Oakley Library.

Background:

- The City of Asheville owns a 0.88 acre parcel at 749 Fairview Road and several uses are contained within the site (PIN 9657-58-2870-00000).
- At this property, Buncombe County has operated the existing Oakley Library for many years based on a verbal agreement.
- Buncombe County has operated the Oakley Library at this location since 1964.
- The arrangement was authorized by a verbal agreement between the government entities in the early 1960's.
- The land and the building are owned by the City of Asheville and house a community center on the lower level, Fire Station #9, public restrooms and a lobby in addition to the Library.
- There is a shared gravel parking lot on the ground level.
- The City's Real Estate Division approached Buncombe County's Director of Libraries in late 2020 asking that the tenant/landlord relationship be formalized with a lease.
- The terms of a lease include a five year term, joint use of the parking lot, use of shared restrooms and a yearly rent of \$1.00.
- The County must operate the premises as a public lending library and maintain the interior of the premises, including plumbing, electrical and interior finishes.
- The City will continue to maintain the systems that service the entire complex, such as the roof, HVAC, exterior maintenance, etc.
- Utilities are metered separately and the City maintains the grounds.
- Library interior areas are maintained by the County.
- Any construction of improvements by the tenant must be approved by the City.

Council Goal(s):

- Well Planned and Livable Community
- Connected and Engaged Community

Committee(s):

- None

Pro(s):

- Strengthens the City's partnership with Buncombe County.
- Preserves a beloved library in the Oakley Community.
- Buncombe County will continue to maintain a portion of the building complex.

Con(s):

- City is not charging fair market rent because of the value this library brings to the community.

Fiscal Impact:

- City will be receiving one dollar per year from the leasing of this property.

Motion:

- Motion to approve a resolution authorizing the City Manager to execute a ground lease with Buncombe County for the Oakley Library.

RESOLUTION BOOK NO. 43 - PAGE 17

C. ORDINANCE NO. 4930 - BUDGET AMENDMENT IN THE WATER RESOURCES OPERATING FUND TO ACCOUNT FOR THE REFUNDING OF THE 2018 WATER REVENUE BOND ANTICIPATION NOTE

Action Requested: Adoption of budget amendment in the amount of \$40,431,180 in the Water Resources Operating Fund to account for the refunding of debt.

Background:

- In October, 2018, Council authorized the issuance of a Water Revenue Bond Anticipation Note (BAN) in an amount not to exceed \$40 million to finance the City's North Fork Dam improvement project.
- In August, 2021, Council approved resolutions authorizing City staff to proceed with the issuance of long-term fixed rate Water Revenue Refunding Bonds to pay off the existing amount utilized on the BAN.
- The Water Revenue Refunding Bonds were subsequently issued on September 30, 2021.
- The Water Revenue Refunding Bonds had a very low total cost of issuance of around 2.1%, and were issued as Green Bonds under the category of sustainable water management which broadened the City's investor base and promoted its environmentally-friendly values.
- The funds generated from the issuance of the Refunding Bonds, which totaled \$40.4 million, were used to pay off the existing bond anticipation note cost of debt issuance and so do not represent additional money available for City use.
- The Fiscal Year (FY) 2021-22 budget did not include appropriations reflecting the funds generated from the issuance of the Refunding Bonds.
- This technical amendment incorporates these appropriations into the budget in order to ensure that the Water Resources Operating Fund does not exceed the approved annual budget in the City's annual financial reporting.

Council Goal(s):

- A Financially Resilient City

Committee(s):

- None

Pro(s):

- Amends the FY 2021-22 Water Resources Operating Fund budget in order to ensure statutory budgetary compliance.

Con(s):

- None

Fiscal Impact:

- There is no net fiscal impact from this technical budget amendment.
- It will amend the FY 2021-22 budget in the Water Resources Operating Fund to reflect the receipt of refunding proceeds from the bank and the subsequent payment to bondholders to pay off the prior debt issuances.

Motion:

- Motion to adopt a budget amendment in the amount of \$40,431,180 in the Water Resources Operating Fund to account for the refunding of debt.

ORDINANCE BOOK NO. 34 - PAGE 80

- D. ORDINANCE NO. 4931 - ORDINANCE AMENDING CHAPTER 1 OF THE CODE OF ORDINANCES TO ADD A NEW SECTION 1-11 TO INCORPORATE THE CITY'S STANDARD SPECIFICATIONS & DETAILS MANUAL INTO THE CODE BY REFERENCE**

ORDINANCE NO. 4932 - ORDINANCE AMENDING CHAPTER 7, SECTION 7-2-5 TO INCLUDE THE STANDARD SPECIFICATIONS AND DETAILS MANUAL IN THE UNIFIED DEVELOPMENT ORDINANCE LIST OF DEFINITIONS

RESOLUTION NO. 22-31 - RESOLUTION AMENDING THE CITY'S STANDARD SPECIFICATIONS & DETAILS MANUAL TO AUTHORIZE ALL FUTURE REVISIONS AND UPDATES TO THE MANUAL BE MADE BY THE CITY ENGINEER

Action Requested: Adoption of amendments to Chapter 1 adding Section 1-11 to the City of Asheville's General Ordinances, amending Chapter 7 Section 7-2-5 of the City of Asheville's Unified Development Ordinance and authorization, through Resolution, for the City Engineer to approve future changes to the Standard Specifications and Details Manual ("SSDM").

Background:

- The Manual was adopted by City Council resolution on May 13, 2014.
- The manual provides detailed standards that govern the construction of projects that occur within the City's Right of Way.
- Several changes have been made to the manual since its adoption.
- The changes have been formally adopted through City Council resolution.
- As currently written, the SSDM requires that all amendments be approved by the City Council.
- The standards must be kept current with changes to building code and other changes that affect the relevance of the document.
- Allowing City staff to modify the manual through the authority of the City Engineer will ensure that it is kept up to date and ensures the greatest flexibility in responding to change.
- Future amendments will be developed through an internal work group.
- A review of proposed changes will also be evaluated by a group of local development professionals before being officially approved by the City Engineer.
- The City Code does not currently define the SSDM or explain the SSDM process.
- Since the SSDM is an important document upon which decisions related to development are made, it is recommended that the City Code be amended to include the proposed amendments to Chapter 1 and Chapter 7 of the City Code to formally add references to the SSDM.
- Several other communities in North Carolina have made similar revisions to the process for reviewing and making changes to their standards and detailed guidance documents.

Council Goal(s):

- Safety community

Committee(s):

- None

Pro(s):

- Allowing the City Engineer to authorize changes after having been reviewed by internal and external partners will allow for small changes to be made more frequently.
- Staff will not wait for large comprehensive changes to the document before seeking revisions.
- Small changes can be made incrementally ensuring that the document is kept consistent with changing standards and information.

Con(s):

- This adds an additional responsibility to the work of the City Engineer.
- Although initially there may be a number of changes to be made, this increase will not last long and will become steady over time.

Fiscal Impact:

- There is no financial impact to this change.

Motion:

- Motion to adopt amendments to Chapter 1 adding Section 1-11 to the City of Asheville's General Ordinances, amending Chapter 7 Section 7-2-5 of the City of Asheville's Unified Development Ordinance section of the General Ordinance and authorizing , through resolution, the City Engineer to approve future changes to the Standard Specifications and Details Manual.

ORDINANCE NO. 4931 - ORDINANCE BOOK NO 34 - PAGE 81
ORDINANCE NO. 4932 - ORDINANCE BOOK NO. 34 - PAGE 82
RESOLUTION BOOK NO. 43 - PAGE 18

E. ORDINANCE NO. 4933 - BUDGET AMENDMENT FROM BRAD STANBACK FOR BEAR RESISTANT TRASH CARTS

Action Requested: Adoption of a budget amendment to recognize and accept a donation of \$30,000 from Mr. Brad Stanback for the purchase of bear-resistant trash carts.

Background:

- In December 2021, Sanitation Division staff was approached by Mr. Brad Stanback, District 9 Commissioner of the NC Wildlife Resources Commission, with the offer of a donation of \$30,000 to support the purchase of additional bear-resistant trash carts.
- The purchase of additional carts would allow more residents to rent the carts and shorten the waiting list for a cart.
- This budget amendment allows the Sanitation Division to accept the donation from Mr. Stanback and appropriate the funding toward additional bear-resistant carts.
- The bear cart vendor has provided a one-time discounted price quote of \$250/cart for this donation budget, so the City will be able to purchase 112 carts.

Vendor Outreach Efforts:

- N/A

Council Goal(s):

- A Clean & Healthy Community

Committee(s):

- None

Pro(s):

- Allows for the purchase of additional bear-resistant trash carts.
- Shortens the waiting list of residents wishing to rent a bear-resistant trash cart.

Con(s):

- None

Fiscal Impact:

- \$30,000 in additional revenue and expense authorization in the Sanitation Division of the General Fund.

Motion:

- Motion to adopt a budget amendment to recognize and accept a donation of \$30,000 from Mr. Brad Stanback for the purchase of bear-resistant trash carts.

ORDINANCE BOOK NO. 34 - PAGE 83

- F. RESOLUTION NO. 22-32 - RESOLUTION AMENDING THE 2022 CITY COUNCIL MEETING SCHEDULE TO (1) ADD AN IN-PERSON CITY COUNCIL WORKSESSION ON OPEN SPACE STANDARDS ON TUESDAY, MARCH 8, 2022 AT 2:30 P.M. IN THE BANQUET ROOM AT HARRAH'S CHEROKEE CENTER - ASHEVILLE, LOCATED AT 87 HAYWOOD STREET, ASHEVILLE, N.C.; AND (2) ADD THE CITY COUNCIL'S ANNUAL RETREAT ON MARCH 17 AND 18, 2022, BEGINNING AT 8:00 A.M. IN THE BANQUET ROOM AT HARRAH'S CHEROKEE CENTER - ASHEVILLE, LOCATED AT 827 HAYWOOD STREET, ASHEVILLE, N.C.**

RESOLUTION BOOK NO. 43 - PAGE 19

- G. RESOLUTION NO. 22-33 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A NEW SERVICES CONTRACT WITH FUSIONSITE ASHEVILLE LLC, D/B/A GRIFFIN WASTE SERVICES, FOR CONTINUED RENTAL AND MAINTENANCE OF PORTABLE TOILETS AND HANDWASHING STATIONS FOR PUBLIC USE FROM MARCH 1, 2022, THROUGH DECEMBER 31, 2022**

Action Requested: Adoption of a resolution authorizing the City Manager to execute a new services contract with FusionSite Asheville, LLC, dba Griffin Waste Services (hereinafter referred to as "Griffin Waste Services") for continued rental and maintenance of portable toilets and handwashing stations for public use from March 1, 2022, through December 31, 2022.

Background:

- Due to the COVID-19 pandemic and resulting closure of public and private buildings in March 2020, portable restrooms and handwashing stations were deployed for public use as an emergency response as per direction from the City-County Emergency Operations Center and City Manager's Office.
- Griffin Waste Services in Asheville was an existing provider of services to City facilities prior to the pandemic and the only contractor identified in the region with the capacity to fulfill the services required.
- As authorized by the City Manager, a contract was established with Griffin Waste Services in June 2020 for an amount not to exceed \$89,000 for rental, routine cleaning, and daily maintenance of the units.
- On September 8, 2020, City Council adopted resolution 20-157 authorizing the City Manager to execute an amended services contract with Griffin Waste Services increasing the total by \$65,000, from \$89,000 to \$154,000, allowing the vendor to perform the work through December 2020.
- An amended contract with Griffin Waste Services to increase the total by \$45,000, from \$154,000 to \$199,000, allowed the vendor to perform the work through May 2021.
- In May 2021, the City executed a bid seeking proposals to continue services through December 2021 and Griffin Waste Services was the only bidder.
- On June 8, 2021, City Council adopted Resolution No. 21-104 authorizing the City Manager to execute a new services contract with Griffin Waste Services through December, 2021 at an amount not to exceed \$90,000.

- In November 2021, the City executed a bid seeking proposals to continue providing services from January 2022 through December 2022 and no bids were received.
- Using remaining funds previously authorized (not to exceed \$90k), the contract with Griffin Waste Services was amended to continue through February 28, 2022.
- In January 2022, the City executed a re-bid and received one response from Griffin Waste Services.
- Services are currently provided at the following (3) locations:
 - NW Corner of College Street & Rankin Avenue
 - ABCCM Medical, 155 Livingston Street
 - ABCCM Sonrise, 1543 Patton Avenue
- Staff recommends moving forward with the proposal from Griffin Waste Services, establishing a new services contract from March 1, 2022, through December 31, 2022.

Vendor Outreach Efforts:

- Staff performed outreach to minority and women-owned businesses through solicitation processes which included posting on the State's Interactive Purchasing System, searched the HUB office for MWBEs in the relevant market area, and worked with the ABI Office to search for providers.
- There is a small geographic area where it is reasonable for this work to be performed and the bid process only returned one response from Griffin Waste Services.
- In the future when services are needed, staff will conduct the same process again to ensure that new MWBE businesses that have been established are provided the opportunity.

Council Goal(s):

- A well-planned and livable community
- A clean and healthy environment
- Emergency Response

Committee(s):

- None

Pro(s):

- Supports public health needs during a Pandemic at (currently) three locations:
 - Downtown, NW Corner of College Street & Rankin Avenue
 - ABCCM Medical, 155 Livingston Street
 - ABCCM Sonrise, 1543 Patton Avenue

Con(s):

- Some business owners have been unhappy with the location of the downtown facility.

Fiscal Impact:

- All previous contracts have utilized CARES Act or ARPA funding.
- In order to preserve available ARPA funding for other projects, staff is recommending using funding from the Affordable Housing Capital Improvement Program (CIP) for this contract extension.
- The Affordable Housing CIP project currently has an available budget of approximately \$1.7M and is funded with pay-go cash from the General Fund, so the balance can be utilized for non-capital expenses such as this contract.
- After funding this contract and the Step Up agreement that is also on Council's agenda, approximately \$636,000 will remain available in the Affordable Housing CIP project.

Motion:

- Move to adopt a resolution authorizing the City Manager to execute a new services contract with Griffin Waste Services for continued rental and maintenance of portable toilets and handwashing stations for public use from March 1, 2022, through December 2022.

RESOLUTION BOOK NO. 43 - PAGE 20

H. BUDGET AMENDMENT IN THE CITY’S SPECIAL REVENUE FUND IN THE AMOUNT OF \$1 MILLION TO TRANSFER AVAILABLE AFFORDABLE HOUSING CAPITAL IMPROVEMENT PROGRAM BUDGET TO SPECIAL REVENUE FUND TO FULLY FUND THE PREVIOUSLY APPROVED AGREEMENT WITH STEP UP ON SECOND STREET INC.

This item was removed from the Consent Agenda for discussion and/or an individual vote.

Mayor Manheimer said that members of Council have been previously furnished with a copy of the resolutions and ordinances on the Consent Agenda and they would not be read.

Councilwoman Turner moved for the adoption of the Consent Agenda, with the deletion of Consent Agenda “H”. This motion was seconded by Councilwoman Wisler and carried unanimously.

ITEM REMOVED FROM THE CONSENT AGENDA FOR INDIVIDUAL VOTES

H. ORDINANCE NO. 4934 - BUDGET AMENDMENT IN THE CITY’S SPECIAL REVENUE FUND IN THE AMOUNT OF \$1 MILLION TO TRANSFER AVAILABLE AFFORDABLE HOUSING CAPITAL IMPROVEMENT PROGRAM BUDGET TO SPECIAL REVENUE FUND TO FULLY FUND THE PREVIOUSLY APPROVED AGREEMENT WITH STEP UP ON SECOND STREET INC.

Action Requested: Adoption of budget amendment in the amount of \$1,000,000 in the City’s Special Revenue Fund to transfer available Affordable Housing Capital Improvement Program (CIP) budget to the Special Revenue Fund to fully fund the previously approved agreement with Step Up on Second Street, Inc.

Background:

- At the December 14, 2021, meeting, City Council approved a resolution authorizing the City Manager to enter into an agreement with Step Up on Second Street, Inc. in the amount of \$1.5M for the provision of three years of supportive services for future residents of permanent supportive housing at 148-150 River Ford Parkway.
- Staff had proposed that American Rescue Plan (ARPA) funding be used to fully fund the three-year agreement with Step Up on Second Street, Inc.
- City Council, however, asked that only \$500,000 in ARPA funding be utilized toward the agreement, and that staff identify another funding source for the additional \$1.0M needed for the agreement.
- After reviewing funding options, staff is recommending that Council utilize \$1.0M available in the Affordable Housing Capital Improvement Program (CIP) budget to fully fund the agreement.
- A budget amendment is required to move the \$1.0M in funding from the General Capital Projects Fund to the Special Revenue Fund where the \$500,000 in ARPA funds is budgeted.

Council Goal(s):

- A Financially Resilient City

Committee(s):

- None

Pro(s):

- Ensures full funding for the three years of the agreement with Step Up on Second Street, Inc.;
- Consolidates the budget for the agreement in the City's Special Revenue Fund in order to ensure statutory budgetary compliance.

Con(s):

- Reduces funding available for other affordable housing needs.

Fiscal Impact:

- There is no net fiscal impact from this budget amendment since the previously approved budget is simply being moved from one fund to another in order to ensure compliance with state statutes.
- The Affordable Housing Capital Improvement Program (CIP) project currently has an available budget of approximately \$1.7M.
- This CIP project is funded with pay-go cash from the General Fund, so the balance can be utilized for non-capital expenses such as the agreement with Step Up on Second Street, Inc.
- After funding this agreement, approximately \$700,000 will remain available in the CIP project.

Nina Tovish suggested when the City Council determines to hire outside consultants that part of their due diligence is to contact community organizations to gather input before making their recommendations.

In response to Councilwoman Roney about use of other funds, Director of Community & Economic Development Nikki Reid said that bond funds are not available for this use.

Councilwoman Mosley noted that she voted against the contract for this for-profit entity and will not support this budget amendment.

Councilwoman Turner moved to adopt a budget amendment in the amount of \$1,000,000 in the City's Special Revenue Fund to transfer available Affordable Housing Capital Improvement Program (CIP) budget to the Special Revenue Fund to fully fund the previously approved agreement with Step Up on Second Street, Inc. This motion was seconded by Councilwoman Wisler and carried on a 6-1 vote, with Councilwoman Mosley voting "no."

ORDINANCE BOOK NO. 34 - PAGE 84

III. PRESENTATIONS & REPORTS:

IV. PUBLIC HEARINGS:

- A. PUBLIC HEARING TO CONSIDER CONDITIONAL ZONING MULTIPLE PROPERTIES LOCATED AT 363 CLINGMAN AVENUE, 32 CLINGMAN AVENUE, 9999 CLINGMAN AVENUE, 9999 HILLIARD AVENUE, AND 9999 PEARL STREET FROM CENTRAL BUSINESS DISTRICT TO CENTRAL BUSINESS EXPANSION DISTRICT/CONDITIONAL ZONE**

Urban Planner Will Palmquist said that this is the consideration of an ordinance to

conditionally zoning multiple properties located at 363 Clingman Avenue, 32 Clingman Avenue, 99999 Clingman Avenue, 99999 Hilliard Avenue, and 99999 Pearl Street from Central Business District to Central Business Expansion District/Conditional Zone. This public hearing was advertised on February 11 and 18, 2022.

Project Location and Contacts:

- The project site consists of nine parcels totaling 2.93 acres located at 363 Hilliard Avenue (PINs 9648-19-3115, 3278, 4329, 3422, 4116, 5140, 5391, 6205, and 6125).
- Owner: Delray at Hilliard Avenue LLC

Summary of Petition:

- New construction includes one five-story mixed-use building with 5,800 square feet of amenity/leasing space, 7,850 square feet of commercial space and residential units above; and, one three-story residential building.
- In total, the project will provide 187 new residential dwelling units.
- The applicant is seeking a conditional zoning due to the project proposing more than 50 residential dwelling units and a total square footage of more than 100,000 sq ft, as well as one design modification as indicated below.
- The subject properties are bounded by Hilliard Avenue to the south, Clingman Avenue to the west, and Pearl Street to the east.
- There are no density, structure size, impervious surface, lot size or lot width requirements in the Central Business District (CBD) zoning district.
- The subject properties are located within the tallest height zone as identified in Sec. 7-8-18(f)(7) which typically allows a maximum building height of 265’.
- The project has an overall maximum height of 70’.
- A portion of the property is located in a “Building Height Buffer Zone”; however, the overall height of the project is below the threshold that triggers additional setbacks.
- The project proposes closing two public alleys.
 - One is located to the north of the project site, which is known as Rear Clingman Avenue. This alley is privately maintained and does not run through the block.
 - The other is located on the east side of the project site and is currently unopened.
- Off-street parking is not required; however, the project will provide 201 off-street parking spaces including 67 covered spaces, 134 surface spaces and three on-street spaces on Pearl St.
- Vehicular access to the property includes two driveways to the surface parking lot, one each on Hilliard Avenue and Pearl Street.
- Access to the covered parking will be internal to the site from the north end of the surface parking lot.
- The Hilliard Avenue entrance is proposed as a right-in-/right-out only.
- 10 foot wide sidewalks are proposed to be constructed along all three street frontages. Some of the sidewalk will be constructed within the city and North Carolina Department of Transportation (NCDOT) rights-of-way but portions will fall on private property, which will require an easement.
- Hilliard Avenue will be restriped to accommodate east and westbound bike lanes as well as a left-turn late eastbound onto Pearl St.
- The project site is a designated brownfield site and the applicant is in the process of finalizing the brownfield agreement.
- Landscape requirements are minimal and limited to street trees, street buffer and parking lot landscaping.
- Open space is not required but Tree Canopy Preservation requirements are required.
- The project proposes to meet this requirement through the combination of planting trees and paying a fee in lieu of the balance.
- Affordable housing is included in the Project:

- a. 5% of the units (9 units total) will be designated affordable to those earning at or below 80% Area Median Income (AMI) for at least 20 years from the date the CO is issued.
- b. Five (5) of the affordable units will accept housing choice (HUD) vouchers.
- c. The rent and income limits will follow the Affordable Housing Standards determined annually by the City of Asheville Community Development Department.
- d. An Affordable Housing Deed Restriction will be provided by the City and will be filed and recorded by the property owner in the Buncombe County Register of Deeds prior to the project receiving final zoning permit.
- 87% of the site will be impervious. There are no impervious surface standards in the CBD zoning district.
- The project is seeking a modification as indicated in Exhibit E - Project Conditions:
 - Street-level facade openings less than the required 70% along Clingman Avenue for Building #1 (proposed is shown as 68%) and less than the required 50% along Pearl Street for Building #2 (proposed is shown as 35%).

Consistency with the Comprehensive Plan and Other Plans:

Living Asheville Comprehensive Plan (2018)

- This project meets a number of key city goals in the Living Asheville Comprehensive Plan including:
 - **Encourage Responsible Growth** - by increasing the city's housing supply and locating housing density and new jobs in a locationally efficient area (within an Innovation District); and by prioritizing development within designated growth areas.
 - **Increase and Diversify the Housing Supply** - by encouraging, supporting, and incentivizing more affordable housing options downtown and in proximity to goods/services, parks, transportation, and employment centers.
 - **Facilitate Real Estate Development that Maximizes Public Benefit** - by supporting the development/redevelopment of sites that are underutilized.
 - **Implement Green Infrastructure and Enhance the Urban Tree Canopy** - by implementing low-impact development and other types of green infrastructure strategies that may include naturalized stormwater features.
 - **Make Streets More Walkable, Comfortable and Connected** - by supporting multimodal transportation such as transit, bicycling and walking through pedestrian and transit infrastructure improvements.

WECAN Citizens Master Plan

- The WECAN plan (adopted in 2000) envisioned Clingman Avenue, between Hilliard and Patton Avenues, as a mixed-use residential and commercial street, which would provide for the neighborhood's retail needs.

Compatibility Analysis:

- The project is located in the tallest height zone of the CBD where large multi-storied buildings are anticipated.
- The proposed mix of uses includes residential and retail, which are compatible and similar to the uses in the vicinity.
- The project is directly south of The Patton apartments and across Hilliard Avenue from the 360 Hilliard apartments, both of which are a total of four stories in height.
- A one-story USPS garage facility is located on Clingman Avenue between the project site and The Patton apartments.
- Two single-family houses are located on Pearl Street between the project site and The Patton apartments, but the impact to them will be limited as these houses are adjacent to the proposed surface parking and approximately 120 feet from the nearest proposed

structure.

Council Goal(s):

- The council goal of *A Well-Planned and Livable Community* is most applicable.

Committee(s):

- Technical Review Committee (TRC) - November 15, 2021 - approved with conditions.
- Design Review Committee (DRC) - January 20, 2022 - **not** recommended for approval (5-0 vote). The DRC noted that the project design was too repetitive and suggested techniques to break up the massing of the building.
- The project team has since submitted new elevations and renderings of a revised building design in order to address these concerns.
- An informal review of these revised plans is scheduled for the next Design Review Committee on February 17, 2022.
- A summary of this discussion will be shared with City Council during the council presentation.
- Planning & Zoning Commission (PZC) - February 2, 2022 - approved unanimously.

Staff Recommendation:

- Staff recommends approval of the project, for the reasons stated above.

Mr. Palmquist said that the project will consist of two buildings totalling 187 residential dwelling units, with commercial and amenity/leasing spaces: (1) Building 1: five stories mixed use, 159 units and 7,850 sq. ft. of commercial space and 5,800 sq. ft. of amenity/leasing space; (2) Building 2: three stories residential only, 28 units; (3) 187 residential units (5% affordable at 80% AMI); (4) 201 off-street parking spaces (67 covered); (5) 10' sidewalks and bike lanes on Hilliard Avenue; (6) access via Hilliard Avenue and Pearl Street; and (7) closing of one public alley. He then showed the building elevations from all sides, along with the perspectives of the buildings. He then outlined the compliance with the Living Asheville Comprehensive Plan and the WECAN Citizen's Master Plan. He then reviewed the different committee review processes. Some of the conditions include (1) technical modifications - street-level facade openings along Clingman Avenue for Building #1 and Pearl Street for Building #2; (2) 5% of the units (9 units total) will be affordable at or below 80% AMI for 20 years. Five of the affordable units will accept housing choice (HUD) vouchers; (3) 10' wide sidewalks along Clingman Avenue, Hilliard Avenue and Pearl Street; (4) bike lanes along Hilliard Avenue and a left-turn lane eastbound onto Pearl Street; (5) pedestrian access easement along the northern property boundary; and (6) burying of above-ground utility lines that but the property along Clingman and Hilliard Avenues.

Mr. Wyatt Stevens, attorney for the applicant, showed pictures of the area and said that this project will bring back this part of the City to life. He said that the City partnered with Delray Investments to fix a City storm drain, in which the City spent \$600,000 and Delray spent \$1 Million. He explained how the property is expensive to build on (1) extensive garbage and fill removal - which is estimated to be \$500,000; (2) remediation of the Brownfields site - a total estimated \$400,000 (they will get tax abatement for 5 years on their property taxes; however, they have to front that cost); and (3) removal and burying of the power lines - estimated to be \$500,000. He then showed some renderings of the project. Delray contractors is a qualified minority contractor and they strive to find minority contractors and workers for this project. They will make this as an inclusive project as they can. Regarding affordable housing, (1) 5% of the units (9 units total) will be designated affordable to those earning at or below 80% Area Median Income for at least 20 years from the date the Certificate of Occupancy is issued; (2) five of the affordable units will accept housing choice (HUD) vouchers; (3) the rent and income limits will follow the Affordable Housing Standards determined annually by the City of Asheville Community Development Department; and (4) an Affordable Housing Deed Restriction will be

provided by the City and will be filed and recorded by the property owner in the Buncombe County Register of Deeds prior to the project receiving final zoning permit. If the City is prepared to relax the Land Use Incentive Grant (LUIG) and provide some flexibility to allow for more affordable housing in this project, they will do that. If Council makes that a condition for approval, they will be happy to have that conversation. They cannot commit to a 20% with a LUIG because the numbers don't work. But, they are committing to 5% and it will make for a great project. He urged City Council to approve this conditional zoning.

Mr. Warren Sugg, with Civil Design Concepts, responded to various questions from Council, some being, what is being done to mitigate stormwater; why can't they fulfill the Tree Canopy Preservation requirements and not have to pay any fee-in-lieu; and is a green roof planned as recommended by the Design Review Committee.

Mr. Stevens responded to Councilwoman Wisler when she asked if there will be any public parking; Councilwoman Turner when she asked for clarification about the 5-year tax abatement; and Councilwoman Kilgore asked about the amount of tax revenue on the property;

Mr. Stevens noted that a Traffic Impact Analysis was submitted to the N.C. Dept. of Transportation for approval, and whatever mitigation measures (if any) they recommend, the developer will comply with. Their traffic engineer studied this area and even though there is a lot of traffic in this area, this project does not materially increase the traffic.

Mayor Manheimer opened the public hearing at 5:50 p.m.

Jonathan Wainscott was concerned with the additional traffic on this already congested area of the City.

Mayor Manheimer closed the public hearing at 5:53 p.m.

Mayor Manheimer said that members of Council have previously received a copy of the ordinance and it would not be read.

Councilwoman Mosley moved to approve the conditional zoning request for the property located at 363 Hilliard Avenue from Central Business District (CBD) to Central Business District Expansion-Conditional Zone (CBD EXP-CZ) and find that the request is reasonable, is in the public interest, is consistent with the city's comprehensive plan and other adopted plans, and meets the development needs of the community in that the request: 1) encourages responsible growth by prioritizing development in areas targeted for growth, 2) increases and diversifies the housing supply by providing more affordable housing options downtown; 3) supports the development of an underutilized site; and 4) supports multimodal transportation such as bicycling and walking. This motion was seconded by Councilwoman Kilgore and failed on a 2-5 vote, with Mayor Manheimer, Vice-Mayor Smith, Councilwoman Roney, Councilwoman Turner and Councilwoman Wisler voting "no."

In response to Councilwoman Turner, City Attorney Branham said that since the conditional use was denied, the project as proposed cannot proceed. The developer will have to wait one year to bring back the application for a rezoning, but the existing zoning remains in place along with all current development rights allowed. If a substantial change is made to the project, it is possible to bring back the project within the year.

C. 343 AND 257 WEST HAYWOOD ROAD

Mayor Manheimer said that City Council will take public comments on both the request from Haywood Street Community Development and the conditional zoning in one public hearing; however, two votes will be taken.

RESOLUTION NO. 22-34 - RESOLUTION TO GRANT \$1.3 MILLION TO HAYWOOD STREET COMMUNITY DEVELOPMENT TO PURCHASE LAND AND \$904,000 FROM HOUSING TRUST FUND TO CONSTRUCT 45 AFFORDABLE RENTAL HOMES ON PROPERTY LOCATED AT 343 AND 357 WEST HAYWOOD STREET

Community & Economic Development Director Nikki Reid said that this is the consideration of a request by Haywood Street Community Development for \$1.3M in funding to purchase land and a \$904,000 Housing Trust Fund loan to construct 45 permanently affordable rental homes on property located at 343 & 357 West Haywood Street in the City of Asheville.

Review:

- Haywood Street Community Development has proposed the development of approximately 45 affordable apartments with the 5550 sq. ft. in community space on a 0.857 acre on a parcel located at 343 & 357 West Haywood Street.
- Haywood Street Congregation is an urban ministry with its main headquarters located at 297 Haywood Street.
- Core programs include weekly worship, a clothing closet, community garden, a free community lunch known as the Downtown Welcome Table, and Haywood Street Respite, which offers a safe place for adults experiencing homelessness to stay on a short term basis after being discharged from a hospital.
- Haywood St. has formed a 501(c)3 non-profit, known as Haywood Street Community Development (HSCD), with the intention to provide permanent affordable housing to the most vulnerable members of the Asheville community.
- HSCD is partnering with Ward Griffin of Grace Construction, a local development firm with over 80 years of development experience, and Austin Tyler with Dewey Property Advisors, to purchase, develop and construct the project.
- While HSCD has been serving the homeless community for quite some time, this will be their first effort towards developing a permanent residential apartment project.
- HSCD intends to construct its first development consisting of a single building with approximately 45-units, to be leased with permanent affordability deed restrictions as follows:
 - 23 units at 30% AMI for voucher holders,
 - 9 units at 60% AMI, and
 - 13 units affordable to households at 80% AMI.
- City Council previously authorized a grant in the amount of \$296,000 for due diligence and associated pursuit costs to HSCD for this project.

Proposal:

- HSCD's total proposed project budget is \$10,181,496, including due diligence and soft costs, with \$7,356,102 estimated for construction.
- HSCD seeks a grant of \$1.3M for the purchase of 0.857 acres of land at 343 & 357 West Haywood Street in the WECAN neighborhood.
- The land will be secured by a deed restriction for permanent affordable housing at the site. Should a project not come to fruition, HSCD must sell the site and repay the City the grant amount.
- HSCD seeks a loan of \$904,000 from the City's Housing Trust Fund (HTF) under the following terms:
 - No interest and deferred payments for the first 10 years
 - Interest only at a rate of 1% for the next 10 years

- At year 20, the loan will either (1) convert to an amortizing loan, paying principal and interest, on a 30 year amortization at a 1% interest rate OR (2) the HTF principle will be repaid in full as part of a refinance of the total debt stack at the time
- HSCD has secured a grant from Buncombe County in the amount of \$749,000 for the construction costs.
- HSCD has applied for \$2M in funding from the Dogwood Health Trust.
- HSCD has a loan commitment of \$4,121,624 from an area lender.
- HSCD is contributing \$809,872 in equity to the project.
- If approved by the City Council, the transfer of the funding will be conditioned on the completion of further project due diligence, including confirmation that all zoning and necessary permits have been secured and that all financing commitments necessary to build and operate the project are in place.

Council Goal(s):

- Quality Affordable Housing
- An Equitable and Diverse Community

Committee(s):

- The Housing and Community Development (HCD) Committee reviewed and unanimously approved the proposal on February 15, 2022.

Pro(s):

- The project produces 45 apartment homes for individuals and families at or below 30, 60% and 80% AMI.
- Strategic opportunity to invest in a partner offering deep affordability and a community of care in connection with Haywood Street's core services.
- The project is ideally located near many downtown employment opportunities, with good access to transit and essential services.
- This project leverages partnership funding from both Buncombe County and Dogwood Health Trust (pending approval).
- This project will be deed restricted to permanent affordability, ensuring a long-term supply of affordable rental units in Asheville at this location.

Con(s):

- The combined land and loan amount per unit is above the Housing Trust policies recommendation of \$20,000 per unit.
- Project requests a total 50 year amortization for the loan, which is an exception to the HTF policy that requires loans to be limited to 30 years.

Fiscal Impact:

- This action includes a \$904,000 loan from the City's Housing Trust Fund, and an allocation of \$1.3M from the City's Affordable Housing General Obligation (GO) Bond Land Banking program.
- Both of these amounts are already included in the adopted budget so no budget amendment is required with this action.

Ms. Reid said that the key takeaways is that (1) this is a strategic opportunity to invest in a partner offering deep affordability and a community of care in connection with Haywood Street's core services; (2) the project is ideally located near many downtown employment opportunities, with good access to transit and essential services; (3) this project leverages partnership funding from both Buncombe County and Dogwood Health Trust (pending approval); and (4) this project will be deed restricted to permanent affordability, ensuring a long-term supply of affordable rental units in Asheville at this location. She then provided the following background (1) Haywood

Street Congregation formed a 501 (c) 3 non-profit, Haywood Street Community Development (HSCD), with the intention to provide permanent affordable housing to the most vulnerable members of the Asheville community; (3) Haywood Street is partnering with Ward Griffin of Grace Construction and Austin Tyler with Dewey Property Advisors to purchase, develop and construct the project; (3) this will be HSCD's first effort towards developing a permanent residential apartment project; and (4) City Council previously authorized a grant in the amount of \$296,000 for due diligence and associated pursuit costs to HSCD for this project. This is for an 0.857 acre parcel located at 343 and 257 West Haywood Street. The approximately 45 affordable units will consist of: 23 units at 30% AMI, 9 units at 60% AMI, 13 units at 80% AMI, and 5550 sq. ft. of community space. The proposed budget is \$10,181,496 - estimated \$7.4 Million for construction costs.

She said the potential funding breakdown is City Affordable Housing Bond - \$1.3 Million; City Housing Trust Fund loan - \$904,000; Buncombe County grant - \$749,000; and Dogwood Health Trust funds - \$2 Million. HSCD has a loan commitment of \$4,121,624 from an area lender. In addition, HSCD is contributing \$809,872 in equity to the project. She said HSCD seeks a loan of \$904,000 from the City's Housing Trust Fund (HTF) under the following terms: (A) no interest and deferred payments for the first 10 years; (B) interest only at a rate of 1% for the next 10 years; and (C) at year 20, the loan will either (1) convert to an amortizing loan, paying principal and interest, on a 30-year amortization at a 1% interest rate, OR (2) the HTF principle will be repaid in full as part of a refinance of the total debt stack at the time. The total term of the loan is 50 years. HSCD is also seeking a grant of \$1.3 Million for the purchase of 0.857 acres of land. The land will be secured by a deed restriction for permanent affordable housing at the site. Should a project not come to fruition, HSCD must sell the site and repay the City the grant amount. She said the City Council Housing & Community Development Committee endorsed this recommendation to City Council.

There was discussion, initiated by Councilwoman Wisler, about the amount Buncombe County contributed to this project.

Pastor Brian Combs, applicant, said that they are proposing 45 1, 2 and 3 bedroom apartments at the edge of downtown, which are all 100% affordable in perpetuity, with the land deed restricted. They have made nearly 200 contacts, along with 4 voluntary meetings on site and a transparency tracker online. They are finalizing a contract with the Givens Estate for property management, and they have partnered with Ward Griffin, a contractor and consultant. On the Haywood Street Congregation side, they have spent 12 years on the street listening to people who need housing the most. Equity is an essential issue to them. They are committed to prioritize the most disenfranchised and displaced people first. They will have an aggressive affirmative fair housing marketing plan by (1) advertising heavily with sister nonprofits; (2) leveraging with African American churches in the area; and (3) handing out applications. He urged City Council to support this project.

There was a brief discussion, initiated by Councilwoman Kilgore, about how this project model differs from public housing models or other nonprofit organization models that build affordable housing.

Councilwoman Roney supported this project because it is a step in the right direction.

**PUBLIC HEARING TO CONSIDER CONDITIONAL ZONING OF PROPERTY
LOCATED ON 343 AND 357 W. HAYWOOD STREET FROM COMMUNITY
BUSINESS I DISTRICT TO COMMUNITY BUSINESS II
DISTRICT/CONDITIONAL ZONE**

**ORDINANCE NO. 4935 - ORDINANCE TO CONDITIONALLY ZONE
PROPERTY LOCATED ON 343 AND 357 W. HAYWOOD STREET FROM
COMMUNITY BUSINESS I DISTRICT TO COMMUNITY BUSINESS II
DISTRICT/CONDITIONAL ZONE**

Principal Planner Shannon Tuch said that this is the consideration of an ordinance to conditionally zone property located on 343 and 357 W. Haywood Street from Community Business I District to Community Business II District/Conditional Zone. This public hearing was advertised on January 14 and 21, 2022. On January 25, 2022, this public hearing was continued to this date.

Action Requested: Conditionally zone properties located at 343 and 357 from Community Business I (CB I) to Community Business II - Conditional Zone (CB II - CZ).

Project Location and Contacts:

- The project site consists of two parcels totalling 0.86 acres located at 343 and 357 W. Haywood St. (PINs 9648-09-3101 & 9648-09-1095).
- Owners: Scott Carter & Andy Brockmeyer.
- Applicant: Haywood Street Community Development

Summary of Petition:

- The subject property is located on the north end of the West End Clingman Avenue Neighborhood (WECAN) and is currently zoned CB I.
- The subject property, along with one other parcel, were rezoned in 2018 from Neighborhood Business (NB) to CB I.
- Included in this petition is a request to construct 45 multi-family residential dwelling units in a single multi-story building, along with sidewalks, a combination of structured and surface parking, and other related site improvements.
- The applicant is seeking a conditional rezoning in order to modify structure size, height and density requirements.
- New building construction includes a single, four-story apartment building that is just under 42 feet in height with an overall height of 55 feet (to peak of angled roof).
- The total square footage is approximately 49,000 square feet.
- A combination of surface (20 spaces) and structured parking (35 spaces) is proposed, which meets the minimum off-street parking requirement of one space per unit.
- Two handicap accessible spaces are also provided as required.
- Maximum density in the CB II district is 25 units/acre. A density bonus that allows up to 50 units/acre is permitted with a commitment for 20% of the units to be affordable at 80% area median income (AMI) for a minimum period of 20 years.
- All 45 units (100%) are proposed to be affordable, satisfying this requirement.
- The project includes several levels of affordability:
 - 23 units at 30% AMI for voucher holders;
 - 9 units at 60% AMI; and
 - 13 units affordable to households at 80% AMI.
- The subject properties are located in Opportunity Zone 9.
- Opportunity Zones were created as part of the 2017 federal tax reform package (Tax Cuts and Jobs Act) designed to drive long-term capital into low-income communities by using tax incentives to encourage private investment.
- These impact funds are designed to help revitalize qualifying lower income census tracts that have not benefited equitably in the economic recovery.
- On October 23, 2018, City Council passed [Resolution No. 18-269](#) to “work with Opportunity Fund Investors and take a proactive approach to offer guidance in Opportunity Zone investments that promote Equitable Growth, Development without

Displacement and Healthy Communities of Opportunity for all residents in and around Opportunity Zones.”

- The Asheville City Council adopted [Resolution No. 21-224](#) on October 26, 2021 committing to grant funding in the amount of \$296,000 for due diligence related to this project.
- The Haywood Street Congregation (applicant) is requesting an additional 1.3 million to assist in the purchase of the property and a Housing Trust Fund loan of \$904,000.
- Landscaping, open space and tree canopy preservation requirements will be satisfied.
- A pedestrian connection across W. Haywood St. is recommended at either Jefferson St. or Hilliard Ave., in order to allow residents to connect to the sidewalk that leads to transit stops at the intersection of Hilliard and Clingman Ave.
- The project is seeking a number of exceptions to technical compliance, including:
 - **Density** - applicant is requesting 52.3 units/acre (maximum density of 50 units/acre).
 - **Structure size** - applicant is requesting to construct a single building that is 51,000 square feet (maximum building square footage for a multi-story building is 45,000 square feet)
 - **Building Height** - applicant is requesting a height of 41'-9" (maximum height is 40 feet).

Plan Consistency:

Living Asheville Comprehensive Plan

- The proposed development supports a number of goals including encouraging responsible growth by providing infill development in targeted growth areas (p. 131) and by increasing the supply of housing, including affordable housing (pp. 179 & 183) in proximity to employment, transit and parks (pp. 246 & 251).
- The Future Land Use map identifies the subject properties as “Downtown” which is described as “the urban mixed-use center of Asheville” and “to encourage high density residential development, which will complement other downtown uses and surrounding neighborhoods.” (p. 339).

WECAN Citizens Master Plan

- The WECAN plan (adopted in 2000) envisioned separating local traffic from interstate traffic by extending Patton Ave. as a city entryway boulevard with small to mid-scale multi-family along the boulevard.

I-26 Connector Project

- The I-26 Connector Project plans have evolved to include a pattern similar to what was first envisioned in the WECAN plan over 20 years ago, and proposes to separate local from interstate traffic along Patton Avenue.
- These plans continue to evolve with final alignments and designs still to be confirmed.
- It is anticipated that the final road design would be most appropriate for multi-story, mixed-use and multi-family development given the strategic location and goals to create an urban gateway boulevard leading into downtown.

Compatibility Analysis:

- The high density residential project is compatible with the small commercial services/offices located to the east and west of the property, and with the other multi-family and institutional uses to the south.
- The property currently abuts controlled access right-of-way for Interstate-240 to the north; however, this portion of right-of-way is for the Patton Ave. exit (Exit 4B) which carries less traffic than the eastbound lanes of I-240.
- Additionally, the site is separated topographically with the ground floor sitting

approximately 30-35' above the grade of the Patton Ave. exit and will include landscape buffering between the building and the road, mitigating the effect of the interstate on residents.

Council Goal(s):

- This project is most closely aligned with the council goal of *A Well-Planned and Livable Community*.

Committee(s):

- Technical Review Committee (TRC) - December 6, 2021 - approved with conditions.
- Planning & Zoning Commission (PZC) - January 5, 2022 - recommends approval unanimously, 7:0.

Staff Recommendation:

- Staff recommends approval of this rezoning request based on the reasons stated above.

Ms. Tuch reviewed the site plan of one building totalling 49,000 gross square feet: 4 stories; 41'-9" tall; 45 units, all affordable; 55 parking spaces (35 structured, 20 surface); 10' wide sidewalk on West Haywood Street; and indoor and outdoor community space. She then showed the building elevations. She reviewed how the project complies the Living Asheville Comprehensive Plan (1) consistent with the Future Land Use map by providing high density residential development; (2) encourages responsible growth by providing infill development in targeted growth areas; (3) increase the supply of housing in proximity to employment, transit and parks; and (4) provides affordable housing options. It also complies with WECAN Citizen's Master Plan by (1) small to mid-scale multi-family; (2) pedestrian improvements; and (3) affordable housing. Some of the conditions include (1) technical modifications (a) density: 52.3 units/acre; (b) building height: 41'-9"; and (c) structure size: 49,000 square feet; (2) mitigating conditions (a) location next to the I-240 interstate and compatibility with other visible buildings along the interstate (Harrah's, Hyatt Place, Hotel Indigo, etc.); (b) architectural style that takes cues from the existing community; (c) consistent with mass/scale of other projects in the Downtown Future Land Use Map area; (d) pedestrian orientation with wide sidewalks; (e) structured parking with minimal surface parking; and (e) new pedestrian street crossing to transit; and (3) public benefits - 45 affordable housing units: permanently affordable; 13 or the 45 units (29%) at 60-80% AMI; 9 of the 45 units (20%) 30-60% AMI; and 23 of the 45 units (51%) will accept housing choice (HUD) vouchers.

Mayor Manheimer opened the public hearing on the land acquisition, Housing Trust Fund loan and the conditional zoning and when no one spoke, she closed the public hearing at 6:37 p.m.

Councilwoman Roney said that it would be great in projects like this in general, that if the community that is going to create a neighborhood here and live and celebrate together, had a hopefulness of one day cooperatively owning this space.

Mayor Manheimer said that members of Council have been previously furnished with a copy of the resolution and it would not be read.

Councilwoman Turner moved to approve a request by Haywood Street Community Development for \$1.3M in funding to purchase land and a \$904,000 Housing Trust Fund loan to construct 45 permanently affordable rental homes on property located at 343 & 357 West Haywood Street in the City of Asheville. This motion was seconded by Councilwoman Mosley and carried unanimously.

Mayor Manheimer said that members of Council have previously received a copy of the ordinance and it would not be read.

Councilwoman Turner moved to approve the conditional zoning request for the property located at 343 & 357 W. Haywood St. from Community Business I (CB I) to Community Business II - Conditional Zone (CB II - CZ) and find that the request is reasonable, is in the public interest, is consistent with the city's comprehensive plan, and meets the development needs of the community in that the request: 1) supports infill development in a strategically located area targeted for growth; 2) provides housing units in proximity to transit, employment and parks, and; 3) supports city goals for affordable housing. This motion was seconded by Councilwoman Mosley and carried unanimously by roll call vote.

ORDINANCE BOOK NO. 34 - PAGE 85

V. UNFINISHED BUSINESS:

A. ORDINANCE NO. 4929 - FAILED ON SECOND AND FINAL READING - ORDINANCE APPROVING BLUE RIDGE RICKSHAW TO OPERATE A PEDI-CAB TRANSPORTATION SERVICE IN VARIOUS AREAS WITHIN THE CITY LIMITS

Mayor Manheimer said that this ordinance was adopted on first reading on February 8, 2022; however, due to state law, franchise agreements require two readings.

When Mayor Manheimer asked for public comment, no one spoke.

Councilwoman Roney moved to adopt Ordinance No. 4929, to include the requirement that the franchise agreement be considered by City Council prior to the expiration of the original agreement and each renewal thereof. This motion was seconded by Councilwoman Wisler and motion failed on a 3-4 vote, with Mayor Manheimer, Councilwoman Kilgore, Councilwoman Mosley and Councilwoman Turner voting "no."

ORDINANCE BOOK NO. 34 - PAGE 76

VI. NEW BUSINESS:

A. REPARATIONS COMMISSION

Mayor Manheimer said that a request was received from City staff to continue this item until March 8, 2022, meeting, and it was the consensus of Council to concur with the delay. Staff is currently working with the neighborhoods to clarify information that needs to be completed and submitted for their final nominations. They should have that information finalized later this week. In an effort to provide clarity around the selection process regarding the Impact Focus Area representatives along with finalizing the neighborhood representatives, the delay will give Council additional time to discuss and make Council's final recommendations.

VII. INFORMAL DISCUSSION AND PUBLIC COMMENT:

After discussion, initiated by Mayor Manheimer, it was the consensus of Council to direct City Manager Campbell to bring back to Council some information regarding the broader issue of city-wide cleanliness and community wide safety at Council's annual retreat in March. Some suggestions recommended by Council included, but were not limited to, an American Rescue Plan Act application for cleanliness; signing bonuses for Police Officers; research other

jurisdictions for comparable pay or Police Captains; other ways to address staffing issues, not only in the Police Department, but in Parking Services and Public Works; coordination with homeless providers; re-think short-term homelessness solutions while planning for the long-term solutions; need to look at the root cause around the cleanliness issue; campaign to clean-up of the City before making plans on how to keep it clean; ask the community for ideas on how to keep our City clean; data (i.e., calls for service) regarding AHOPE's security plan in 30 days to see if their plan is working; need for other organizations, such as BeLoved, to help coordinate clean-up opportunities; after clean-up of city, need for a better maintenance program; need for more sharp containers and a plan to maintain them; need for a legal temporary camping facility; need to keep our website current especially when we are seeking applicants; and spread the word to download the Asheville App to report several issues, and to help identify litter locations.

Mayor Manheimer said that she was not in support of a managed camp site at this time. Hearing from our partners, she is told that we have adequate shelter space. Other cities have explored managed campsites and she understood that was because there wasn't enough shelter space. She has researched those cities and finds that the other models have nonprofit providers that are willing to contract with the City to run those campsites because you have to staff them or they become unsafe immediately. And, you have to provide services for them and we do not have providers in our community that want to step in that role. Councilwoman Turner also did not support the managed campsites.

Having named waste infrastructure and maintenance as well as managed facilities in cities including Missoula, Montana, Councilwoman Roney said that we do not have the capacity to meaningfully address trespassing charges instead. She said we are not providing an answer, other than chasing people from one place to another with the limited resources that we have and not answering other public safety calls for other issues around the City. She believed there is a cost analysis of pros and cons and would like to see what cities are doing and their outcomes.

Several individuals spoke to Council on various topics, some being, but are not limited to: need to clean up downtown; need for 6-lane track at Memorial Stadium; need for a compassionate policy for people who are unhoused and who do not have shelter; Asheville's background from 1883 to 1898; City should stop using the Housing First model and use the successful ABCCM and Rescue Mission models to reduce the cost of homelessness that taxpayers are paying; concerned about the way journalists are treated in our community; crime data analysis numbers are incorrect; and adopt the technology for allowing hybrid meetings.

VIII. ADJOURNMENT:

Mayor Manheimer adjourned the meeting at 8:13 p.m.

CITY CLERK

MAYOR