

Thursday – April 20, 2023 - 11:00 a.m.

Agenda Briefing Worksession - For April 25, 2023 Council Meeting

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

City Council held an agenda briefing worksession to discuss the upcoming and future agenda items. In addition, City Council reviewed an upcoming City Council committee that will be taking place during the next two weeks.

Discussion occurred on the following other issues and updates:

- Independent Review Committee Update
- Pilot Program to Respond to Public Safety Issues Downtown

At 12:35 p.m., Mayor Manheimer adjourned the agenda briefing worksession.

Tuesday – April 25, 2023 - 5:00 p.m

Regular Meeting

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

PLEDGE OF ALLEGIANCE

Mayor Manheimer led City Council in the Pledge of Allegiance.

Mayor Manhemer noted that three firefighters were injured and are recovering from extinguishing a fire this week. She then recognized all our firefighters and their sacrifices they make for us.

I. PROCLAMATIONS:

A. PROCLAMATION PROCLAIMING APRIL 29, 2023 AS “ARBOR DAY”

Mayor Manheimer read the proclamation proclaiming April 29, 2023, as "Arbor Day" in the City of Asheville. She presented the proclamation to Dawn Chavez with Greenworks and the new City’s Urban Forester Keith Aikten, who briefed City Council on some activities taking place during the day.

II. CONSENT AGENDA:

A. APPROVAL OF THE COMBINED MINUTES OF THE AGENDA BRIEFING WORKSESSION HELD ON APRIL 6, 2023, AND THE FORMAL MEETING HELD ON APRIL 11, 2023

B. RESOLUTION NO. 23-84 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A MULTI-YEAR AGREEMENT WITH MILLS RIVER PARTNERSHIP INC. FOR THE MILLS RIVER WATERSHED BEST MANAGEMENT PRACTICES PROJECT

Action Requested: Adoption of a resolution authorizing the City Manager to execute a multi-year Agreement with the Mills River Partnership, Inc., for the Mills River Watershed Best Management Practices project for a not-to-exceed amount of \$180,000.00 over three (3) fiscal years contingent upon funding each year.

Background:

- In 2020, City Council authorized a three year agreement between the City of Asheville Water Resources Department and the Mills River Partnership (MRP) for a not-to-exceed amount of \$180,000 (\$60,000 per fiscal year; approximately \$0.01 per CCF system-wide) to provide financial support of projects intended to protect and/or improve water quality in the Mills River Watershed.
- The department desires to continue to partner with the MRP to help fund water quality projects in the Mills River Watershed.
- The Water Resources Department is willing to provide cost-share funding for projects that are directly related to water quality protection and/or improvement.
- These activities include selection and installation of Best Management Practices to control contamination of the river from storm runoff, and educational materials and activities.
- The City of Asheville has an ongoing interest in watershed management. Water quality in the upper watershed continues to be excellent and overall water quality indices have improved during the past 10 years.
- The strategy now is to focus on efforts to protect and improve water quality.
- Funding initiatives are to be considered with an understanding of their long-term impact on water quality.
- The level of participation recommended is an amount up to \$60,000.00 per fiscal year with the understanding that funding is project-specific and subject to the appropriation of funds.

Vendor Outreach Efforts:

- The Mills River Partnership (MRP) is a not-for-profit organization that addresses water quality in the Mills River watershed. MRP has a diverse board of directors, with members from the agricultural community, local governments, and conservation organizations.
- Formed in 1998, MRP focuses on educating the local community about water quality issues and helping farmers and other landowners implement best management practices to control sediment pollution.
- This is a continuation of services with a vendor that has a unique and singular focus, with no comparable vendors/non-profits. As such, no additional outreach has been conducted.

Council Goal(s):

- A Clean and Healthy Environment.

Committee(s):

- None

Pro(s):

- Opportunity to partner with the Mills River Partnership to strategically address areas of concern in the Mills River watershed.
- Funding from the City of Asheville could make some water quality projects feasible.
- Funding from the City of Asheville could support public education efforts related to water quality protection.
- Projects in the watershed could improve source water and drinking water quality. The City of Asheville Water Resources Department wants to maximize benefits to water quality.

Con(s):

- If the City does not participate in the funding of specific water quality projects, these projects may not occur and there could be potential negative impacts on water quality.

Fiscal Impact:

- The full \$180,000 for the three year agreement is currently planned in the Water Resources Operating Fund for Fiscal Year 2023-24.
- The MRP will only be allowed to request a not-to-exceed amount of \$60,000 per fiscal year for the next three years.

Motion:

- Motion to adopt a resolution authorizing the City Manager to execute a multi-year Agreement for the entire agreement with the Mills River Partnership, Inc., for the Mills River Watershed Best Management Practices project for a not-to-exceed amount of \$180,000.00 over three (3) fiscal years contingent upon funding each year. The level of participation recommended is an amount up to \$60,000.00 per fiscal year for a maximum of three fiscal years with the understanding that funding is project-specific and subject to the appropriation of funds.

RESOLUTION BOOK NO. 44 - PAGE 51

C. RESOLUTION NO. 23-85 - RESOLUTION AUTHORIZING THE CITY MANAGER TO APPLY FOR A LEAD SERVICE LINE REPLACEMENT GRANT THROUGH THE N.C. DEPT. OF ENVIRONMENTAL QUALITY - DIVISION OF WATER INFRASTRUCTURE

Action Requested: Adoption of resolution to apply for Lead Service Line Replacement funding with the N.C. Dept. of Environmental Quality - Division of Water Infrastructure,

Background:

- Water Resources is required to build an inventory of lead or galvanized water service lines and provide it to the NC Department of Environment Quality (NCDEQ) by October 16, 2024.
- Funds awarded through the NCDEQ Division of Infrastructure (DWI) will be used to help identify both private and public water service lines.
- Any lead service lines, lead connections or galvanized service lines will be replaced on both the public and private side if found during the inspection process.
- Funds can be used for replacement of both public and private service lines.
- The inventory project will be performed in 100 percent of areas deemed Underserved Communities by the NCDEQ Community Mapping System and identified as vulnerable by the city's Climate Justice Map.

Vendor Outreach Efforts: NA

Council Goal(s):

- Improve/Expand Core Services

Committee(s): NA

Pro(s):

- Any lead service lines, galvanized lines or lead connectors in the project area will be replaced. Customers will not have to pay for replacement.
- Will help improve the confidence score of service line inventory as required by state and federal regulations.

Con(s):

- If not approved, inventory service line confidence will be lower.

- Lead connectors and galvanized lines preceded by lead will remain in the distribution system in project areas.

Fiscal Impact:

- If awarded, this program will provide a \$2 million interest free loan with potential principal forgiveness for water system improvements that are not currently funded or planned.
- Matching funds are not required for this program.

Motion:

- Motion authorizing the City Manager to apply for a Lead Service Line Replacement Grant through the N.C. Dept. of Environmental Quality - Division of Water Infrastructure.

RESOLUTION BOOK NO. 44 - PAGE 52

D. RESOLUTION NO. 23-86 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH APPALACHIAN PAVING AND CONCRETE FOR THE FISCAL YEAR 2023 AMERICANS WITH DISABILITIES ACT RAMP PROJECT

Action Requested: Adoption of a resolution authorizing the City Manager to execute a contract with Appalachian Paving and Concrete, Inc. in the amount of \$205,235.00, plus a 16% contingency of \$32,838.00 (\$238,073.00 total) for the Fiscal Year (FY) 2022-23 Americans with Disabilities Act (ADA) Ramps contract.

Background:

- The main scope of the project is the improvement of 24 ADA ramps and associated infrastructure in the South French Broad Avenue, Livingston Street and Choctaw Street area.
- The sites were selected based upon a sidewalk condition survey conducted by City staff. There were several areas that were found to have clusters of non-compliant maps.
- This particular area was selected as being an underserved area.
- A project location map is included with this staff report.
- The contract was advertised on February 27, 2023 and bids were opened on March 22, 2023.
- The following bids were received:

Appalachian Paving and Concrete, Inc. of Swannanoa, NC	\$205,235.00
Harrison Construction Company of Asheville, NC	\$433,512.00

- The contract is expected to be available on June 1, 2023, and the contractor has 60 days from the notice to proceed to complete all work.

Vendor Outreach Efforts:

- Staff performed outreach to minority- and women-owned businesses through solicitation processes which include posting on the State’s Interactive Purchasing System and requiring prime contractors to reach out to Minority & Women-Owned Business Enterprise (MWBE) service providers for subcontracted services.
- Staff also checked the City of Asheville List of Certified Businesses, the NC Historically Underutilized Business Database, and the NCDOT MWBE databases for potential contractors.
- Two companies from an identified disparity group (Black American) were found in the ten-county area and staff directly contacted those companies.
- Neither company submitted a bid.
- One woman-owned business was also directly contacted and that company submitted a bid.
- Two Hispanic-owned businesses were directly contacted and neither company submitted a bid.
- 100% of the contract funding will be spent with women-owned businesses.
- The pavement striping company is New Dimensions of Fletcher, NC.

Council Goal(s):

- Well-Planned and Livable Community

Committee(s): None

Pro(s):

- The award of this contract will improve 24 ADA ramps and their associated infrastructure.

Con(s):

- This construction work, although performed via a contractor, will also use City staff administrative time to ensure the work is properly performed.
- The work will be disruptive to pedestrian and vehicular traffic.

Fiscal Impact:

- Funding for this contract was previously budgeted and is available in the ADA Infrastructure Improvement allocation in the General Capital Projects Fund.

Motion:

- Motion to adopt a resolution authorizing the City Manager to execute on behalf of the City of Asheville a contract with Appalachian Paving and Concrete, Inc. in the amount of \$205,235.00 plus a 16% contingency of \$32,838.00 for a total of \$238,073.00, for the project known as FY 2023 ADA Ramps.

RESOLUTION BOOK NO. 44 - PAGE 53

- E. RESOLUTION NO. 23-87 - RESOLUTION AUTHORIZING THE CITY MANAGER TO APPLY FOR A LOCAL ASSISTANCE STORMWATER INFRASTRUCTURE INVESTMENTS GRANT WITH THE N.C. DEPT. OF ENVIRONMENTAL QUALITY - DIVISION OF WATER INFRASTRUCTURE AND/OR STATE REVOLVING FUNDING FOR STORMWATER ASSET INVENTORY AND ASSESSMENT SERVICES, AND AUTHORIZING THE CITY MANAGER TO SIGN ALL DOCUMENTS ASSOCIATED WITH THE ACCEPTANCE OF FUNDS ONCE AWARDED**

Action Requested: Adoption of a resolution authorizing the City Manager to apply for a Local Assistance for Stormwater Infrastructure Investments (LASII) Grant with the N.C. Department of Environmental Quality - Division of Water Infrastructure for Stormwater asset inventory and assessment services; and authorizing the City Manager to sign all documents associated with the acceptance of funds if awarded.

Background:

- The Local Assistance for Stormwater Infrastructure Investments (LASII) Program, which is a competitive grant program administered by Department of Environmental Quality – Division of Water Infrastructure (NCDEQ-DWI), has approximately \$6.3 million remaining from an initial \$24.6 million assigned in 2022 specifically for planning grants.
- These planning grant funds can be used to conduct stormwater asset inventory and assessments, stormwater modeling (hydrologic and hydraulic), and engineering concept plans or designs.
- The funding request limit per entity is \$400,000. No match is required, but the State requires an authorizing resolution from its governing body as a component of the application package.
- Although the source of the LASII funds are from the American Rescue Plan Act (ARPA) and the City received APRA funds from NCDEQ-DWI for its water system, the programs are separated in the enabling legislation; therefore, the City's ability to receive additional ARPA funds through the LASII program for stormwater is not impacted if selected.

- If the planning grant is awarded, the Public Works Department - Stormwater Division will use the funds to conduct a Stormwater Asset Inventory and Assessment project.

Council Goal(s):

- A Clean and Healthy Environment
- A Financially Resilient City

Committee(s):

- N/A

Pro(s):

- This is a great opportunity to leverage state grant funds (no match) to move forward with the capital priority that has been established related to system mapping and infrastructure assessment.
- The integration of the inventory and assessment would support the need for infrastructure rehabilitation and replacement and also address stakeholder desires for resiliency, equity, and water quality protection.

Con(s):

- This planning grant award will not fund the entire Stormwater Asset Inventory and Assessment services project, but the grant funds will be directed toward mapping the areas of the stormwater system that are underserved or in the greatest need.
- A small fiscal impact is likely in the form of staff time to administer a contract for Stormwater Asset Inventory and Assessment services.

Fiscal Impact:

- If awarded, the grant would partially offset the cost of a planned project in the Stormwater Fund.
- Matching funds are not required for this grant.

Motion:

- Motion to adopt a resolution authorizing the City Manager to apply for a Local Assistance for Stormwater Infrastructure Investments (LASII) Grant with the N.C. Department of Environmental Quality - Division of Water Infrastructure for Stormwater Asset Inventory and Assessment services; and authorizing the City Manager to sign all documents associated with the acceptance of funds if awarded.

RESOLUTION BOOK NO. 44 - PAGE 54

F. RESOLUTION NO. 23-88 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT AMENDMENT WITH SWIM CLUB MANAGEMENT GROUP TO ADD THE MANAGEMENT AND OPERATION OF THE NEW GRANT CENTER POOL

Action Requested: Adoption of a resolution authorizing the City Manager to execute an amendment to the contract with Swim Club Management Group, Inc., of Asheville, North Carolina, for management of City aquatic facilities.

Background:

- A Request for Proposals, issued in February 2021, was advertised for interested companies to operate and maintain the two (2) City of Asheville pools and Splashville interactive fountain for one (1) year with an option to renew for an additional two (2) years.
- Swim Club Management Group Inc. was awarded the contract in March 2021 based on the qualifications, understanding of the scope of services, cost, availability, and the ability to provide

all labor, materials, and supplies for the operations and management of the City's aquatic facilities.

- The original contract amount had a not to exceed amount of \$191,000 accounting for one season of management operations and to ensure the management company could be successful.
- On January 11, 2022, City Council approved a resolution to contract with Harper Corp., for the Dr. Wesley Grant Sr. Center Expansion Project which includes a new swimming pool, which is scheduled to be open 3 months earlier than originally planned.
- The Swim Club Management contract was amended on March 22, 2022 with a revised not to exceed amount to \$506,113, to account for a full three year contract for management of two (2) pools and Splashville.
- This current amendment adds the operation and management of the Grant Center Pool, with a June 2023 completion, and clarifies roles and responsibilities for the management of the splash pad.

Vendor Outreach Efforts:

- N/A - This is an amendment to an existing contract.

Council Goal(s):

- A well-planned and livable community

Committee(s):

- None

Pro(s):

- Contracting with a professional aquatic facilities management company for operations and maintenance ensures community pools will be operated in a safe, efficient manner and eliminate the obstacles associated with retaining an adequate number of certified staff.
- Reduces the seasonal hiring impacts on the Human Resources Department to recruit, hire and on-board temporary employees.
- Community pool operations will be operated with an adequate number of certified staff for the pool season.
- Allows the Grant Center Pool to operate in the summer of 2023 with the same operational schedule as Malvern Hills Pool.

Con(s):

- None

Fiscal Impact:

- Funding for year 3 of this contract, \$210,494, is available in the Parks & Recreation operating budget.

Motion:

- Motion to authorize the City Manager to execute this amendment to the contract with Swim Club Management Group, Inc., for the operations and management of city aquatic facilities, adding the Grant Center Pool, for a total revised contract amount not to exceed \$539,319.90.

RESOLUTION BOOK NO. 44 - PAGE 56

- G. RESOLUTION NO. 23-89 - RESOLUTION AUTHORIZING THE CONVEYANCE OF CITY-OWNED PROPERTY ON HUNT HILL PLACE TO A NON-PROFIT ORGANIZATION KNOWN AS KL TRAINING SOLUTIONS FOR COMMUNITY DEVELOPMENT PURPOSES**

Action Requested: Adoption of a resolution authorizing the conveyance of City-owned property on Hunt Hill Place to a non-profit organization known as KL Training Solutions for community development purposes.

Background:

- The City of Asheville owns real estate at 3 Hunt Hill Place that was previously occupied by the Asheville Parks and Recreation Asset Management Division. The property is now vacant.
- KL Training Solutions has submitted a proposal to utilize the property 3 Hunt Hill Place to house the My Daddy Taught Me That, My Sistah Taught Me That and My Daddy Taught Me That Jr. youth development programs.
- The City is familiar with the success of My Daddy Taught Me That and its affiliated programs through its award of CDBG and Strategic Partnership Funds in support of these programs over the past several years.
- KL Training Solutions is requesting the conveyance of the property for \$1 for this use.
- These programs provide youth with college readiness, mentorship, career training, and enrichment opportunities and are focused on the needs and opportunities that are most relevant to youth of low to moderate income.
- With the acquisition of this building, My Daddy Taught Me That will be able to continue and expand its programming to address the opportunity gap for low and moderate income youth, prevent youth violence through mentoring, provide job training opportunities, and expose youth to life-changing events.
- This site will host educational and mentoring programming, academic enrichment, community events, and have job training and business preparedness workshops.
- The conveyance of the Hunt Hill property for this purpose will provide community development services and support the City's vision of reducing the educational achievement gap as well as the United for Youth goal that by 2035, all Asheville City and Buncombe County students graduate from high school ready and fully prepared to pursue their goals and dreams.
- The deed given by the City will include deed restrictions that the property may only be used for the public use of provision of community development programs and activities by this non-profit.
- This shall limit the use of the property to the following: Programs concerned with employment, economic development, crime prevention, child care, health, drug abuse, education, and welfare needs of persons of low and moderate income.
- The City will grant a shared access easement on its adjacent property to allow access to the rear of the property.
- This easement will be a non-exclusive access easement measuring approximately 4,200 square feet at the rear of the property located at the existing gated entrance.

Council Goal(s):

- Connected and Engaged Community
- A Diverse Community

Committee(s):

- The Housing and Community Development Committee reviewed this item at their meeting on April 18, 2023 and unanimously (3-0) recommended it move to City Council.

Pro(s):

- Property will be used to benefit the community through low and moderate income youth oriented programming.
- Repurposes a former maintenance facility into a community use.

Con(s):

- None

Fiscal Impact:

- The City will be compensated \$1.00 for the conveyance of this property.

Motion:

- Motion to approve a resolution authorizing the conveyance of City-owned property on Hunt Hill Place to a non-profit organization known as KL Training Solutions for the public purpose of community development programs for low and moderate income youth.

Five individuals expressed concern about the purpose and process for Strategic Partnership Fund allocation including: outreach; inclusion of small, lesser established organizations; need for more/current funding while pursuing additional funding for next cycle; groups presently doing work with youth are being underfunded; and children experiencing dire issues in our community. It was also requested that the City follow the County's lead in posting the agenda the Wednesday before the Tuesday meeting.

Councilwoman Roney said that for “the students you all work with, I work with, and can't be here tonight, there are deep needs in our community, and many opportunities for the City to bolster partnership instead of perpetuating scarcity narrative. We find the funding for the things we care about, and we need to show up for our youth in a serious way. Tonight, while I hear concern, it's also a time for celebration! I will be honored to vote in support transfer of Hunt Hill to KL Training of this at our Council meeting this Tuesday as one of many steps towards investing in partnership for neighborhood resiliency, community safety, place making for our youth, violence interruption, and anti-displacement/anti-gentrification efforts in the historic Black neighborhood of East End/Valley Street as well as the ripple effects in our community at large. Let's take this step forward, we have a long way to go.”

RESOLUTION BOOK NO. 44 - PAGE 57

H. RESOLUTION NO. 23-90 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A THREE-YEAR CONTRACT WITH BENEVATE D/B/A NEIGHBORLY INC. TO PROVIDE A GRANT MANAGEMENT SOFTWARE FOR THE COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT

Action Requested: Adoption of a resolution authorizing the City Manager to enter into a three-year contract with Benevate dba Neighborly, Inc. to provide grant management software for the Community and Economic Development Department (CED).

Background:

- The CED team manages multiple grants and grant contracts, including Strategic Partnership Funds (approximately \$242,000 in grants awarded annually) and both Community Development Block Grants and HOME grants (approximately \$3 million in grants awarded annually), and requires the appropriate resources to support this work.
- Procuring specific grant management software is a top priority of the Community and Economic Development Department because it will be an essential tool to improve outcomes in the administration of these important funding programs.
- CED currently utilizes, at a minimum, three external software sources to manage grant lifecycles and associated grantee activities.
- This creates departmental bottlenecks and inefficiencies.
- A comprehensive grant management software will eliminate these bottlenecks while providing greater departmental efficiency and strengthening employee capacity.
- In order to obtain this software, CED utilized the City's Request for Proposals (RFP) process, for which six vendors submitted proposals.
- Of the proposals submitted, Benevate dba Neighborly, Inc. was selected as the highest rated vendor to provide the needed software.

- Neighborly was selected due to their Firm Qualification and Corporate Experience, which was shown by their exemplary performance in providing a reliable and comprehensive grant management software for many HUD Entitlement Communities across North Carolina as well as other Entitlement Communities across the United States.
- This proposed contract includes an initial three-year term and two one-year renewals.

Vendor Outreach Efforts:

- Staff performed outreach to minority- and women-owned businesses in the solicitation process, which included posting the RFP on the State’s Interactive Purchasing System.
- Staff also performed outreach via emailing the Notification of Request for Proposals to possible MWBE software vendors as provided by the Business Inclusion Office.
- No MWBE firms submitted bids and all work will be self performed by the prime contractor.

Council Goal(s):

- Improve/Expand Core Services

Pro(s):

- Enhance departmental efficiency and strengthen employee capacity.
- Streamline processes for grantees throughout end-to-end granting processes.
- Improve CED processes through outward-facing transparency.
- Remove inefficiencies created by maintaining multiple external software accounts to manage grants and the grant process.

Con(s):

- None.

Fiscal Impact:

- The total cost for this initial three-year term is \$102,800, broken down as follows: first-year cost of \$47,600; subsequent two years cost of \$27,600 each.
- The total five year expenditure is not to exceed \$150,000.
- Funding for this contract is available in the CED operating budget.

Motion:

- Motion authorizing the City Manager to enter into a three-year contract with Benevate dba Neighborly, Inc. to provide a grant management software for the Community and Economic Development Department.

RESOLUTION BOOK NO. 44 - PAGE 58

I. ORDINANCE NO. 5006 - BUDGET AMENDMENT FROM THE FEDERAL TRANSIT ADMINISTRATION FISCAL YEAR 2020,-2021 SECTION 5307 JOB ACCESS REVERSE COMMUTE FUNDS

Action Requested: Adoption of a budget amendment in the amount of \$30,000 from Federal Transit Administration (FTA) Fiscal Year (FY) 2020-21 Section 5307 Job Access Reverse Commute funds.

Background:

- Annually, the French Broad River Metropolitan Planning Organization (FBRMPO) holds a call for projects for FTA Section 5307 Job Access Reverse Commute (JARC) and determines how these funds will be distributed to transit agencies in the region that have applied.
- As the “Designated Recipient” the City receives, and then disburses, those funds to transit subrecipients in the region per the FBRMPO’s approved allocations.

- A budget amendment of \$30,000 is needed in order to disburse Federal FY 2020-21 FTA Section 5307 JARC funds to Friends of Land of Sky for their Recovery to Career Vanpool Program in the total amount of \$40,000.
- Staff previously encumbered \$10,000 for this purpose, so \$30,000 is what is needed in the budget amendment for the local match.
- The chart below outlines the total amount funded in FY 2020-21 to Friends of Land of Sky, the Section 5307 JARC subrecipient.

FY 2020-21 Section 5307 JARC Funds			
Subrecipient	Project	Amount Funded	Local Match
Friends of Land of Sky	Recovery to Career Vanpool Program	\$40,000	\$40,000
Total		\$40,000	\$40,000

Council Goal(s):

- Transportation and Accessibility
- Improve/Expand Core Services

Committee(s):

- None

Pro(s):

- Project funding is provided by the Federal Transit Administration.

Fiscal Impact:

- This pass-through funding requires no City resources and has no fiscal impact; the subrecipient is responsible for the grant's required local match.

Motion:

- Motion to adopt a budget amendment in the amount of \$30,000 from Federal Transit Administration FY 2020-21 Section 5307 Job Access Reverse Commute funds.

ORDINANCE BOOK NO. 34 - PAGE 386

J. RESOLUTION NO. 23-91 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH NHM CONSTRUCTORS, LLC, FOR THE NEW LEICESTER HIGHWAY SIDEWALK CONSTRUCTION PROJECT

Action Requested: Adoption of a resolution authorizing the City Manager to execute a construction contract with NHM Constructors, LLC in the amount not to exceed \$2,209,905 plus a 10% construction contingency of \$220,990. for a total not to exceed contract of \$2,430,895

Background:

- Council Resolution 15-223 authorized an interlocal agreement between the City of Asheville and the NC Dept. of Transportation to allow for the City of Asheville to construct a sidewalk along New Leicester Highway from Patton Avenue to the City Limits.
- This 2015 Grant provides for federal funding of \$2,904,000 plus a local match of \$726,000 for a total construction budget of \$3,630,000.

- Council Resolution 16-270 authorized for the execution of a design contract for the subject sidewalk along New Leicester Highway.
- Council Resolution 20-135 authorizes an interlocal agreement between the City of Asheville and Buncombe County regarding the maintenance of a portion of the subject sidewalk.
- Temporary and permanent easements from 25 different property owners were obtained in order to allow for the construction of the subject sidewalk.
- In February, 2023 construction bids were advertised for 45 days, and only one bid was received.
- Because a minimum of three bids are required, the bid was returned unopened.
- The project was readvertised for bids on March 22, 2023 and received two bids on April 6, 2023.
- The two bids received were from Whittier, NC based Buchanan and Sons for \$3,626,000; and Asheville based NHM Constructors, LLC for \$2,209,905.

Vendor Outreach Efforts:

- Due to the federal funding involved in this project, the Federal Disadvantaged Business Enterprises program is being applied. The federally established goal for this project is 3% participation.
- Staff performed outreach to minority and women owned businesses through solicitation processes which include posting on the State's Interactive Purchasing System and requiring prime contractors to reach out to Minority & Women-Owned Business Enterprise (MWBE) service providers for subcontracted services.
- NHM Constructors, through their outreach efforts is committing to utilizing 26.77% participation utilizing Concrete Specialty Contractors, a DBE/WBE subcontractor.

Council Goal(s):

- A well planned and liveable community

Committee(s):

- n/a

Pro(s):

- Provides for sidewalk construction in an area with a demonstrated need for safe pedestrian access.
- Utilizes federal funded grant dollars to maximize the local funding.

Con(s):

- None

Fiscal Impact:

- Funding for this contract was previously budgeted and is available in the General Capital Projects Fund.

Motion:

- Motion to adopt a resolution authorizing the City Manager to execute a construction contract with NHM Constructors, LLC in the amount not to exceed \$2,209,905 plus a 10% construction contingency of \$220,990. for a total not to exceed contract of \$2,430,895

RESOLUTION BOOK NO. 44 - PAGE 59

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 Mosley moved for the adoption of the Consent Agenda. This motion was seconded by Councilwoman Turner and carried unanimously.

III. PRESENTATIONS & REPORTS:

A. STATE OF THE AIRPORT

Lew Bleiweis, President and CEO of the Asheville Regional Airport Authority, provided Council with a year in review of the Airport. He reviewed the five-year annual passenger trend, passenger growth, third busiest airport in the state, economic growth and employment growth. He explained the more flights coming, the terminal expansion project, Federal Aviation Administration grants and bonds, parking, land development, south general aviation apron rehab, and master plan update. He explained the runway 5K, the AVL team generosity, the AVL passenger programs, and the sources of authority revenue.

Councilwoman Roney noted appreciation for connectivity through the airport while looking forward to different kinds of investments in multi-modes of transportation to get to Asheville, namely via train

B. MANAGER'S REPORT

CITY COUNCIL RETREAT FOLLOW-UP

Assistant City Manager Rachel Wood provided Council with the following presentation overview (1) overview of Vision 2026 and Retreat Revisions to Vision Framework; (2) discuss retreat feedback on strategic priorities and efforts underway to implement Council priority direction; (3) review and provide feedback on strategic priority goals drafted at City Council retreat and review suggested consolidated goals; overview of example initiatives/efforts for each strategic priority; and discuss next steps. The key takeaways from this presentation as follows: (1) City Council Vision is multi-year and aspirational in nature, serves as the guidepost for City Council and the organization to deliver services to the community; (2) City Council strategic priorities establish the key areas of focus for a specific fiscal year; (3) with the development of the proposed strategic priority goals, City Council has provided clarity in terms of outcomes and intended impacts related to their strategic priorities; and (4) staff will continue to enhance processes to further align projects, programs and initiatives underway across the organization with City Council priorities.

Ms. Wood explained the progress since the retreat (1) staff reviewed the 70 draft goal statements developed during the March 2023 retreat and identified opportunities to consolidate them; (2) Fiscal Year (FY) budget requests were reviewed and prioritized based on alignment with strategic priority goals; (3) draft FY 2024 organizational work plan projects were reviewed and updated to ensure alignment with strategic priority goals; and (4) staff is now seeking feedback to finalize the FY 2024 strategic priority goals and preferred methods to communicate progress on those goals throughout the fiscal year - staff consolidated the list of draft goals to 30 strategic priority goals.

Regarding equitable and affordable housing and stability, there are 11 draft strategic priority goals (some duplicates or very similar). Themes identified include homeownership retention; housing policy; housing supply; and transportation access. Using a chart, she showed the draft goal from the retreat and then the suggested consolidated goal, along with examples of ongoing investments/initiatives and FY 2024 investment/initiatives.

Regarding homelessness strategies, there are 10 draft strategic priority goals (some duplicates or very similar). Themes identified include improved coordination; National Alliance to End Homeless recommendations; and supportive services. Using a chart, she showed the draft goal from the retreat and then the suggested consolidated goal, along with examples of ongoing investments/initiatives and FY 2024 investment/initiatives.

Regarding improve and expand core services, there are 12 draft strategic priority goals (some duplicates or very similar). Themes identified include employee investments; infrastructure investments; community engagement; clean and safe environment for residents; and service provision. Using a chart, she showed the draft goal from the retreat and then the suggested consolidated goal, along with examples of ongoing investments/initiatives and FY 2024 investment/initiatives.

Regarding neighborhood and climate resilience, there are 15 draft strategic priority goals (some duplicates or very similar). Themes identified include reprioritize and implement recommendations from Municipal Climate Action Plan, Climate Justice, and Emergency/Continuity of Operations Plans; master planning; neighborhood coalitions; and waste stream reduction and sustainability efforts. Using a chart, she showed the draft goal from the retreat and then the suggested consolidated goal, along with examples of ongoing investments/initiatives and FY 2024 investment/initiatives.

Regarding reimagining public safety, there are 12 draft strategic priority goals (some duplicates or very similar). Themes identified include violence interruption; innovative public safety solutions; community responder program; and neighborhood safety. Using a chart, she showed the draft goal from the retreat and then the suggested consolidated goal, along with examples of ongoing investments/initiatives and FY 2024 investment/initiatives.

Regarding reparations, there are 10 draft strategic priority goals (some duplicates or very similar). Themes identified include reparations funding; and reparations goals. Using a chart, she showed the draft goal from the retreat and then the suggested consolidated goal, along with examples of ongoing investments/initiatives and FY 2024 investment/initiatives.

Ms. Wood said that next steps include (1) finalize the FY 2024 budget; (2) finalize the FY 2023 Council Committee work plans; (3) finalize the FY 2024 organizational work plan and FY 2024 departmental work plans; (4) finalize and present the FY 2023 annual report; (5) enhance performance management and communication to include new website that will launch in summer 2023 - improve output measures and develop meaningful outcome measures; and (6) continue working with advisory boards to align their work with initiatives and policy review considerations in the Council Committee and organizational work plans.

Ms. Wood responded to Councilwoman Ullman when she asked if the City is aligning the Council Committees with advisory boards.

There was considerable discussion regarding the method used for the 70 draft goal statements and the excellent work to date by staff on the strategic priority goals follow-up; however, it was the consensus of Council to have a worksession in order to gain consensus on which of the goals have the majority Council support.

AFTER ACTION REPORT SUMMARY OF WATER OUTAGE INCIDENT IN DECEMBER 2022

Assistant City Manager Ben Woody reviewed the following key takeaways from this presentation: (1) Following the December 2022 Water Outage Incident, the Water Resources Department (WRD) carried out a root cause analysis to compile incident information and procedures for further analysis; (2) Internal after-action reporting is carried out by staff after any incident and is a common operational practice and typically not distributed to the public or Council; (3) The goal of an after-action report is to identify any system adjustments or improvements that can be made to better service the community and provide a more efficient and effective response to future incidents; (4) The Water Resources Dept. presented preliminary findings to Council at their January 10, 2023 meeting. A more detailed analysis of the incident causes and possible improvements were then used to create the After-Action Report/Improvement Plan to guide operational improvements; and (5) The report was requested and

released to the Independent Review Committee that was formed to conduct a deeper assessment and analysis of the incident. It was also released to the media in response to a public records request. Staff should have also notified and provided copies of the report to Council once it was decided that the report would be released.

Assistant Water Resources Director Leslie Carreiro said an After-Action Report is a document that summarizes key information gathered during the evaluation of an incident. The report identifies improvements, and provides for a more efficient and effective response to future incidents. This type of report is technical in nature and is a best practice. The Water Resources Dept. (WRD) deals with a multitude of common and uncommon incidents on a regular basis. Therefore, the WRD completes these types of reports for a variety of situations.

She said the typical process the WRD follows for incidents that impact the safety of the customer, employee, or the environment is to complete a Root Cause Analysis. The WRD uses the Corrective Preventive Action Report form to determine the cause, solutions, short and long term changes and deadlines. The incident at Christmas was large and complex. Therefore, Homeland Security's After Action Report/ Improvement Plan format was utilized.

Objectives of the After-Action Report (1) Compile and review data collected during the incident; (2) The After-Action Report further analyzed: (a) Causes for Mills River Water Treatment Plant (MRWTP) going offline; (b) Loss of water service in Southern and Western Areas; (c) Increase resiliency during extreme weather events; (d) Customer communication improvements; and (e) Determine potential outside resources; (2) Reflect on the strengths and weaknesses of each objective during incident; and (3) Determine and implement actions for improvement.

She said the following is the status of identified improvements (1) Many of the corrective action items listed within the Improvement Plan have already been completed (a) More comprehensive list of equipment, specifics and vendors; (b) At Mills River Plant: new feed lines, extra insulation, replacement of mechanical equipment; and (c) Staffing to perform essential functions and a department Public Information Officer have been requested in the Fiscal Year (FY) 2024 budget; (2) Long term improvements continue - Examples: CIP planning, regular scheduled cross-training and mentoring during incidents; and (3) Other improvements will be addressed with the MRWTP Miscellaneous Plant Improvements - Phase 2.

Mr. Wood then summarized the events as follows: (1) December 29, 2022: public records request received for an after-action report; (2) January 4, 2023: water service is fully restored; (3) January 10, 2023: staff presentation to council; (4) Summary of incident and communication timelines; (5) Review of immediate after incident actions; (6) Establishment of Independent Review Committee; (7) January 9th - 24th, 2023: Water staff held functional area meetings to discuss the root causes for the various issues encountered during the incident; (8) January 30, 2023: The After Action Report was completed and Water staff began implementing the Improvement Plan; (9) March 1, 2023: the Report was released to the Independent Review Committee under a non-disclosure agreement; and (10) April 19, 2023: the Report was released to the media after the redaction of sensitive security information.

When Councilwoman Roney asked why after-action reports are not public records, Mr. Woody responded that the reports are done by the departments and they are operational and internal documents. They are public records, but documents with sensitive security information would be redacted in those parts before the record could be produced.

In response to Councilwoman Roney about why the report was available, but not released, City Attorney Branham explained that after the After-Action Report was completed, it was then requested by and released to the Independent Review Committee (IRC) for their first meeting on February 20, with a non-disclosure statement. During the time between January 30 and April 19, the report had to be reviewed by legal and operational staff to determine and redact any sensitive or secure information. In

addition, the City Attorney's Office has one Public Records Officer who responds to hundreds of public records requests as quickly as possible, and this can create some delays. Mayor Manheimer felt the timeline should be clarified to include this information.

Throughout considerable discussion, Mr. Woody and Water Resources Director David Melton responded to various questions/comments from Council, some being, but are not limited to: will the IRC report contain recommendations to avoid future problems or missing critical steps; what is the budget for implementation of real-time data; and concern that the After-Action Report was completed at the end of January and not provided to City Council until April 19.

IV. PUBLIC HEARINGS:

A. PUBLIC HEARING TO CONSIDER A CONDITIONAL ZONING OF 16 RESTAURANT COURT FROM OFFICE/BUSINESS DISTRICT TO RESIDENTIAL EXPANSION/CONDITIONAL ZONE

ORDINANCE NO. 5007 - ORDINANCE TO CONDITIONALLY ZONE 16 RESTAURANT COURT FROM OFFICE/BUSINESS DISTRICT TO RESIDENTIAL EXPANSION/CONDITIONAL ZONE

Urban Planner Clay Mitchell said that this is the consideration of an ordinance to conditionally zone 16 Restaurant Court from Office/Business District to Residential Expansion/Conditional Zone for the purpose of developing multi-family affordable housing. This public hearing was advertised on April 14 and 21, 2023.

Action Requested: Adoption of an ordinance to conditional rezone property located at 16 and 18 Restaurant Court from Office Business (OB) to Residential Expansion - Conditional Zone (RES EXP - CZ).

Project Location and Contacts:

- The project site totals 1.31 acres located at 16 and 18 Restaurant Court (PIN [9658-08-2350](#))
- Owner: Mountain Housing Opportunities, Inc.

Summary of Petition:

Project Site

- The project site consists of one parcel totalling 1.31 acres located at 16 Restaurant Court.
- The site is currently zoned Office Business (OB).
- Given the size of the project (over 50 residential dwelling units) a conditional zoning to the Residential Expansion - Conditional Zone (RES EXP - CZ) district is required.
- The project site is currently an open vacant lot with tree growth along external property boundaries.
- The open area of the lot is flat with existing retaining walls present along the front west and eastern boundaries.
- The Future Land Use map designates the property as "Urban Corridor" that directly abuts "Traditional Neighborhood".
- A change in the FLU designation will not be required.

Overall Project Proposal

- New building construction includes a 60-unit, four-to-five story multi-family building and one single-story community amenity building.
- Other site improvements include expanded off-street parking, new sidewalks, and outdoor amenities such as a playground and covered picnic area.
- 100% of the units will be affordable at an overall average level below 80% of AMI for a minimum of 40 years. The developer is targeting a mix of units at 60% to 30% of AMI.

- Approximately 20% of the units are designated for youth aging out of foster care.

Site Layout and Design

- Maximum building height for multifamily buildings in the RES EXP district is 60 feet. The maximum building height of the proposed project is approximately 42 feet, as measured to the ceiling of the highest occupiable floor.
- Maximum density in the RES EXP district is 50 units/acre for this project, since at least 20% of the dwelling units are affordable at 80% AMI.
- The proposed project's density is 45.8 units/acre.
- Rear yard and side yard setbacks of 15 feet are proposed as is required in the RES EXP district.
- Front yard setbacks are requested at 5 feet (where 15 feet is required) as part of the technical modifications.
- Maximum impervious surface in the RES EXP district for multifamily uses is 80%.
- The proposed project would result in a total impervious area of 53%.

Landscaping and Open Space

- Landscape requirements apply, including street tree, parking lot, building impact, and property line buffers.
- The RES EXP district requires a 20 foot-wide "Type A" landscape buffer where the subject property is adjacent to any other residentially zoned property, which is required along the western and southern property boundary where the site is adjacent to the RM-6 zoning district.
- The project is classified as "urban" under the Tree Canopy Preservation standards and has a classification of "Class B".
- Based on the proportion of these classifications, the existing tree canopy, and the proposed tree preservation, a total of 6,055 square feet (10%) of tree canopy preservation is required, which the project is meeting through preservation on-site.
- Open Space is required at a rate of 20% of the site as the project meets the incentive requirements for affordable housing and enhanced stormwater management, resulting in 0.26 acres of required open space, which the project is providing.

Access, Sidewalks and Parking

- Two transit spots located along Tunnel Road at Kenilworth Road are about 0.1 miles from the site. These locations serve four separate transit routes. The southbound stop is a sign on the sidewalk. The applicant is seeking guidance on the feasibility of upgrading infrastructure at this location.
- Access to the site will be provided by a new proposed driveway on Restaurant Court.
- The project will include a total of approximately 20 standard parking spaces and 8 accessible spaces.
- The minimum number of parking spaces provided will be 20 spaces.
- Based on the number of bedrooms and dwelling units, the minimum/maximum number of required parking spaces is 60/120 for the RES EXP district.
 - The project is seeking a technical modification for this requirement.
- Bicycle parking is required at a rate of five percent of the total number of vehicle parking spaces.
- The RES EXP district requires new 10 foot-wide sidewalks be constructed, both along the primary access corridor and internally throughout the site.
- An existing sidewalk and planting strip is present along Restaurant Court.
- The project is proposing new sidewalks varying in width from 5-10' internal to the site and connecting to the existing sidewalk along the common building frontage.
 - The project is seeking technical modifications related to the existing sidewalk and internal sidewalk requirements.

Technical Modifications

- The project is seeking technical modifications to development standards through the conditional zoning process including:

- Front setback of 5 feet where 15 is required.
- Minimum of five foot-wide sidewalks internal to the site instead of the required 10 foot-wide standard.
- Maintain existing sidewalk along Restaurant Court where new 10 foot wide sidewalk is required.
- No bike lanes into the development, but the developer has agreed to install bike sharrows on the entrance drive into the development.

Consistency with the Comprehensive Plan and Other Plans:

Living Asheville Comprehensive Plan (2018)

- The proposed development supports a number of goals in the Living Asheville Comprehensive Plan, including:
 - **Encourage Responsible Growth** - by providing infill development in targeted growth areas.
 - **Increase and Diversify the Housing Supply** - by increasing the supply of housing, including affordable housing in proximity to schools, transit and parks.
 - **Promote the Development and Availability of Affordable and Workforce Housing** - by leveraging city resources for the development and maintenance of subsidized housing, including housing for low- and moderate-income families and individuals, senior housing, and workforce housing.
- The proposed development is compatible with the Future Land Use designation of "Urban Corridor" that abuts "Traditional Neighborhood".
- Urban Corridor supports "infill redevelopment in the form of mixed-use residential, commercial and office uses that place emphasis on pedestrian-friendly amenities and infrastructure" and "multi-modal mobility"..
- Abutting "Traditional Neighborhood", the project enhances a transition to neighborhoods that offer opportunities for infill housing in order to improve the supply and mix of housing options."

Compatibility Analysis:

- The proposed multi-family residential project is compatible and provides a transitional element with the surrounding land uses, including:
 - Twelve densely developed housing units to the south along Beaucatcher Road.
 - Suburban commercial uses located generally to the east of the project site along Tunnel Road.
 - Single-family houses located further to the west and south of the project site.

Council Goal(s):

- This project is most closely aligned with the council strategic priorities of A Well-Planned and Livable Community & *Equitable & Affordable Housing & Stability*.

Committee(s):

- Technical Review Committee (TRC) - March 6, 2023 - approved with conditions.
- Planning & Zoning Commission (PZC) - April 5, 2023 - approved (Vote: 4-0) with the following conditions: 1) bike sharrows be installed on the entrance drive.

Staff Recommendation:

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

Mr. Mitchell reviewed the existing and proposed zoning, the aerial imagery and the future land use map. About the site plan, he said (1) 100% affordable housing; (2) Multiple agency and fiscal incentive support in process; (3) One four story main building - 60 residential units. One single-story common amenity building; (4) Off-street parking (20 spaces, 8 Accessible), access via Restaurant Ct a

privately maintained road; (5) Subsurface stormwater and proposed retaining wall; (6) Existing retaining walls maintained; (7) Open space and tree canopy protection; (8) Landscaping, including street trees, parking lot, property line buffer, and building impact; (9) 5'-wide sidewalks throughout the site (req. modification); and (10) Common amenity building, playground and outdoor picnic area. He then reviewed the building elevations. Regarding the conditions (1) All units are designated as affordable (a) 100% of the units will be affordable at an overall average level below 80% of AMI for a minimum of 40 years. The developer is targeting a mix of units at 60% to 30% of AMI; (b) Approximately 20% of units for youth aging out of foster care; and (c) 40 year affordability minimum with permanence as the intent; and (2) Technical modifications: (a) Parking will be provided at a minimum of 20 standard parking spaces and 8 accessible spaces where 60 are required; (b) Parking areas will be located between a portion of the building and the primary access corridor where parking areas are not permitted between the building and the primary access corridor; (c) Sidewalks within the site will be minimum of 5 feet in width where 10-foot width is required; (d) Sidewalks along Restaurant Court will be preserved in current condition at approximately 5-foot width with grass planting strip to back of curb; (e) Front setback will be 5 feet where 15 feet is required; and (f) No bike lanes into the development. He then explained how the project complies with the Living Asheville Comprehensive Plan. The Technical Review Committee reviewed the project on March 6, 2023, and approved with conditions. The Planning & Zoning Commission reviewed the project on April 5, 2023, and approved (Vote 4:0). The approval included a condition that bicycle "sharrows" would be added to the access drive off Restaurant Court. He said that staff concurs with the Planning & Zoning Commission and recommends approval of the proposed conditional zoning.

Councilwoman Turner pointed out that setbacks are not consistent in the Unified Development Ordinance (UDO) and felt staff should review for possible amendments.

Mr. Mitchell responded to Councilwoman Roney when asked if there was any plan for renewable energy or any plans that would prohibit renewable energy in the future. He explained the Inflation Reduction Act and given MHO's past performance in adding renewable energy, he felt sure they would take advantage of the tax credits.

There was discussion, initiated by Councilwoman Roney, about not having bike lanes in the development that is so close to transit and has dedicated apartments for youth. City Attorney Branham said that there is a limit on what we can mandate about bike lanes internally, however, Council can amend the UDO to mandate bike lanes internal to the site, or we can incentivize them on a community benefits table.

Director of Real Estate at MHO Geoffrey Barton said they will submit their tax credit application to NCHFA in mid-May and they expect to hear if they were awarded the funds in September. If they are awarded the funds, they hope to begin the project around this time next year.

Mayor Manheimer opened the public hearing at 6:59 p.m., and when no one spoke, she closed the public hearing at 6:59 p.m.

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

Councilwoman Ullman moved to approve the conditional zoning request for the property located at 16 and 18 Restaurant Court from Office Business (OB) to Residential Expansion - Conditional Zone (RES EXP-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) provides infill development in targeted growth areas; 2) increases the supply of affordable housing in proximity to schools, transit and parks; and, 3) promotes the development and availability of affordable and workforce housing. This motion was seconded by Councilwoman Roney and carried unanimously.

B. PUBLIC HEARING TO CONSIDER THE REZONING OF PROPERTIES AT 35 LONG SHOALS ROAD FROM RS-2 RESIDENTIAL SINGLE-FAMILY LOW DENSITY DISTRICT TO HIGHWAY BUSINESS DISTRICT

ORDINANCE NO. 5008 - ORDINANCE TO REZONE PROPERTIES AT 35 LONG SHOALS ROAD FROM RS-2 RESIDENTIAL SINGLE-FAMILY LOW DENSITY DISTRICT TO HIGHWAY BUSINESS DISTRICT

Principal Planner Will Palmquist said that this is the consideration of an ordinance to rezone properties at 35 Long Shoals Road from RS-2 Residential Single-Family Low Density District to Highway Business District. This public hearing was advertised on April 14 and 21, 2023.

Action Requested: Adoption of an ordinance to rezone three properties from Residential Single-Family Low Density (RS-2) to Highway Business (HB).

Project Location and Contacts:

- The rezoning petition consists of three properties totalling 5.24 acres located at 35 & 99999 (x2) Long Shoals Rd (PINs 9644-99-0437, 9644-99-3427, and 9644-99-3772).
- Owners: Nancy M. Wright, Karen Renee Holt Fraser Living Trust & Gordon B Fraser Living Trust, and James L Carswell Living Trust

Summary of Petition:

- The applicant requests a rezoning of three properties to the Highway Business (HB) District.
 - The Highway Business (HB) District allows for a variety of uses including residential, institutional, commercial/retail, and office.
- The properties are currently zoned Residential Single-Family Low Density (RS-2).
- One of the three properties (35 Long Shoals Rd) is currently used as a single-family dwelling.
- The other two properties are wooded and vacant.
- The subject properties are designated “Urban Corridor” on the city’s Future Land Use (FLU) Map.
 - A change in the FLU designation will not be required.

Comprehensive Plan Consistency:

- The proposed rezoning supports a number of goals in the Living Asheville Comprehensive Plan including:
 - **Encourage Responsible Growth** - by prioritizing growth and development within designated growth areas.
 - **Facilitate Real Estate Development that Maximizes Public Benefit** - by establishing accessible and well-connected commercial nodes consistent with strategies outlined in the plan’s growth areas.
 - **Create a Sustainable Path to Balanced Budgets** - by promoting development in the growth areas identified in Living Asheville as a way of ensuring new development maximizes fiscal returns to the city.
- The proposed development is compatible with the Future Land Use designation of “Urban Corridor” which is proposed, in part, as “redevelopment in the form of mixed-use residential, commercial and office uses that place emphasis on pedestrian-friendly amenities and infrastructure”.
- Highway Business (HB) is cited as an appropriate zoning district within the Urban Corridor Future Land Use category.

Compatibility Analysis:

- The purpose of the Highway Business (HB) zoning district is, “to address the needs of

commercial development along major thoroughfares”.

- Automobile oriented development is prevalent within this district and a wide range of commercial uses is permitted.
- The proposed rezoning petition is compatible with most of the surrounding land uses, including:
 - Highway Business (HB) zoned property to the east along Long Shoals Rd consisting of a variety of retail and service uses.
 - Industrial - Conditional Zoning (IND-CZ) zoned property directly to the south of the subject properties.
 - Residential multi-family developments to the north of the subject properties along Long Shoals Rd.
 - Commercial Business II (CBII) and Residential Expansion - Conditional Zoning (RES EXP-CZ) zoned properties further to the west along Long Shoals Rd, consisting of existing retail and service uses, as well as planned multi-family residential uses.
- The proposed rezoning petition is slightly incompatible with the adjacent single-family dwellings zoned Residential Single-Family Low Density (RS-2) and Residential Single-Family High Density (RS-8) and located directly to the east and southeast of the subject properties.
 - The potential for conflict between the existing dwellings and any future use at the proposed Highway Business (HB) zoned properties is partially mitigated by: 1) The geometry of the residential lots and the siting of the structures, and 2) Requirements for properties zoned Highway Business (HB) to provide a 30 foot-wide vegetated buffer adjacent to properties zoned RS.

Council Goal(s):

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

Committee(s):

- Planning & Zoning Commission (PZC) - April 5, 2023 - Approved, 4:1.
 - The main concern expressed by the dissenting Commissioner was that the Highway Business (HB) district allows for a broad array of permitted uses, including drive-thru facilities, which may not be the right character for this commercial corridor.

Pro(s):

- Provides greater development potential along a major thoroughfare seeing a lot of growth and redevelopment.
- Opportunity to create a more uniform character between the eastern and western sections of Long Shoals Rd.

Con(s):

- Potential conflict with adjacent single-family dwellings, which is somewhat mitigated by the orientation and siting of the residential structures and requirements for vegetated buffers between HB and RS zoning districts.

Staff Recommendation:

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

Mr. Palmquist reviewed the existing and proposed zoning, the aerial imagery and the future land use map. The Planning & Zoning Commission reviewed this rezoning on April 5, 2023, and approved (Vote 4:1). The main concern expressed by the dissenting Commissioner was that the Highway Business (HB) district allows for a broad array of permitted uses, including drive-thru facilities, which may not be the right character for this commercial corridor. Allowable land uses in the HB district include: Residential:

single-family, duplexes, and multi-family; Institutional: public services, schools; Recreational: community centers, parks; Food/Beverage/Entertainment: restaurants, movie theaters, etc.; Lodging: bed and breakfast inns, homestays; Office: offices, radio and television studios, etc.; Retail/Service: personal services, gasoline sales, grocery stores, motor vehicle sales and service, etc.; Industrial: industrial uses (light), wholesale sales, crematories (accessory to a funeral home); and Other: agriculture, antenna, crematories (animal), live-work units, outdoor storage, parking lots, recycling collection centers, telecommunications, and drive-through facilities. The pros of the rezoning include (1) Provides greater development potential along a major thoroughfare seeing a lot of growth and redevelopment; and (2) Opportunity to create a more uniform character between the eastern and western sections of Long Shoals Rd. A con is the potential conflict with adjacent single-family dwellings, which is somewhat mitigated by the orientation and siting of the residential structures and requirements for vegetated buffers between HB and RS zoning districts. He then reviewed the compatibility analysis (1) Compatible with most of the surrounding land uses, including: (a) Highway Business (HB) zoned property to the east along Long Shoals Rd consisting of a variety of retail and service uses; (b) Industrial - Conditional Zoning (IND-CZ) zoned property directly to the south of the subject properties; (c) Residential multi-family developments to the north of the subject properties along Long Shoals Rd; and (d) Commercial Business II (CBII) and Residential Expansion - Conditional Zoning (RES EXP-CZ) zoned properties further to the west along Long Shoals Rd, consisting of existing retail and service uses, as well as planned multi-family residential uses; and (2) Slightly incompatible with the adjacent single-family dwellings zoned RS-2 and RS-8 and located directly to the east and southeast of the subject properties - The potential for conflict between the existing dwellings and any future use at the proposed Highway Business (HB) zoned properties is partially mitigated by: 1) The geometry of the residential lots and the siting of the structures, and 2) Requirements for properties zoned Highway Business (HB) to provide a 30 foot-wide vegetated buffer adjacent to properties zoned RS. He then explained how the project was consistent with the Living Asheville Comprehensive Plan. He said that staff concurs with the Planning & Zoning Commission and recommends approval of the rezoning.

Mr. Robert W. Oast Jr., attorney representing the applicant, spoke in support of the rezoning, showing views from the property on Long Shoals Road, development across Long Shoals Road, and development in the surrounding area. He noted that staff and the Planning & Zoning Commission recommended approval, is similar to the zoning and development already in the area, is a 5-lane N.C. Dept. of Transportation road, and is consistent with the Comprehensive Plan.

Mayor Manheimer opened the public hearing at 7:20 p.m., and when no one spoke, she closed the public hearing at 7:20 p.m.

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 properties located at 35 Long Shoals Rd from Residential Single-Family Low Density (RS-2) to Highway Business (HB) 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) prioritizes growth and development within designated growth areas; 2) establishes accessible and well-connected commercial nodes consistent with strategies outlined in the plan's growth areas; and, 3) promotes development in the growth areas identified in Living Asheville as a way of ensuring new development maximizes fiscal returns to the city. This motion was seconded by Councilwoman and carried on a 6-1 vote, with Councilwoman Roney voting "no".

ORDINANCE BOOK NO. 34 – PAGE 398

C. PUBLIC HEARING TO CONSIDER AN AMENDMENT TO A CONDITIONAL ZONING ORDINANCE (ORDINANCE NO. 4953) FOR PROPERTIES LOCATED AT 3124/3130 SWEETEN CREEK ROAD

**ORDINANCE NO. 5009 - ORDINANCE TO AMEND A CONDITIONAL ZONING
ORDINANCE (ORDINANCE NO. 4953) FOR PROPERTIES LOCATED AT 3124/3130
SWEETEN CREEK ROAD**

Principal Planner Will Palmquist said that this is the consideration of an ordinance to amend a conditional zoning ordinance (Ordinance No. 4953) for properties located at 3124/3130 Sweeten Creek Road for the purpose of making amendments to the site plan. This public hearing was advertised on April 14 and 21, 2023.

Action Requested: Adoption of an ordinance to amend a previously approved conditional zoning of the property located at 3124/3130 Sweeten Creek Rd for the purpose of making amendments to the site plan.

Project Location and Contacts:

- The project site totals 7.68 acres located along Sweeten Creek Rd (PINs 9655-33-2749 and 9655-33-0929).
- Owner: Fairhaven Summit LLC

Summary of Petition:

Project Site

- The project site consists of two properties totalling 7.68 acres located at 3124/3130 Sweeten Creek Rd and are identified in the Buncombe County land records as PINs 9628-33-2749 and 0929.
- The project site is currently a wooded, vacant lot.
- The site is currently zoned Residential Expansion - Conditional Zone (RES EXP - CZ) per Ord. No. 4953.
- The project is seeking an amendment to the conditional zoning due to changes in retaining wall heights, building stories, and other minor site changes.
 - The retaining wall has a proposed maximum height of 40', instead of the previously-approved 20' maximum height.
 - Two of the three buildings are proposed at three stories, instead of the previously-approved 2/4-story design.
- The Living Asheville Comprehensive Plan designates the Future Land Use of the project site as "Residential Neighborhood".
- A change in the FLU designation will not be required.

Overall Project Proposal

- New construction includes 77 dwelling units located across three multi-family buildings and a clubhouse building, as well as off-street parking, a playground, and walking trails.
- New building construction is clustered within the front half of the site, leaving the rear half of the site undistributed.
- All units (100%) will be affordable to those earning an average of 60% Area Median Income (AMI).
- The project proposes large retaining walls along the front of the site facing Sweeten Creek Rd, and to the north of the site facing the adjacent property.
 - The western retaining wall facing Sweeten Creek Rd is proposed to be 300' in length, ranging in height from 0' to 38'.
 - The northern retaining wall facing the adjacent property is proposed to be 401' in length, ranging in height from 9' to 38'.

Site Layout and Design

- The project site is located in an area of steep slopes and therefore subject to the requirements of UDO Sec. 7-12-4. Of the 7.68 total acres:

- 2.69 acres are located in a Zone A steep slope area (between 2,220' and 2,349' in elevation), with an average natural slope of 21.14%.
- 4.98 acres are located in a Zone B steep slope area (above 2,350' in elevation), with an average natural slope of 20.77%.
- The maximum residential density in steep slope areas for Zone A and Zone B, with an average natural slope between 20% and 24%, is 11.1 units/acre and 5.6 units/acre, respectively.
- Due to a project preserving more than 60% of the Zone B area, there is a 60% density bonus over the base Zone B residential unit allowance.
 - For the project site, this results in a maximum of 73 total units allowed:
 - 25 units in Zone A.
 - 48 units in Zone B.
 - The project is seeking a technical modification for 77 total units:
 - 39 units in Zone A.
 - 38 units in Zone B.
- Maximum building height for multifamily buildings in the RES EXP district is typically 60'. Per UDO Sec. 7-12-4(g), the maximum height of principal structures in steep slope areas is two stories (max 30') on the uphill side of the structure and three stories (max 40') on the downhill side of the structure.
- Building heights in steep slope areas are measured from the existing grade to the midpoint of the peak and eave for structures with pitched roofs.
- Building 1 (100 Waymond Blvd) is proposed at 3-to-4 stories and 44'-3" tall. Buildings 2 (200 Waymond Blvd) and 3 (300 Waymond Blvd) are proposed at 3 stories and 34'-1" tall.
- The clubhouse building (1 Waymond Blvd) is proposed at 1 story.
- Front yard, rear yard, and side yard setbacks of 15' are required in the RES EXP district, with which the proposed project is compliant.
- Maximum impervious surface in the RES EXP district for multifamily uses is 80%.
- The proposed project would result in a total impervious area of 27.8%.

Landscaping and Open Space

- Landscape requirements apply, including street tree, street buffer, property line buffer, building impact, retaining wall and parking lot landscaping.
- The RES EXP district requires a "Type A" landscape buffer where the subject property is adjacent to any other residentially zoned property.
- The project is classified as "suburban" under the Tree Canopy Preservation standards and has a classification of "Class C".
- The existing canopy coverage (2018) is 100%.
- Open Space is required at a rate of 50% of the site, or a rate of 20% of the site if the project meets the incentive requirements for either enhanced stormwater or affordable housing.
- Open space can be further reduced to 15% if the proposed open space meets certain design and operational standards.
- Due to the proposed heights of retaining walls, significant foreground landscaping requirements exist, as well as requirements that walls over eight feet in height be faced with natural or artificial stone, brick, form-liner art or patterns, or vegetation.

Access, Sidewalks and Parking

- Access to the site will be provided by a new driveway located at the southern end of the project site.
- A total of 135 parking spaces are proposed, with 12 being handicap spaces and 18 being compact spaces.
- Based on the number of bedrooms and dwelling units, the minimum/maximum number of required parking spaces is 117/194 for the RES EXP district.
 - 7 bicycle parking spaces are required and provided.
- The RES EXP district requires new 10'-wide sidewalks be constructed, both along the primary

access corridor and internally throughout the site.

- The applicant is requesting a technical modification to install 6'-wide sidewalks throughout the project and along Sweeten Creek Rd.
- Sweeten Creek Rd is maintained by NCDOT and there are plans to widen the roadway, which would demolish this portion of new sidewalk.
- The project may be eligible to pay a fee-in-lieu of constructing this sidewalk segment if it meets certain criteria.

Technical Modifications

- The project is seeking modifications through the conditional zoning process including:
 - Maximum number and density of residential units in steep slope areas;
 - Maximum building height and stories for structures in steep slope areas;
 - Sidewalks less than 10' in width;
 - Reduction of Type A landscape buffer;
 - No bike lanes into the development.

Consistency with the Comprehensive Plan and Other Plans:

Living Asheville Comprehensive Plan (2018)

- The proposed development supports a number of goals in the Living Asheville Comprehensive Plan, including:
 - **Encourage Responsible Growth** - by prioritizing greater densities of development overall, throughout the city as appropriate.
 - **Increase and Diversify the Housing Supply** - by increasing the supply of housing, including affordable housing (pp. 179 & 183) in proximity to schools, transit and parks.
 - **Promote Great Architecture and Urban Design to Enhance Placemaking** - by utilizing creative design solutions which minimize impacts to the natural environment such as natural open space and steep topography.
- The proposed development is compatible with the Future Land Use designation of "Residential Neighborhood" which is proposed, in part, that "residential neighborhoods can benefit from having more housing diversity such as accessory apartments, duplexes and other types of small scale infill housing".

Compatibility Analysis:

- The proposed multi-family residential project is compatible with the surrounding land uses, including:
 - Multi-family residential developments to the north (Pine Ridge Apartments) and the south (Kensington Place Apartments).
 - Suburban commercial uses to the west of the site along Sweeten Creek Rd and Hendersonville Rd.

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) - March 20, 2023 - approved with conditions.
- Planning & Zoning Commission (PZC) - April 5, 2023 - approved (Vote 3:2) with the following conditions: 1) That the applicant will conduct a traffic study and implement any required improvements identified in the study; and, 2) That the applicant work with City Transportation staff and the NCDOT to study the feasibility of installing crosswalks at the intersection of Sweeten Creek and Mills Gap Roads.

- The main concern expressed by the dissenting Commissioners is the proposed height of the retaining wall, especially the portion that faces Sweeten Creek Rd.
- Housing and Community Development Council Committee (HCD) - April 18, 2023 - recommended approval of a \$500,000 Housing Trust Fund Loan to City Council (Vote 3-0).
- Housing and Community Development Council Committee (HCD) - April 18, 2023 - recommended approval of a \$1,018,132 Land Use Incentive Grant to City Council (Vote 3-0).

Staff Recommendation:

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

Mr. Palmquist reviewed the existing and proposed zoning, the aerial imagery and the future land use map. About the site plan, he said there are (1) three new, multi-family buildings and clubhouse; (2) 77 affordable housing units; (3) New driveway on Sweeten Creek Rd; (4) 135 parking spaces total; (5) Sidewalks: 6'-wide with 19'-wide planting strip on Sweeten Creek Rd, 6'-wide internal sidewalks; (6) Landscaping and Open Space Standards; (7) Tree Canopy Preservation standards met on-site; and (8) Retaining walls 0 to 38' in height. He then reviewed the grading plan, along with building elevations. Regarding conditions:

- All 77 units (100%) will be designated affordable for a minimum of 31 years to those earning an average of 60% AMI.
- Technical modifications:
 - 6'-wide sidewalks instead of the required 10'-wide standard.
 - No bike lanes into the development.
 - Reduction of Type A landscape buffer to allow access to adjacent property.
 - Building stories in excess of the maximum allowed in steep slope areas (2 stories on uphill side and 3 stories on the downhill side allowed by-right):
 - Building 1 - Proposed 3/4 stories
 - Building 2 - Proposed 3 stories
 - Building 3 - Proposed 3 stories
 - Building height in excess of the maximum allowed in steep slope areas (30' on uphill side and 40' on downhill) as defined in UDO Sec. 7-12-4(g) and not to exceed 50' as measured from existing grade to the midpoint of the peak and eave for structures with pitched roofs.
 - Residential density in excess of the maximum allowed in steep slope areas:
 - 77 total units proposed (73 total units allowed by-right)
 - 39 units proposed in the "Zone A" steep slope area (25 units allowed by-right)

The Technical Review Committee reviewed the project on March 20, 2023, and approved with conditions. The Planning & Zoning Commission reviewed this on April 5, 2023, and approved (Vote 3:2) with the following conditions: 1) That the applicant will conduct a traffic study and implement any required improvements identified in the study; and, 2) That the applicant work with City Transportation staff and the NCDOT to study the feasibility of installing crosswalks at the intersection of Sweeten Creek and Mills Gap Roads. The main concern expressed by the dissenting Commissioners is the proposed height of the retaining wall, especially the portion that faces Sweeten Creek Rd.. He then explained how the project was consistent with the Living Asheville Comprehensive Plan. He said that staff concurs with the Planning & Zoning Commission and recommends approval of the proposed conditional zoning.

Councilwoman Roney looked forward to a deeper conversation regarding bike lanes and the overall transportation goals, especially since we have plans in place, i.e., Metropolitan Planning Organization project on Sweeten Creek Road infrastructure, the GAP, the Living Asheville Comprehensive Plan, and the Complete Streets Policy. Mr. Palmquist said that Planning staff will work with the transportation staff in reviewing the multi-modal and GAP plans to evaluate whether bike lanes are appropriate.

City Attorney Branham cautioned Council that the request before them is only an amendment to

an already approved conditional zoning, which original plan did not have bike lanes. Council only has authority to review the changes to the site plan before them, which are (1) The retaining wall has a proposed maximum height of 40', instead of the previously-approved 20' maximum height; and (2) Two of the three buildings are proposed at three stories, instead of the previously-approved 2/4-story design.

In response to Councilwoman Roney regarding renewable energy, Mr. Palmquist said that he has met with the applicants to explore them in detail, and they do have electrical conduits being built to accommodate solar panels.

Mayor Manheimer opened the public hearing at 7:44 p.m.

Timothy Sadler suggested a public art mural on the retaining wall.

Mayor Manheimer closed the public hearing at 7:45 p.m.

In response to Councilwoman Roney, Mr. Shawn Brady, with Commonwealth Development Corporation, said that they would be open to working with staff to identify local artists for a mural on the retaining wall. He explained the need for the amendments and hoped to start construction in July.

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 amendment request for the property located at 3124/3130 Sweeten Creek Rd, zoned Residential Expansion - Conditional Zone (RES EXP-CZ), for the modification of the site plan, 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) prioritizes greater densities of development overall; 2) increases the supply of affordable housing in proximity to transit, schools and parks; and, 3) utilizes creative design solutions which minimize impacts to the natural environment such as natural open space and steep topography. This motion was seconded by Vice-Mayor Kilgore and carried unanimously.

ORDINANCE BOOK NO. 34 – PAGE 401

D. PUBLIC HEARING TO CONSIDER AN AMENDMENT TO THE UNIFIED DEVELOPMENT ORDINANCE TO UPDATE THE TABLE OF USES TO ALLOW THE USE OF 'CAT CAFES' IN MORE COMMERCIAL ZONING DISTRICTS AND RELATED ADJUSTMENTS TO THE TABLE OF USES

ORDINANCE NO. 5010 - ORDINANCE TO AMEND THE UNIFIED DEVELOPMENT ORDINANCE TO UPDATE THE TABLE OF USES TO ALLOW THE USE OF 'CAT CAFES' IN MORE COMMERCIAL ZONING DISTRICTS AND RELATED ADJUSTMENTS TO THE TABLE OF USES

Principal Planner Will Palmquist said that this is the consideration of an ordinance to amend the Unified Development Ordinance to update the Table of Uses to allow the use of "cat cafes" in more commercial zoning districts and related adjustments to the Table of Uses. This public hearing was advertised on April 14 and 21, 2023.

Action Requested: Adoption of an ordinance to amend Chapter 7 of the Asheville Code of Ordinances to amend the tables of uses to allow the use of "cat cafés" in more commercial zoning districts.

Background:

- Cat cafés are defined as "premises used to house or contain homeless, orphaned, or unwanted cats and that is owned, operated, or maintained by an organization that is licensed by the State

as an animal shelter and devoted to the welfare, protection, and humane treatment of animals for the purpose of adoption, and which incorporates retail sales to support the interaction of patrons with cats, such as a café, bookshop, or other permitted use.”

- Cat cafés are currently only allowed as a permitted use in the CBD zoning district.
- A request was received from a business owner seeking to open a cat café in the Haywood Rd Corridor district (HR-3).
- This amendment would allow cat cafés in zoning districts that currently allow eating/drinking establishments, including: NB, OFF I, OFF II, OB, CBI, CBII, NCD, HB, RB, CI, RSRT, INST, RIV, URD, UV, UP, ARPT, CBD EXP, COM EXP, HR-1, HR-2, HR-3, HR-4, HR-6, HR-7, RAD-LYH, RAD-NT, RAD-SHP, RAD-RIV, and RAD-IND.

Comprehensive Plan Consistency:

- This proposal supports a number of goals in the *Living Asheville Comprehensive Plan*, including:
 - **Promote Small and Independent Business, Entrepreneurship and the Maker Economy** - by evaluating land use policies to ensure that zoning regulations support small business growth and a local maker-based economy.
 - **Facilitate Real Estate Development that Maximizes Public Benefit** - by ensuring all necessary land use types are provided for.

Council Goal(s):

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

Committees:

- Planning & Zoning Commission (PZC) - April 5, 2023 - Approved, 5:0.

Pros:

- Allows cat cafés to operate as a permitted use in more commercial districts of the city.
- Provides more opportunities for cat adoption by city residents and visitors in a commercial establishment such as a café or bookstore which also provides neighborhood-serving retail services.

Cons:

- None identified.

Staff Recommendation:

- Staff recommends approval of this zoning text amendment request based on the reasons stated above.

Mr. Palmquist reviewed the background and proposed amendments as follows: (1) Cat cafés are defined as “premises used to house or contain homeless, orphaned, or unwanted cats and that is owned, operated, or maintained by an organization that is licensed by the State as an animal shelter and devoted to the welfare, protection, and humane treatment of animals for the purpose of adoption, and which incorporates retail sales to support the interaction of patrons with cats, such as a café, bookshop, or other permitted use.”; (2) Cat cafés are currently only allowed as a permitted use in the CBD zoning district; (3) A request was received from a business owner seeking to open a cat café in the Haywood Rd Corridor district (HR-3); and (4) This amendment would allow cat cafés in zoning districts that currently allow eating/drinking establishments, including: NB, OFF I, OFF II, OB, CBI, CBII, NCD, HB, RB, CI, RSRT, INST, RIV, URD, UV, UP, ARPT, CBD EXP, COM EXP, HR-1, HR-2, HR-3, HR-4, HR-6, HR-7, RAD-LYH, RAD-NT, RAD-SHP, RAD-RIV, and RAD-IND. The Planning & Zoning Commission voted unanimously to approve the amendment. The pros are (1) Allows cat cafés to operate as a permitted use in more commercial districts of the city; and (2) Provides more opportunities for cat adoption by city residents and visitors in a commercial establishment such as a café or bookstore which also provides neighborhood-serving retail services. He then explained how the amendment supports a number of goals

in the Living Asheville Comprehensive Plan. Staff concurs with the Planning & Zoning Commission and recommends approval of the proposed zoning text amendment.

Mayor Manheimer opened the public hearing at 7:57 p.m., and when no one spoke, she closed the public hearing at 7:57 p.m.

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

Councilwoman Roney moved to approve the proposed wording amendments to Chapter 7 of the Asheville Code of Ordinances and find that the proposed amendments are reasonable, are in the public interest, are consistent with the City's comprehensive plan and meet the development needs of the community in that the amendments will: 1) ensure that zoning regulations support small business growth and a local maker-based economy; and, 2) ensure all necessary land use types are provided for. This motion was seconded by Councilwoman Ullman and carried unanimously.

ORDINANCE BOOK NO. 34 – PAGE 415

V. UNFINISHED BUSINESS:

A. ORDINANCE NO. 5011- ORDINANCE ESTABLISHING FISCAL YEAR 2023-24 FEES AND CHARGES FOR THE WATER RESOURCES DEPARTMENT

Budget Director Taylor Floyd said that this is the consideration of adopting an ordinance establishing Fiscal Year (FY) 2023-24 fees and charges for the Water Resources Department.

Background:

- Fees and charges comprise 35% of City-wide revenue and 10% of General Fund revenue.
- A detailed information for fee adjustments under consideration for FY 2023-24, including impacts on revenues, customers, and service provision was provided.
- Information on Water Fund fees and charges was provided at the following meetings:
 - February 14, 2023 (Policy, Finance and Human Resources Committee): Overview of significant changes to fees and charges under consideration.
 - March 14, 2023 (Policy, Finance and Human Resources Committee): Review of staff recommended changes to fees and charges.
 - March 23, 2023 (City Council Agenda Briefing): Information comparing the Water Fund's fees and fee structure to benchmarked peer systems provided.
 - March 28, 2023 (City Council Regular Meeting): Formal presentation of recommended changes to fees and charges. Recommendations other than for the Water Fund were approved, additional information was requested for Water Fund changes.
 - April 11, 2023 (City Council Budget Work Session): Additional follow up on Water Resources.
- Recommended fee adjustments will become effective July 1, 2023.
- Typical household impact of major fee changes proposed for FY24 are below. Changes to solid waste and stormwater fees were previously approved by City Council at the March 28, 2023 meeting.

Fee	Bi-Monthly Bill Increase	FY24 Annual Increase
Solid Waste	\$ 2.00	\$ 12.00
Stormwater (Tier 2)	\$ 1.76	\$ 10.58

Water (6 CCFs/month)	\$ 7.13	\$ 42.78
Total	\$ 10.89	\$ 65.36

Council Goal(s):

- A financially resilient city

Committee:

- The Policy, Finance and Human Resources Committee reviewed this information on March 14, 2023 and did not take action on the recommendations.
- The Committee requested additional information about the recommended changes to Water Resources Fees, which was provided to City Council at the March 23 agenda briefing meeting.

Pros:

- Provides for cost recovery from those that directly utilize or benefit from the service where appropriate, reducing the financial burden of City services on taxpayers.
- Provides additional revenue to help balance the FY 2023-24 budget.
- Allows staff to begin communicating fee changes to citizens, customers, and stakeholders so they are aware of changes that will be implemented on July 1, 2023.
- Provides funding to make needed investments in the Water Fund while a consultant-led rate study is completed.

Con:

- A minimal increase in the cost of city services.

Fiscal Impact:

- The fiscal impacts of proposed changes are shown in the attachment provided to Council.

Mr. Taylor summarized (1) Challenging to maintain current level of service without recommended fee increases; (2) Difficult for staff to assess impact of substantial changes to rates and structure; and (3) Additional fee adjustments can be made before the next budget development cycle. Recommended water fee changes include (1) An increase in base fees charged to customers according to meter size; (2) An increase in consumption fees charged to customers based on the volume of water used; (3) An increase in hydrant meter rental deposits; and (4) An increase in the billing charge for MSD. He reviewed the impact of the fee changes on a typical household, along with the expense summary for the Water Fund. Planned service enhancements include (1) Additional maintenance crew; (2) Staffing to enhance night coverage at water treatment plants; (3) Staffing to improve critical communication and customer engagement; (4) Customer service staff to support meter project transition; and (5) Continue to recover lost revenue from loss of capital fee in FY 19-20. The Estimated Total is \$1,119,000. He then reviewed the Water Resources revenue options. The rate model study/update for the scope is (1) Define cost of service by functional area (e.g., production, distribution); (2) Assess rate structure and make recommendations for an equitable and functional rate model; and (3) Incorporate changes into updated financial planning model. The anticipated study completion of fall 2023. The impact on long term needs and debt include (1) Continued capital investment in water infrastructure is critical to maintaining the production and distribution systems; (2) Water debt rating reliant on sound financial planning; and (3) Likely to issue debt for meter project in FY24, which will require Local Government Commission approval.. He requested action is adoption of an ordinance establishing FY 2023-24 fees and charges for the Water Resources Department as recommended.

Councilwoman Ullman was interested in seeing a fair and balanced rate structure between residential and commercial users. She supported moving forward with adopting these fees and charges now and revisiting it again when we have the rate study completed in the fall, with a lens of changing the rate structure in January 2024.

Councilwoman Mosley moved to approve an ordinance amending the fees and charges manual for Fiscal Year 2023-24 as recommended by City staff. This motion was seconded by Councilwoman Ullman.

Councilwoman Ullman moved to direct the City Manager to bring a proposal back to City Council, after the water rate study is completed, to update the rate structure with any potential adjustments to the rate structure on a January 2024 timeline. This motion was seconded by Councilwoman Mosley.

Andrew Fletcher provided Council with information that appears to be absolutely possible to get more money for capital improvements and have a fairer rate system for residents.

Katy Hudson felt that City Council should not increase the fees until the rate study is completed. She felt that Council can freeze the rates as a way to help decrease the cost of living in Asheville.

Councilman Roney wanted to hear public comment, and while appreciating the solution to review the rates mid-year as proposed by Councilwoman Ullman, was unsure whether hurrying to make these rate changes will result in what we want changed. She could not support raising the water fees as proposed.

There was considerable discussion, initiated by Councilwoman Turner, about what impact the \$500,000 contingency would be if we used it instead to help alleviate some of the burden on our customers. Mayor Manheimer noted that we don't have a lot of information on the content of that contingency. City Manager Campbell said she would provide that information as soon as possible.

Councilwoman Roney questioned why we provide such a deep discount for commercial rate users and the need to deepen our understanding for capital investments. She also wondered if we need to appoint current Council members to the Metropolitan Sewerage District Board.

The motion made by Councilwoman Mosley and seconded by Councilwoman Ullman carried on a 5-2 vote, with Councilwoman Roney and Councilwoman Turner voting "no."

The motion made by Councilwoman Ullman and seconded by Councilwoman Mosley carried unanimously.

ORDINANCE BOOK NO. 34 – PAGE 418

VI. NEW BUSINESS:

A. RESOLUTION NO. 23-92 - RESOLUTION ALLOCATING HOUSING TRUST FUNDS TO AFFORDABLE HOUSING PROJECTS

Affordable Housing Officer Sasha Vrtunski said that this is the consideration of a resolution allocating Housing Trust Funds to affordable housing projects.

Action Requested: Review of five (5) HTF applications, \$5,255,850 in total requests; and adoption of a resolution to approve four (4) applications for a total HTF loan amount award of \$4,387,850 with additional direction for staff to continue negotiations with the developer of Oak Hill Cottages and conduct community engagement for potential development options of the Oak Hill site.

Background:

- The City opened an application process for the HTF in December, 2022 and applications were due on February 10, 2023.
- Six applications were received for this funding round and one application was deemed ineligible.
- Total funding request for the five eligible applications is \$5,255,850.

- The Housing and Community Development Committee reviewed them on April 18.
- Staff has provided a brief summary of each project in the staff report for Council review.

Review:

- Three multifamily rental developments (Redwood Commons, Reimagining Deaverview, and Fairhaven Summit) will utilize LIHTC syndication equity.
- All three multifamily rental developments have already received their LIHTC allocations from NCHFA.
- The remaining two HTF applicants include homeownership: Stewart Street Cottages will all be for sale units while Oak Hill Cottages is a combination of rental (26 out of 42) and for-sale (16 out of 42) units
- These HTF applications will potentially leverage \$56,000,000 sourced outside of Asheville and assist in developing 281 units of affordable housing

Name	# units	HTF request	TDC*	HTF % of TDC*	Type of Project	Targeted % of Area Median Income (AMI)
(1) Redwood Commons	70	\$1,800,000	\$18,298,001	9.8%	MF Rental Apts	30%, 50%, 60%, and 80%
(2) Reimagining Deaverview	82	\$2,500,000	\$21,467,955	11.65%	MF Rental Apts	30%, 50%, 60%, and 80%
(3) Fairhaven Summit	77	\$500,000	\$22,677,808	2.2%	MF Rental Apts	30%, 50%, 70%, and 80%
(4) Stewart St. Cottages	10	\$1,052,850	\$2,425,000	57%	Home Ownership	60% and 80%
(5) Oak Hill Cottages	42	\$868,000	\$9,299,794	9.3%	Rental and Home Ownership	60% and 80%

*Total Development Costs

(1) REDWOOD COMMONS

21 Governors View Road, East Asheville

Background

- Redwood Commons is a Low Income Housing Tax Credit project that was awarded 9% tax credits in 2022.
- The project will have 70 units of senior housing and serve households at 30%, 50%, and 60% AMI.
- There will be a mix of 1 and 2 bedroom units.
- The developer is applying to the NC Brownfields program, and the project will remediate a small amount of contamination, and fully encapsulate and protect the partially encapsulated stream onsite.
- This project was approved by the City Council as a Conditional Zoning project in May 2022.

Proposal

- Buckeye Community Hope Foundation (BCHF) of Columbus, OH has requested **\$1,800,000** in HTF financing for **Redwood Commons**, which will have **70 affordable units**.

- HTF loan terms: loan amount \$1,800,000; 20-year maturity; payments deferred, 2% interest compounds annually.
- The City will be in 4th lien position with \$2,674,705 due at maturity.
- The project will be affordable for 30 years.

Redwood Commons Financing Sources		70	Units		
HTF Request			\$1,800,000		
HTF Request per unit			\$25,714		
				of TDC	per unit
Riverhills Bank			1,425,000	7.79%	20,357
NCHFA RPP			800,000	4.37%	11,429
Buncombe County AHSP (loan)			3,304,454	18.07%	47,206
Asheville HTF			1,800,000	9.84%	25,714
Buckeye Community Hope Foundation			520,591	2.85%	7,437
LIHTC Equity: CAHEC			10,438,956	57.08%	149,128
		TDC	\$18,289,001	100.00%	
		TDC per Unit	\$261,271		

Housing Trust Fund Policy Compliance

- The proposal conforms to the Housing Trust Fund policy; the request is under the 10% cap in the policy and the per unit subsidy is \$25,714.
- Balloon payment amount and maturity date will be spelled out in the loan agreement.

Pro(s):

- This funding will support the construction of 70 new affordable apartments for seniors.
- The affordability period will be 30 years.
- The subsidy per unit in this request is \$ 25,714 per unit, which is a good value given the incomes served by the development.
- The project is located on a brownfield and will remediate the site, making good use of land close to amenities, services and transit.
- This redevelopment aligns with the City of Asheville's Consolidated Plan goals of prioritizing rental housing affordable to 60% AMI and below.
- The development is located in a corridor with access to transit and will build a new transit shelter.
- The 20-year term will allow for the initial LIHTC compliance period to expire while motivating the developer to apply for new LIHTCs to update the property and refinance the debt.

Con(s):

- The low AMI targeting necessitates having two superordinate lenders with lower development funding amounts than the HTF. It is possible to request that NCHFA move to 4th lien position with Buncombe County AHSP moving to second lien position and Asheville HTF moving to third lien.
- The request to Buncombe County is above the 10% cap of total costs in the County's policy. Pending the outcome of that request, there may still be a gap in the capital stack, but it is not clear at this time.

Staff Recommendation:

- Staff recommends approval of the loan of \$1,800,000 with a 20-year maturity; payments deferred, 2% interest compounds annually; the City will be in 4th lien position; \$2,674,705 due at maturity.

(2) REIMAGINING DEAVERVIEW

275 Deaverview Road, West Asheville

Background

- The Reimagining Deaverview project will have **82 total units** affordable to families at 30%, 50%, 60%, and 80% of AMI.
- In May, 2022, City Council approved the Conditional Zoning for this project.
- In 2022, City Council also approved a \$1,465,000 grant from Bond funds to this project.
- The project is being located on vacant land but on the same property as Deaverview Apartments, which allows residents to move into the new building without being displaced during construction.
- Buncombe County and Dogwood Health Trust are also being asked for grants.
- Buncombe County's policy does not allow for a grant, and County staff has recommended a loan for the \$1,564,714 request.
- Dogwood Health Trust's decision will be announced in late June or early July as a part of its funding cycle for Affordable Housing.

Proposal

- The Housing Authority of the City of Asheville (HACA) has applied for **\$1,035,000** in the form of a grant with no repayment.
- This would total \$2.5 Million in City funds to the project.
- Staff would favor either a soft loan (no annual payments) either a 2% interest rate compounded annually or a 0% interest rate, both with a balloon payment at the end of the term.

Reimagining Deaverview Sources		82	units		
1st HTF Request		\$1,465,000			
2nd HTF Request		\$1,035,000			
Total HTF Request		<u>\$2,500,000</u>			
				of TDC	per unit
Centrant Community Capital			3,600,000	16.77%	43,902
NCHFA RPP			1,450,000	6.75%	17,683
Total Asheville HTF			2,500,000	11.65%	30,488
Buncombe County			2,500,000	11.65%	30,488
Dogwood Health Trust			2,500,000	11.65%	30,488
HACA			2,500,000	11.65%	30,488
LIHTC Equity: CAHEC			5,802,955	27.03%	70,768
Deferred Developer Fee			615,000	2.86%	7,500
			<u>\$21,467,955</u>	100.00%	
		TDC per Unit	\$261,804		

Housing Trust Fund Policy Compliance

- Overall the project generally complies with the Housing Trust Fund policy with the exception of the terms.
- The total request of \$2.5 million equals 11% of the total development cost, slightly higher than the policy cap of 10%.
- The per unit subsidy is reasonable given current construction costs.
- A grant is not allowed under the current Housing Trust Fund policy, although Council has the ability to override this limitation.

Pro(s):

- This funding will support the construction of 82 affordable apartments for families.
- The project will have permanent affordability.
- The subsidy per unit in this request is \$30,488 per unit, which is a good value given the population being served by the project.
- The project will allow for the relocation of existing Deaverview residents without displacement during construction.
- This redevelopment aligns with the City of Asheville's Consolidated Plan goals of prioritizing rental housing affordable to 60% AMI and below.
- The development is located in a corridor with access to transit.
- A loan with a 20-year term will allow for the initial LIHTC compliance period to expire while motivating the developer to apply for new LIHTCs to update the property and refinance the debt.

Con(s):

- A grant from the City removes the ability for the City to have recourse if the project fails.
- The total requested, \$2.5 M is above the policy limit of 10% of the total development cost.
- A loan will help ensure proactive asset management of the property; encouraging a property rehab in 20 years.

Staff Recommendation:

Several options for the loan terms.

- Option #1: Loan HACA \$1,035,000 with terms according to the HTF policy. This would be a 20-year maturity with payments deferred, 2% interest compounding annually. Third lien position; \$1,537,955 due at maturity.
- Option #2: Loan HACA \$1,035,000 with a 20-year maturity, with 0% interest and no payments until maturity.
- Option #3: Grant the \$1,035,000 as requested. (not recommended).

Buncombe County staff is recommending its potential \$1,564,714 loan for this project be provided with a 20-year term with a balloon payment at the end of the term, and payments made out of cash flow.

Staff is not recommending a grant of funds. The \$1,465,000 already allocated to HACA for this project was granted in May 2022.

(3) FAIRHAVEN SUMMIT

3124 Sweeten Creek Road, South Asheville

Background

- Commonwealth Development Corporation is developing Fairhaven Summit, a Low Income Housing Tax Credit (LIHTC) project that was awarded 9% tax credits in 2022.
- The project will have 77 total units affordable to families at 30%, 50%, 70%, and 80% of AMI.
- There will be a mix of 1, 2 and 3 bedroom units.
- Commonwealth is also pursuing a LUIG for this project which would be an additional \$1 million of City of Asheville resources over 21 years towards the project, with a per unit subsidy of \$13,222.
- HOME funds in the amount of \$400,000 were approved in 2022.
- This project was approved by the City Council as a Conditional Zoning project in June 2022.

Proposal

- Commonwealth Development Corporation (CDC) of Middleton, WI has requested \$500,000 in HTF financing for Fairhaven Summit, which will have 77 affordable units.

- HTF loan terms: loan amount \$500,000; 20-year maturity; payments deferred, 2% interest compounds annually.
- The City will be in 3rd lien position with \$742,973 due at maturity.
- The project will be affordable for 30 years.

Fairhaven Summit Financing Sources		77	units		
HTF Request		\$500,000			
HTF Request per unit		\$6,494			
				of TDC	per unit
Bank of America			10,100,000	44.22%	131,169
Buncombe County			1,535,000	6.72%	19,935
Asheville HTF			500,000	2.19%	6,494
Asheville HOME			400,000	1.75%	5,195
Refund Rate Lock Deposit			217,150	0.95%	2,820
LIHTC Equity: Richman Group			9,962,594	43.62%	129,384
Deferred Developer Fee			126,521	0.55%	1,643
		TDC	\$22,841,265	100.00%	
		TDC per Unit	\$296,640		

Note: If a LUIG is approved for this project, the total subsidy per unit would be \$19,716. The total subsidy would equal \$1,518,132 or 6.6% of the total development cost.

Housing Trust Fund Policy Compliance

- The total request of \$500,000 equals 2.19% of the total development cost, which is under the policy cap of 10% of total development costs.
- Both superordinate lenders are providing more funding than HTF.
- Balloon payment amount and maturity date will be spelled out in the loan agreement.

Pro(s):

- This funding will support the construction of 77 affordable apartments for families.
- The affordability period will be 30 years.
- The subsidy per unit in this request is \$6,494 per unit, which is quite low. If the LUIG funding is granted, this would have a total subsidy of \$19,716 per unit, which is still very reasonable.
- This redevelopment aligns with the City of Asheville's Consolidated Plan goals of prioritizing rental housing affordable to 60% AMI and below.
- The development is located near a corridor with access to transit.
- The 20-year term will allow for the initial LIHTC compliance period to expire while motivating the developer to apply for new LIHTCs to update the property and refinance the debt.

Con(s):

- None noted

Staff Recommendation:

- Staff recommends approval of the loan of \$500,000 with a 20-year maturity; payments deferred, 2% interest compounds annually; 4th lien position; \$2,674,705 due at maturity.

(4) STEWART STREET COTTAGES

Stewart Street, West Asheville (Addresses to be determined)

Background

- The project will have 10 for-sale homes, affordable to households at or below 100% of AMI: 2 for 60% AMI, 6 for 80% AMI and 2 for 100% AMI.
- Developer has extensive experience building more than 100 homes inside Asheville city limits; a mix of standalone homes, duplexes, homes with ADU's, and detached ADU's mixed home ownership and rental homes.

Proposal

- Reasonable Development, LLC has requested **\$1,052,850** in HTF for **Stewart Street Cottages**. Most of the potential homeowners will be participants in HACA's homeownership preparation program.
- Two homes will be set aside for city public safety department employees to purchase (details still need to be worked out for this component).
- After construction of the homes, \$500,000 would then be used for down payment assistance.
- Purchasers of homes with Down Payment Assistance will have a 21 year restriction on affordability.
- Housing Trust Fund terms: loan amount \$1,052,850; 3-year term, 2% compounding annually, 2nd lien position; a portion of HTF will be repaid from home sale proceeds, another portion of HTF to be used as down payment assistance.
- The project will be affordable for 20 years.

Stewart Street Cottages		10 units		
HTF Request	\$1,052,850			
HTF Request per unit	\$105,285			
		% of TDC	per Unit	
First Citizens	\$1,272,150	53%	\$127,215	
Asheville HTF	\$1,052,850	43%	\$105,285	
Developer equity	\$100,000	4%	\$10,000	
	TDC	\$2,425,000		
	TDC per Unit	\$242,500		

Housing Trust Fund Policy Compliance

- The project complies with the Housing Trust Fund policy overall, and utilizes funds for both a construction loan and down payment assistance.
- The 10% limit for projects is a policy that relates more to rental projects. With close to half of the funding going to down payment assistance, and a portion of the loan being paid back for construction, the proposal complies with the intent of the policy.

Pro(s):

- Opportunity to create a Asheville-based model for future affordable homeownership
- \$552,000 of the loan would be repaid within three years after homes are sold.
- The Housing Trust Fund is not often used for Down-Payment Assistance, and this could be a replicable model for smaller developers.
- Experienced local developer who has built more than 100 homes in the city limits.

Con(s):

- DPA terms will need to be determined for the project.

- Each individual house will require a separate closing

Staff Recommendation:

- Staff is recommending approval of this project with the requested terms. The down payment assistance component will have to be worked out in the details of the loan agreement.

(5) OAK HILL COTTAGES
29 Oak Hill Drive, West Asheville

Background

- Reasonable Development, LLC has proposed Oak Hill Cottages, which will have **20 units** (of 42 total units) affordable to households at 80% and 60% of AMI. There will be 8 more units at 100% AMI, which is defined as affordable for homeownership under the policy.
- There will be 26 rental and 16 for-sale homes. This project has not submitted for zoning approval at this time (cannot submit without City permission).
- This project is being proposed on City-owned land, and does not follow the process outlined in the City-owned land for Affordable Housing Policy. The developer has not been granted site control by the City of Asheville.

Proposal

- Reasonable Development, LLC has requested **\$868,000** in HTF for Oak Hill Cottages,
- HTF terms: loan amount \$868,000; 3-year term, 2% compounding annually, 2nd lien position; a portion of HTF to be repaid from home sale proceeds, another portion of HTF to be used as downpayment assistance, a third HTF portion will be paid back from rental unit operations.
- As currently proposed, the developer is asking for the land to be sold for \$50,000. The city paid \$450,000 for the land in 2018, so the developer would benefit in the amount of \$400,000 (shown below) which would equal an additional \$14,286 per affordable unit. A new appraisal for the land should be obtained to have a more complete financial model for the project.

Oak Hill Cottages	42 units		
	28 affordable units		
HTF Request	\$868,000		
Land Request Subsidy	\$400,000	(based on 2017 appraisal)	
Total Request	\$1,268,000		
Total Request per affordable unit	\$45,286		
		% of TDC	per Unit
First Citizens	\$3,478,980	78%	\$124,249.29
Asheville HTF	\$868,000	20%	\$31,000.00
Developer equity	\$100,000	2%	\$3,571.43
TDC	\$4,446,980		
TDC per Unit	\$105,880		

Housing Trust Fund Policy Compliance

- If this project was further along in the planning process, it would likely conform to the Housing Trust Fund policy. The proposed uses for funds generally comply and estimates seem reasonable.

- The current policy does not require that applicants have site control of their proposed sites, which allowed this application to go through the process.

Pro(s):

- Opportunity to create a Asheville-based model for future affordable homeownership.
- Experienced local developer who has built more than 100 homes in the city limits.

Con(s):

- There are questions about whether the current sewer service is adequate, or if there are upgrades needed for this level of development.
- The proposal needs further development and staff review for zoning compliance.
- Proposal is outside of the City’s Policy for Affordable Housing on City Owned Land, adopted by City Council in 2019.
- No community input on future development for this site has been gathered.

Staff Recommendation:

- Staff is not recommending this proposal at this time. Because it is so conceptual, and limited planning has been done, the estimates for development may change significantly for this site that has challenges.
- This project also does not follow the Policy for Disposition of City Owned Land for Affordable Housing approved by Council in 2019.
- The community has not been consulted, other ideas for the land have not been studied, and other developers’ proposals have not been considered.

If approved, this project will add appreciable work tasks to staff’s work plan as selling a piece of land takes significant time.

Several options are available to Council for consideration:

- Option #1: Direct staff to release an RFP for the site this year, including community input processing and exploration of different development scenarios for Council consideration (staff recommendation).
- Option #2: Direct staff to proceed in negotiations with the developer to more fully develop the plans and deal point (land price, DPA terms, etc) and to return to HCD and Council at a later date. The future vote would consider both the land sale and HTF request together (not recommended).
 - If Council approves this option, staff will move forward with an appraisal, additional due diligence and community engagement as well as working with the developer over the next few months to arrive at a package deal for the site.
- Option #3: Approve the current request (not recommended).

Recommendations Summary

Development	No. of units	HTF request	TDC	% of TDC*	Staff Recommended Terms	HCD Recommendation
(1) Redwood Commons*	70	\$1,800,000	\$18,298,001	9.8%	20-year maturity; payments deferred, 2% interest compounds annually	Staff Recommendation 3-0

(2) Reimagining Deaverview*	82	\$1,035,000	\$22,502,955	4.6%	20-year maturity; payments deferred, 2% interest compounds annually	Recommended a Grant for project 2-1
(3) Fairhaven Summit*	77	\$500,000	\$22,677,808	2.2%	20-year maturity; payments deferred, 2% interest compounds annually	Staff Recommendation 3-0
(4) Stewart Street Cottages	10	\$1,052,850	\$2,425,000	57%	3-year term for portion of loan, remaining is used for DPA, 20 Year Affordability Period.	Staff Recommendation 3-0
(5) Oak Hill Cottages	42	\$868,000	\$9,299,794		Staff did not recommend approval Terms would be: 3-year term for portion of loan, remaining is used for DPA, 20 Year Affordability Period	Recommend Council to direct further with developer and community engagement and come back to HCD and City Council for approval.
Total of recommended projects	239	\$4,387,850	\$65,903,764	6.6%	<i>Note: Overall subsidy is \$18,359 per aff. unit</i>	
Total of all 5 projects	281	\$5,255,850	\$74,335,558	7%		

Council Goal(s):

- Quality Affordable Housing
- An Equitable and Diverse Community

Committees:

- The Housing and Community Development Committee reviewed this item on April 18, 2023 (1) Redwood Commons, Fairhaven Summit and Stewart Street Cottages unanimously approved (3-0) to move to City Council; (2) Reimagining Deaverview was approved 2-1 to move to City Council as a grant; and (2) Staff to continue negotiations with Oak Hill Cottages and conduct community engagement on potential development options prior to coming back to HCD at a later date.

Fiscal Impact

- Staff estimates that the current available balance in the Housing Trust Fund is approximately \$7.65 million. If the City Council approves this \$4,387,859 allocation there will be an estimated available balance of approximately \$3,262,141.

Ms. Vrtunski said the key takeaways from this presentation are (1) Five eligible applications are being considered for the current round funding from the Housing Trust Fund (HTF), totaling \$5,255,850. The current balance of the Fund is \$7.65 million; (2) This round of funding was coordinated to align with Buncombe County's consideration to assist in decision making and provide more predictability to the

development community; (3) Staff recommends funding 4 projects, totaling \$4,387,850 in HTF funding to assist in the construction of 239 units; (4) The recommended \$4,387,850 allocation will leverage an additional \$60 million in development spending, \$53 million of which is non-government spending; (5) The 4 recommended projects include both rental and homeownership, housing for families and seniors, and a bedroom mix in each project; and (6) City Council will consider funding allocations on April 25. She then reviewed the HTF application schedule. She provided the following eligible applications summary, along with a map showing the HTF application sites::

Development	# of units	Housing Trust Fund (HTF) request	Total Development Cost (TDC)	HTF % of TDC	Type of Project	Targeted % of Area Median Income (AMI)
(1) Redwood Commons*	70	\$1,800,000	\$18,298,001	9.8%	MF Rental Apts	30%, 50%, 60%, and 80%
(2) Reimagining Deaverview*	82	\$1,035,000 (2nd request)	\$22,502,955	4.59%	MF Rental Apts	30%, 50%, 60%, and 80%
(3) Fairhaven Summit*	77	\$500,000	\$22,677,808	2.2%	MF Rental Apts	30%, 50%, 70%, and 80%
(4) Stewart St. Cottages	10	\$1,052,850	\$2,425,000	57%	Home Ownership	60%, 80% and 100%
(5) Oak Hill Cottages	42	\$868,000	\$9,299,794	9.3%	Rental and Home Ownership	60%, 80% and 100%

Regarding Redwood Commons, **Project Description:** 70 units, senior housing located on Governor’s View Road in East Asheville; **Project Type:** Rental apartments, 9% LIHTC development; **Developer:** Buckeye Community Hope Foundation (BCHF) of Columbus, OH; **Request:** \$1,800,000 in HTF financing; **Loan Terms:** 20-year maturity; payments deferred, but 2% interest compounds annually; 4th lien position; \$2,674,705 due at maturity; **Incomes Served:** 30%, 50%, and 60% of AMI; and **Zoning Approval:** City Council approval in May 2022. She then reviewed the Redwood Commons financing sources, along with pros and cons for this project:

Regarding Reimagining Deaverview, **Project Description:** 82 apartments, serving families, located on Deaverview Road in West Asheville; **Project Type:** Rental apartments, 9% LIHTC development; **Developer:** Housing Authority of the City of Asheville (HACA); **Request:** \$1,035,000 as a grant from the HTF (previous City award: \$1,465,000 grant); **Incomes Served:** 30%, 50%, and 60% of AMI; and **Zoning Approval:** City Council approval in May 2022. She then reviewed the Reimagining Deaverview financing sources, along with pros and cons for this project:

Reimagining Deaverview recommendations are:

- Option #1: Loan HACA \$1,035,000 with terms according to the HTF policy. This would be a

20-year maturity with payments deferred, but 2% interest compounding annually. Third lien position; \$1,537,955 due at maturity. (**Staff Recommendation**)

- Option #2: Loan HACA \$1,035,000 with a 20-year maturity, with 0% interest and no payments until maturity.
- Option #3: Grant the \$1,035,000 as requested. (*not recommended*).

Buncombe County's Affordable Housing Committee may recommend a loan up to \$1,564,714 (20-year term, 2% interest, annual payment from cash flow with balloon payment) or the County may recommend an increase in American Rescue Plan Act grant funds to the project.

Regarding Fairhaven Summit, **Project Description:** 77 units serving families on Sweeten Creek Road; **Project Type:** Rental apartments, 9% LIHTC development (NCHFA 2021 award); **Developer:** Commonwealth Development Corporation; **Request:** \$500,000 in HTF financing **Loan Terms:** 20-year maturity; payments deferred, but 2% interest compounds annually; 3rd lien position; \$742,973 due at maturity; **Incomes Served:** 30%, 50%, 60% and 80% AMI; and **Zoning Approval:** City Council approval in June 2022, land acquired 2022. She then reviewed the Fairhaven Summit financing sources, along with pros and cons for this project:

Regarding Stewart Street Cottages, **Project Description:** 10 affordable cottages for families in West Asheville; **Project Type:** Homeownership; **Developer:** Reasonable Development LLC, of Asheville, NC; **Request:** \$1,052,850 in HTF financing; **Loan Terms:** 3-year term, 2% compounding annually, 2nd lien position; a portion of HTF to be repaid from home sale proceeds, another portion of HTF to be used as down payment assistance; **Incomes Served:** 60%, 80% and 100% AMI; and **Zoning Approval:** Will require zoning approval. She then reviewed the Stewart Street Cottages financing sources, along with pros and cons for this project:

Regarding Oak Hill Cottages, **Project Description:** 42 total units, 20 low income, 8 moderate, 14 market rate for families in West Asheville; **Project Type:** Hybrid Rental/ Homeownership; **Developer:** Reasonable Development LLC; **Request:** \$868,000 in HTF financing, also requesting City-owned land at a discounted sales price (\$50,000); **Loan Terms:** 3-year term, 2% compounding annually, 2nd lien position; a portion of HTF to be repaid from home sale proceeds, another portion of HTF to be used as down payment assistance, a third HTF portion will be paid back from rental unit operations; **Incomes Served:** 60%, 80%, and 100% of AMI; an **dZoning Approval:** No site control, unable to pursue permits. She then reviewed the Oak Hill Cottages financing sources, along with pros and cons for this project:

The following are Oak Hill Cottages Council options:

- Option #1: Direct staff to release an RFP for the site this year (in accordance with City policy), including community input processing and exploration of different development scenarios for Council consideration (**Staff Recommendation**).
- Option #2: Direct staff to proceed in negotiations with the developer to more fully develop the plans and deal point (land price, DPA terms, etc) and to return to HCD and Council at a later date. The future vote would consider both the land sale and HTF request together (**Not Recommended by Staff**).
 - If Council approves this option, staff will move forward with an appraisal, additional due diligence and community engagement as well as working with the developer over the next few months to arrive at a package deal for the site.
- Option #3: Approve the current request (**Not Recommended by Staff**).

Ms. Vrtunski said that that the Housing and Community Development Committee reviewed this

item on April 18, 2023 (1) Redwood Commons, Fairhaven Summit and Stewart Street Cottages unanimously approved (3-0) to move to City Council; (2) Reimagining Deaverview was approved 2-1 to move to City Council as a grant; and (3) Staff to continue negotiations with Oak Hill Cottages and conduct community engagement on potential development options prior to coming back to HCD at a later date.

The following is a summary of the recommendations:

Development	No. of units	HTF request	TDC	Staff Recommended Terms	HCD Recommendation
(1) Redwood Commons*	70	\$1,800,000	\$18,298,001	20-year maturity; payments deferred, 2% interest compounds annually	Staff Recommendation 3-0
(2) Reimagining Deaverview*	82	\$1,035,000	\$22,502,955	20-year maturity; payments deferred, 2% interest compounds annually	Recommended a Grant for project 2-1
(3) Fairhaven Summit*	77	\$500,000	\$22,677,808	20-year maturity; payments deferred, 2% interest compounds annually	Staff Recommendation 3-0
(4) Stewart Street Cottages	10	\$1,052,850	\$2,425,000	3-year term for portion of loan, remaining is used for DPA, 20 Year Affordability Period.	Staff Recommendation 3-0
(5) Oak Hill Cottages	42	\$868,000	\$9,299,794	Staff did not recommend approval Terms would be: 3-year term for portion of loan, remaining is used for DPA, 20 Year Affordability Period	Recommend Council to direct further with developer and community engagement and come back to HCD and City Council for approval.
Total of recommended projects	239	\$4,387,850	\$65,903,764		
Total of all 5 projects	281	\$5,255,850	\$74,335,558		

Staff suggested the motion to approve the recommended Housing Trust Fund allocations in the

amount of \$4,387,850 for four development projects which will produce 239 units in affordable housing and leverage an additional \$60 million in development spending, \$53 million of which is non-government spending.

Councilwoman Turner was very excited to see the Stewart Street Cottages model.

In response to Councilwoman Roney on whether these developments have been asked about renewable energy now or in the future, noting that there are more tools for bulk solar purchases, Ms. Vrtunski replied that she did let them know.

Barry Bailik, owner of Stewart Street Cottages, explained how their small footprint homes are energy efficient, and how they are setting aside at least two homes for City public safety department employees to purchase. He also noted that after the homes, \$500,000 would then be used for down payment assistance. Purchasers of homes with Down Payment Assistance will have a 21 year restriction on affordability.

David Nash, Executive Director of the Housing Authority, and Monique Pierre, President and Chief Executive Officer of the Housing Authority, explained the important partnership role they and the City play in building affordable homes. Mr. Nash then explained why he was requesting a grant, not a loan, for the Reimagining Deaverview Project.

Mayor Manheimer said that as we look at redeveloping all of the public housing units in Asheville, she would be interested in seeing a 10-15-20 year comprehensive plan, along with the financial possibilities to make that work.

Councilwoman Turner wondered if we can look at other opportunities to grow our partnership, i.e., the Ford Street property.

Councilwoman Roney hoped to see developments where people impacted are at the table.

When Mayor Manheimer asked for public comments, none were received.

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

Councilwoman Mosley moved to approve the recommended Housing Trust Fund allocations in the amount of \$4,387,850 for four development projects which will produce 239 units in affordable housing, with the Reimagining Deaverview Project to be in the form of a grant, instead of a loan; and direct the City Manager to continue negotiations with Oak Hill Cottages and conduct community engagement on potential development options for the Oak Hill site. This motion was seconded by Vice-Mayor Kilgore and carried unanimously.

RESOLUTION BOOK NO. 44 – PAGE 60

B. RESOLUTION NO. 23-93 - RESOLUTION APPROVING THE RECOMMENDATIONS FOR THE STRATEGIC PARTNERSHIP GRANT PROGRAM AWARDS AND AUTHORIZATION FOR THE CITY MANAGER TO EXECUTE GRANT AGREEMENTS

Economic Development Specialist Rachel Taylor said that this is the consideration of a resolution to approve the recommendations for Strategic Partnership Grant Program awards and authorization for the City Manager to execute grant agreements.

Action Requested: Adoption of a resolution approving recommendations for Strategic Partnership Grant Program awards, authorizing the City Manager to execute grant agreements, and to pursue an additional round of funding following the conclusion of the pilot grant agreements that are set to end on June 30, 2023:

Background:

- During the January 17, 2023 Equity and Engagement Committee (EEC) meeting, staff received confirmation to maintain the direction of the pilot grant program using Strategic Partnership Funds (SPF) to address the opportunity gap for low to moderate income school-aged youth.
- A \$35,000 award minimum was established to maximize community benefit.
- Applications for the SPF Grant Program were accepted February 22- March 31, 2023.
- 23 applications from qualified agencies were received.
- On Thursday, April 13 the EEC Committee and Evaluation Panel heard presentations from applicant agencies to receive additional details about each of the grant proposals.
- The Evaluation Committee consisted of the following individuals:
 - Heather Curry, Budget Analyst-Finance Department, City of Asheville
 - Nicole Cush, Principal-School of Inquiry and Life Sciences at Asheville (SILSA)
 - JeWana Grier-McEachin, Executive Director, Asheville Buncombe Institute of Parity Achievement
 - Marcus Kirkman-Equity and Inclusion Consultant-Equity and Inclusion Department, City of Asheville
 - Alex Mitchiner-Workforce Programs Coordinator/CAYLA Program Director-Community and Economic Development Department, City of Asheville
 - Reggie Richardson-Executive Director-My Brothers House/Consultant
 - Alayna Schmidt-Equity and Inclusion Consultant-Equity and Inclusion Department, City of Asheville
 - Amy Weisner-Educator-Buncombe County Early and Middle College; Previously Buncombe County and Asheville City Schools
- On April 18, 2023 the EEC Committee reviewed recommendations from the Evaluation Committee and recommended funding six (6) agencies for a total grant award of \$356,209.
- The EEC Committee's recommendations are included as part of the suggested City Council motion below.
- The intent of the grant program is to act on recommendations informed from the pilot program process and continue to provide funding while on-going improvements are made to the grant program.
- The program will be reviewed by the Equity and Engagement Committee with any additional improvements and recommendations implemented year-over-year while continuing to issue grant awards.

Council Goal(s):

- An Equitable and Diverse Community
- A Connected and Engaged Community

Committee(s):

- On April 18, 2023 the Equity and Engagement Committee reviewed the Evaluation Committee's recommendations and made funding recommendations for full City Council consideration.
- The Committee unanimously approved (3-0) the Evaluation Committee's recommendations and requested staff come back following the conclusion of the pilot agreements with another round of funding consideration later this calendar year.

Pro(s):

- Additional resources available in summer 2023 to help address the opportunity gap and provide programming for school-aged youth.
- Opportunity to test recommendations based on feedback from the grant pilot.

- Enhanced community impact with \$35,000 minimum per grant award.

Con(s):

- Reporting and agreement from the pilot are not yet finalized, resulting in information gaps related to reporting, impacts/outcomes, and the total amount of funds available.

Fiscal Impact:

- A total of \$577,500 will be available to support the Strategic Partnership Program in Fiscal Year (FY) 2023-24, including \$335,500 unused from previous fiscal years and a \$242,000 allocation currently planned in the FY 2023-24 budget.
- Should the City Council authorize funding the full \$356,209 recommended as part of the Strategic Partnership Grant program, the Strategic Partnership Program will have a remaining balance of \$221,291 that will be used for future grants.

Ms. Taylor reviewed with Council the key takeaways from this presentation: (1) 23 applications were received between February 22 and March 31 for the Strategic Partnership Grant Program to address the opportunity gap for low to moderate income school-aged youth; (2) Presentations from applicant agencies were heard on April 13 followed by finalized funding recommendations from the Evaluation Panel; (3) On April 18, the Equity and Engagement Committee reviewed recommendations from the Evaluation Panel and made final recommendations to fund six (6) agencies at a total of \$356,209; and (4) City Council is being asked to review and consider approval of the Equity and Engagement Committee’s funding recommendations at the April 25th meeting. She said the staff incorporated lessons learned from the pilot and will continue to refine the grant program through additional research and stakeholder engagement. The scope remained consistent to address impacts of the opportunity gap by supporting low to moderate income school-aged youth. Staff streamlined communications and administrative requirements by updating the application process and increased award minimum to \$35,000 per program. Staff then provided award recommendations based on full-funding for requests as follows:

Current Strategic Partnership Grant Program Balance (General Fund)	
Grant Program Balance - June 2022	\$711,000
Total Pilot Grant Award - July 2022	-\$375,500
Grant Program Balance - August 2022	\$335,500
Anticipated FY 2023-2024 Budget Allocation*	\$242,000
Projected Grant Program Balance - July 2023	\$577,500
*Estimated based on allocations from prior fiscal years.	

Regarding the Equity & Engagement Committee funding recommendations, 23 applications were received; and applications were scored based on each program’s demonstrated ability to address the opportunity gap for school aged youth, the ability to track and measure results, available resources and capacity to carry out the project, and a workable budget to support the program. Below are the recommendations:

Program	Agency	Recommended
----------------	---------------	--------------------

		Funding
All Aboard! Community Literacy Training	Read to Succeed of Asheville/Buncombe	\$40,000.00
To & Through College Access and Completion Initiative	OpenDoors Asheville	\$126,209.00
HOPE 4 the Future Summer Program	Umoja Health, Wellness, & Justice Collective	\$60,000.00
Providing the I/DD Community with Supports and Resources	The Arc of Buncombe County	\$50,000.00
Project Lighten Up Summer Learning Academy	Getting Back to the Basics	\$35,000.00
Black Wall Street Jr - Making Education Actionable in Asheville	Black Wall Street AVL	\$45,000.00
Total Grant Award Recommendation		\$356,209

Councilwoman Roney understood that there are so many needs in our community and not enough funding so we need to find more funding and more partnerships. She understood that when we partially fund an organization, they can use those partnership funds to leverage other funding. She said that there is \$221,291 remaining in the Strategic Partnership Program from unused pilot programs and supported using those funds to partially fund other organizations in the 2nd tier now while working to pursue additional funding for next year.

Councilwoman Turner has worked on the strategic partnership grant funding program for three years and was disappointed that each year there is clearly not enough money to provide to our great organizations. She wished we could fund them all.

Councilwoman Smith explained some reasons why the pilot programs could not take advantage of the funds awarded, i.e., invoice schedule or not enough supporting documentation for approval. Those programs are doing the work, but they don't have the cash flow to make up front and ask for reimbursement. She suggested we look at our invoicing process and help smaller businesses with cash flow issues.

When Mayor Manheimer asked for public comments, none were received.

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

Councilwoman Smith moved to approve the recommended allocations of the Strategic Partnership Grant Program funding awards as shown below and authorize the City Manager to execute the grant agreements with further direction to pursue an additional round of funding following the conclusion of the pilot grant agreements that are set to end on June 30, 2023:

Program	Agency	Recommended Funding
All Aboard! Community Literacy Training	Read to Succeed of Asheville/Buncombe	\$40,000.00
To & Through College Access and Completion Initiative	OpenDoors Asheville	\$126,209.00
HOPE 4 the Future Summer Program	Umoja Health, Wellness, & Justice Collective	\$60,000.00
Providing the I/DD Community with Supports and Resources	The Arc of Buncombe County	\$50,000.00
Project Lighten Up Summer Learning Academy	Getting Back to the Basics	\$35,000.00
Black Wall Street Jr - Making Education Actionable in Asheville	Black Wall Street AVL	\$45,000.00
Total Grant Award Recommendation		\$356,209

This motion was seconded by Councilwoman Mosley and carried unanimously.

RESOLUTION BOOK NO. 44 – PAGE 62

VII. INFORMAL DISCUSSION AND PUBLIC COMMENT:

Three individuals spoke to City Council about various matters, some being, but are not limited to: urgency for more buses; clarity on how we can use McCormick Field; need to find Black general contractors; and need to change the election system by holding a referendum.

VIII. ADJOURNMENT:

Mayor Manheimer adjourned the meeting at 10:11 p.m.

CITY CLERK

MAYOR