

FY 24 AHSP Application Staff Summary: Swannanoa Valley Christian Ministry: Nursing Home Rehabilitation

16 Units to Be Constructed	\$25,000 AHSP Request Per Unit	\$1.00 : \$1.50 Leverage Ratio AHSP \$: Other \$	≤80% AMI Target	50 yr Period of Affordability
\$62,500 Average Cost Per Unit		\$209.50 Average Cost per Unit Square Foot		1, 2, and 3 Bedrooms per Unit

Project Description: Swannanoa Valley Christian Ministry (SVCM) with Black Mountain-Swannanoa Chamber of Commerce, submitted a **Conversion Construction Units for Rent Multifamily Loan** application requesting **\$400,000** to rehabilitate a nursing home into affordable units for rent.

AHSP Goal & Obj: Increase the supply of affordable housing for rent.

AHSP Objective: Impact, by 2030, a total of 1,500 to 1,850 rental units for households at ≤80% AMI: with an average at ≤60% AMI across all households; where 1,200 to 1,480 of those units leverage the LIHTC program; and where 200 of those units are for households at ≤30% AMI.

Summary: The request (\$400,000) is intended to support the rehabilitation of former nursing home into 16 units for households at ≤80 AMI with 1 efficiency unit, 9 one-bedroom units, 4 two-bedroom units, and 2 three-bedroom units. The Workforce/Sustainable Housing Committee, as a collaboration of community leaders, is proposing these affordable housing units for service industry and government employees. Swannanoa Valley Christian Ministry will serve as project lead. Additional partnership roles have not been determined. Sources of funding are not yet identified or secured. The project is in the Town of Black Mountain at 1114 Montreat Read. The property is not owned or optioned. The current property owner is supportive of affordable housing efforts.

Capital Stack: The capital stack includes:

Committed:

- None

Requested:

- \$400,000 from FY24 AHSP
- \$600,000 from undetermined sources

Deferred Developer Fee:

- Not applicable

Requested Terms: None.

Exceptions to Program Guidelines: None.

County Funding Source Options: General Fund, AHSP Program Income or Bond Funds.

Finance Department Assessment of Audits and Financial Position: SVCM provided a relatively timely audit free of qualifications and findings. As of December 31, 2021, SVCM's financials show a reasonably healthy financial position.

Review and Recommendations:

Community Development Division staff reviewed the project based on AHSP guidelines.

Program Requirements: The project does not meet program requirements. The request (\$400,000) exceeds 10% of the cost per affordable unit (\$100,000). The budget does not indicate the source of the balance of costs (\$600,000). The budget also does not seek to delineate the expenses (\$1,000,000). SVCM has relevant experience in construction of units and operation of transitional housing. The application did not include a detailed floor plan, budget, proforma, or partnership agreements which are needed to determine project viability, feasibility, and quality. The applicant also has not clearly stated desired loan terms for this request so various loan terms could be considered.

Proforma Analysis: A detailed proforma was not provided.

Review of Assumptions: Assumptions were not provided.

Deferred Developer Fee: Costs, including developer fee information, were not provided.

Affordable Housing Committee Consideration: Community Development Division staff, with the materials provided in the application, is not positioned to recommend the Affordable Housing Committee recommend loan award. Staff recommend the applicant seek a rehabilitation construction loan in a future cycle after developing a plan, budget (costs and sources), and partnership agreements.

PROJECT SUMMARY SHEET		Y/N
Project Description/Narrative		
Clearly affordable housing focused		Y
Aligns with all components of the application		N
Aligns with all guidelines of the AHSP program		N
Aligns with the selected strategic goal		Y
Designed to Serve Households with AMI		
<80%		Y
<50%		Y
<30%		N
Designed to Serve		
General populous eligible for the program		N
Individuals who are age 55 or older		Y
Individuals with a disability		Y
Individuals who are hard to house		N
Individuals who are homeless		N
Individuals who are BIPOC		Y
Individuals who are justice involved		Y
Individuals who have vouchers		Y
Project Expenses		
Complete		N
Reasonable		N
Project Sources		
Complete		N
Reasonable		N
Includes leveraging additional investment (non-AHSP funds)		N
Project Schedule		
Complete		Y
Reasonable		N
Project Team		
Relevant experience and qualifications to complete the project		N
Project History		
Indicates success in completing projects in the program category		N
Applicant		
Has timely audits free of qualifications and findings which would adversely indicate ability to manage an AHSP allocation		Y
Shows a healthy financial position		Y
Is a non-profit applicant		Y

CONSTRUCTION PROJECT ADDITIONAL SUMMARY INFO	Y/N
Project	
Preserves long-term affordability beyond the loan term	N
Emphasizes quality design and construction	N
Participates in an energy efficiency program	Y
Contains mixed unit types (affordable, workforce, market)	N
Contains mixed unit types (multifamily and single family)	N
Contains mixed unit types (units with varied number of bedroom (1,2,3+))	Y
Is geographically separated from other affordable housing projects	Y
Is coordinated with employment, services, and existing infrastructure	Y
Is located within 3/4 miles of a public transportation route	Y