

## **Comments Regarding LUIG Application for Skyland Exchange Development**

Thank you for the opportunity to comment on Hathaway Development's ("Hathaway") application for approximately \$528,000 in tax breaks over 3 years for the development that displaced around 150 poor residents in the former Lakeview Mobile Home Park in South Asheville. While I am not generally opposed to targeted tax incentives to encourage affordable housing, this particular situation seriously troubles me.

As you will remember, Hathaway sought a conditional zoning change in June 2016 to build his property in the way he saw fit. Prior to the matter getting to City Council, a group of parishioners and a deacon from St. Barnabas Church in Arden worked to try to obtain some help for the residents to assist with moving costs. These residents, many of whom spoke little English, lived in mobile homes and paid approximately \$225 per month in rent. Initially, the parishioners were told that nothing could be done, but subsequently the developer agreed to contribute \$250,000 to the residents. The group then learned that the developer had also agreed to contribute \$40,000 to the City's housing trust fund. Ultimately, the developer agreed to shift that \$40,000 to the residents for a total of \$290,000 – or approximately \$5,273 per family (less than the \$8,000 estimate needed to actually move a home that could even be moved). The developer's representatives were adamant that they could not afford to give any more and told the parishioners that the developer could simply walk away from the table and they would receive nothing. Even at the City Council hearing, they refused Councilmember Wisler's suggestion to waive the residents' rent during the transition period.

The possibility that tax breaks were available never came up during discussions with the St. Barnabas parishioners, at the Planning & Zoning Board or at City Council. As a taxpayer, it outrages me that my tax dollars might subsidize a project that displaced poor, vulnerable families with young children – the same families that the City's affordable housing programs are trying to help. It's one thing to reluctantly allow such a project to happen because you don't have the power to stop it; it's entirely another to allow taxpayer dollars to subsidize it. That money could be either saved or used for other important needs facing the City – including affordable housing.

Furthermore, this was a conditional zoning matter. The possibility of tax breaks should have been discussed at the hearing – not 6 months later. In granting the conditional zoning, City Council permitted the developer to do something that he otherwise would not have been able to do. He agreed as a condition to provide the affordable housing component. The developer is essentially asking the City to give him tax breaks for something that he is already obligated to do. The developer contributed \$290,000, after claiming he could afford no more, and he potentially stands to receive \$528,000 in tax breaks. I cannot believe that Hathaway did not know that he could qualify for tax breaks through the LUIG program.

I do not fault City Council for voting to grant the conditional zoning in this matter because it truly had little leverage to help these families. But that doesn't mean we should be providing tax breaks to a developer for doing something that he is already obligated to do and that, in the words of Councilmember Smith, resulted in the "destruction of a community."

Respectfully,

Vijay Kapoor  
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