



# CITY OF HENDERSONVILLE STRATEGIC HOUSING PLAN STEERING COMMITTEE

City Hall – 2nd Floor Meeting Room, 160 6th Ave. E, Hendersonville, NC 28792  
Monday, May 20, 2024 – 4:00 PM

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## AGENDA

1. **CALL TO ORDER**
2. **APPROVAL OF AGENDA**
3. **APPROVAL OF MINUTES**
  - A. Approval of Minutes – *Lyndsey Simpson, Co-Chair*
4. **NEW BUSINESS**
  - A. Affordable Housing Summit Debriefing – *City Staff*
  - B. Next Steps – *Council Member Lyndsey Simpson and Angie Beeker, City Attorney*
5. **OTHER BUSINESS**
6. **ADJOURNMENT**

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## CITY OF HENDERSONVILLE AGENDA ITEM SUMMARY

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**SUBMITTER:** John Connet, City Manager      **MEETING DATE:** 5/20/2024  
**AGENDA SECTION:** APPROVAL OF MINUTES      **DEPARTMENT:** Administration  
**TITLE OF ITEM:** Approval of Minutes – *Lyndsey Simpson, Co-Chair*

**SUGGESTED MOTION(S):**

I move that Committee approve the minutes from the April 15, 2024 meeting.

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**SUMMARY:**

Staff requests the approval of the minutes.

**BUDGET IMPACT:** \$ NA

**Is this expenditure approved in the current fiscal year budget?** NA

**If no, describe how it will be funded.** NA

**ATTACHMENTS:**

Draft Minutes



# CITY OF HENDERSONVILLE STRATEGIC HOUSING PLAN STEERING COMMITTEE

2<sup>nd</sup> Floor Meeting Room | 160 6<sup>th</sup> Avenue E. | Hendersonville NC 28792  
Monday, April 15, 2024 – 4:00 PM

## MINUTES

Present: Council Member Lyndsey Simpson, Council Member Jennifer Hensley, County Commissioner Bill Lapsley (Henderson County), Connie Stewart (Housing Authority), Hilary Paradise (Land of Sky), Jennifer Duvall (HAC), and Robert Hooper (WNC Source)

Absent: Sarah Cosgrove (Builder’s Assoc. of the Blue Ridge), Debi Smith (TDA), Council Member Debbie O’Neal-Roundtree, Madeline Offen (Pisgah Legal), And Carsten Erkel (Partnership for Economic Development)

Staff Present: City Manager John Connet, City Attorney Angela Beeker & Community Development Director Lew Holloway

### 1. CALL TO ORDER

Jennifer Hensley called the meeting to order at 4:01 p.m. and welcomed those in attendance.

### 2. APPROVAL OF AGENDA AND MINUTES

*Jennifer Duvall, seconded by Robert Hooper, to approve the agenda and minutes of March 18, 2024, as presented. A unanimous vote of the Committee Members present followed. Motion carried.*

### 3. OLD BUSINESS

**A. Update on Affordable Housing Summit – City Attorney Angie Beeker, Community Development Director Lew Holloway, and City Manager John Connet**

City Attorney Angie Beeker explained that Shane Phillips will be coming here to Hendersonville on Thursday, May 16<sup>th</sup> (in the evening at Hendersonville High School Auditorium from 5:30pm-7:45pm) and Friday May 17<sup>th</sup> at the City Operations Center where we can have breakout sessions with smaller groups with some of our local non-profit service providers, business industrial community, city council members and city staff. City Manager Connet said they will get a “save-the-date” letter out to everyone once we nail down the school auditorium. Ms. Beeker added that you have another Strategic Housing Plan Steering Committee Meeting on the following Monday, May 20<sup>th</sup> so you can either use these meetings as your meeting or you can still have the meeting on the 20<sup>th</sup> to discuss everything that you learned from Shane Phillips.

# The Affordable City – Strategies for Putting Housing Within Reach (and Keeping It There)

Shane Phillips

## 4. OLD BUSINESS

### A. Duke N.C. Leadership Forum Housing Review – *Jennifer Hensley, Council Member*

Council Member Hensley explained that a couple of years ago, her and Commissioner Lapsley got to participate in a leadership forum. They do these all over the state in different regions and we met for 6 months or so and this was our topic “How Can We Increase Access to Adequate Housing in Western North Carolina”. This group was made of up non-profit leaders, local leaders, local senator to the Asheville area and its geared to be a group of non-partisan people to have very raw discussions and I think what I learned the most is that everybody has the same goal in mind and we all have different ways of getting there. So we came up with some guidelines and she presented the following PowerPoint presentation.



### Western NC Leadership Forum

December 2021-May 2022

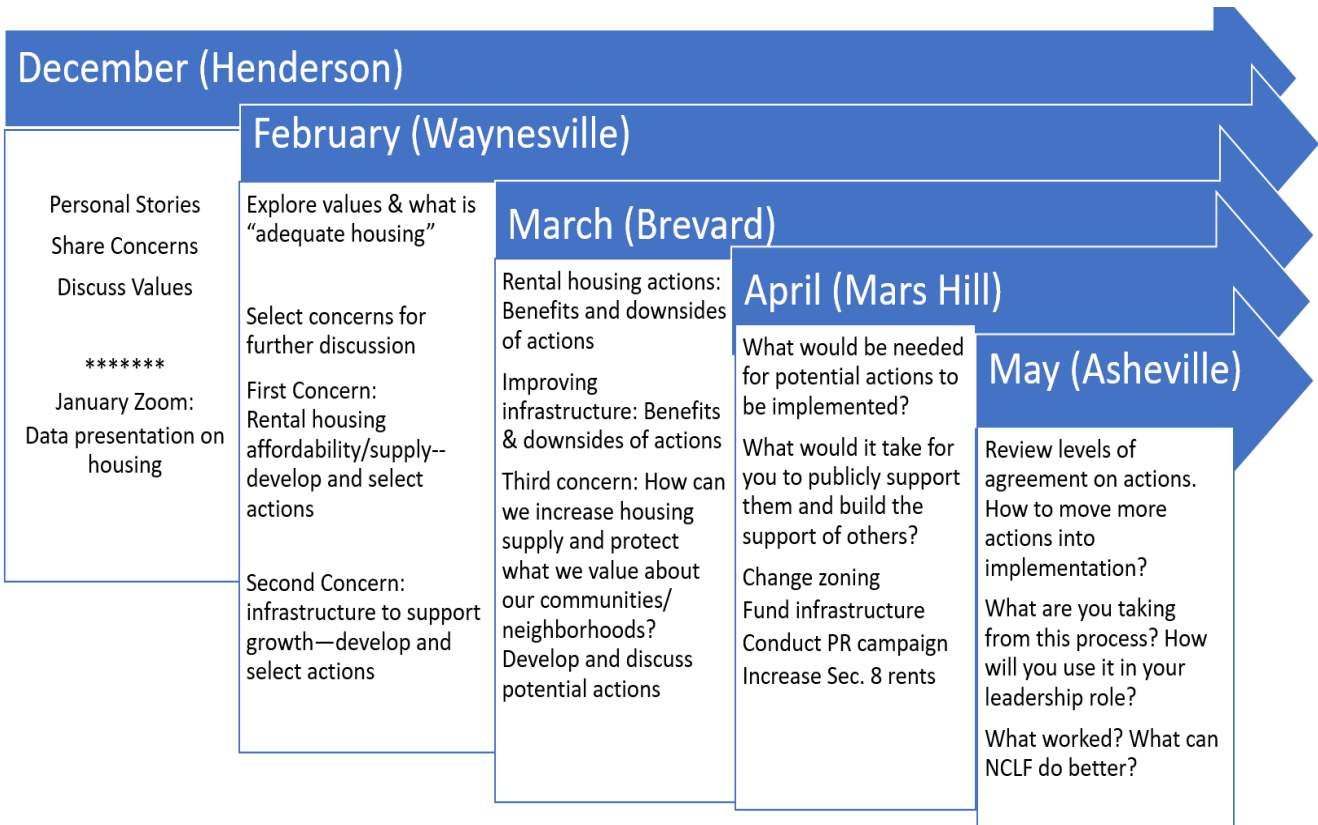
*“How can we increase access to adequate housing in Western North Carolina?”*

## Goals

- Build authentic relationships based on trust and understanding through frank, civil, and constructive discourse
- Significantly deepen understanding of a specific issue and the underlying values and concerns of others without diminishing one's own or another person's point of view.

## Background

- Dogwood Health Trust **housing gap analysis: Region needs 13,451-14,213 rental units, including 4,885-6,859 for seniors. Needs 3,096-8,830 homes for ownership, including 2,216-5,157 for seniors** (range reflects differing HUD and NCHFA methodologies)
- **Growth in higher-income demand is putting pressure on lower-income renters and homeowners**
- **While the local housing market has a variety of products, limited availability and affordability is still a challenge for most residents.** Very local vacancy rate in multifamily rental housing: .9% vs 4-6% health rate. Vacancies even lower for affordable units, including no vacancies and waiting lists in some cases
- **Volume of home sales increased over past two years, median sale price increased as well**
  - Significant shortage of available homes for sale: .9% vs 2-3% in healthy market.
  - 2/3 of supply priced over \$300,000, requiring hh income of about 95K. Only 14.5% priced under \$200K and would be affordable to hh income below 60K.



## Concerns

- Meeting housing needs negatively impacts neighborhoods, communities and the natural and built environment
- NIMBYism and lack of communication make it harder to build new housing
- Access to financing is inadequate and inequitable
- Households cannot afford to buy houses, especially near where they work
- Cost of home ownership is too high
- Costs of building new housing is too high
- Governments hinder, rather than help increase supply of adequate housing
- Rental concerns (affordability, stability, supply, sustainability for landlords)
- Too much housing is low quality
- Homelessness/houselessness is inadequately addressed
- Counties lack sufficient infrastructure to support growth
- Other: Special needs populations; Capacity of residents to be homeowners/renters

## Focused on three concerns

- Need for supply of affordable, stable rental that is sustainable for landlords
- Counties lack sufficient infrastructure to support growth
- How to increase housing supply for workforce and middle-income households while also protecting what WNC values about its communities and neighborhoods (Need to address/decrease community resistance to additional housing)

## What we value

- **All households should have access to adequate and affordable housing**
- **Housing should be available for the workforce**
- **Housing should provide stability to households and families**
- ***Creating and maintaining an adequate housing supply should be economically sustainable for housing developers and providers***
- *Housing should contribute to the vibrancy and cultural continuity of the community (including that people who have lived in a community should be able to remain there.)*
- *Homeownership should provide equitable opportunity for creation of wealth and intergenerational wealth*
- *Landlords should be able to make a fair return on their investment*
- Housing providers should be treated with courtesy and professional respect

## Proposed Actions with mixed or less support:

- Increase access/ stability for tenants by
  - Having a uniform application and background checks for tenants
  - Requiring or increasing availability of mediation for landlord/ tenant disputes
  - Developing a system to expunge tenant evictions from court records and credit reports
- Increase access to §8 housing by
  - Closing the rental rate gap between §8 rents and market rate rents
  - Do more outreach to landlords and education of tenants about §8
- Local governments conduct an audit of assets that could be sold to support housing related infrastructure.
- Regional development of shared utilities (i.e. broadband)
- Adopt inclusionary zoning combined with a form-based code to include more affordable housing that looks like the neighborhood.
- Create an “ownership and development of your real estate” course for property owners in WNC that present opportunities for property owners to learn about real estate, financing, land development.

## Proposed Actions with most support

- Develop and implement a broad based PR strategy to increase public buy-in to addressing housing supply and affordability issues in WNC;
- Generate funding for infrastructure or other capital needed to support increasing the housing supply, including issuing state or local bonds or getting permission to use the occupancy tax;
- Increase multifamily, higher density, mixed use, or form based zoning that will make it easier for developers to build housing, especially housing affordable to working households;
- Regional coordination for planning around housing and economic development (i.e. corridor planning, comprehensive plans for housing);
- Increase regional capacity to attract state and federal funding for infrastructure and housing;
- Encourage local governments to subsidize Section 8 rents;
- Consider regulation (zoning) of short-term rentals and support homestays



I felt like we learned a ton of things and we had a follow up meeting in Raleigh this fall and we went over everything that we learned and I felt like it gave us a really good guidelines of what we can do, what we're able to do, what we should be doing and so parts of those plans would be good for us to look at so that we can develop actionable items within this group and not try to reinvent the wheel. Also using the information that Angie is providing us and getting the study done, those are all going to provide tools for us to move forward.

### **B. Review of 2020 Bowen Housing Study – John Connet, City Manager**

City Manager Connet presented the following PowerPoint presentation that was given to Council in March 2022, but the data is from 2020. The Dogwood Group will be updating this study in 2025.



# HENDERSON COUNTY, NORTH CAROLINA HOUSING OVERVIEW

MARCH 2022



Presented by: Patrick Bowen  
[patrickb@bowennational.com](mailto:patrickb@bowennational.com)  
614-833-9300

## BOWEN NATIONAL RESEARCH

- ❖ National real estate research
- ❖ 500+ studies a year
- ❖ Most work in North Carolina
- ❖ Studied 25+ NC Counties
- ❖ Studied Henderson County
- ❖ Member of NCHMA (Trustee)
- ❖ Member of NCEDA
- ❖ NCHFA approved



# 2021 WESTERN NC HOUSING NEEDS ASSESSMENT SCOPE OF WORK



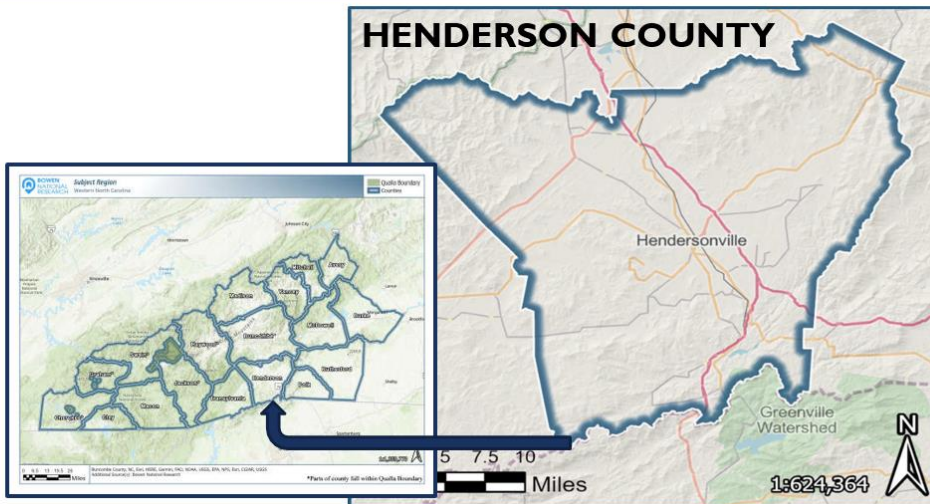
Study Areas	<ul style="list-style-type: none"> <li>• 18 Counties and a Tribal Reservation</li> </ul>
Demographic & Economic	<ul style="list-style-type: none"> <li>• Population, Household and Income Trends through 2025</li> <li>• 10 Years of Economic &amp; Employment Trends</li> </ul>
Housing Supply	<ul style="list-style-type: none"> <li>• Rental Housing Survey (Multifamily Apartments and Non-Conventional Rentals)</li> <li>• For-Sale Housing, both Historical Sales and Active Listings</li> </ul>
Other Housing Market Factors	<ul style="list-style-type: none"> <li>• Access to Community Attributes</li> <li>• Computer &amp; High-Speed Internet Access</li> <li>• Federal &amp; State Program Eligibility</li> <li>• Commuting and Migration Patterns</li> </ul>
Community Input	<ul style="list-style-type: none"> <li>• Online surveys of 139 stakeholders, 34 employers and 7 foundations throughout the region regarding housing issues/needs, barriers to development and possible solutions</li> </ul>
Special Needs Analysis	<ul style="list-style-type: none"> <li>• Evaluated Selected “Hard to House” Populations</li> </ul>
Housing Gap Estimates	<ul style="list-style-type: none"> <li>• Provided Estimated Number of Housing Units Needed by Tenure and Household Income by County</li> </ul>
Conclusions	<ul style="list-style-type: none"> <li>• Provided a General Action Plan for Future Housing Decisions</li> </ul>

## Study Disclaimers

- The study was conducted on a **county level** and did not evaluate **individual communities**
- The study did not evaluate existing **government policies or programs**
- The study did not provide **government-oriented strategies**
- The Housing Gap Estimates focused on **demand for units affordable to households earning up to 120%** of Area Median Household Income (Excluded higher end housing product)
- The study did not include **other factors that can influence residential development:**
  - *Cost of Land*
  - *Available Sites*
  - *Residential Blight*
  - *Availability of Infrastructure*
  - *School Quality*
  - *Crime Trends*
  - *Development Costs*
  - *Community Services*

# GEOGRAPHIC STUDY AREA – HENDERSON COUNTY

Avery  
 Buncombe  
 Burke  
 Cherokee  
 Clay  
 Graham  
 Haywood  
**Henderson**  
 Jackson



Macon  
 Madison  
 McDowell  
 Mitchell  
 Polk  
 Rutherford  
 Swain  
 Transylvania  
 Yancey  
 Qualla Boundary

## Overall Household Data

Henderson County experienced 2<sup>nd</sup> greatest household growth rate (14.6%) b/w 2010-2020 and is projected to have the 2<sup>nd</sup> greatest growth rate (6.7%) between 2020-2025

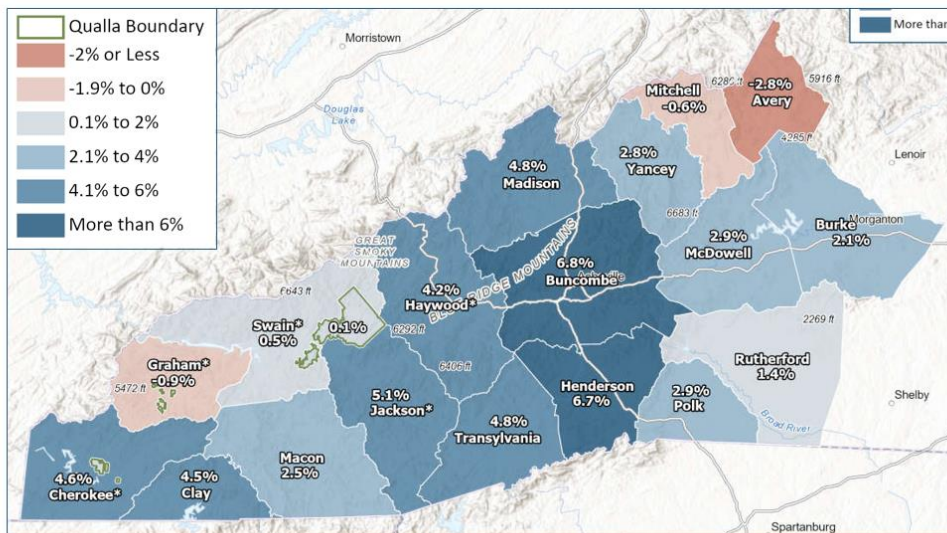
	Total Households									
	2000 Census	2010 Census	Change 2000-2010		2020 Estimated	Change 2010-2020		2025 Projected	Change 2020-2025	
			Number	Percent		Number	Percent		Number	Percent
Avery	6,532	6,664	132	2.0%	6,493	-171	-2.6%	6,310	-183	-2.8%
Buncombe	85,771	100,412	14,641	17.1%	115,601	15,189	15.1%	123,472	7,871	6.8%
Burke	34,528	35,804	1,276	3.7%	37,653	1,849	5.2%	38,457	804	2.1%
Cherokee*	10,138	11,541	1,403	13.8%	12,598	1,057	9.2%	13,172	574	4.6%
Clay	3,847	4,660	813	21.1%	5,148	488	10.5%	5,378	230	4.5%
Graham*	3,190	3,514	324	10.2%	3,568	54	1.5%	3,535	-33	-0.9%
Haywood*	23,100	25,563	2,463	10.7%	27,839	2,276	8.9%	29,002	1,163	4.2%
<b>Henderson</b>	<b>37,414</b>	<b>45,448</b>	<b>8,034</b>	<b>21.5%</b>	<b>52,097</b>	<b>6,649</b>	<b>14.6%</b>	<b>55,589</b>	<b>3,492</b>	<b>6.7%</b>
Jackson*	12,075	15,120	3,045	25.2%	16,600	1,480	9.8%	17,452	852	5.1%
Macon	12,828	14,591	1,763	13.7%	15,749	1,158	7.9%	16,142	393	2.5%
Madison	8,005	8,494	489	6.1%	9,628	1,134	13.4%	10,086	458	4.8%
McDowell	16,604	17,838	1,234	7.4%	19,191	1,353	7.6%	19,740	549	2.9%
Mitchell	6,551	6,685	134	2.0%	6,660	-25	-0.4%	6,619	-41	-0.6%
Polk	7,908	8,989	1,081	13.7%	9,444	455	5.1%	9,716	272	2.9%
Qualla Boundary	2,946	3,373	427	14.5%	3,334	-39	-1.2%	3,336	2	0.1%
Rutherford	25,191	27,466	2,275	9.0%	28,243	777	2.8%	28,643	400	1.4%
Swain*	3,668	4,024	356	9.7%	4,219	195	4.8%	4,238	19	0.5%
Transylvania	12,320	14,394	2,074	16.8%	16,077	1,683	11.7%	16,850	773	4.8%
Yancey	7,472	7,644	172	2.3%	8,175	531	6.9%	8,402	227	2.8%
Region	320,087	362,224	42,137	13.2%	398,318	36,094	10.0%	416,139	17,821	4.5%
North Carolina	3,131,002	3,745,144	614,142	19.6%	4,215,474	470,330	12.6%	4,461,326	245,852	5.8%

## Household Growth (Percent Change Between 2020-2025)

Projections for 2025 indicate the region will experience an overall growth rate of 4.5%, or an additional 17,821 households.

Greatest Projected Growth to Occur in Buncombe & Henderson and Other Central Counties

Henderson County projected to add 3,492 households between 2020-2025



## Demographic Overview (Henderson County vs. Region & State)

US Census, ESRI & Claritas Estimates	County		Region		State	
	Population	Households	Population	Households	Population	Households
2000 Census	89,173	37,414	778,617	320,087	8,049,282	3,131,002
2010 Census	106,740	45,448	868,436	362,224	9,535,457	3,745,144
Change 2000-2010	17,567	8,034	89,819	42,137	1,486,175	614,142
Percent Change 2000-2010	19.70%	21.5%	11.5%	13.20%	18.5%	19.60%
2020 Estimated	122,907	52,097	953,260	398,318	10,736,851	4,215,474
Change 2010-2020	16,167	6,649	84,824	36,094	1,201,394	470,330
Percent Change 2010-2020	15.1%	14.6%	9.8%	10.0%	12.6%	12.6%
2025 Projected	131,318	55,589	994,947	416,139	11,357,274	4,461,326
Change 2020-2025	8,411	3,492	41,687	17,821	620,423	245,852
Percent Change 2020-2025	6.8%	6.7%	4.4%	4.5%	5.8%	5.8%

- **2010-2020:** County population (15.1%) & household (14.6%) growth rates are greater than Region and State
- **2020-2025:** County population (6.8%) & household (6.7%) growth rates projected to outpace Region and State
- County expected to add an average of **nearly 700 households annually**, contributing to housing demand

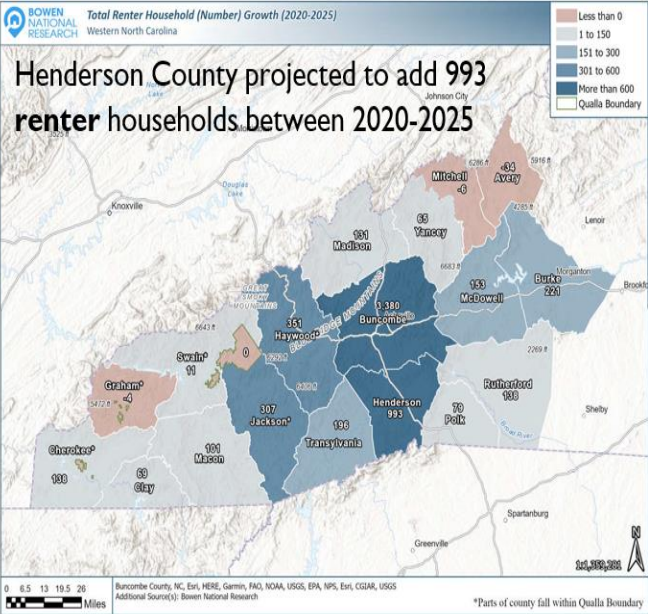
## Demographic Overview – Household Heads by Age: Henderson County

Henderson County Household Heads by Age							
Year	<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
2010	1,175 (2.6%)	4,998 (11.0%)	6,911 (15.2%)	8,208 (18.1%)	8,809 (19.4%)	7,661 (16.9%)	7,686 (16.9%)
2020	1,224 (2.3%)	5,287 (10.1%)	7,112 (13.7%)	8,176 (15.7%)	10,083 (19.4%)	10,332 (19.8%)	9,883 (19.0%)
2025	1,282 (2.3%)	5,182 (9.3%)	7,368 (13.3%)	8,272 (14.9%)	10,047 (18.1%)	11,544 (20.8%)	11,894 (21.4%)
<b>Change 2020-2025</b>	58 (4.7%)	-105 (-2.0%)	256 (3.6%)	96 (1.2%)	-36 (-0.4%)	1,212 (11.7%)	2,011 (20.3%)

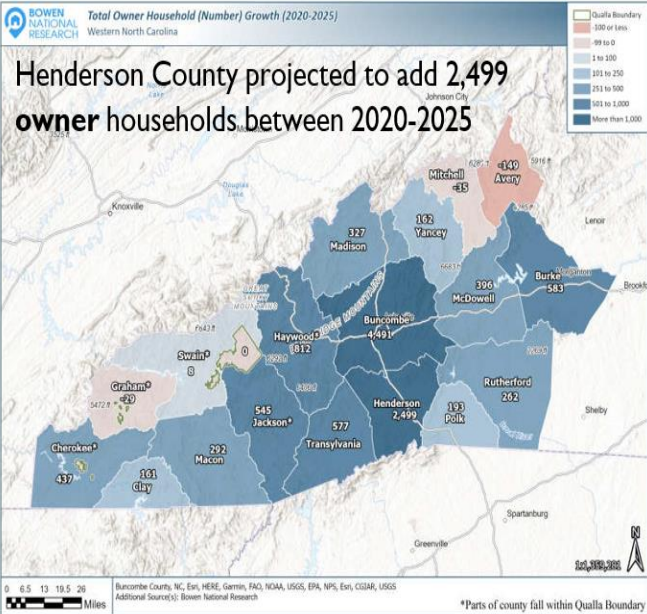
- The majority (58.2%) of county households are **age 55+** in 2020
- Mirroring national trends, most county household growth between 2020-2025 is **projected to occur among households ages 35 to 44 and ages 65+**
- Housing demand will likely increase for units that meet the needs of **older millennials and seniors/empty nesters**

## Renter & Owner Household Growth (2020-2025)

### Renter Household Growth

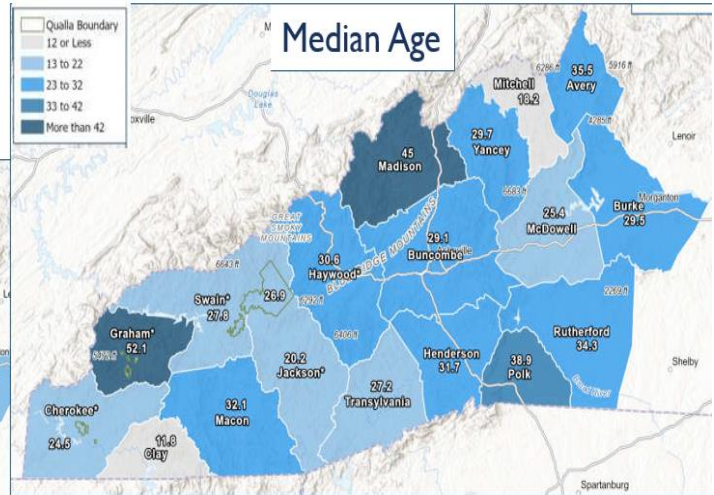
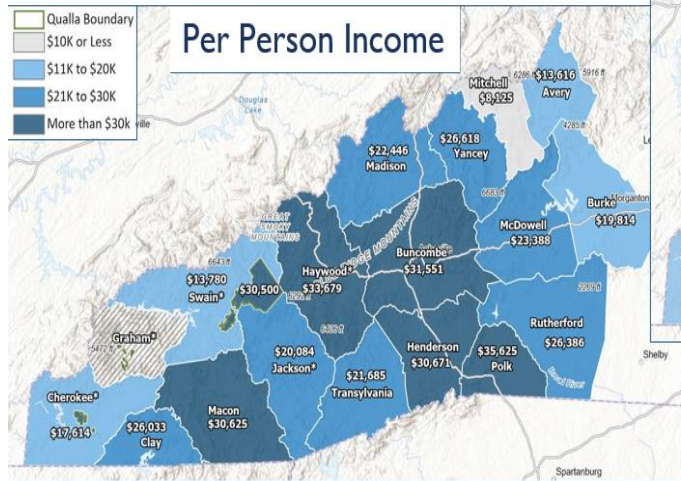


### Owner Household Growth



## In-Migration by Per Person Annual Income and Median Age

The median per-person income of people migrating into Henderson County is just over **\$30,000**, fourth highest in the 18-county Region.

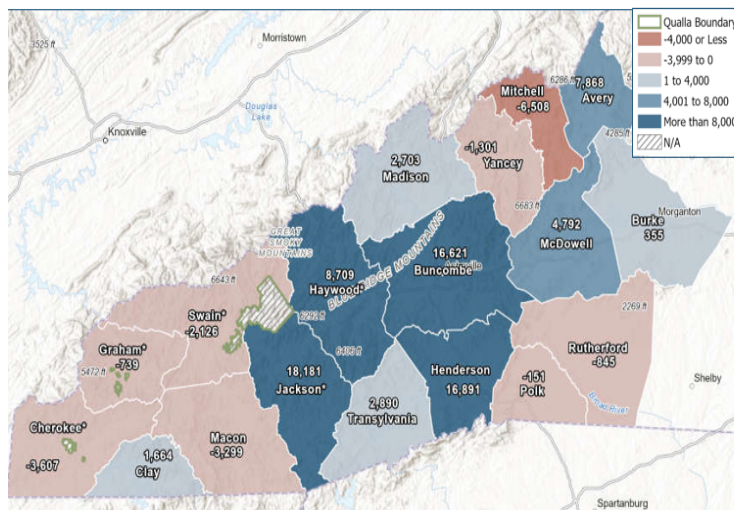


The median age of people migrating into Henderson County is **31.7**, seventh highest in the 18-county Region.

## In Migration (Interstate)

The Region has experienced **net migration growth** of approximately **62,000 people** between 2009 and 2018. Ten out of the 18 counties within the region exhibited positive net growth (eight declined), **Henderson County** had positive net migration of **16,891 people**.

### Destination



### Origination

Region In-Migrants Distribution by Region/Division			
	Division	Net Estimate	Percent
Northeast	New England	440	5.0%
	Mid-Atlantic	1,157	15.1%
Midwest	West North Central	-191	-2.2%
	East North Central	253	2.9%
South	South Atlantic	6,008	67.9%
	East South Central	-1,231	-13.9%
	West South Central	523	5.9%
West	Mountain	653	7.4%
	Pacific	1,234	13.9%
Total		8,846	100.00%

Region In-Migrants: Top 15 States of Origin		
State	Net Estimate	Percent of Total Net
Florida	3,589	40.3%
California	1,150	12.9%
North Carolina	1,110	12.5%
New York	892	10.0%
Colorado	640	7.2%
Georgia	640	7.2%
Virginia	482	5.4%
South Carolina	233	2.6%
Texas	220	2.5%
Oregon	193	2.2%
Michigan	187	2.1%
Massachusetts	181	2.0%
Pennsylvania	180	2.0%
Puerto Rico	171	1.9%
Connecticut	139	1.6%

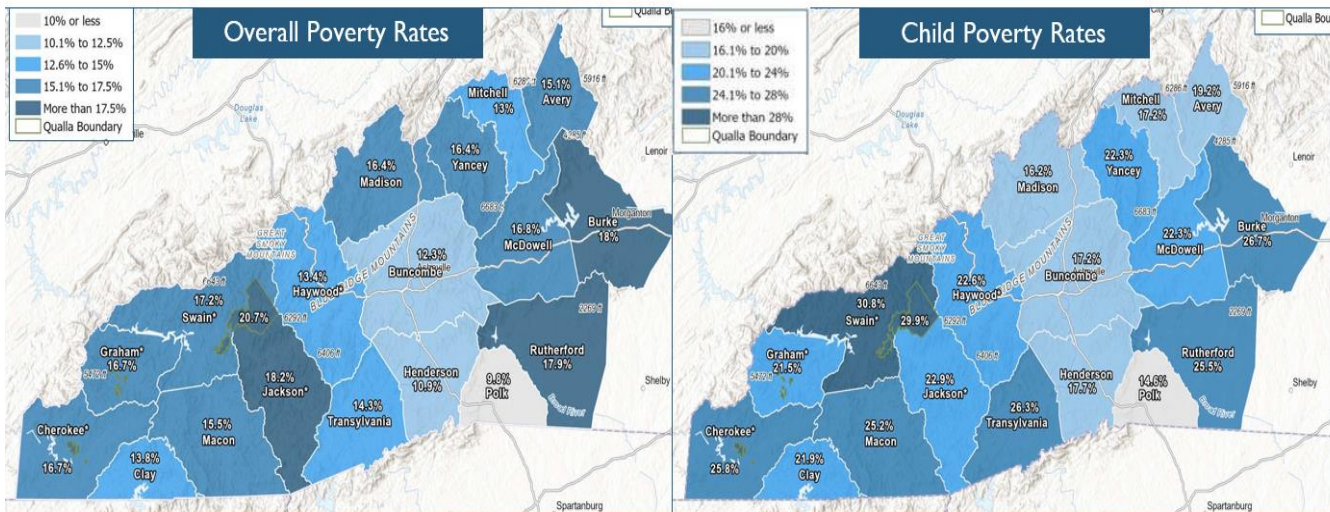
## Demographic Overview – Households by Income and Tenure

Henderson County - Households by Income & Tenure									
Tenure	Year	<\$10,000	\$10,000 - \$19,999	\$20,000 - \$29,999	\$30,000 - \$39,999	\$40,000 - \$49,999	\$50,000 - \$59,999	\$60,000 - \$99,999	\$100,000+
Renter	2010	1,541 (13.6%)	2,537 (22.4%)	1,980 (17.5%)	1,540 (13.6%)	1,284 (11.4%)	730 (6.5%)	1,409 (12.5%)	285 (2.5%)
	2020	1,191 (7.9%)	2,694 (17.9%)	2,513 (16.7%)	2,140 (14.2%)	1,527 (10.2%)	1,140 (7.6%)	2,675 (17.8%)	1,153 (7.7%)
	2025	1,070 (6.7%)	2,544 (15.9%)	2,269 (14.2%)	2,068 (12.9%)	1,559 (9.7%)	1,237 (7.7%)	3,435 (21.4%)	1,844 (11.5%)
	Change 2020-2025	-121 (-10.2%)	-150 (-5.6%)	-244 (-9.7%)	-72 (-3.4%)	32 (2.1%)	97 (8.5%)	760 (28.4%)	690 (59.9%)
Owner	2010	1,865 (5.5%)	3,725 (10.9%)	3,619 (10.6%)	3,578 (10.5%)	4,219 (12.4%)	3,099 (9.1%)	9,046 (26.5%)	4,991 (14.6%)
	2020	1,043 (2.8%)	2,674 (7.2%)	3,358 (9.1%)	3,601 (9.7%)	2,739 (7.4%)	3,080 (8.3%)	9,373 (25.3%)	11,196 (30.2%)
	2025	910 (2.3%)	2,476 (6.3%)	3,014 (7.6%)	3,264 (8.3%)	2,375 (6.0%)	2,817 (7.1%)	9,594 (24.2%)	15,113 (38.2%)
	Change 2020-2025	-133 (-12.7%)	-198 (-7.4%)	-344 (-10.3%)	-337 (-9.4%)	-364 (-13.3%)	-263 (-8.5%)	221 (2.4%)	3,918 (35.0%)

- Most **Renter** Households Earn b/w \$10k-\$40k, while Projected Growth to Occur Among Households Earning \$50k+
- Most **Owner** Households Earn \$60k+ and Projected Growth to Occur Among Households Earning \$60k+

## Poverty Data: Henderson County and Region

- Over 125,000 (14.4%) People in the Region Live in Poverty (**Henderson County = 12,408 people, 10.9%**)
- Highest rates of Poverty in Qualla Boundary, Jackson, Burke and Rutherford (**Henderson County 2<sup>nd</sup> Lowest**)
- 34,670, or One in Five, Children under Age 18 in the Region Live in Poverty (**Henderson County = 17.7%**)



## Housing Overview (Age & Condition): Henderson County

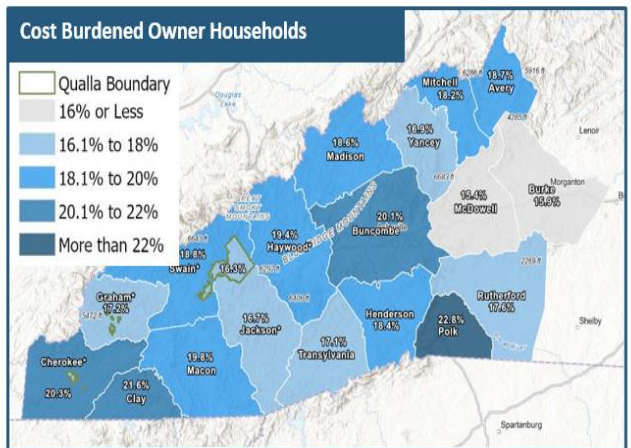
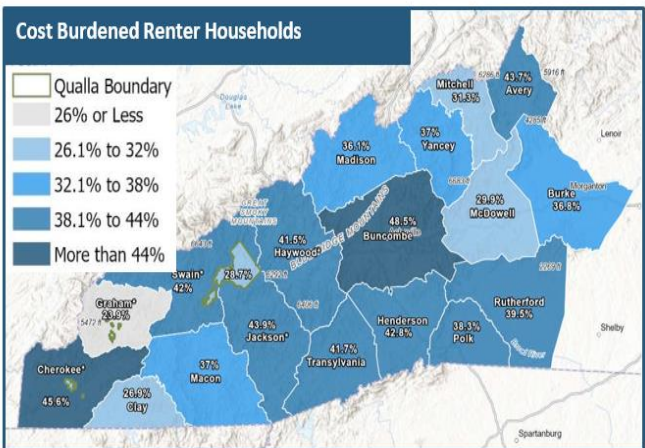
Henderson County Housing Age and Conditions											
Pre-1970 Product				Overcrowded				Incomplete Plumbing or Kitchen			
Renter-Occupied		Owner-Occupied		Renter-Occupied		Owner-Occupied		Renter-Occupied		Owner-Occupied	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
3,795	28.9%	6,713	18.6%	502	3.8%	659	1.8%	138	1.0%	224	0.6%

- 1,161 households (502 renters & 659 owners) live in overcrowded housing
- 362 households (138 renters & 224 owners) live in units without complete kitchens/plumbing
- Housing renovations, rehabilitation, and preservation remain critical to local housing market

## Household Income, Housing Costs & Affordability: Henderson County

Henderson County - Household Income, Housing Costs and Affordability (Housing Cost Burden)							
2020 Households	Median Household Income	Estimated Median Home Value	Average Gross Rent	Share of Cost Burdened Households*		Share of Severe Cost Burdened Households**	
				Renter	Owner	Renter	Owner
52,097	\$56,086	\$214,000	\$853	42.8%	18.4%	14.8%	7.0%

\*Paying more than 30% of income toward housing costs | \*\*Paying more than 50% of income toward housing costs



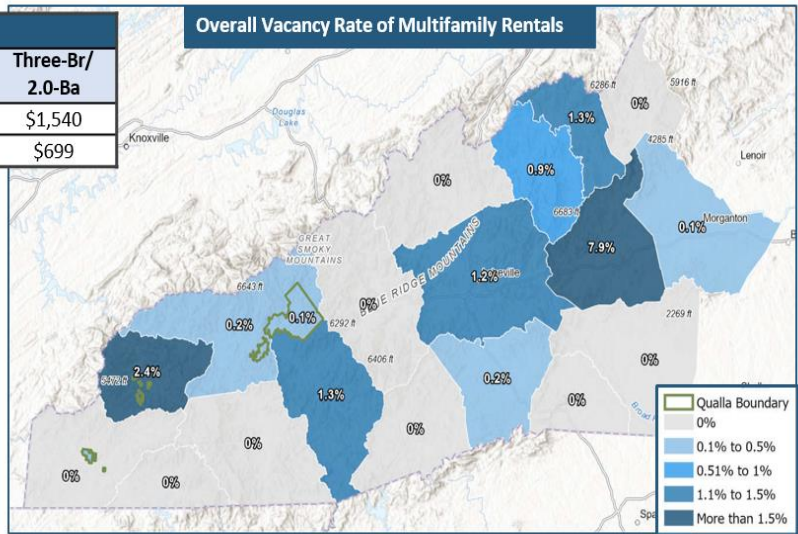
- 42.8% renters and 18.4% owners are housing cost burdened



## Multifamily Rental Housing Overview: Henderson County

Surveyed Multifamily Rental Housing Supply										
Projects Surveyed	Total Units	Vacant Units	Overall Vacancy Rate	Vacancy Rate by Type			Wait Lists by Type (Households)			
				Market	Tax Credit	Subsidy	Market	Tax Credit	Subsidy	Total
34	2,744	6	0.2%	0.4%	0.0%	0.0%	131	158	164	453

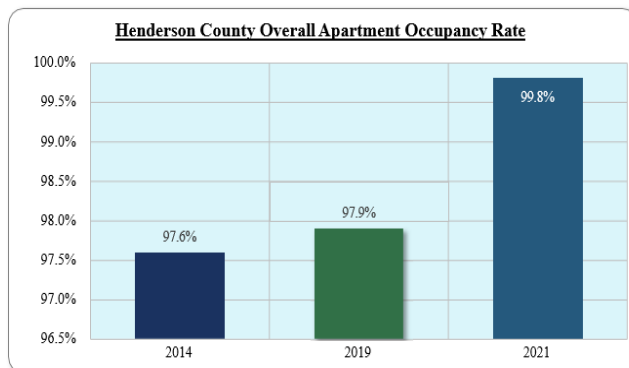
Median Rent by Bedroom/Bathroom Type				
Property Type	One-Br/1.0-Ba	Two-Br/1.0-Ba	Two-Br/2.0-Ba	Three-Br/2.0-Ba
Market-Rate	\$1,116	\$1,127	\$1,310	\$1,540
Tax Credit	\$510	\$583	\$800	\$699



- Only six of 2,744 apartment units are vacant, resulting in a **low 0.2% vacancy rate**
- **No affordable (Tax Credit or Subsidized) units vacant**
- Base market-rate rent of \$1,116 would require an income of around \$50,000 to afford

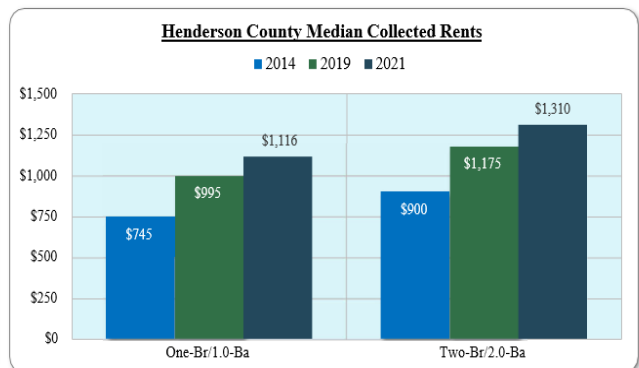
## Multifamily Rental Housing Trends: Henderson County

Traditionally High Apartment Occupancy Rates have Reached Historically High Levels



*Available Rental Units Declined from 44 in 2019 to 6 in 2021*

Median Market-Rate Rents Continue to Increase Significantly



*Median Rents Increased 45.6% Over Past Seven Years*

## Wait Lists of Multifamily Rentals: Henderson County vs. Counties

There are **approximately 5,547 households on the wait lists** for available multifamily rental housing in the region, illustrating pent-up demand among all affordability levels.

Surveyed Multifamily Rental Housing Supply by Area				
Market	Wait Lists by Type (Households)			
	Market	Tax Credit	Subsidy	Total
Avery	0	5	37	42
Buncombe	421	1,221	1,003	2,645
Burke	446	100	223	769
Cherokee	-	-	35	35
Clay	0	-	119	119
Graham	-	0	9	9
Haywood	13	156	168	337
<b>Henderson</b>	<b>131</b>	<b>158</b>	<b>164</b>	<b>453</b>
Jackson	44	52	6	102
Macon	0	102	80	182
Madison	-	0	10	10
McDowell	0	10	90	100
Mitchell	-	-	118	118
Polk	-	10	42	52
Rutherford	100	45	151	296
Swain	0	-	0	0
Transylvania	155	0	42	197
Yancey	-	-	81	81
<b>Region</b>	<b>1,310</b>	<b>1,859</b>	<b>2,378</b>	<b>5,547</b>

**HENDERSON COUNTY**  
 Approximately **453 households are on wait lists** for a variety of rental housing product, illustrating the pent-up demand that exists among all affordability levels.



## Rental Housing – Non-Conventional Rentals

Non-Conventional Rental Housing Supply				
Total Units	Share of All Rental Units	Total Available Units	Vacancy Rate	Average Collected Rent
10,697	81.6%	<b>15</b>	<b>0.1%</b>	\$935

*Non-Conventional rental typically consists of single-family home, duplex, mobile home, etc.*

- Only 15 of 10,697 units are vacant, resulting in a **low 0.1% vacancy rate**
- Available units have average collected rent of \$935; Accounting for likely tenant-paid utilities (\$100/month) would require an income of around \$46,000 to afford typical non-conventional rental

## Resident Voucher Acceptance & Use

Resident Voucher Use				
HCV Issued	Estimated Unused Vouchers	Unused Voucher Share	Annual Program Turnover	Wait List
480	211	44%	47	495

Project Voucher Acceptance and Use (Surveyed Non-Subsidized Multifamily Rental Housing Supply Only)					
Total Number of Non-Subsidized Projects	Number of Projects Accepting Vouchers	Share of Projects Accepting Vouchers	Total Number of Units Eligible for Vouchers	Total Number of Vouchers in Use	Share of Vouchers in Use
30	17	56.7%	549	151	27.5%



- 480 Housing Choice Vouchers issued in county, **wait list of 495 households**
- **211 HCVs unused** in county, **44%** of HCVs unused
- 17 of 30 non-subsidized projects surveyed, **56.7%** accept HCVs (**over 40% do not accept HCVs**)

## Local Wages and Rental Housing Affordability: Henderson County

Henderson County Wages and Housing Affordability									
Estimated Mean Renter Wage	Two-Bedroom FMR	Rent Affordable at 60% AMHI	Rent Affordable at 30% AMHI	Rent Affordable with Full-time Job Paying Mean Renter Wage	Income Required to Afford Two-Bedroom FMR				
					Income	Housing Wage	Work Hours per week at Minimum Wage	Number of Jobs at Minimum Wage	Work Hours/week at Mean Renter Wage
\$11.95	\$1,255	\$1,088	\$544	\$621	\$50,200	\$24.13	<b>133</b>	3.3	<b>81</b>

Source: National Low Income Housing Coalition (NLIHC) Out of Reach 2020

- \$1,255 Two-bedroom Fair Market Rent (FMR)
- Person at minimum wage required to work **133 hours** (or have 3.3 jobs) to afford FMR
- At mean wage of \$11.95, would require **81 hours** work per week (or two full-time jobs)

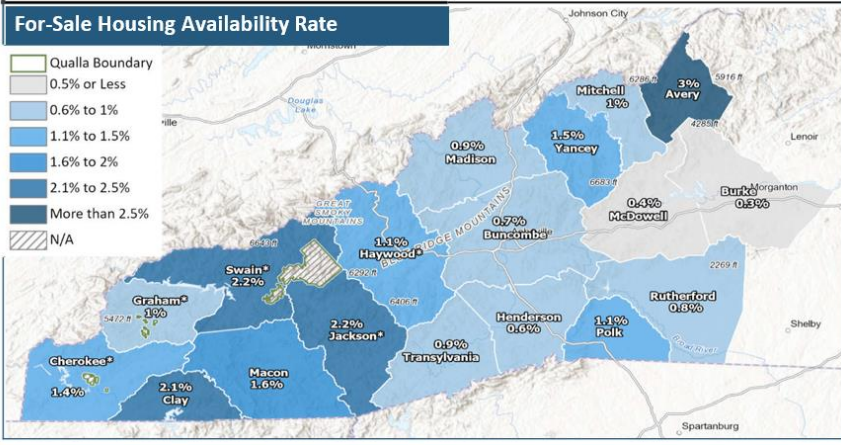


**Multiple wage earners required per household or single wage earner would need to work overtime to afford housing**

## For-Sale Housing – Available Homes: Henderson County

Available For-Sale Housing						
Total Available Units	% Share of Region	Availability Rate*	Average List Price	Median List Price	Average Days On Market	Average Year Built
227	9.1%	0.6%	\$697,799	\$449,000	74	1987

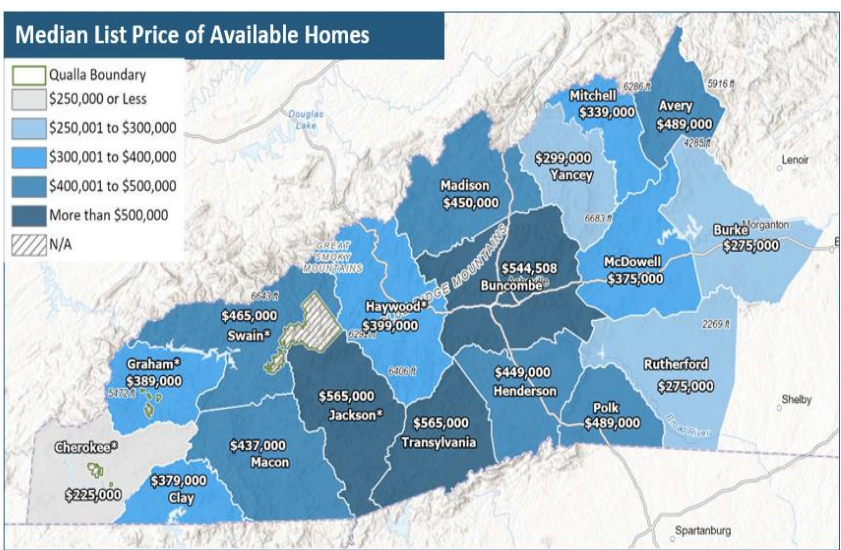
\*Derived by dividing available units by total owner-occupied housing



- Only 227 available homes, resulting in a very low **0.6% availability rate (3<sup>rd</sup> lowest in Region)**
- Median list price of **\$449,000**, requiring income of \$135k+
- Homes selling relatively fast (average 74 days)

## For-Sale Housing – Available Homes: Henderson County

Henderson County Available For-Sale Housing Units by List Price									
<\$100,000		\$100,000 - \$199,999		\$200,000 - \$299,999		\$300,000 - \$399,999		\$400,000+	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
0	0.0%	17	7.5%	36	15.9%	50	22.0%	124	54.6%

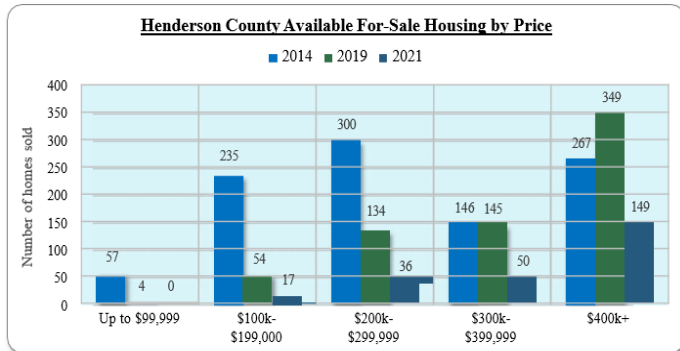


Available For-Sale Housing Units by Bedroom Type		
Beds	Number (Share)	Median Price
Studio/One-Br.	4 (1.8%)	\$149,000
Two-Br.	41 (18.1%)	\$275,000
Three-Br.	127 (55.9%)	\$399,999
Four-Br.	55 (24.2%)	\$775,000

- Only **17 (7.5%)** available homes priced **below \$200k**
- Only **53 (23.4%)** available homes priced **under \$300k**
- Median price for **three-bedroom** is **\$399,999**

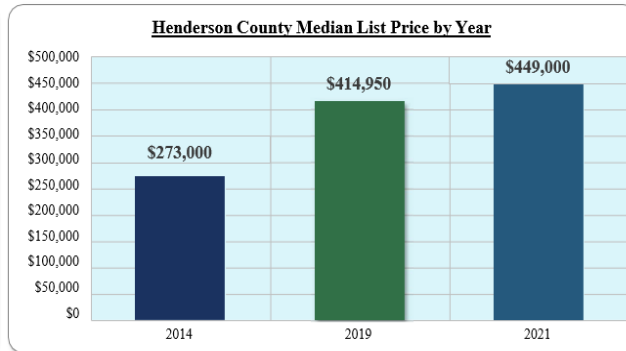
# Multifamily Rental Housing Overview: Henderson County

## Available For-Sale Housing Inventory Shrinking at All Ranges



Available Inventory Shrunk from **1,005** Units in 2014 to **227** in 2021

## Median List Price Escalating Significantly Over Past Several Years



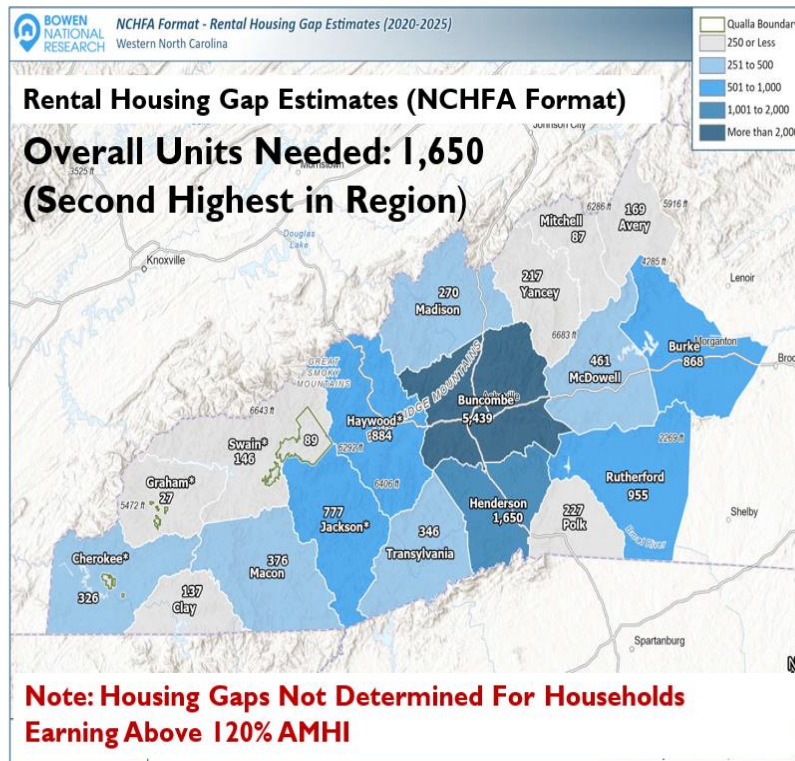
Median List Price Increased by **\$176,000** between 2014 and 2021, Representing a **64.5% Increase (9.2% Annually)**

## Henderson County Rental Housing Gap

AMHI: **≤ 50%**  
 Income: **<\$37,000**  
 Rent: **\$1,050**  
 Units: **1,149**

AMHI: **51%-80%**  
 Income: **\$37,000-\$60,000**  
 Rent: **\$1,051-\$1,750**  
 Units: **240**

AMHI: **81%-120%**  
 Income: **\$60,000-\$90,000**  
 Rent: **\$1,501-\$2,600**  
 Units: **261**

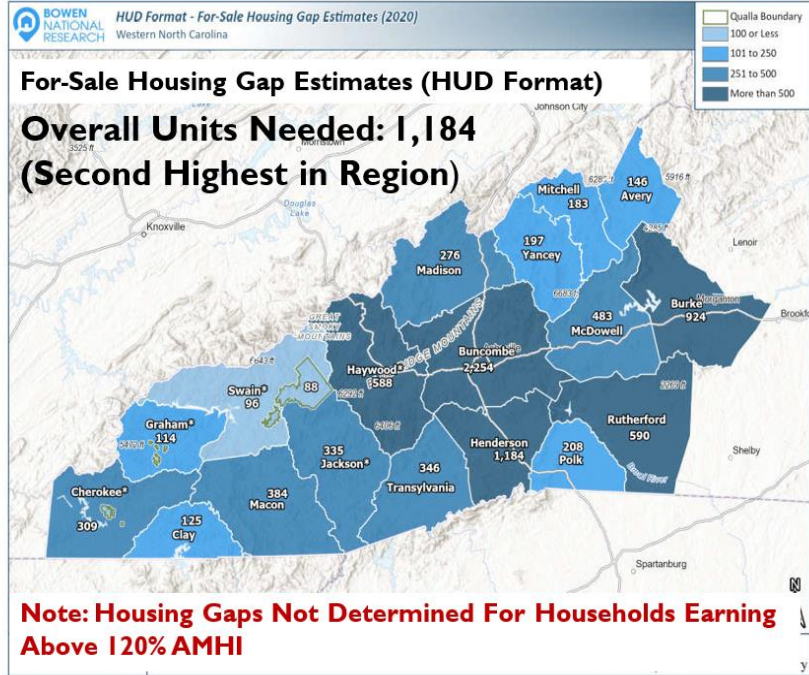


## Henderson County For-Sale Housing Gap

AMHI: **≤ 50%**  
 Income: **<\$37,000**  
 Price: **\$125,000**  
**Units: 490**

AMHI: **51%-80%**  
 Income: **\$37,000-\$60,000**  
 Price: **\$125,001-\$200,000**  
**Units: 336**

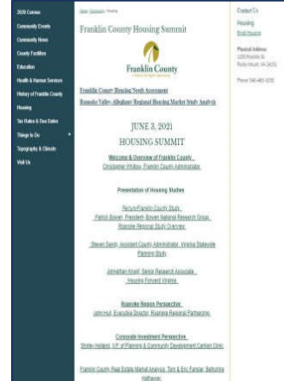
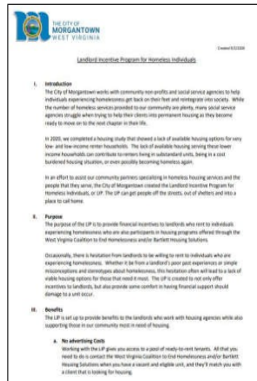
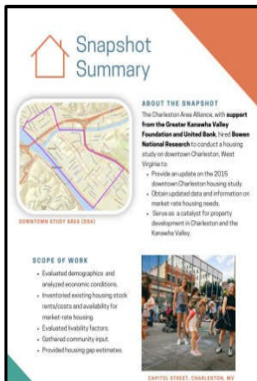
AMHI: **81%-120%**  
 Income: **\$60,000-\$90,000**  
 Price: **\$201,000-\$300,000**  
**Units: 358**



## Case Studies of Best Practices

Henderson County can Benefit from Learning of the Housing Efforts made by Other Communities, Including Programs, Initiatives and Incentives to Address Housing

- Asheville, NC
- Beaufort County, SC
- Charleston County, SC
- New Hanover County, NC
- Charleston, WV
- Morgantown, WV
- Franklin County, VA



## Conclusions

### Final Thoughts

- **Availability, Affordability** and **Quality** of Housing Remain Greatest Challenges to Area Residents
- **Market Imbalance** Exists Between Household Income Levels and the Housing that is Affordable to Them
- Housing **Costs Outpacing Income** Growth, **Widening the Gap** in Housing Needs
- Challenges Greatest Among Lower Income Individuals that Typically **Must Work Excessive Hours** to Afford Housing
- **Housing Choice Voucher** Acceptance and Usage are Low, Costing Region Substantial **Loss in Federal Assistance**
- **Large Network** of Regional Entities Poised and Willing to Help be Part of **Housing Solutions**

#### C. Creating the Affordable City – *Lyndsey Simpson, Mayor Pro Tem and Angie Beeker*

City Attorney Beeker said she just wanted to introduce the book “The Affordable City” as everyone should have a copy by now. It’s intended to be a guidebook or food for thought. There will be things in here that you hate and nobody is saying that all of this would work for the City of Hendersonville but it is certainly pretty comprehensive approaches and strategies. She showed the following PowerPoint presentation.

## The Affordable City – Strategies for Putting Housing Within Reach (and Keeping It There)

Shane Phillips

## Example:

- 40 unit rent controlled apt building – not necessarily “low income” – long time residents with moderate rate increases (3% per year)
- Developer proposed: 200 apts, 39 for low income. Market rate \$2,500 +, existing rent \$1000 or less.
- No guarantee affordable units would go to current residents. Some made too much for “low income” but not enough for full market value.
- Payment of \$21,200 in relocation fees for current residents

Who wins in this example?

## Example - Result:

- 200 apts.
  - Existing tenants could move in at existing rent.
  - All rent limited to 3% increase. No longer any low income restricted units
  - Dev paid temporary relocation expenses.
- 
- Win for existing tenants?
  - Win for community?



Do people have a fundamental right to housing, no matter their situation?

Food stamps, health care, unemployment insurance, other social services are guaranteed entitlement to those who meet qualifying conditions – housing is not.

## Goal of the book is to have it all.

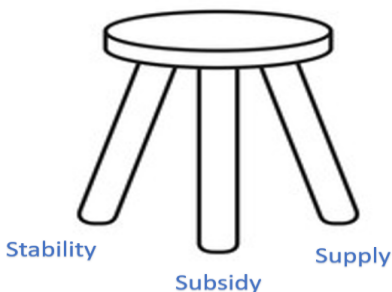
- Global thinking –
- Don't focus solely on one interest.
- Push and Pull – Book draws from advocacy and arguments of groups, often at odds with one another.
- Pro-housing and Pro-tenant.
- No one is vilified for their positions – understood and taken into consideration.

## Goal: To Be Pro – Housing AND Pro – Tenant:

San Francisco – Too much focus on protecting tenants and not enough on increased supply – highest rent in nation.

Austin Texas – All focus on supply – none on tenant protections. More affordable, but higher eviction rates. Also among the lowest share of rental homes available to low-income residents in the nation.

## The Three S's of Housing



- Supply – having enough homes for everyone (at all levels) (1.0 home per job)
- Stability – Preserving affordable housing, using housing not to build wealth, but to provide stability.
- Subsidy – ensuring everyone enjoys the benefits of abundant housing and stable communities. Providing support to those who need it.

City Manager Connet added that we have a call next week with a group out of UNC Chapel Hill that works with local governments that helps work with a variety of developments, strategies, initiatives and they do a lot of work with communities around the state and they’ve created this niche for affordable housing, so we have a call with them to kind of pick their brains and tell us what they’re seeing around the state.

### 5. OTHER BUSINESS – None

Council Member Hensley mentioned that the next meeting is Monday, May 20<sup>th</sup> and she will be there but will have to leave early.

### 6. ADJOURNMENT

There being no further business, the meeting was adjourned at 5:19 p.m.

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Jennifer Hensley, City Council Member & Chairman

ATTEST:

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John Connet, City Manager



## CITY OF HENDERSONVILLE AGENDA ITEM SUMMARY

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**SUBMITTER:** John Connet, City Manager      **MEETING DATE:** 5/20/2024  
**AGENDA SECTION:** NEW BUSINESS      **DEPARTMENT:** Administration  
**TITLE OF ITEM:** Affordable Housing Summit Debriefing – *City Staff*

**SUGGESTED MOTION(S):**

NA

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**SUMMARY:**

The Committee will debrief from the Affordable Housing Summit.

**BUDGET IMPACT:** \$ NA

**Is this expenditure approved in the current fiscal year budget?** NA

**If no, describe how it will be funded.** NA

**ATTACHMENTS:**

None



## CITY OF HENDERSONVILLE AGENDA ITEM SUMMARY

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**SUBMITTER:** John Connet, City Manager      **MEETING DATE:** 5/20/2024  
**AGENDA SECTION:** NEW BUSINESS      **DEPARTMENT:** Administration  
**TITLE OF ITEM:** Next Steps – *Council Member Lyndsey Simpson and Angie Beeker, City Attorney*

**SUGGESTED MOTION(S):**

NA

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**SUMMARY:**

Lyndsey Simpson and Angie Beeker will lead the group in a discussion regarding the next steps for the committee.

**BUDGET IMPACT:** \$ NA

**Is this expenditure approved in the current fiscal year budget?** NA

**If no, describe how it will be funded.** NA

**ATTACHMENTS:**

None