

Affordable Housing



BOARD OF COMMISSIONERS WORK SESSION
MARCH 20, 2018

Buncombe County Strategic Priority

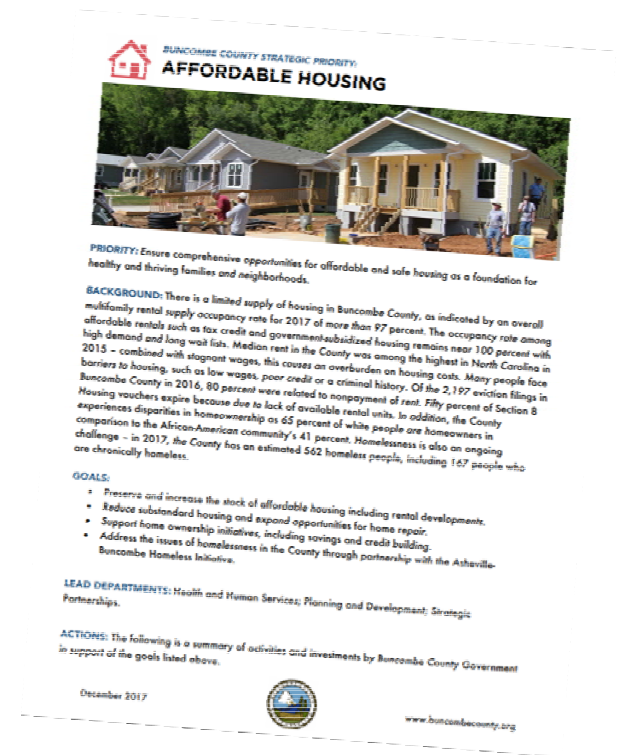


Ensure comprehensive opportunities for affordable and safe housing as a foundation for healthy and thriving families and neighborhoods.



Gaps in affordability & availability

- Median rent in the County was among the highest in North Carolina in 2015.
- Multifamily rental supply occupancy rate higher than 97% in 2017.
- Occupancy rates in tax credit and government-subsidized housing remains near 100% with long wait lists.
- Fifty percent of Section 8 Housing vouchers in Buncombe County expire because due to lack of available rental units.



What does affordable mean?

- The Department of Housing and Urban Development (HUD) defines “affordable housing” as housing that costs no more than 30% of a household’s monthly gross income, including utilities.
- Spending more than 30% of income on housing is described as “cost burdened”.



What does affordable mean?

- Area Median Income (AMI): \$61,300 for a for a family of 4
- Very Low Income Housing Is for households with incomes of...
\$30,650 or less (less than 50% AMI)
- Low Income Housing \$30,650 to \$49,050 (50%-80% AMI)
- Affordable Housing \$49,050 or less (80% AMI)
- Workforce Housing \$49,050 to \$73,560 (80%-120% AMI)

Who is affordable housing for?

- Hotel Housekeeper \$23,920
- Certified Nurse Assistant (CNA) \$25,396
- Preschool Teacher \$27,040
- Tax Clerk \$30,400
- Heavy Equipment Operator \$31,400
- Firefighter \$35,632
- Sheriff's Deputy/Detention Officer \$38,000
- Buncombe County School Teacher, 5 years experience \$38,300
- Area Median Income for a family of 4 people \$61,300



Housing affordability for families

- Certified Nurse Assistant (CNA) \$25,396
30% of monthly gross income = **\$635**
- Sheriff's Deputy/Detention Officer \$38,000
30% of monthly gross income = **\$950**



Fair Market Rent

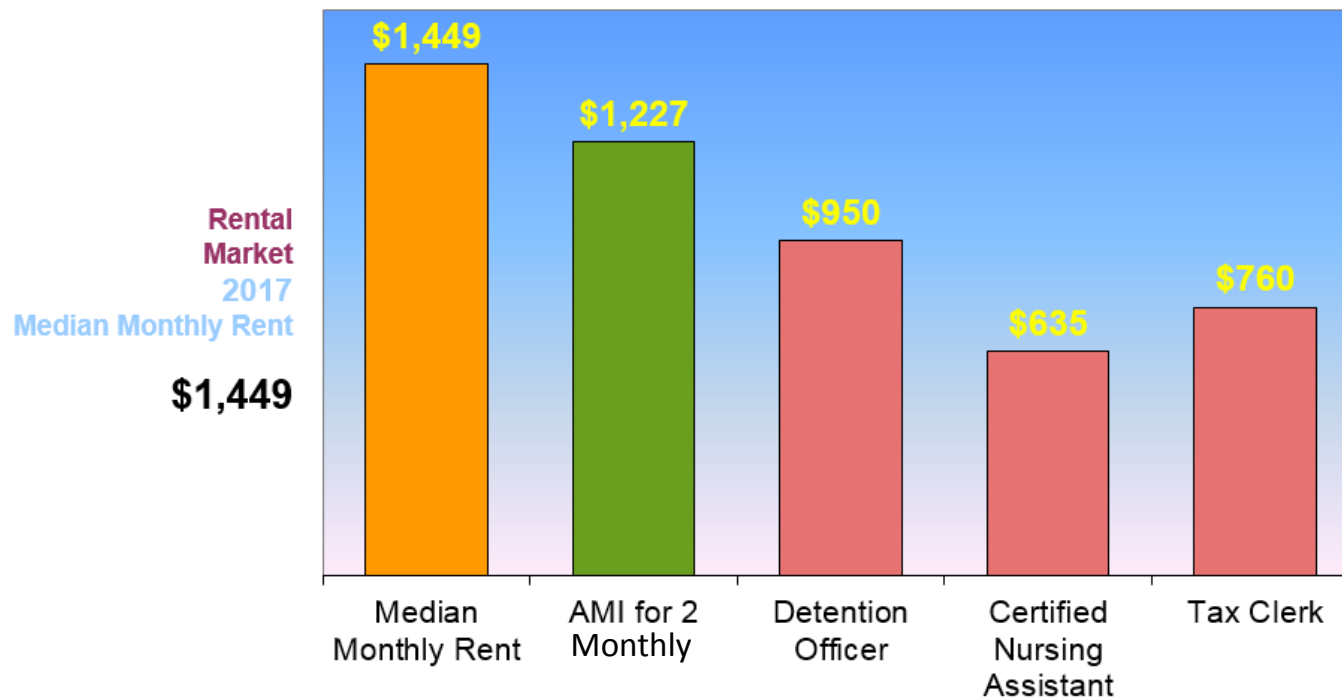
- Efficiency \$655
- 1 Bedroom \$660
- 2 Bedroom \$829
- 3 Bedroom \$1,120

2018 Fair Market Rent for Asheville Metro Area as determined by the US Department of Housing & Urban Development (HUD)

This is the rent that would be required to be paid in the particular housing market area in order to obtain privately owned, decent, safe and sanitary rental housing of modest nature with suitable amenities (including utilities).

Rental market

Wages and the Cost of Rental Housing in Buncombe County



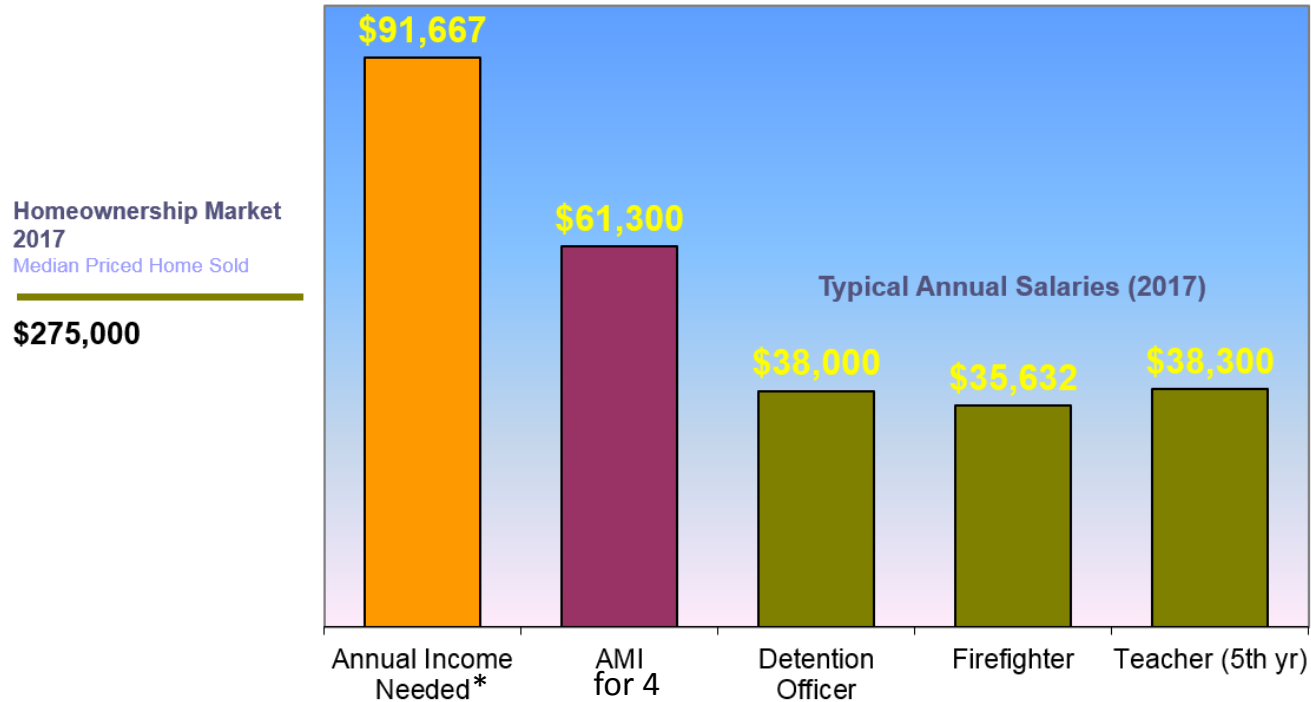
Homeownership

- Owning a home is a tool for increasing financial security and building wealth
- Supportive services include homebuyer education, down payment assistance, tax benefits, foreclosure prevention



Homeownership Market

Wages and the Cost of Housing in Buncombe County



*Based on home ownership affordability as defined as three times annual income

Housing Quality & Weatherization

- Utility costs are included in the 30% benchmark for affordability vs. cost burdened
- Weatherization protects buildings from the elements and can reduce energy consumption and increase energy efficiency
- Buncombe County's priority around clean, renewable energy is tied to affordable housing by increasing access to repairs and weatherization for people of limited income

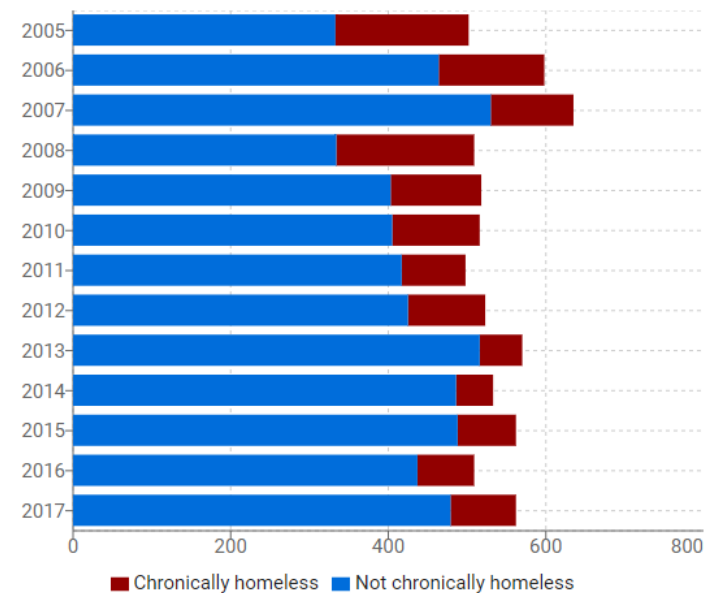


Homelessness

2017-2022 Strategic Priorities

- Housing
- Case Management
- Safety, Emergency & Transitional Assistance
- Healthcare
- Education/Employment
- Transportation
- Prevention/Diversion

562 People in 2017



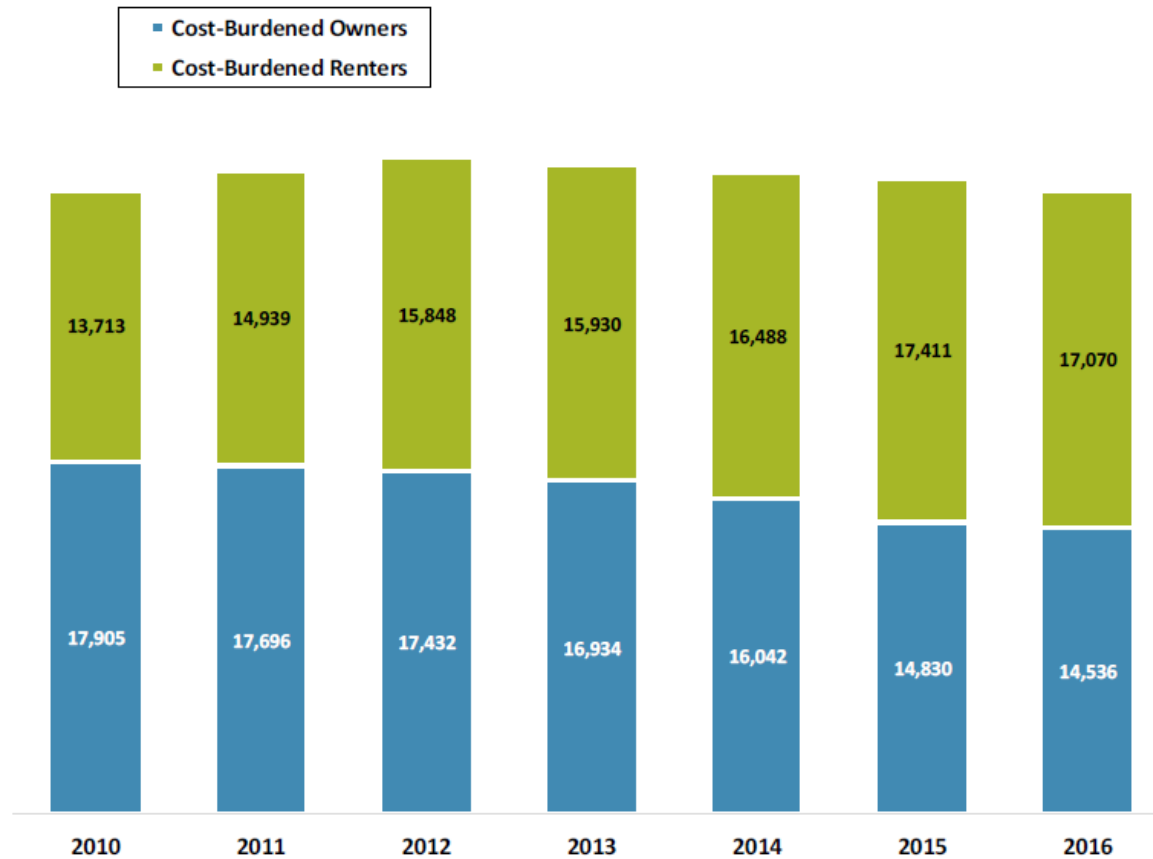
Housing Affordability Data

Housing Affordability Topics-Buncombe County

Following are charts with information related to Housing Affordability in Buncombe County.

While no single measure captures the full dynamics of housing affordability, the following 13 charts reflect pertinent, current and objective data related to understanding the issue in Buncombe County.

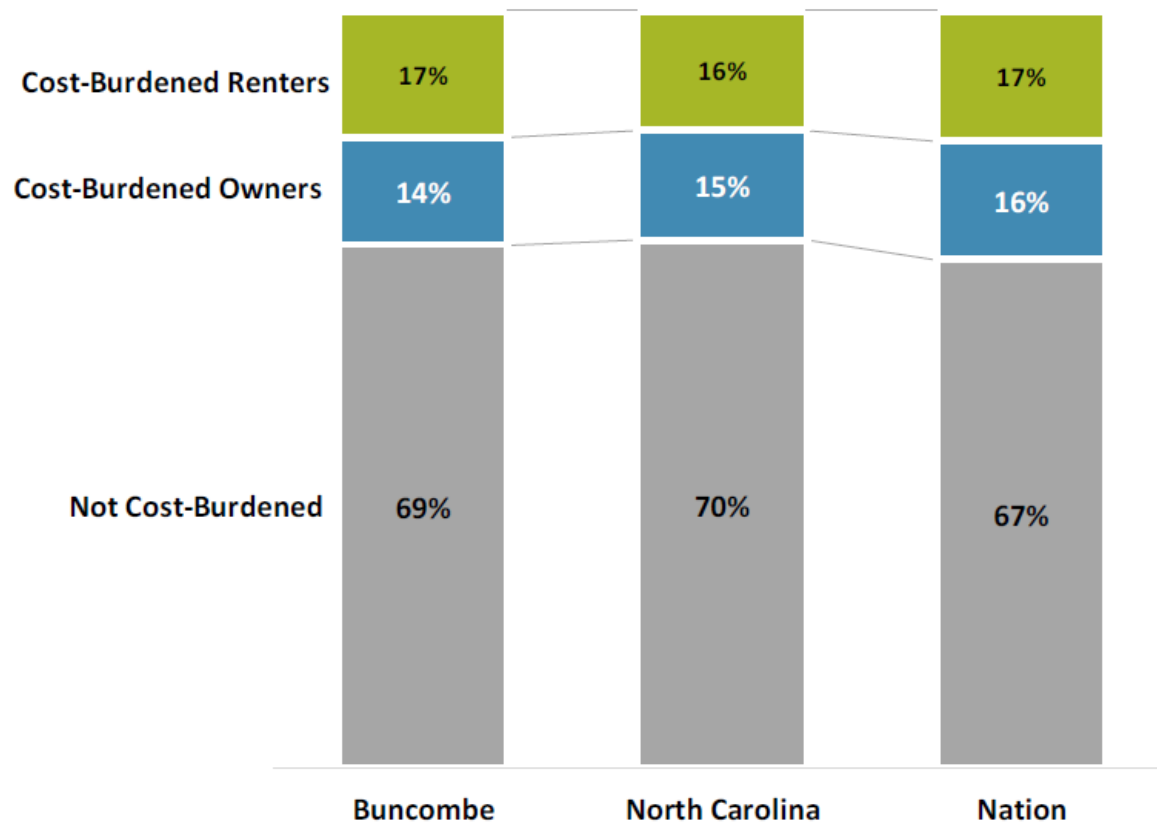
**Number of Cost-Burdened Households (*housing costs >30% of household income*)
by Tenure-Buncombe**



In 2016, 31,606 households were cost-burdened (housing costs >30% of household income); this represents 31% of all households in Buncombe County. Over the last seven years, the average percentage of households in Buncombe County that are cost burdened is 32%.
 Source: US Census Bureau, 5-Year moving estimates



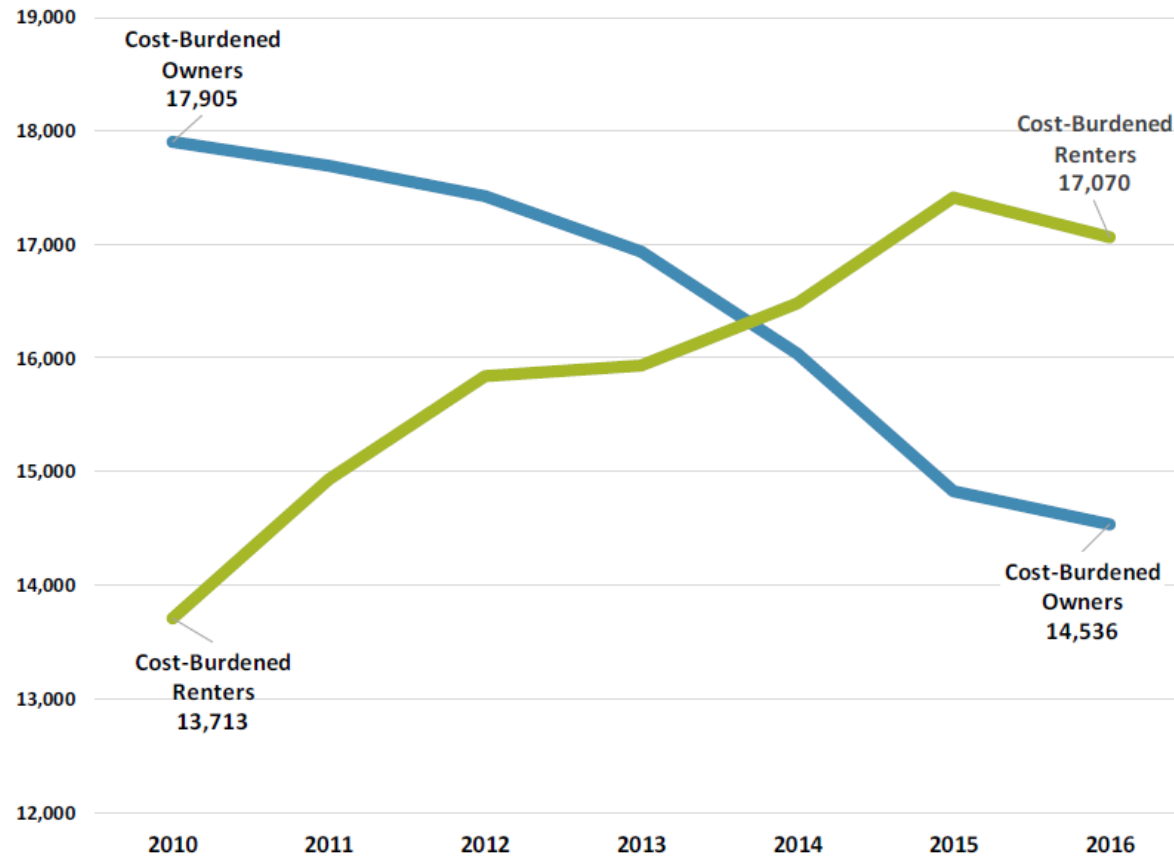
Percent of Total Households by Housing Cost-Burdened-2016



Compared to the state and nation, the proportion of households cost-burdened or not in Buncombe County is comparable.
Source: US Census Bureau, 5-Year moving estimates



Cost-Burdened Households by Tenure-Buncombe

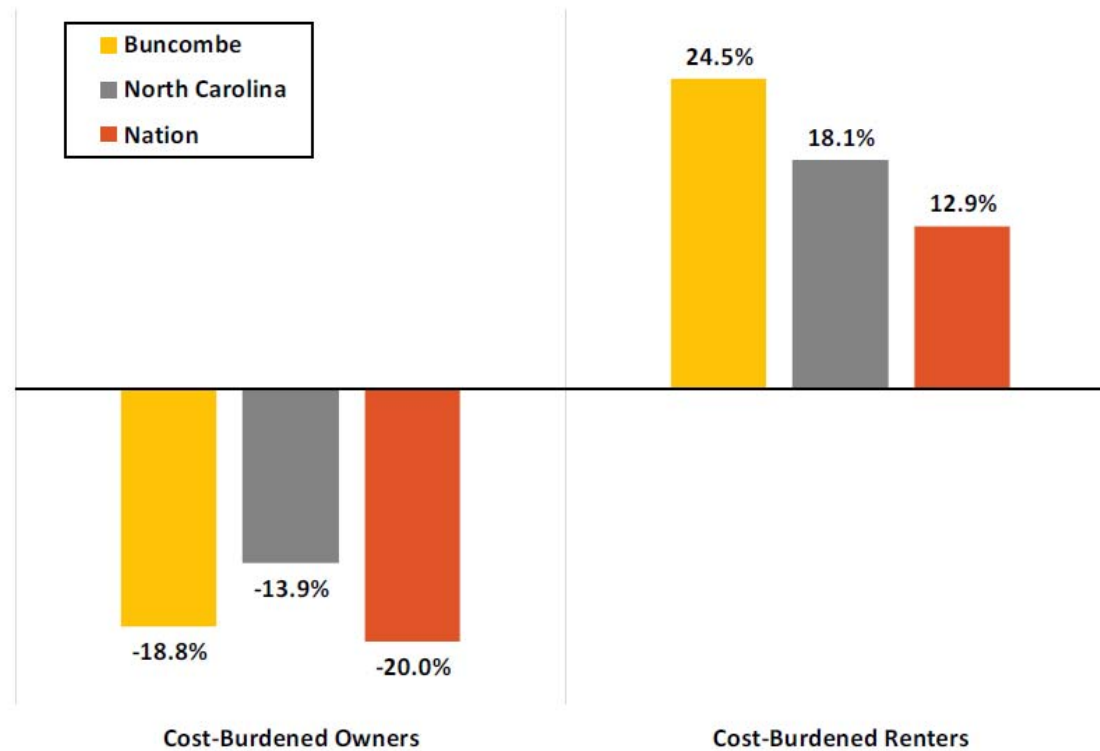


Although the total number of cost-burdened households has held relatively stable, the number of cost-burdened renter households has steadily expanded while the number of cost-burdened owner households has steadily declined.

Source: US Census Bureau, 5-Year moving estimates



Percent Change in the Number of Cost-Burdened Households by Tenure 2010-2016



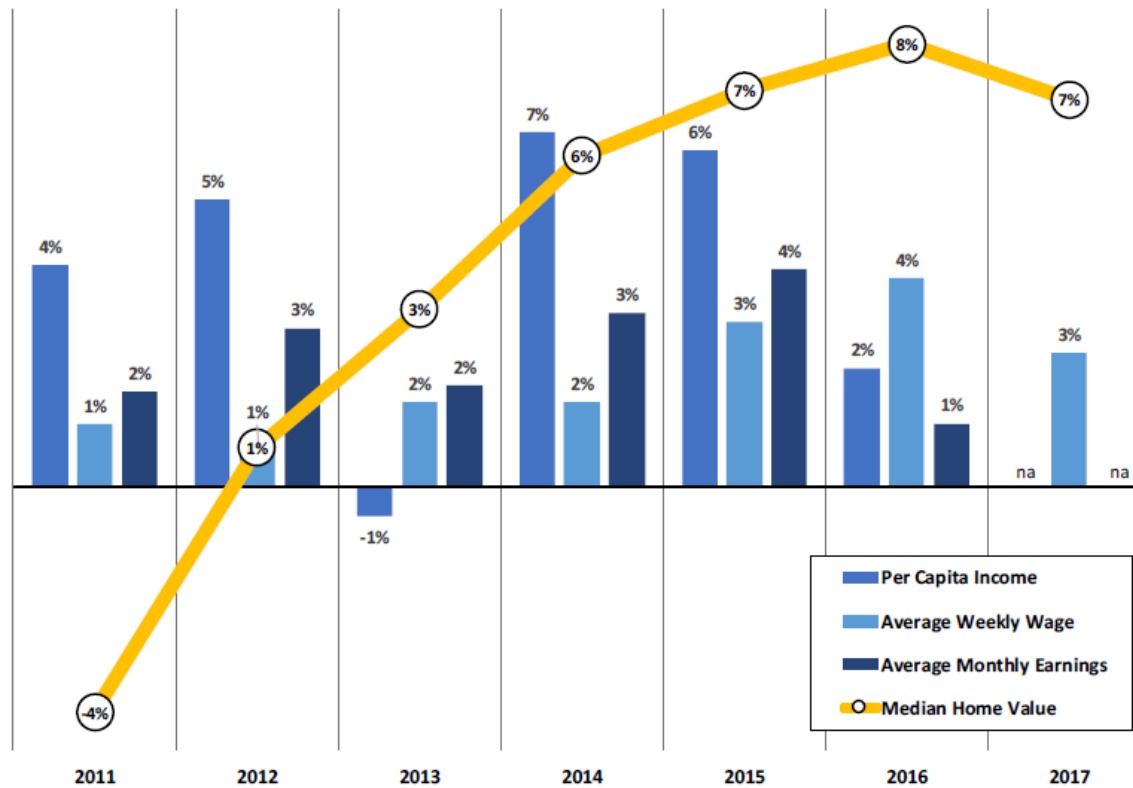
Similar to the state and nation; Buncombe experienced an increase in cost-burdened renter households and a decline in cost-burdened owner households. However, the percentage increase of cost-burdened renter households is greater in Buncombe than in the state and nation. *Source: US Census Bureau, 5-Year moving estimates*

Change in the Number of Cost-Burdened Households by Tenure & Income 2010-2016 -Buncombe



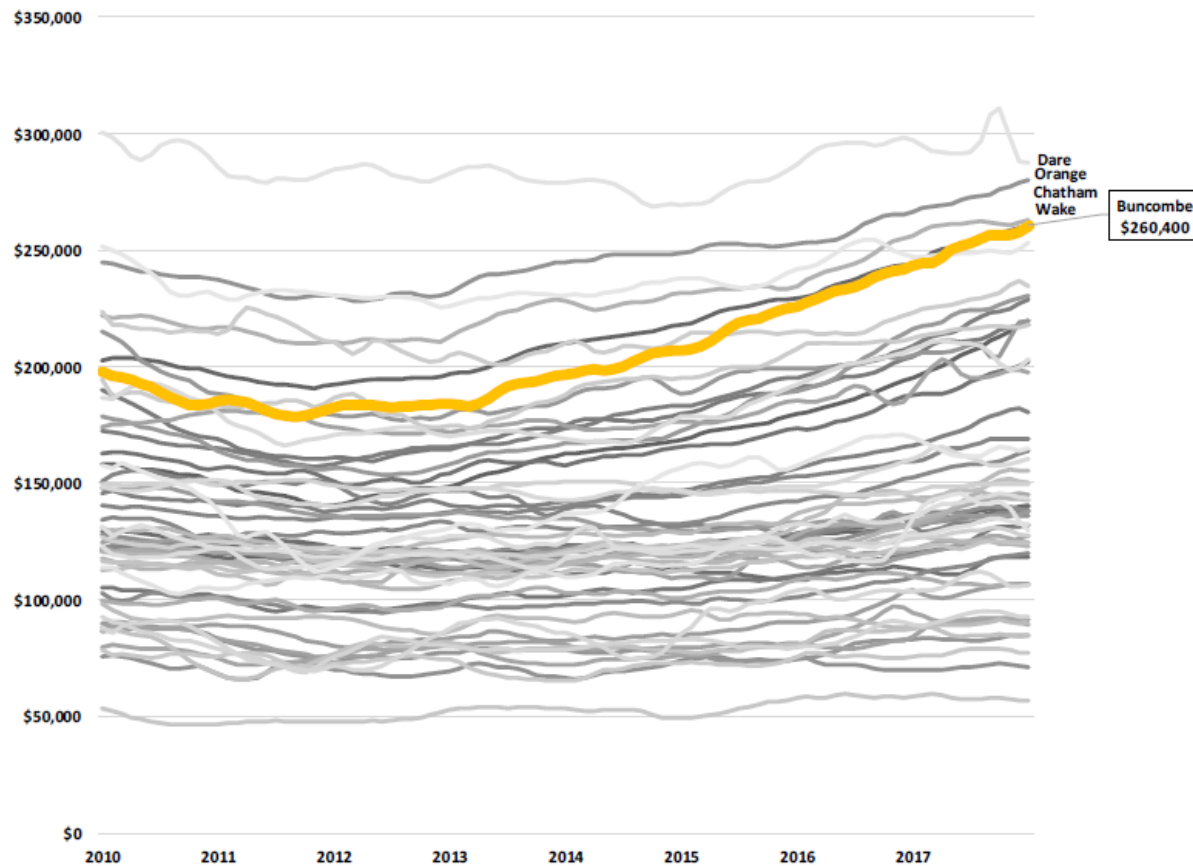
The largest increase in cost-burdened households is among renters with household incomes between \$35,000 to \$49,999.
 Source: US Census Bureau, 5-Year moving estimates

Annual Percent Change in the Median Home Value & Measures of Income/Wages/Earnings-Buncombe



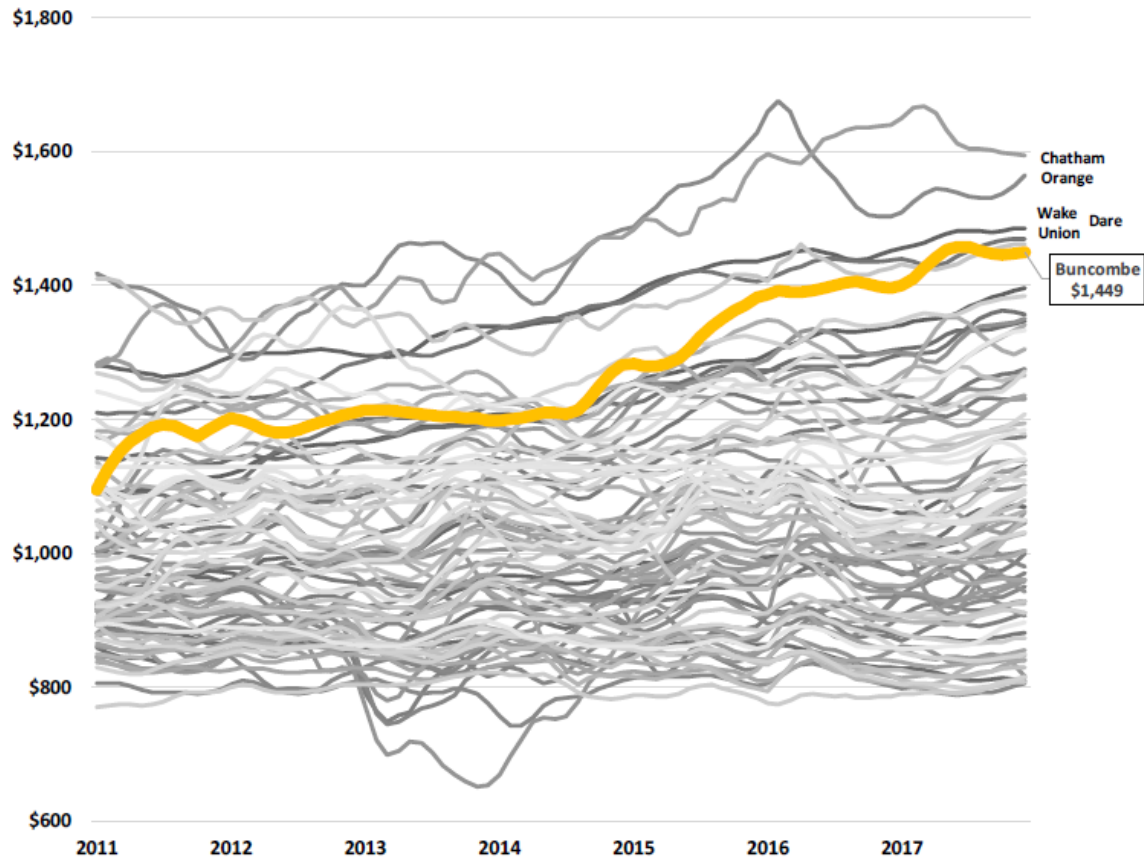
In years 2013-2016, the annual percent change in the Median Home Value has mostly outpaced the change in Income/Wages/Earnings. Data for 2017 is currently incomplete. Sources: Zillow, US Census, US Bureau of Economic Analysis

Median Home Value of Fifty-Five North Carolina Counties 2010-2017



As of 2017, Buncombe County had the fifth highest Median Home Value among 55 NC Counties (with sufficient monthly reporting data). Over the 2010-2017 period, Buncombe County ranked second for the average annual percent change in Median Home Value at 4.2%.
Source: Zillow Research

Median Monthly Rent of Eighty-One North Carolina Counties 2010-2017

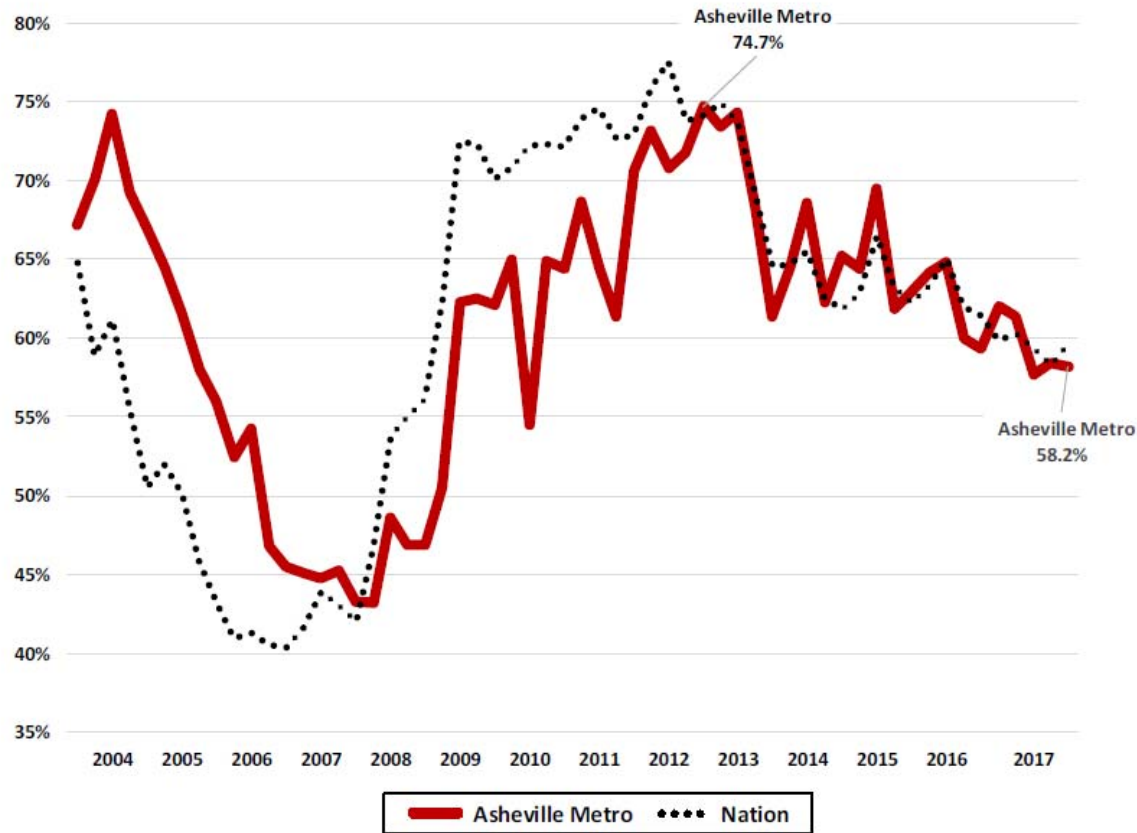


As of 2017, Buncombe County had the sixth highest Median Monthly Rent among 81 NC Counties (with sufficient monthly reporting data). Over the 2010-2017 period, Buncombe County ranked sixth for the average annual percent change in Median Monthly Rent at 3.6%.
Source: Zillow Research



Housing Opportunity Index-Asheville Metro

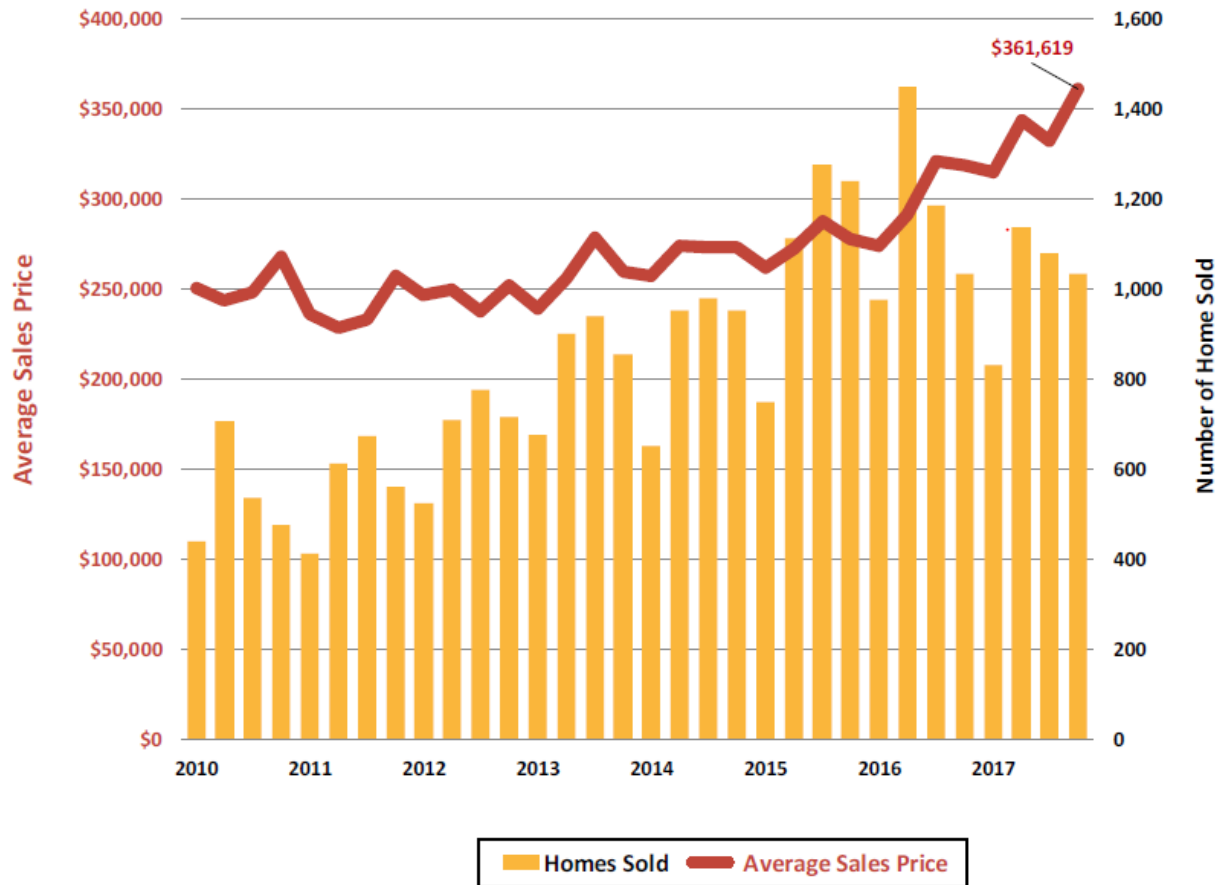
(share of homes sold that would have been affordable to a family earning the local median income)



According to the National Association of Home Builders/Wells Fargo Housing Opportunity Index, 58.2% of homes sold in the Asheville metro are affordable to a family earning the area median income. This marks a steady decline from a peak of 74.7% in the 3rd quarter of 2012. The Asheville trend closely matches the national trend.



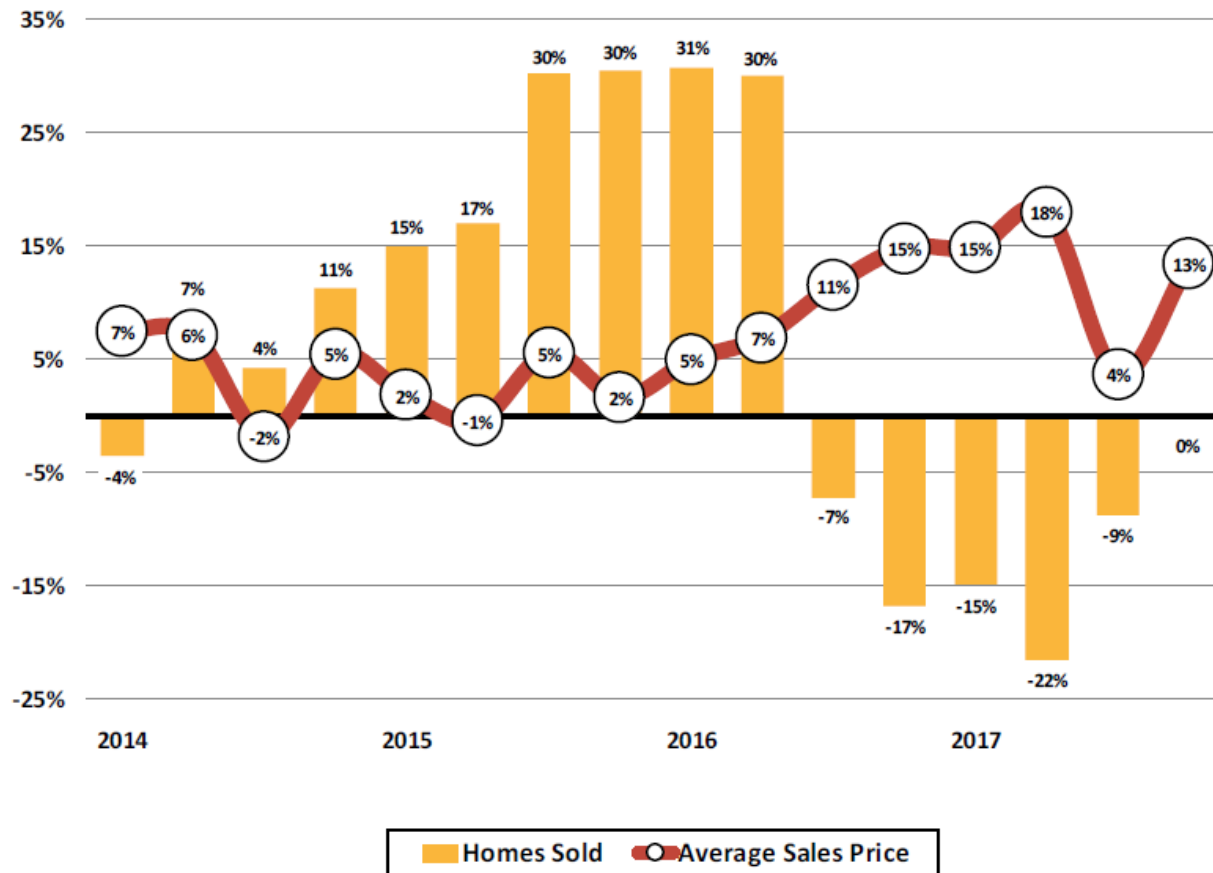
Existing Home Sales by Quarter- Buncombe & Madison



As of the fourth quarter of 2017, the average sales price of a home in the Buncombe/Madison area equaled \$361,619 among the 1,035 homes sold. Source: NC REALTORS®



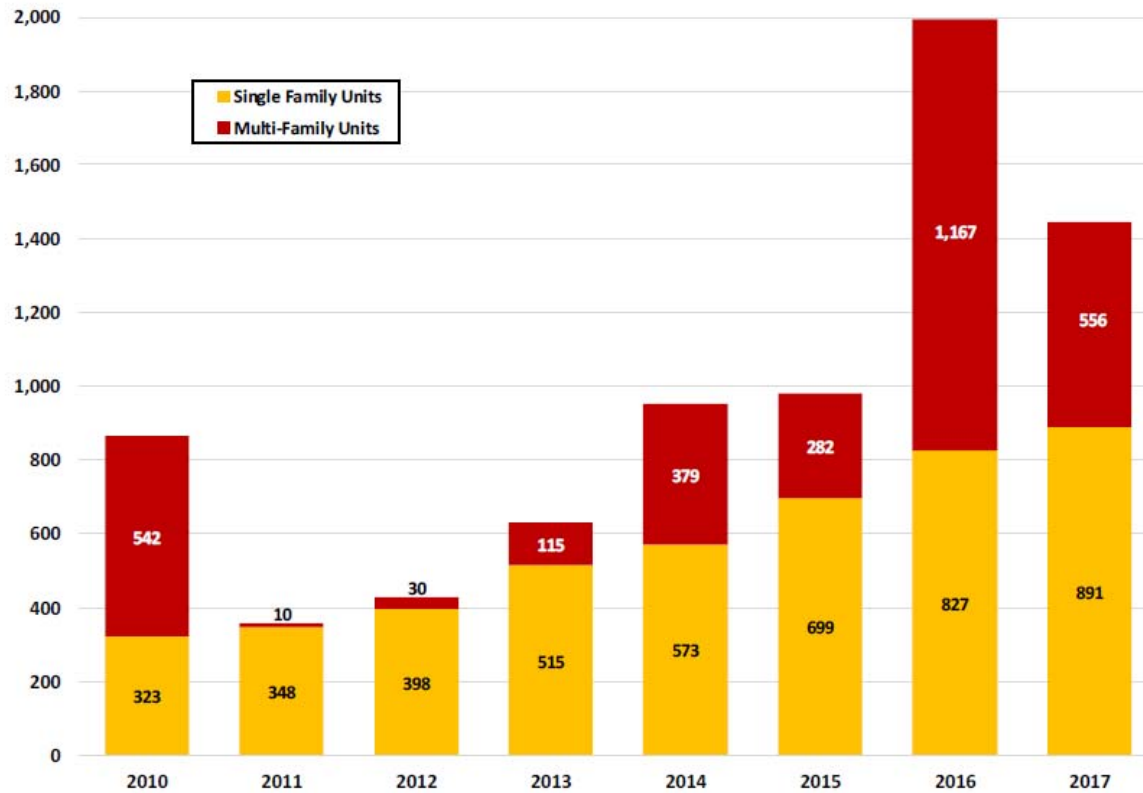
Year-to-Year Percent Change Existing Home Sales by Quarter- Buncombe & Madison



Over the last six quarters, sales prices of existing homes have increased by an average of 13%, while the number of homes sold have declined by an average of 12%. The trend indicates strong demand amid limited supply. Source: NC REALTORS®



Residential Building Permits-Buncombe

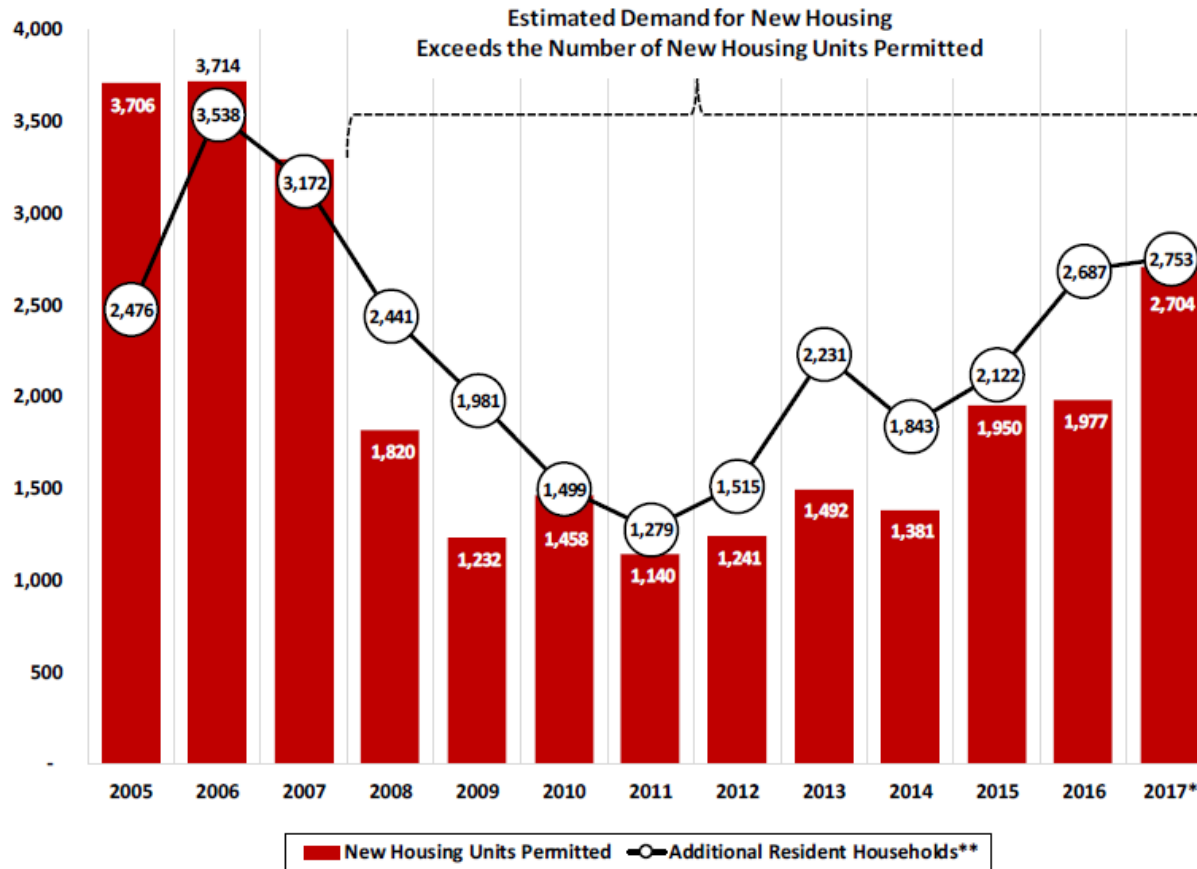


Permit activity in 2016 and 2017 was significantly higher than the in previous six years. 2016 saw an increase of 1,292 units (+184%) over the 2010-2015 average. While 2017 saw an increase of 745 units (+106%) over the 2010-2015 average.

Source: Buncombe County Permits & Inspections Department, unincorporated



Regional Residential Building Permits & Estimated Demand-Asheville Metro



Regionally, estimated household demand has exceeded the number of new housing units permitted for the last ten years. By this measure, there is a deficit of 2,429 housing units in the metro area; 2005 to 2017. Source: US Census Bureau, *2017 estimated population,

** Additional Residents Households is the net annual population increase divided by 2.3-the average household size.

Strategic Priority Goals



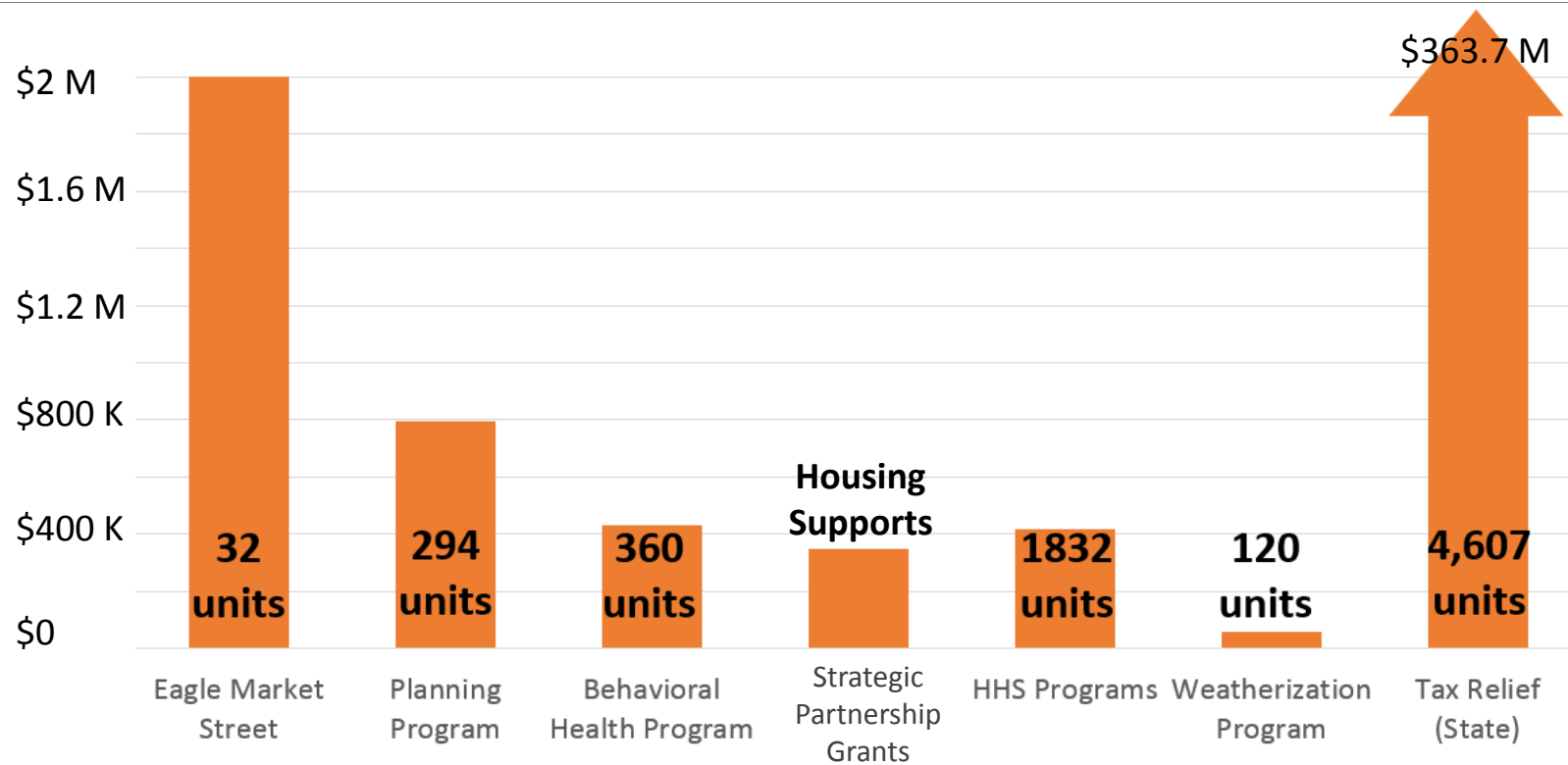
- Preserve and increase the stock of affordable housing including rental developments.
- Reduce substandard housing and expand opportunities for home repair.
- Support home ownership initiatives, including savings and credit building.
- Address the issues of homelessness in the County through partnership with the Asheville-Buncombe Homeless Initiative.

Progress toward Strategic Priority Goals

- Preserve and increase the stock of affordable housing including rental developments.
\$7,061,000; 580 new rental units and 163 SFHC units
- Reduce substandard housing and expand opportunities for home repair.
\$892,173; 232 emergency repairs, 26 upcoming and 56 on waiting list
- Support home ownership initiatives, including savings and credit building.
\$1,457,800; 142 homeowners supported with Downpayment Assistance
- Address the issues of homelessness in the County through partnership with the Asheville-Buncombe Homeless Initiative.
\$209,600; 196 assisted through TBRA program

(Impact since 2004)

Partnerships – 2018 County Programs



Buncombe County Affordable Housing Services Program (AHSP)

Local County Program Funds awarded annually through a competitive process

Examples include:

- Downpayment Assistance
- Construction of new housing for sale or rent
- Emergency Home Repair
- Tenant Based Rental Assistance



HOME Investment Partnership Program

Federal Funding provided through Asheville Regional Housing Consortium and Buncombe County Matching Funds

Eligible activities include:

- Downpayment assistance programs
- Multifamily rental units
- Owner-occupied rehabilitation
- Single family home construction
- Tenant Based Rental Assistance



Current Partnership Projects

- Williams-Baldwin Teacher Housing
- East Haven
- Eagle Market Place
- Lee Walker Heights



Partnerships – Williams-Baldwin Teacher Housing

First dedicated housing development for teachers in Western NC with 24 apartment units.

(Collaboration: BC/Eblen Charities/SECU/BC & COA Schools)



Partnerships – East Haven Apartments

Community Oriented Development
(BC Zoning Ordinance – Incentivizes density)
by MHO with 95 units

- \$8 million in federal tax credits
- \$1.25 million in State funding
- \$675,000 in Federal HOME funds
- \$75,000 from BC as matching funds
- ART Transit stops (each side of US 70)



Partnerships - Eagle Market Street

- A planned mixed-use development that includes renovation of three historic buildings and construction of one new building, over 90,000 SF built to Energy Star standards
- County commitment of \$2.3 million
- City commitment of \$3.9 million through Housing Trust Fund
- \$462,600 from Federal HOME funds
- Units: 30 workforce / 32 affordable

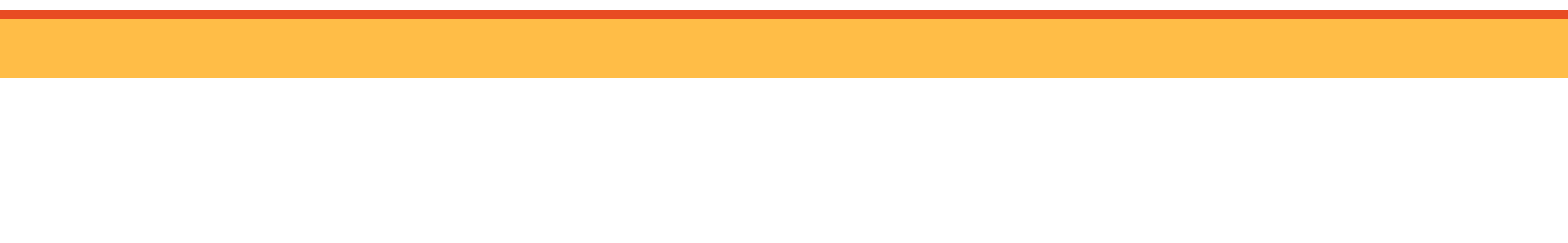


Partnerships – Lee Walker Heights

- County commitment of \$4.2 million and City commitment of \$4.2 million, for a total of \$8.4 million in local government support
- Units: 212 affordable, energy efficient, transit-oriented apartments
- Received Federal housing tax credits which will result in \$12 million in private investment



Panel on Housing Affordability

- **Heather Dillashaw**, Community Development Director, City of Asheville
 - **David Nash**, Chief Operating Officer, Housing Authority of the City of Asheville
 - **Greg Borom**, Director of Advocacy, Children First/Communities in Schools of Buncombe County & Success Equation
 - **Kevin King**, Building Contractor
 - **Kirk Booth**, Landlord
 - **Tiffany McCants**, Resident Manager of Williams-Baldwin Teacher Campus
 - **Dewana Little**, Community representative
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Discussion / Next Steps



Next Session

**Board of Commissioners Work Session
on Infrastructure and Development**

April 10, 2018

12:30-4:00pm

200 College Street

Ground Floor Conference Room

