



Duke  
NORTH CAROLINA  
LEADERSHIP FORUM

2023 Report



Conversations on Housing  
in Western North Carolina

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# Conversations on Housing in Western North Carolina

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## Introduction: The Problem, Process, and People

### The Challenge

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Although North Carolinians have always had significant political differences, they have historically exhibited a practical, problem-solving mindset to politics. However, the tenor of the times has become highly partisan, and like many other states, North Carolina finds itself sharply divided. Progressive and conservative leaders often depend on different media and social media outlets, operate with different facts and beliefs, don't engage substantively on a regular basis with people with whom they disagree, and all too often assume the worst about the motives of others. For these reasons, our leaders are less willing and able to work together to create widely embraced solutions and opportunities for our state and its people. Our aim is to help bridge this divide.

### Our Approach

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The North Carolina Leadership Forum (NCLF) seeks to create constructive engagement between North Carolina policy, business, and non-profit leaders across party lines, ideologies, professional experiences, and regional perspectives. A program of Duke University, NCLF has been bringing together cohorts of NC leaders since 2015. In 2021-2022, NCLF implemented its first pilot of regional cohorts, based on its statewide model, with programs that included leaders from 5 counties in Western NC (WNCLF), and 5 counties in the Triad (Triad LF).

NCLF focuses on leaders, both those engaged in regional policymaking as well as leaders in business, nonprofits, and local communities. For each cohort, we provide an opportunity for these diverse leaders to:

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

The overarching goal of NCLF is to develop a critical mass of civic policy leaders who have the will, the skills, and the relationships to work constructively with others of different political parties or ideologies.

## Our Method

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Over the course of several months, in a series of face-to-face, full or multi-day meetings, with occasional online gatherings, we work to:

1. Increase participant understanding of their own and others' concerns and values that underlie their varying views about the issue;
2. Establish a shared understanding of the nature of important problems and the relevant facts;
3. More clearly articulate the benefits and inherent downsides of proposed ways to address concerns;
4. Identify points of agreement about proposed actions to address concerns;
5. Examine and seek to understand the values, perceptions and experiences that underlie the most polarized disagreements about the proposals;
6. Build authentic relationships among leaders of different political parties and ideological views, as well as across sectors, geography, and demographics; and
7. Create a foundation for future collaboration among their fellow participants.

### Adaptation to Regional Forum

Building on the success of our statewide program, NCLF concurrently facilitated two regional programs on the topic of access to adequate housing. We identified the Western region of North Carolina, and five selected counties—Buncombe, Haywood, Henderson, Madison, and Transylvania—in particular, as a place where:

- Local and regional problems are highly specific and can be addressed through the NCLF model
- There are leaders of both parties who have the potential to engage with each other constructively in the future around urgent issues
- Leaders at the local level are also already or could become statewide leaders
- Growth in the region and tension between urban and rural populations contribute to the need for new approaches to constructive engagement across counties

In order to maintain a critical mass of leaders from each county, we invited leaders from the five counties to participate in a cohort of about 34 people. With the regional forums and a reduced need for travel to meetings, we changed the length of the forum from our statewide program from four two-day meetings to five one-day meetings. In addition, NCLF included time to facilitate group discussion of steps to accomplish proposed solutions, believing that our regional participants would have a strong interest in moving collectively to implement the results of their discussions.

## The Question Addressed

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The 2022 Western North Carolina Leadership Forum addressed the topic of housing, asking:

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

NCLF intentionally selected the phrase “adequate housing” to encompass a broad range of concerns in the area around housing. While “affordable housing” was a frequent sub-topic, the group’s conversations included housing for a range of income-levels, approaches to housing from the public and private sector, and all elements that make housing and communities livable and vibrant.

## The Leadership

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The NC Leadership Forum convenes a [statewide steering committee](#) to advise the format and focus of its programs. To replicate this approach, NCLF recruited a WNCLF Regional Advisory Committee, made up of leaders with regional knowledge. This group helped to identify and recruit participants, attended sessions, provided feedback in debrief sessions, and modeled participation in the program.

## The Facilitators

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During regional programming, WNCLF contracted with a diverse team of facilitators who were neither participants nor Advisory Committee members, but local leaders who led constructive discussion.

This was the first time that NCLF has worked with facilitators in this capacity, and we partnered with a third-party to develop and provide training prior to the program on the NCLF model and effective facilitation techniques. This third-party consultant and the facilitation group planned and led the program’s five sessions, along with Leslie Winner (NCLF Co-Chair) and NCLF staff and in consultation with the WNCLF Advisory Committee.

## The Participants

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The 2021-22 WNCLF program began with 34 participants. Some of the participants are deeply engaged in working on adequate housing, and some are more generally engaged in the development of public policy in Western North Carolina. The group included elected representatives from the State Senate, various county commissioners, and mayors and city council members from local municipalities. Furthermore, the group included leaders from philanthropic, nonprofit and grassroots organizations, as well as business leaders from banks and local sectors, including development, farming and tourism.



Politically, the group included 13 Democrats, 14 Republicans, and 6 unaffiliated participants. Geographically, the group included 14 participants from Buncombe County, 4 from Haywood County, 8 from Henderson County, 4 from Madison County, and 3 from Transylvania County. During the selection process, the steering committee based the number of participants from each county on the proportion of the total regional population that specific county accounted for. In addition, WNCLF participants were approximately half women and half men, and represented the racial diversity of the populace of the local area.

*For a complete list of the 2021-22 WNCLF participants, see Appendix A.*

## The Process

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### Overview

The group gathered for five one-day meetings between December 2021 and May of 2022, including an online data briefing in January 2022. Meetings were held throughout Western North Carolina, featuring sessions in Fletcher, Waynesville, Brevard, Mars Hill, and Asheville. All NCLF meetings operate under the Chatham House Rule:

When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.

The program progressed as follows:

- Establish ground rules for constructive engagement, and engage in exercises that encourage members of the cohort to build relationships and trust amongst one another.
- Identify the broad array of concerns related to adequate housing in Western North Carolina, and the core principles that participants value regarding adequate housing.
- Develop a shared knowledge base by establishing basic facts and a greater understanding of where the complexities lie.
- Establish the overarching concerns related to the topic. Identify and discuss potential options to address each of these concerns, including benefits and drawbacks of each option.
- Determine the extent of agreement and disagreement about the proposed options and the levels of tolerance for their downsides.
- Identify the actions about which there is a consensus. For those actions that have substantial but not complete support, determine how they could be modified to broaden support.
- Dig deeper into the options that generated the greatest amount of disagreement to allow participants to articulate deeply held views, further understand others' viewpoints, and to practice skills in constructive engagement.
- Define what next steps should be taken to work towards adequate housing in Western North Carolina, with participants having the option to step up and volunteer leadership on different proposed solutions to this topic.

At the start of the WNCLF sessions, NCLF also paired and connected cohort members with a "buddy"- a fellow WNCLF participant who holds differing ideological views. This exercise helps to enable connections among individuals who may not otherwise have interacted in a meaningful way. Throughout the entirety of the forum, NCLF encourages these paired "buddies" to continue their conversations outside of required sessions.

While a typical NCLF forum doesn't focus on defining next steps to address the topic, because of the WNCLF cohorts' close local proximity and the urgent nature of the topic, participants had a strong interest in developing immediate next steps based on their discussion. At the conclusion of the program, the cohort discussed possible strategies to implement the discussed solutions in their communities and the group chose to reconvene six months later to discuss progress and plan further action.

### *Session 1: Identifying Areas of Concern, and Things Held Valuable Related to Housing*

The first meeting of the cohort convened at the WNC Agricultural Center in Fletcher (Henderson County). After establishing ground rules in addition to the Chatham House Rule, all members of the cohort shared a personal story about a transformative moment that shaped who they are today. This exercise allows members to get to know and connect with each other beyond their professional positions and to build trust. Participants approached the exercise with vulnerability and open-mindedness, and listened to each other intently. This remarkable experience created a foundation for conversations to come.

Next, participants addressed concerns that they and others in their communities have about access to adequate housing in Western NC. After discussing concerns, cohort members had a conversation about what they held valuable regarding adequate housing in Western North Carolina.

In addition, a panel provided local context for housing needs. The local panel included a county planning director, a regional manager for a local developer, and a representative of a housing nonprofit for Henderson and Buncombe counties.

The session ended with the WNCLF cohort members attending a reception at the Hilton Asheville Biltmore Park.

### *Online Session: Data Related to Housing in Western NC*

In January, NCLF postponed a planned meeting and convened briefly online, due to rising cases of COVID-19. Over Zoom, we discussed data trends occurring locally, statewide, and nationally which impact adequate housing. The Executive Director of NCLF presented information to support the discussion, drawing heavily on a [Housing Needs Assessment](#) commissioned by the Dogwood Trust and produced by Bowen National Research. Discussion focused on which data confirmed or rejected participants' previous assumptions, what concerns the data raised, and what further data the group would like to have.

### *Session 2: Identifying Areas of Concern, Prioritizing Values, and Initial Actions related to Housing*

Our conversation continued in Waynesville (Haywood County). The cohort first focused on what values are most important to them regarding adequate housing. To do this, participants ranked the importance of values regarding adequate housing and compared their values to others in the room using instant polling. In addition, participants took part in a "Where do you stand?" exercise, allowing them to physically move to a spot in the room that represented their viewpoint on the question presented and to discuss why they were standing where they were.

Participants then broke into small groups and considered what adequate means. Some of the questions considered included: What are the characteristics that are necessary for housing to be adequate? What are facets of housing that are "nice to have" but aren't included in basic adequacy? What are items that fall between necessary and "nice to have" that differ amongst the group?



Then we narrowed down the list of concerns developed in Session 1 to determine the cohort's main concerns and to determine which concerns would be most beneficial to focus on going forward.

The cohort then brainstormed actions which would address the first two concerns selected: "There is a lack of supply of rental housing that is affordable and stable for tenants and/or sustainable for landlords" and "Counties lack sufficient infrastructure to support growth" and identified which actions would be most important to analyze in the next session.

### **Session 3: Solutions, Benefits and Tradeoffs for Our First Two Concerns**

During our third session at Brevard College (Transylvania County), we focused on having the group develop solutions to address the third primary concern from the prior session. Participants were asked to consider:

*How can we increase the housing supply that the workforce and other middle income households can afford, and also protect what we value about our communities and neighborhoods, in a way that addresses or decreases community resistance to the additional housing?*

Before proposing actions, participants reflected on times they or others have been in favor of or opposed to a controversial new development.

Then the cohort developed actions to address the concern and identified which actions would be most important to analyze in the next session.

Finally the group dug deeper into several of the actions they had selected as most important to discuss related to their rental housing and infrastructure concerns. The group considered the upsides and downsides of each action proposed, and participants then indicated how strongly they supported or opposed the action, and to what extent they could tolerate the downsides, using polarity charts.

### **Session 4: Solutions, Benefits and Tradeoffs of Final Concern**

Participants began the fourth session at Mars Hill University in Madison County by voting on which solutions were the most important to analyze in-depth with regard to the third concern topic, then discussed how they would implement two actions that had arisen in multiple contexts: changing zoning to enable higher density housing development, and building a public relations campaign to build support for developing housing in their communities.

During their discussion, participants considered the values they had identified, who would need to be involved, and what steps would be necessary for these initiatives to come to fruition. At lunch, the group took a walking tour of the University's Nursing School. Participants then discussed implementation strategies regarding two other solutions raised earlier in the program: funding infrastructure and promoting Section 8 rental assistance.

### **Session 5: Polarized Perspectives, Success Going Forward**

The program concluded in downtown Asheville (Buncombe County). Participants worked in small groups to develop work plans on their top 6 actions, based on an online survey about which proposed actions participants thought were the most important and on which they were

prepared to take action. Questions included what next steps would be to make the action happen, what is already happening, what could be added, what is not working, who needs to be involved to move the plan forward, what additional resources are needed, and who from the group would be willing to take the first steps to move the idea forward.

In closure, participants discussed the relationships they had developed and how their views had changed throughout the course of WNCLF. Then, participants were given an opportunity to reflect on how the program would inform their own leadership going forward and to give NCLF feedback on the WNCLF program. We concluded the cohort with dinner together at a local restaurant and celebrated with their graduation from the WNCLF program.



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# Context: Adequate Housing in Western NC

NCLF selected five counties in Western NC: Buncombe, Haywood, Henderson, Madison, and Transylvania counties. Four of these counties (with the exception of Haywood) are in 'The Land of Sky' Council of Governments. This area was selected because it has leaders from both political parties, is large enough to recruit a dynamic group of leaders, it already has a vehicle for cross-county coordination that could be enhanced, and the counties have both overlapping and conflicting interests concerning housing. The NCLF relied heavily on a Housing Needs Assessment produced by Bowen National Research and funded by Dogwood Health Trust to inform the group's knowledge of the population and housing demands of the region.<sup>i</sup>

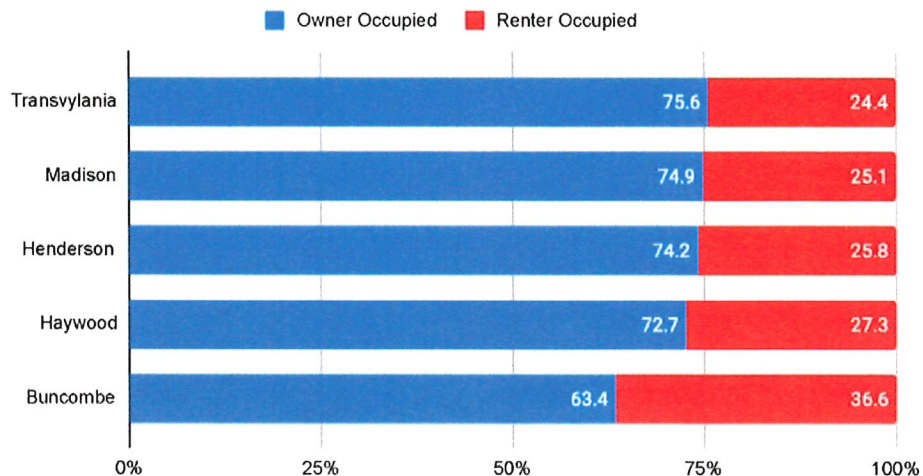
In recent years, the population of all five counties has grown, collectively outpacing North Carolina's population growth, and population growth is expected to continue. For example, Buncombe County, the metropolitan center containing the city of Asheville, has grown over 21% since 2000 – now home to approximately 272,000 people.<sup>ii</sup> In addition to population growth, Western North Carolina continues to be a popular tourism destination, attracting nearly 11.1 million people annually.<sup>iii</sup>

In recent years, the area has become popular among higher-income people, both retirees and working adults, who have drastically increased the cost of living in the region. Median household income in Buncombe, Haywood, Henderson, and Transylvania, for example, has either outpaced state income growth or will over the next five years. At the same time, about 50% of the homeowners in the region earn under \$60,000/year, and are now being categorized as economically vulnerable because of the stiffening competition for housing.<sup>iv</sup> Moreover, 50% of minority households earn below \$40,000/year as compared to 40% of white households, displaying vulnerability among racial lines as well.<sup>v</sup>

According to the Bowen Housing Needs Assessment, the region's growth is expected to remain significant for the foreseeable future. The study's housing gap analysis shows that based on current growth projections, the region needs somewhere between 13,000 to 14,500 more rental units, including 5,500 for seniors, and somewhere between 3,000 to 9,000 homes to accommodate homeowners.<sup>vi</sup> This gap is expected to continue rising, as jobs continue to move to the region, tourism increases, and remote work continues to be common.

Both the cost of rental and owning a home are rapidly increasing in the region. From 2016-2020, the median value of owner-occupied homes ranged from \$185,600 to \$250,600 in Buncombe County. The median sales price of new homes during this period, however, has been much higher—reaching around \$400,000 in Buncombe County by December 2020 and continuing to climb in subsequent years, reaching above \$500,000 recently.

### Owner Occupied and Renter Occupied



Source: U.S. Census Quickfacts

Rents have similarly increased. For example, in 2020 the median price of renter-occupied units varied from \$686 in Madison County up to \$1,019 in Buncombe County. Rents continued to rise during the pandemic, as the region attracted many remote workers and additional tourists. Further, rental vacancies are extremely limited, with lower vacancy rates for affordable units or even no vacancies or waiting lists in some cases. Of the 250,000 some units in the region, renters consist of 25-35% occupants, with the majority concentrated in urban areas.

The availability and affordability of housing is a challenge at every price range, even as the development of homes and volume of home sales continues to grow. For homeowners or those seeking to become homeowners, currently, the percentage of available homes for sale is approximately 0.9%, whereas a healthy market would expect between 2-3% of homes to be available. Within this low supply of available homes, over two thirds are priced over \$300,000, demanding a household income of \$95,000/year to live without being cost-burdened.<sup>vii</sup> Furthermore, efforts to build housing on steep lots, such as those in Western NC, have proven to be more difficult and costly on average due to the region's mountainous terrain.<sup>viii</sup>

While cost-burdened households are cause for great concern, so are those people without homes who are struggling in this high-cost region. Based on the Point-in-Time (PIT) counts conducted by the local Continuum to Care agencies, nearly 637 people were homeless in Buncombe County in 2022 (up from 527 in 2021 and 580 in 2019). In Henderson, the 2022 PIT counted 140, in Haywood 208, in Transylvania 36, and in Madison 16 (compared to 150 in Henderson in 2020, 130 in Haywood, 56 in Transylvania, and 11 in Madison in the same year).<sup>ix</sup> In the area, nearly half of the homeless population are veterans, with a fifth being chronically homeless.

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# Discussion: Concerns, Options, Benefits, and Tradeoffs

## Things Held Valuable

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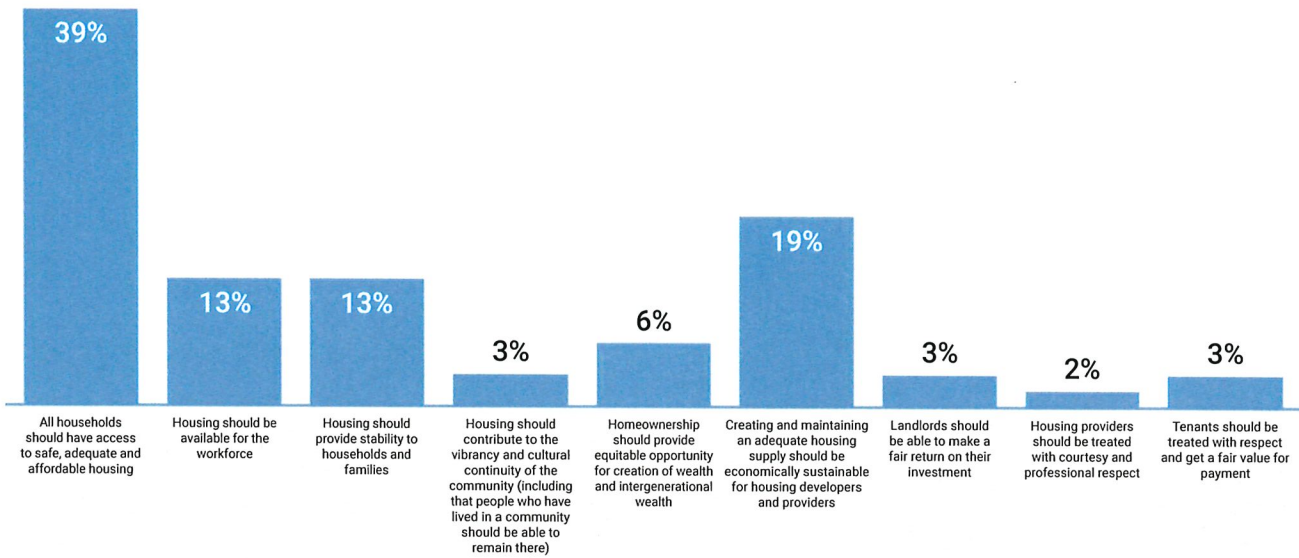
In the first two sessions of the program, NCLF asked participants to share what things they held as valuable as it related to adequate housing. The values articulated were consolidated into eight major categories as follows:

- All households should have access to adequate and affordable housing
- Housing should be available for the local workforce
- Housing should provide stability to households and families
- Housing should contribute to the vibrancy and cultural continuity of the community (including the view 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
- Creating and maintaining an adequate housing supply should be economically sustainable for housing developers and providers
- Landlords should be able to make a fair return on their investment
- Housing providers should be treated with courtesy and professional respect

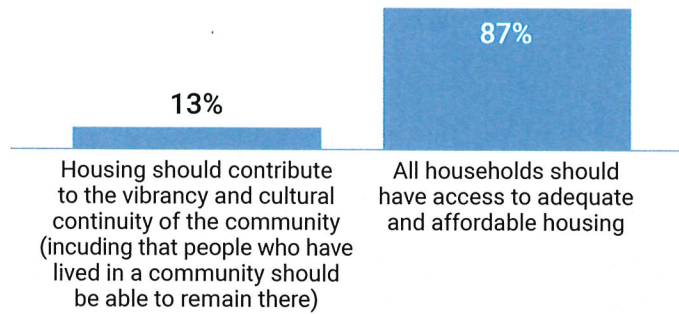
Using instant polling software, NCLF asked participants to rate each housing-related value in terms of importance, then select their top values from the full list, and then to choose which value they would prioritize if forced to choose one from a pair. One key takeaway from the exercise is that while the group may think all of the values are individually important, participants prioritize them differently when forced to make difficult choices. In this case, a large proportion of the group (39%) thought the most important value was access to adequate and affordable housing. A second significant group (19%) placed a high value on ensuring that it should be economically sustainable for developers and providers to create and maintain the housing supply. The availability of workforce housing and stable housing for families were also high priorities for the group (13% each).

When asked to weigh two values against each other, the group's differences among priorities became even more clear. 87% of participants thought affordability was a higher priority than community continuity (13%). Two-thirds prioritized affordability over the economic sustainability of developers (with a third taking the opposite view). Similarly, two-thirds favored household stability over a landlord's ability to earn returns. It is important to note that these prioritizations do not represent the general public, but instead help the participants in the room to visualize how their values may be aligned or in tension with others in the cohort, and serve as a prompt for further conversation, particularly as the group moved into thinking about benefits and downsides of proposed actions.

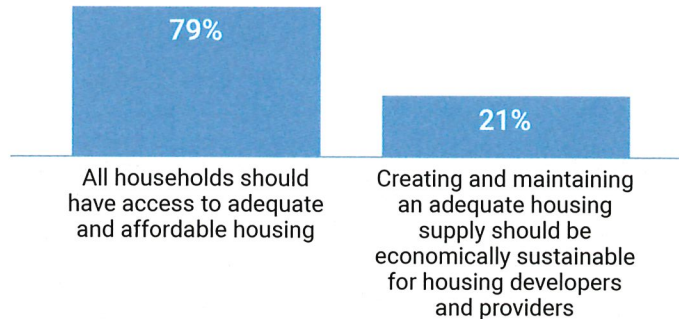
Please select the two values clusters you consider the MOST important



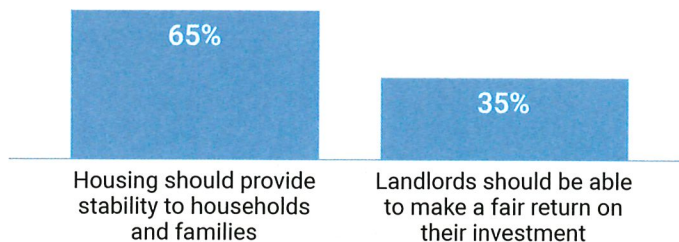
When considering the following two values, which value do you consider MOST important?



When considering the following two values, which value do you consider MOST important?



When considering the following two values, which value do you consider MOST important?



After the group discussed the instant polls, NCLF selected three value pairs for further discussion. We asked participants to stand on one side of the room if they strongly agreed with one statement, on the other if they strongly agreed with an opposing statement, or anywhere along the continuum between the two values that felt appropriate to their view.

### **Regulations Should Protect Cultural Continuity of the Community vs Relax Regulations to Foster Increased Supply of Housing**

When this statement was presented, two participants with very different political views and experiences found themselves on the same side of the room in favor of protecting community continuity for different reasons, while a larger portion of the group stood closer towards relaxing regulations to foster increased housing supply. The first person talked about wanting to live in the neighborhood where they grew up and the desire to protect a grandparent's home. They were also concerned that increased rental was changing a traditionally predominantly minority neighborhood of single-family homes. A second participant talked about buying into a neighborhood forty years ago and how change would be unfair because it would damage the long-term investment his family had made in their purchase. On the other side of the room, a participant stated that it was time to "think out of the box," calling for change to meet the needs of the whole community.

### **It is the Government's Role to Increase the Housing Supply vs It is the Private Sector's Role to Build Housing**

One participant stood in the middle, but towards the private sector, stating that he had lost confidence in the government's ability to do anything significant. In his experience, government housing has been terrible in terms of quality and the government moves very slowly. A participant standing on the other side of the room supporting the government's role made the case that the market always fails poor people, arguing that government is the only entity that is able to serve poor people. A second participant stated that without government, there would be no affordable housing. To them, government sets the baseline and given the amount of housing needed, the math could not work to build enough housing without government making a significant investment. A participant in the middle interpreted the statement to say that government should provide the infrastructure for housing because it is the only entity that can, but that the private sector should actually construct housing. Another participant standing in the middle talked about success stories he had seen that had changed his mind from being wary of government to thinking that government incentives for the private market were necessary partnerships for increasing housing opportunities.

### **Evictions Should be Rare vs Landlords Should be Able to Make a Return on Investment**

Some participants articulated the vulnerability of landlords to tenants who did not pay and the need to be able to evict. One noted that two-thirds of landlords are mom and pop owners, and that when a landlord isn't paid rent, they cannot pay their mortgage and are at risk of losing the property to foreclosure. Another noted that limiting the right to evict could be financially devastating for a landlord. On the other side of the room, favoring limits on

evictions, one participant shared stories of how they have seen landlords take dangerous self-help measures to drive away tenants, for example taking the doors off of a property, cutting off utilities, or even resorting to threats of violence. A participant favoring limits on evictions but closer to the middle of the two poles stated the need for the tenant and landlord to form a human relationship, understanding each other's needs, while someone closer to the middle of the room called for a respectful business relationship between the two parties.

## Concerns

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WNCLF participants were asked to come to the first session ready to share concerns that they and other members of their community held regarding adequate housing. See Appendix B for the complete list of concerns. These concerns were clustered into these eleven conceptual buckets:

- 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 homeownership is too high
- Governments hinder rather than help increasing the 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 infrastructure to support growth

NCLF asked participants to select the concerns they most wanted to spend time discussing in future sessions. The selected concerns were:

- WNC needs a supply of affordable, stable rental housing that is also sustainable for landlords;
- Counties in the region lack sufficient infrastructure to support growth;
- How can we increase housing supply and protect what we value about our communities/neighborhoods? (This concern combined two concerns, one focused on housing supply and one focused on resistance to development)

After brainstorming many actions to address these three concerns, the cohort selected five actions per concern to explore further. Participants then discussed the benefits and inherent downsides of each selected policy option.



Once they had talked through the tradeoffs of a policy option, participants were asked to vote on “polarity” charts to determine the level of agreement in the cohort for particular proposals. Participants placed two “votes” on a polarity chart for that option. For the first vote, a participant indicated his or her level of support for the option by placing a sticker above the x axis, on the spectrum of “agree” to “don’t agree,” while also taking into account the intensity of that viewpoint. The second vote shows the extent to which someone can tolerate the downsides of an option and also the intensity of that opinion. Taken in aggregate, these votes provided a visual snapshot of the level of agreement on particular options.

### **Lack of Affordable, Stable Rental Units that are Sustainable for Landlords**

Participants discussed a range of concerns related to the availability of affordable rental units, both in terms of the quantity available, the willingness of landlords to rent to low-income tenants, and supports available for tenants that faced financial difficulty. Examples of participant’s comments included:

- Even where units are available, they are often out of reach for low-income renters due to cost, limitations on public subsidy programs, and other barriers. Private market landlords often do not accept Section 8 vouchers, designed to assist low-income occupants.
- The pandemic exacerbated the challenge of limited available units with public subsidy—federal pandemic emergency rental assistance program provided assistance but only had limited funds, making it impossible to keep up with local needs.
- Many landlords are unwilling to rent to low-income tenants because they are worried about damaged property and believe they have limited protections. While the landlords do not want to impose exorbitant deposits, many landlords are worried that if there is tenant damage, the cost of repairing the unit will exceed the security deposit and that low-income tenants will be unable to pay.
- Landlords are unwilling to participate in the Housing Choice Voucher (“HCV”) Program, known as Section 8. The program, funded by the US Department of Housing and Urban Development, includes a required approval process for landlords and an annual HUD inspection of properties, viewed by many landlords as onerous.
- Additionally, there are not sufficient vouchers for families who qualify for HCVs—counties in the region such as Buncombe and Haywood both have 2+ year waitlists.
- There was also a concern that the maximum allowed Section 8 rent is lower than the regions’ fair market rents.
- Finally, participants expressed a concern that units in the region have been taken “off the market” for local resident housing and are instead being used for tourism in the form of short-term rentals.

## Proposed Actions to Increase the Supply of Rental Housing

### Broad Support:

- Increase multifamily housing by changing zoning regulations to increase allowed density and to have fewer restrictions on multifamily or mixed-use housing in areas with residential zoning
- Increase access/stability for tenants by having a uniform application and background checks for tenants
- Increase access/stability for tenants by developing a system to expunge tenant evictions
- Increase access to §8 housing by closing the rental rate gap between §8 rents and market rate rents

### Varying Degrees of Support:

- Increase access/ stability for tenants by requiring or increasing availability of mediation for landlord/ tenant disputes
- Increase access to §8 housing by increasing outreach to landlords and education of tenants about §8
- Adopt inclusionary zoning combined with a form-based code to include more affordable housing that looks like the neighborhood

### Least Agreement:

- Adopt tighter regulations on Short Term Rentals (while supporting home stays in owner occupied houses)

### *Multifamily Zoning: Increase Density and Types of Housing Allowed in Residential Zoning and Have Fewer Restrictions on Multifamily Housing*

There was strong support for changing local zoning to allow for increased density and reduce restrictions on multifamily housing or multi-use areas (combining residential and commercial uses). Chief among the benefits suggested was the construction of more housing, which is particularly needed for the local workforce and growing population. Additional benefits included environmental and quality of life benefits such as a smaller overall building footprint, less sprawl, less traffic, and more walkability.

Forum members did note possible downsides, though they were generally willing to tolerate these downsides. The potential downsides included the parking and traffic impacts on neighborhoods as density increases. The reality of a NIMBY fight with existing residents around concerns with crime and safety was also discussed. Participants acknowledged that they had fewer concerns about adding small multifamily units to a neighborhood (i.e. an eight-unit building) compared to adding a large apartment building (such as a 200 unit building), saying that a larger 200-unit apartment building would pose a meaningful risk to neighborhood integrity. Additionally, a concern was shared that multifamily units might not be managed appropriately to minimize impacts on neighborhoods. Despite this concern, the broad agreement on the need for more dense housing was notable.

At a subsequent session, participants continued their discussion about what it would take to implement zoning changes to make it easier for developers to build housing, especially affordable housing for local workers. Participants discussed what would happen as housing density is permitted and increased, and specifically what could be done to assure some protection of what is valuable to communities and neighborhoods.

Participants from more rural areas questioned whether existing zoning practice in their areas might already allow new construction, and highlighted several issues with changing zoning rules to allow more density:

- The need to protect against the loss of agricultural land;
- Water and sewer availability might limit ability to support density; and
- Any changes to existing zoning requirements could impose higher costs for construction and habitation.

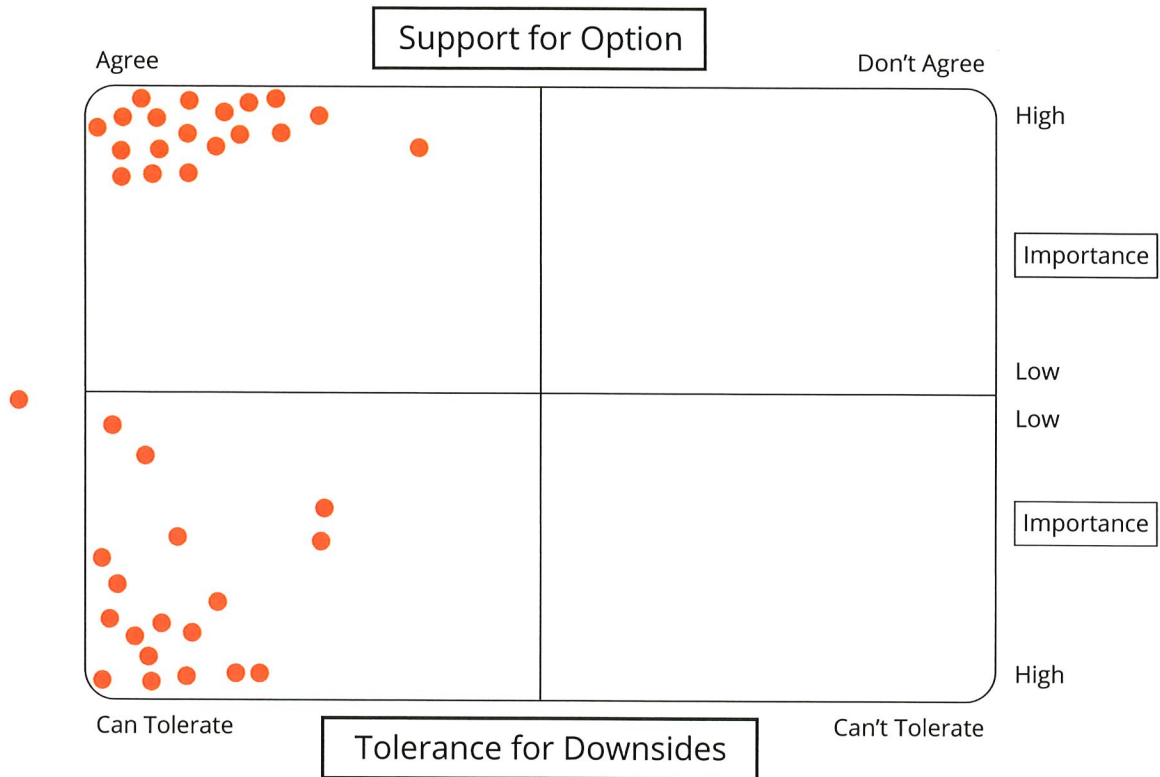
The rural participants noted that while current zoning could support constructing additional single-family homes in their counties, there may be a need for changes to allow multifamily construction. They weighed the tradeoff of the need for multifamily against the desire to protect agricultural land and considered the idea of supporting different levels of multifamily density based on surrounding uses. Given demands in the area, some participants were willing to publicly support increased multifamily units and higher density even in less urbanized areas of the region.

In the more developed urban parts of the region, it was noted that towns and cities already have zoning rules in place, and that zoning often permits multifamily in the urban core and limits housing to single-family further out. People felt the tension in the balance between property rights and necessary growth, and were torn about zoning changes given NIMBY pressures. In urban areas, it was asserted that there might be greater pushback on allowing mixed uses in the same area—commercial vs. residential development—but that form-based code for better architecture could play a role in setting the right balance for mixed-use development.

Participants from both groups considered concerns about increased traffic as housing density increases. While a wish for a well-functioning public transit system or multi-modal transit was expressed, participants agreed that building closer to corridors, working with partners, and making targeted traffic improvements might be a more realistic way forward. While there was support for up-zoning along traffic corridors, the need to match appropriate density levels to expected traffic and not ignore ‘the missing middle’ accompanied that sentiment. Participants suggested that higher density be accompanied by amenities such as community centers, and overall wanted to ensure that neighborhoods retained their character and the attachments to the legacy neighborhood aesthetic. Relatedly, a noise ordinance was suggested for the urban areas dealing with increased development.

In all these discussions, the idea of protecting green spaces in urban areas and view corridors (protecting views against building development) seemed important. Protecting views, the environment, and people’s ability to be in nature were all considerations, and an open space ordinance was identified as a helpful strategy.

**Increase Density and Types of Housing Allowed in Residential Zoning and Have Fewer Restrictions on Multifamily Housing**



Participants repeatedly also noted the need for more public education about the benefits of zoning to mitigate the stigma of greater density or land use changes. Some area communities such as Hendersonville and Asheville are already doing comprehensive plans to consider longer-term effects. Participants collectively thought that public relations around these planning ideas would help people to see what might be envisioned for the region over a ten-year period. Ideas for building support included:

- Engage leaders in the community, particularly business leaders to talk about the need for workforce housing
- Provide training and tools to elected leaders to make the case
- Develop and present a vision and plan to the public that addresses how increased development and construction will look for the community down the road
- Ensure higher density housing has a family orientation and serves as a place for children
- Ensure higher density multifamily housing is aesthetically pleasing, offers retail establishments that serve the public, and is of reasonable height (i.e. five stories)
- Engage local developers (as opposed to developers from outside the area)

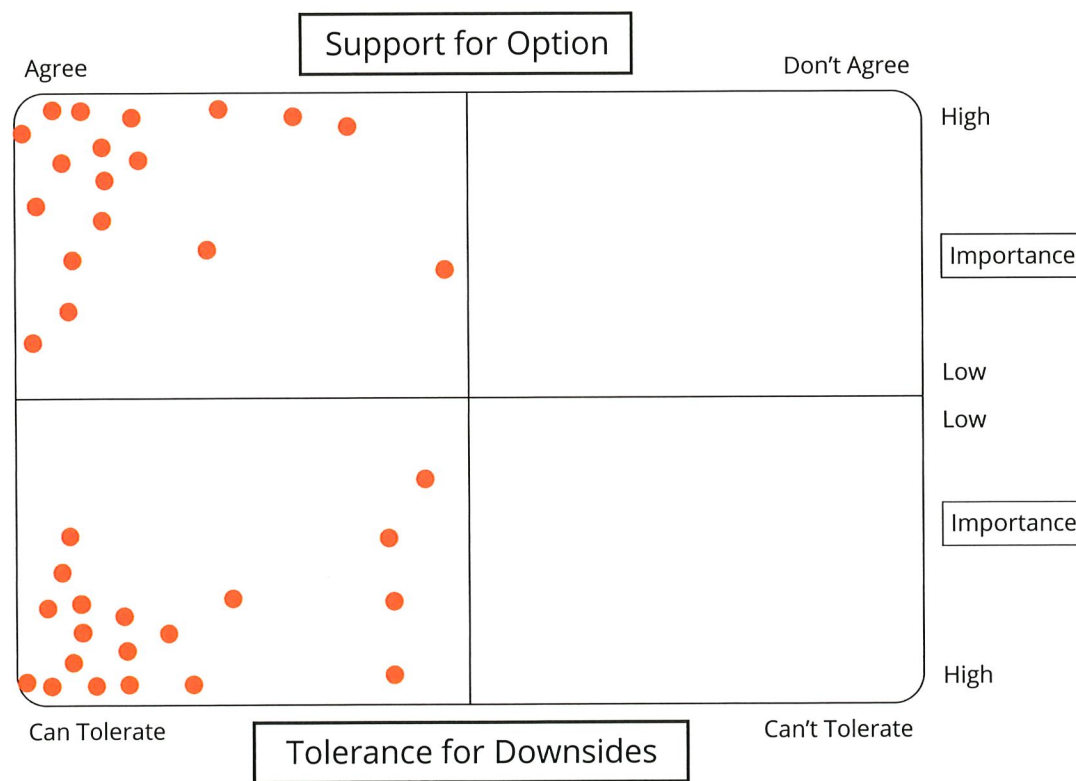
- Establish YIMBY Chapters (yes-in-my-backyard)
- Focus on regional solutions
- Educate residents using historical archives and neighborhood histories, to give context around prior “urban renewal” and depressed downtown areas that could be enriched by new development
- Engage neighborhoods in planning at the outset

**Improve Access to Housing and Stability for Tenants**

**Developing a system of universal applications and background checks**

Forum members generally supported a universal application and background check process. They thought a universal approach would lower costs for applicants, who would pay one fee that they could use for multiple rental applications. They also believed that landlords would find such a system easier and lower cost. A key question arose around who would manage such a system and how it would be paid for. Further, there were questions about how tenant records would be maintained and updated, such that they could show improvement where it occurred easily.

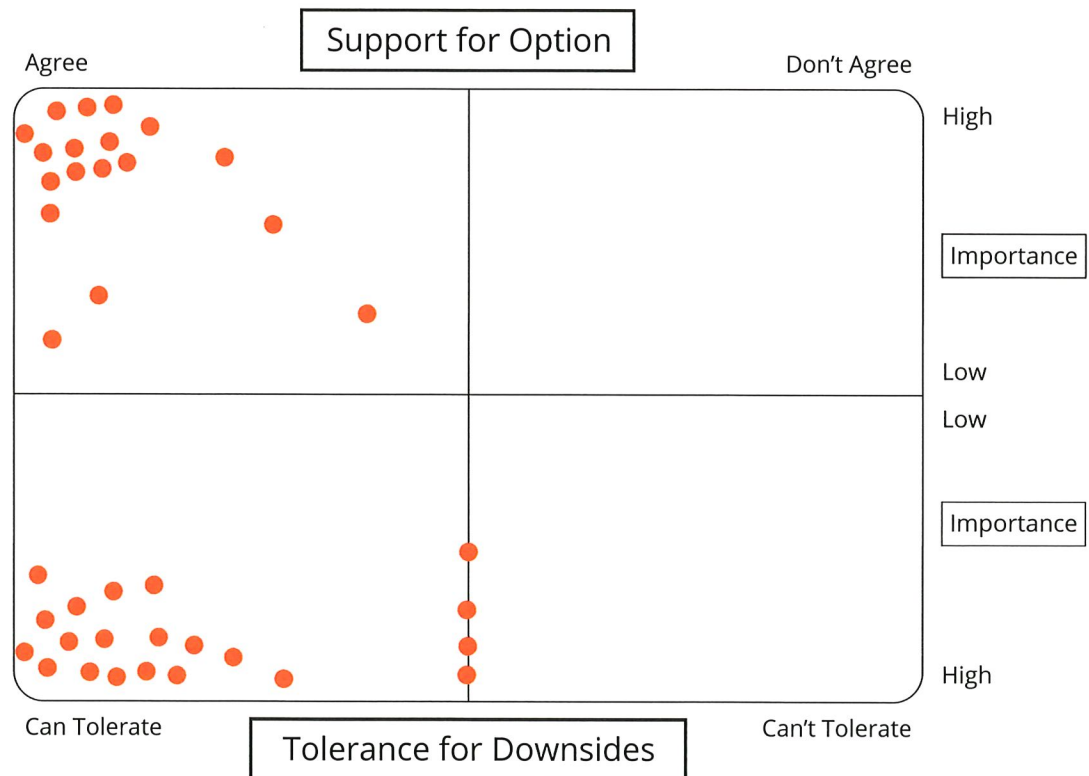
**Develop a System of Universal Applications and Background Checks**



### Developing a system for evictions to be expunged from court records and credit reports

There was some strong support for the idea of developing a system to expunge past evictions, with some participants unsure if they could tolerate the downsides of the proposal. Supporters noted that such a system would allow people to have a record that reflects more recent behavior, and to have a clean slate if behavior had improved. They also flagged that initial filings would need to be expunged, in addition to actual final evictions. One major downside of the idea was that it would require a change in law by the NC General Assembly, and that landlords would be likely to oppose the proposal, making enactment difficult. Further, there was some discussion of how expungement could be applied, particularly if it was appropriate to track some extreme cases, such as criminal activity that resulted in eviction.

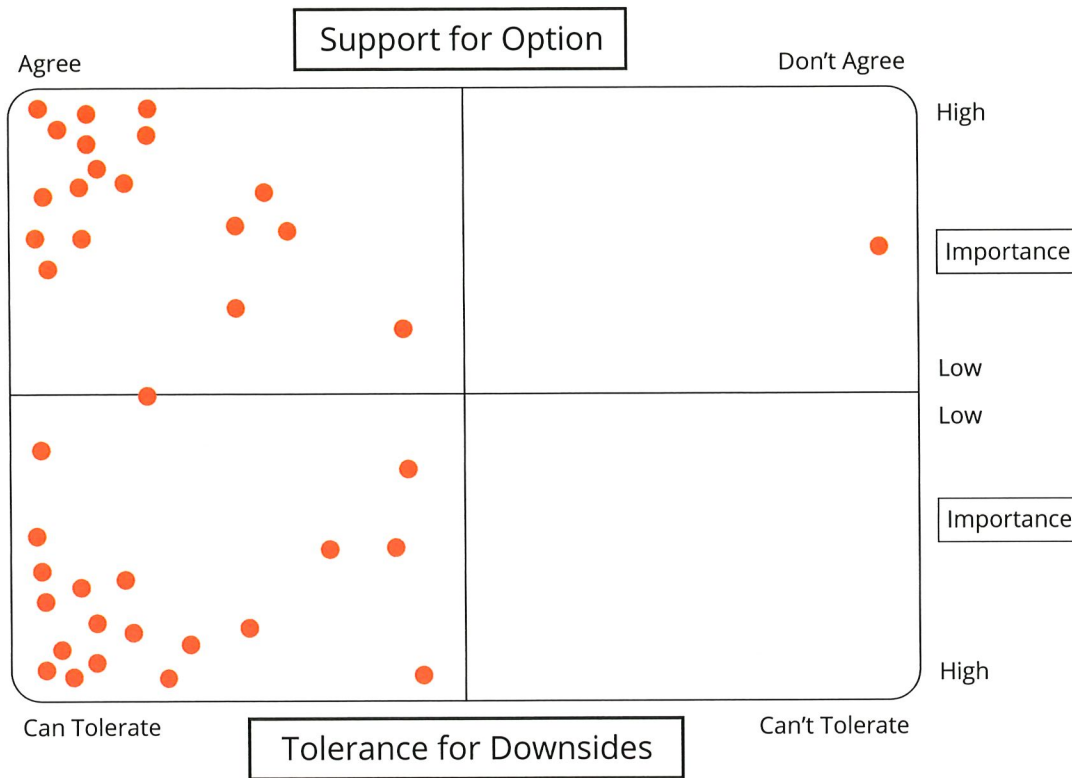
### Develop a System for Evictions to be Expunged from Court Records and Credit Reports



### Requiring or increasing availability of mediation for landlord/tenant disputes

The cohort showed significant support for mediation of landlord/tenant disputes, but there was more ambivalence or opposition to the proposal than others put forward. Participants proposed a mediation system that would allow landlords and tenants to resolve smaller disputes without resorting to eviction, and reduce the power of a landlord to use a significant threat to address minor conflicts. Supporters argued that both the landlord and tenant might get better outcomes from a mediation than from an eviction process that led to searching for a new tenant. Opponents expressed some concern that such mediation

**Require or Increase Availability of Mediation for Landlord/Tenant Disputes**



could result in it taking longer to evict a tenant with attendant loss of landlord income. It was also noted that the process could waste time if the landlord had a specific desired remedy and was unwilling to agree to a mediated outcome. Finally, participants questioned whether mediation was appropriate for all cases, or whether some cases belong in court.

**Section 8 Housing Vouchers**

Federally funded by US Dept. of Housing & Urban Development (HUD) and administered by local Public Housing Authorities (PHAs), the Housing Choice Voucher (HCV) Program (aka Section 8 vouchers) is the largest low-income rental assistance program in the nation, serving 2.2 million US households. The most common form of vouchers are tenant-based and are awarded to qualified families to supplement rent from private owners. There are also project-based vouchers, tied to specific units within a housing property.

For HCVs, the Local Public Housing Authority (“PHA”) determines a “payment standard,” that is the amount generally needed to rent a moderately-priced unit in the local market. The voucher amount is then based on the income of recipient (adjusted for family size) and area Fair Market Value (FMV) of unit (of appropriate size for the family).

The PHA pays the landlord directly for the difference between what the family pays and the actual rent, subsidizing the family’s payment. By law, 75% of new vouchers must go to households making less than 30% of median area income, and HCV recipients’ income cannot exceed 50% of median

area income. Landlords are not obligated to accept HCVs, and must have properties approved prior to accepting the vouchers. Properties are also subject to annual inspection and landlords are limited in how often or how much they can raise rent for HCV properties.

Prior to the cohort discussion of Section 8, NCLF spoke with local PHAs and collected information on fair market rates in the area, median family income standards, and use of Section 8 vouchers in each area.

**Western NC Regional Section 8 Data (as of Spring 2022)**

	FMR 1R (2022)	FMR 2BR (2022)	Median Family Income	Waitlist	Success Rate (family is issued voucher and uses it within timeframe provided)
Asheville Area (includes Buncombe, Henderson, Madison Counties)	\$990	\$1152	\$75,500	Buncombe: 5+ yrs	71%
Haywood County	\$822	\$937	\$65,500	Closed, 2+ yrs, possible reopen by summer.	50%
Transylvania County	\$594	\$782	\$59,100	Open, issued as people apply	26%

*Close voucher rent rate versus market rent gap*

**Close voucher rent rate versus market rent gap**

There was significant support for this proposal, with only a few participants unsure of the proposal and one opposed. Participants discussed how closing the voucher rent rate versus market rent gap could make it more appealing for landlords to accept vouchers, making more units available to lower income people. Housing then could more accurately reflect the economic diversity of the community. However, forum members discussed that the United States Department of Housing and Urban Development (HUD) would have to take action on this change, which might be difficult to accomplish.<sup>x</sup> They also considered the significant cost of increasing the voucher rent.

At a subsequent discussion, participants took a deeper look at why they supported the closing the gap between market rent and housing vouchers and how they might make progress on the issue. Ideas put forward included:

- Working with a nonprofit or religious organization to match the voucher to supplement rental assistance. Another version of this proposal considered “layered funding” such as funds from local government as well as funds from a local foundation.
- Increasing incentives for landlords to take vouchers such as through property tax rebates or incentives to improve properties (to increase available housing inventory). One idea was that local governments could provide up to \$600 to landlords to cover damage to the property so that landlords would be more willing to rent.
- Increasing outreach and education to landlords and the community broadly to generate goodwill, including emphasizing framing like “guaranteed rental voucher” instead of “Section 8”. One question was whether helping landlords to see they were helping people could encourage them to accept HCVs.

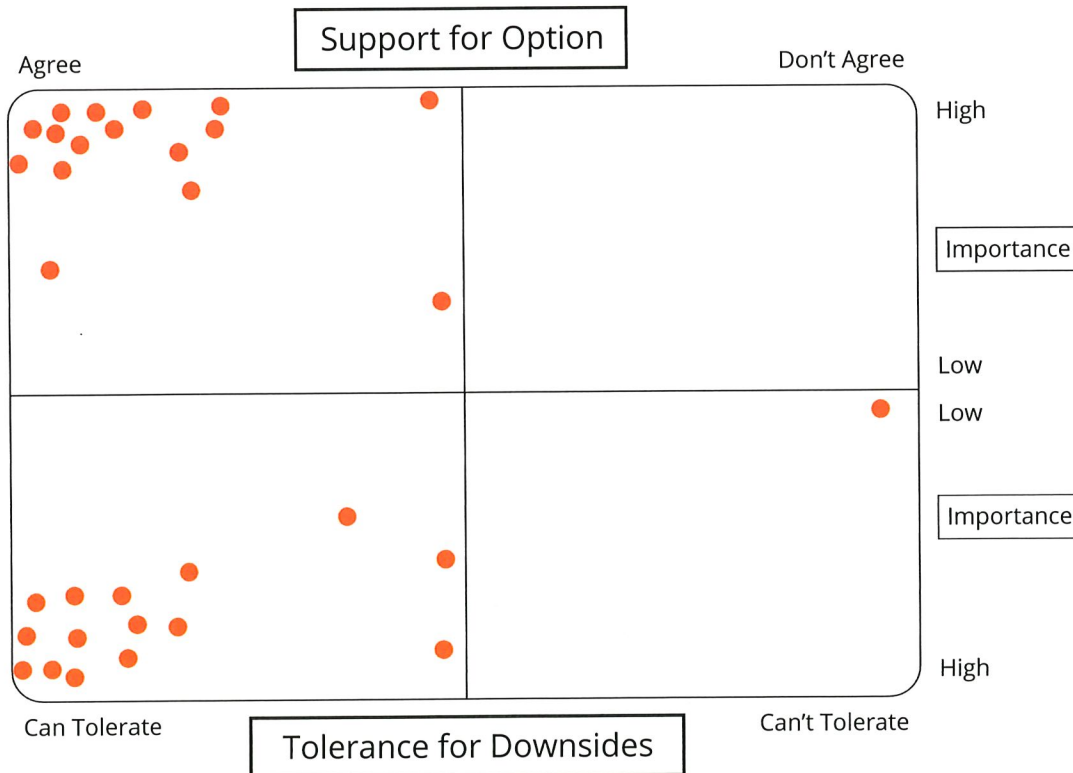


- Offering education to tenants to be financially responsible, perhaps with training as a condition of offering a financial subsidy, and/or also providing education to become a homeowner in the long-term.
- Subsidizing tenants' security deposits.
- Allowing vouchers to be used to rehabilitate properties to increase available inventory, rather than only allowing vouchers to be used for rent.
- Considering whether municipalities have inventory that could be used for affordable housing that accepts HCVs.

Participants explored why the current voucher program is not more successful, imagining several arguments that could build support. One approach was to make the case to local leaders and the public that it is more cost effective to supplement rent for existing housing inventory than to build new units (for example, it might cost \$100,000 to build one new affordable housing unit, but a participant offered an example of providing \$140,000 to subsidize 46 families' rent locally in a mix of new and existing units). Another approach sought to emphasize the combination between tenant contribution and public support as a way that everyone has "skin in the game."

Participants also discussed different ways to persuade landlords to participate. Some thought educating landlords about poverty and appealing to their goodwill and desire to help others would make a difference. Other participants wondered about the financial incentives to participate and whether either voucher could be seen as "guaranteed rent" or additional incentives could be added to entice more landlords to offer inventory for the program. As one participant said, "is there a market incentive for this or is it reliant on 'good-hearted' people?"

**Close Voucher Rent Rate vs Market Rent Gap**



One concern was that as the mortgage market changed, owning a home would be more expensive, making landlords even less likely to accept HCVs. The group also considered what it would take to convince the federal government to acknowledge the real market rate of rental units in the area. Finally, some participants expanded the question, arguing that it was the federal government's responsibility to support the poor, especially the elderly and disabled, and saying that the government should provide a basic income, not just vouchers for partial rent.

#### [Have more outreach to landlords and education of landlords and tenants about the Section 8 program and their role within it](#)

The cohort had mixed views on the proposal to educate landlords and tenants about the Section 8 program—no one was strongly opposed, but many more participants landed towards the middle when asked whether they supported the proposal. Participants noted that this outreach would be beneficial because it would help everyone get on the same page and eliminate myths about the Section 8 program, ultimately serving to recruit new landlords to rent to Section 8 tenants. However, it was noted that care must be taken in educating tenants so that they paid rent on time and maintained the property appropriately. Some participants also noted that time and resources could be spent on such outreach, but no change was guaranteed, so this could be a costly effort for little return.

#### [Short Term Rentals: Adopt Tighter Zoning \(or Other\) Regulations for Short Term Renters, and Support Homestays](#)

Participants were the most divided on whether to implement tighter regulations for short-term rentals in the region, which are perceived as taking units away from local resident housing to serve tourism demands. Prior to discussion, NCLF provided some available data on the scope of short-term rentals in the area. Of note, there is limited publicly available data, particularly because many units are not legally permitted.

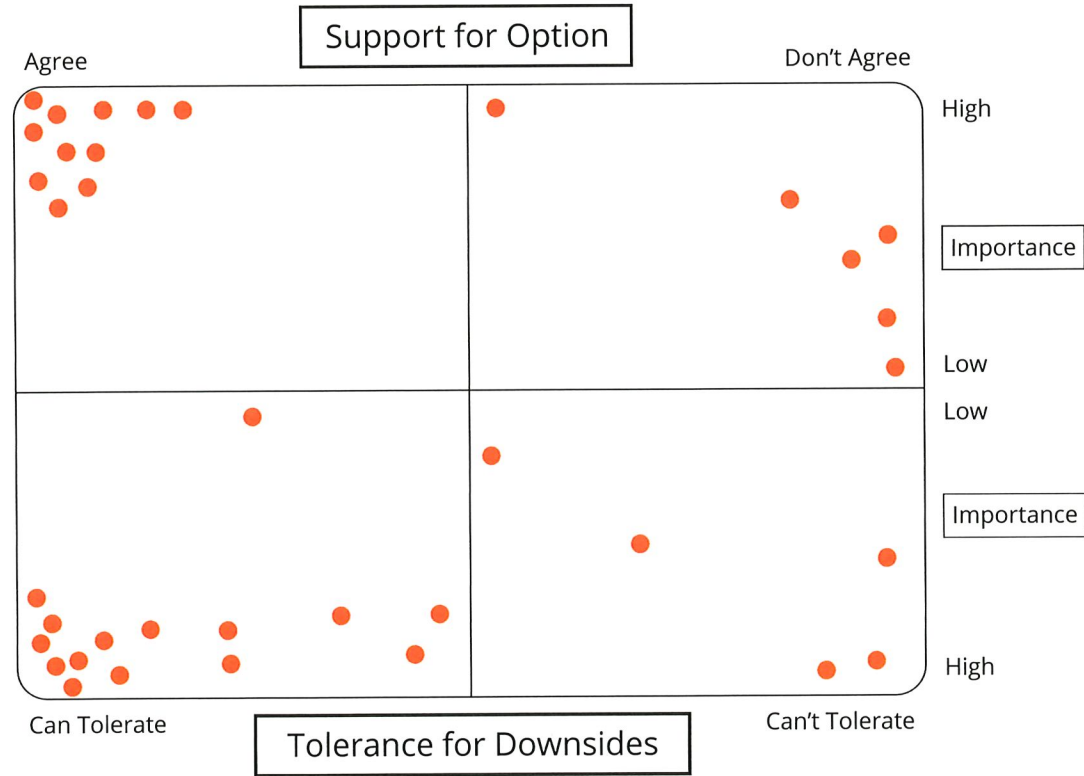
Short-term rentals comprise a dwelling unit, or portion thereof, that is offered or provided to a guest by rental owner or operator for a fee for fewer than thirty consecutive nights. A survey in 2021 produced by the City of Asheville suggested that at that time, there were more than 1,200 Asheville properties, including short-term vacation rentals (STVR) and homestays listed on websites like Airbnb and VRBO, creating the highest ratio of rentals to housing units in the country. Asheville Average Daily Rates for short term rentals range from \$164 in February to \$211 (as of the time of research). Based on a survey of hosts, 71% use the income to pay their mortgage and 42% would otherwise need to move out of the city. The network found that 1 in 5 hosts stated they were on social security.<sup>xi</sup> A prior report on short-term rentals produced by the City of Asheville in 2019 reported that only 54% of said listings were considered legally permitted, noting a need for greater compliance with the homestay permit.<sup>xii</sup>

While STVRs provide income to their owners, some neighborhood coalitions note that out-of-town investors may buy up properties for short-term rentals, destroying local culture and driving out residents.<sup>xiii</sup> Many participants felt second-class to tourists and those who move to the area as STVRs and wealthier tenants take housing stock off the market and citizens are displaced.

When participants discussed tightening regulations for short-term rentals, they identified potential benefits such as channeling more housing into long term rentals, and decreasing noise and safety disruptions to neighborhoods. Proponents thought that homeowners with long term rentals would still gain income off their home, but the availability of more housing would help the area become more affordable. It was thought that tourist traffic and revenue could be better spread out than it is now.

Downsides included that these changes might not keep the cost of housing down, and would deprive families of rental income that could potentially allow them to retain property ownership. Moreover, many people do not want long term renters and would prefer short term rentals to allow income generation. Residents could become angry and policymakers could face a backlash from this dissatisfaction. Finally, participants expressed concern that such rules could also over-concentrate certain rental types in a specific area.

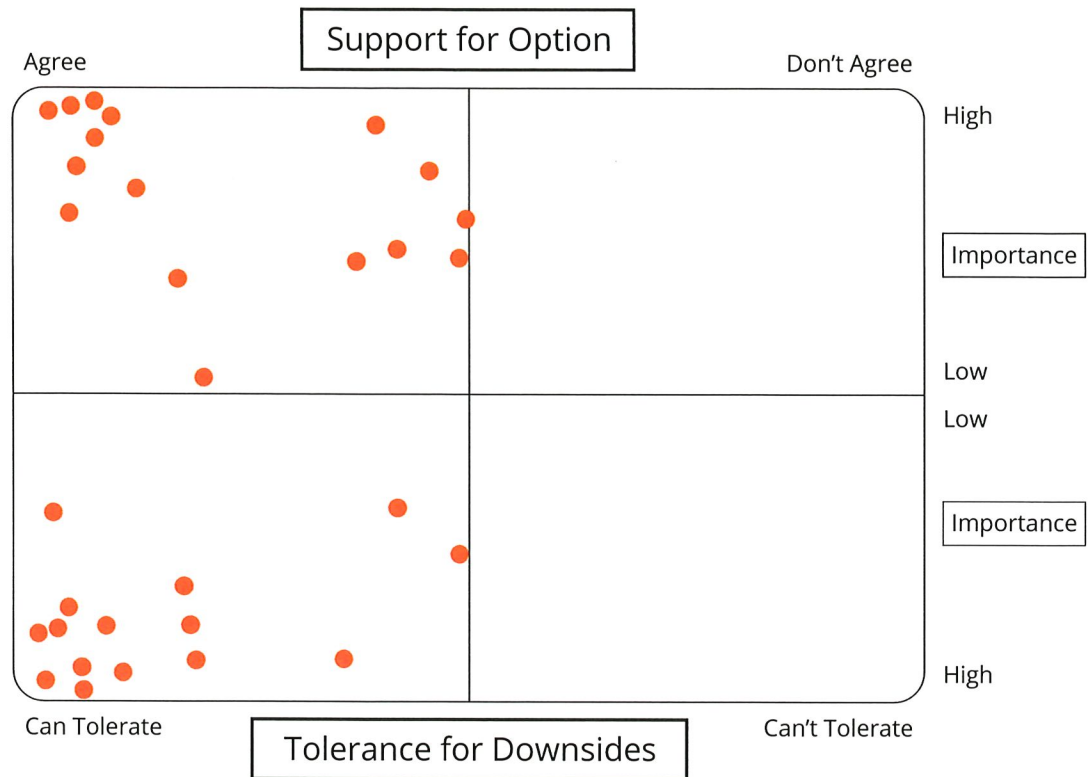
**Adopt Tighter Zoning (or Other) Regulations for Short Term Rentals and Support Homestays**



**Conduct City/County Audits of Existing Assets to Sell Either (1) Directly for Use for Development of Affordable Housing or (2) To Raise Funds for Needed Infrastructure**

While the cohort did not specifically discuss the benefits and downsides of this proposal, there was significant support for the proposal.

**Conduct City/County Audits of Existing Assets and Sell to Support Housing or Infrastructure Needs**



**Insufficient Infrastructure**

The majority of counties cited the high costs of infrastructure such as water and sewer as a significant inhibiting factor for developing more housing. It stops high density development and reduces the ability of some areas to attract higher profit businesses. Participants in the cohort frequently noted the need for more long-term planning around infrastructure to accommodate population growth and the related needed housing construction across the region. They also called for more coordinated planning across municipal and county lines.

Residents of the five counties included in this cohort regularly travel between the counties, often living in one and working in another, or taking advantage of amenities in an adjoining county. Infrastructure such as water, sewer and internet differ substantially within the region due to separate systems. Participants pointed to cities that have their own water systems and the lack of coordination within and across counties, as well as a lack of any overarching body such as a water authority.

Moreover, internet access differs greatly across counties. In Madison County, only 73% of homes have internet at the FTC designated minimum speed, whereas nearly 100% of Buncombe County homes do. A Land of Sky assessment of Transylvania County in 2019 estimated that somewhere around 85% of the population of Transylvania County has internet access, but that a significant number of residents who have service believe it is