



CITY OF HENDERSONVILLE STRATEGIC HOUSING PLAN STEERING COMMITTEE

City Hall – 2nd Floor Meeting Room | 160 6th Ave. E., | Hendersonville NC 28792
Monday, February 17, 2025 – 4:00 PM

MINUTES

Present: Council Member Lyndsey Simpson, Council Member Jennifer Hensley, Debi Smith, (TDA), Connie Stewart (Housing Authority); Madeline Offen (Pisgah Legal); Hilary Paradise (Land of Sky); Carsten Erkel (Partnership for Economic Development); Jennifer Duvall (HAC); Sheila Franklin (Henderson County) and Connie Stewart (Housing Authority)

Via Zoom: Robert Hooper (WNC Source); Sarah Cosgrove (Builder's Assoc. of the Blue Ridge);

Staff Present: City Manager John Connet, City Attorney Angela Beeker, City Clerk Jill Murray, Communications Director Allison Justus, Community Development Director Lew Holloway, Long-Range Planning Manager Matt Manley, Utilities Director Adam Steurer

1. CALL TO ORDER

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

2. PUBLIC COMMENT –

Meg Lebeck, Executive Director of the Housing Assistance Corporation here in Hendersonville and we also cover Henderson, Transylvania and Polk Counties as well. She wanted to thank the staff for working on the policies as they are really intricate and detailed and I appreciate the incredible amount of effort that goes into considering affordable housing, the barriers and opening doors for that. While the flag lot concept may work for many developers, it does not work for housing assistance. Through our self help and new construction homes, they're funded through the USDA. The USDA will only permit two houses on a private driveway or street so if we could build two houses that would front on an NCDOT street, it would allow us to only do four houses on a flag. We traditionally build approximately 1200 square foot homes. We found that building those homes on a 6000 square foot lot works really well. That gives families ample yard area for swing sets and outdoor play areas for kids. Building a 1200 square foot home on a 2000 square foot lot would not give young families the quality of life. We feel that affordable housing should still be great housing. Teachers, police officers, fire fighters, the retail workers that are the backbone of Main Street, those people deserve great housing. The one unintended consequence of allowing more dwellings per square acre is that it could make the cost of property even higher. So what is the value of an acre? Is it 7 homes or 10 homes? Removing multi-family dwellings as a permitted use in the PRD (Planned Residential Development) will require tax credit projects to revert to urban village condition. This district has design standards, parking and loading standards, street tree requirements and additional landscape or buffering standards. Additional requirements such as these drive up the costs and could cause projects to not be eligible for tax credits as affordable housing.

3. APPROVAL OF AGENDA

Debi Smith moved to approve the agenda as presented. A unanimous vote of the Committee Members present followed. Motion carried.

4. APPROVAL OF MINUTES

Madeline Offen moved to approve the minutes of January 27, 2025 as presented. A unanimous vote of the Committee Members present followed. Motion carried.

5. NEW BUSINESS

City Manager John Connet, we shared this in the packet but I wanted to do a quick review with you all. Patrick Bowen did a study in our region in 2019. This information came out a couple of weeks ago and felt like it was pretty pertinent as its good information and it's statewide.

A. Presentation of Statewide Bowen Research Affordable Housing Study – John Connet, City Manager

Strategic Housing Plan Steering Committee

Bowen Study Update

February 17, 2025



Bowen Study Update (2024) Housing Gap Analysis 2024-2029

- NC Chamber Foundation retained Bowen National Research to conduct 5-year housing gap analysis for State of NC and each of the 100 counties.
- 2024-2029
- Henderson County Summary

Healthy housing plan addresses...

- Household Growth
- Unhoused
- Substandard Homes
- Cost-burdened Households
- Commuting Workforce
- Job Growth
- Provides Healthy Vacancy rate

Henderson County

Population	2024 – 120,235	2029 – 123,265	2.5% Growth
Median Inc	2024 - \$67,613	2029 - \$81,168	20% Increase
Households	2024 – 51,173	2029 – 62,687	8.0% Growth
< 35	2024 – 6,059	2029 – 6,107	0.8% Growth
35-54	2024 – 14,691	2029 – 14,951	1.8% Increase
55+	2024 – 30,423	2029 – 31,629	4.0% Increase
Rent	2024 – 12,680	2029 – 11,875	6.3% Decrease
Own	2024 – 38,493	2029 – 40,812	6.0% Increase

Henderson County

	Renter	Owner
Substandard Housing Units	1.2%	0.5%
Severely Cost Burdened	17.5%	8.6%
Commuters	5,140	15,605
	*51.7% of work force commutes	
Rate of Annual Turnover	20.9%	9.7%

Henderson County Multi-family Availability

	<u>Market Rate</u>	<u>Tax Credit</u>
Vacancy Rate	2.6%	0.0%
Wait List	170	10
Rent (monthly avg):		
1BR/1Ba	\$2,526	\$630
2BR/1Ba	\$ 682	\$683
2BR/2Ba	\$2,529	---
3BR/2Ba	\$2,708	\$753

Henderson County Owned Unit Availability

Availability Rate		Avg. List Price		Median List Price			
0.9% (350 units)		\$763,806		\$528,250			
<\$200,000		\$200-299,999		\$300-399,999		\$400,000+	
9 units 2.6%		26 units 7.4%		56 units 16.0%		259 units 74.0%	

Henderson County Units Rent vs. Own by Income

	<u>2024</u>		<u>2029</u>	
	<u>Rent</u>	<u>Own</u>	<u>Rent</u>	<u>Own</u>
<\$15,000	2,306	2,864	1,912	2,355
\$15-24,999	1,136	2,116	845	1,562
\$25-34,999	2,310	3,203	1,942	2,673
\$35-\$49,999	2,197	3,628	1,986	3,254
\$50-\$74,999	2,015	5,553	1,985	5,426
\$75-\$99,999	1,259	6,063	1,357	6,467
\$100-\$149,999	997	7,900	1,224	9,572
\$150,000+	459	7,167	623	9,502

Henderson County Housing Gap (2024-2029)

<u>%AMI</u>	<u>Income</u>	<u>Rental Units</u>	<u>Rent</u>	<u>Owned Units</u>	<u>Price</u>
≤30	≤\$28,050	207	≤\$701	0	≤\$90,973
31-50	<\$46,750	89	<\$1,169	41	<\$151,622
51-80	<\$74,800	180	<\$1,870	681	<\$242,595
81-120	<\$112,200	399	<\$2,805	1,450	<\$363,892
121-150	<\$140,250	286	<\$3,506	2,684	<\$454,865
151+	>\$140,251	89	>\$3,507	957	>\$454,866
	TOTAL	1,250		5,813	

B. Water & Sewer System Update– *Adam Steurer, Utilities Director*

Adam Steurer, Utilities Director, gave the following PowerPoint presentation.

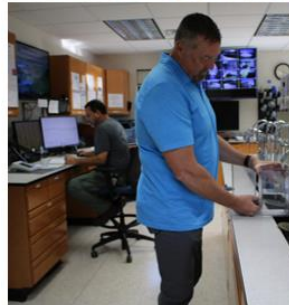
Agenda

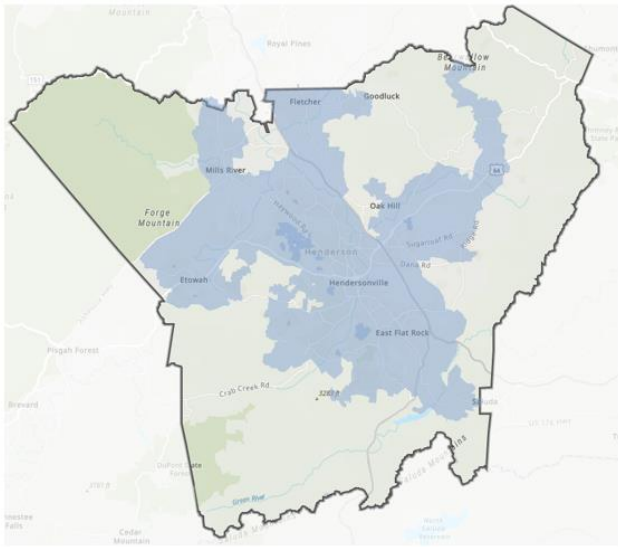
- Utility Overview
- Affordability Practices
- New Connections
- System Development Fees
- Projects/Resiliency



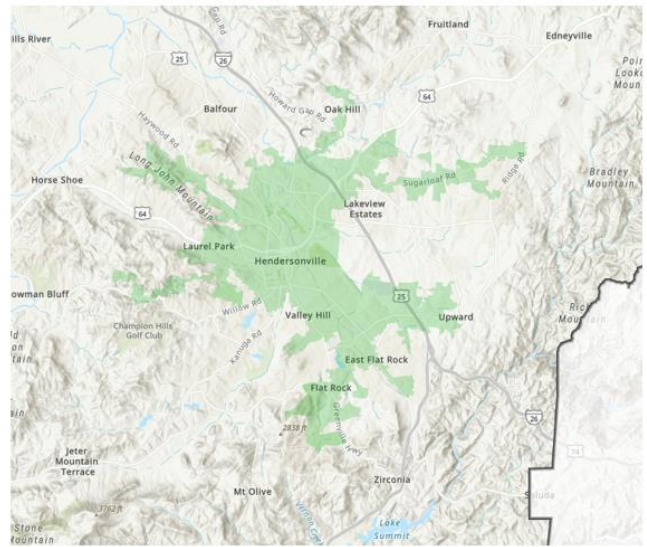
Utility Overview

- Water: ~80,000 people served
- Sewer: ~25,000 people served
- Enterprise Fund
- \$27.5M annual operating budget – FY25
- 100 dedicated employees





Water Service Area



Sewer Service Area

Drinking Water Treatment



Drinking Water Distribution

- ~700 miles of pipe
- 54 Pump Stations
- 24 Storage Tanks



Sewer Collection

- ~180 miles of sewer pipes
- 30 Pump Stations



Wastewater Treatment



Affordability Pillars

- Quality
- Efficiency
- Rate Design
- Customer Assistance Programs



Questioning Quality..... The Alternative

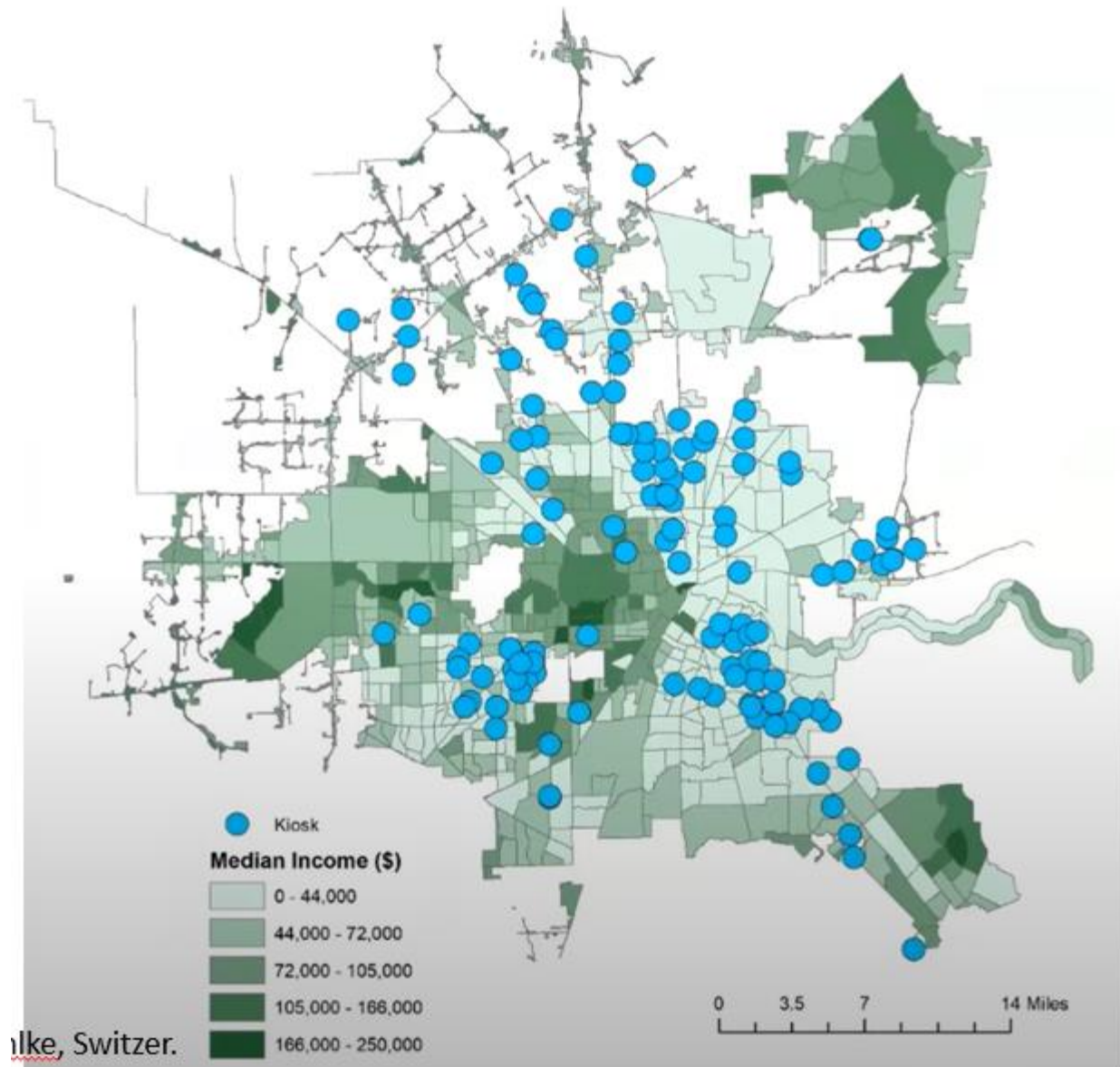


- Primo: \$1.40/gallon (Filling station, Ingles)
- Aquafina: \$1.89/gallon (32-pack, Wal-Mart)
- FIJI: \$10.52/gallon (24-pack, Wal-Mart)

Hendersonville Tap Water: < \$0.01/gallon



Drinking water kiosks in Houston by income, 2017



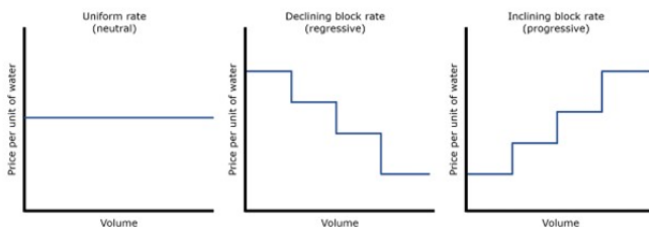


The importance of quality

- *Providing and maintaining high-quality tap water service is the most important thing any utility can do for affordability*
- *Educating the public about the quality and value of tap water is part of an effective affordability strategy*

Affordable Rate Design

- Monthly billing
- Smaller base charges
- Inclining block
- Low initial volumetric tiers



Water Base Charges	Inside City	Outside City
3/4"	\$10.76	\$13.45
Water Usage Rates (per 1,000 gallon)	Inside City	Outside City
0 to 3,000 gal.	\$4.06	\$5.07
3,001 to 6,000 gal.	\$5.41	\$6.76
6,001 to 14,000 gal.	\$6.76	\$8.46
> 14,001 gal.	\$8.12	\$10.15

Sewer Base Charges	Inside City	Outside City
3/4"	\$12.16	\$18.24
Sewer Usage Rates (per 1,000 gallons)	Inside City	Outside City
All usage	\$7.50	\$11.25

Average Utility Bill (3,500 gal/month)

▪ Hendersonville

Description	Metric
Hendersonville MHI	\$50,198
Monthly Water & Sewer Bill	\$68.11
Annual Water & Sewer Bill	\$817.32
Bill as % of MHI	1.6%

2024 National Average Water and Sewer Bill:

2.7% of MHI

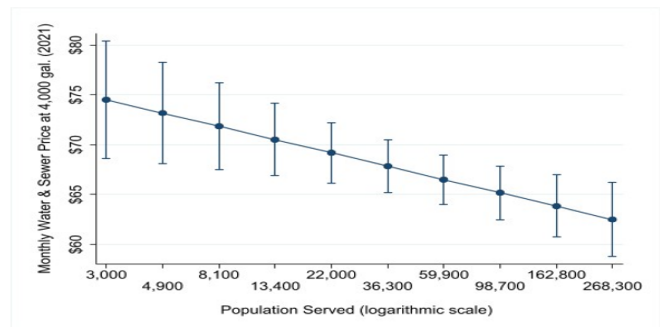
-LIHWAP Water Utility Affordability Survey

▪ Henderson County

Description	Metric
Henderson Co. MHI	\$65,508
Water Bill	\$37.11
Annual Water Bill	\$445.32
Bill as % of MHI	0.7%

Efficiency

- *Operate at lowest possible cost without sacrificing quality*
- Larger utilities generally have lower rates.



Customer Assistance Program

Want to help some members of our community?

Donate to the H₂O Program!

We invite you to help families in need through our automatic, monthly or one-time annual donation program called "Helping Hand Outreach" or H₂O. The Hendersonville Water and Sewer and the Interfaith Assistance Ministry started this program as a way for our customers to voluntarily assist low and moderate income families in our community when they are unable to pay for a water and/or sewer connection to City-owned utilities or may be unable to pay a City water and sewer bill. IAM will interview applicants to determine available assistance.

An easy way to help.

If you would like to become a donor, our bills will automatically include a donation chosen by you.

- You can select any whole dollar amount to add to your monthly bill as the donation.
- If you would prefer to be a one-time or annual donor, you may send a check in with your water and sewer bill for any amount to the City of Hendersonville's H₂O Assistance Program.

Hendersonville Water & Sewer

Need Help Paying Your Bill?

If you are having difficulty paying your Hendersonville Water and Sewer bill, the following options may help.

1 Payment Extensions:

In certain circumstances the City may allow an installment payment agreement to pay a balance over time.

2 Helping Hand Outreach (H₂O):

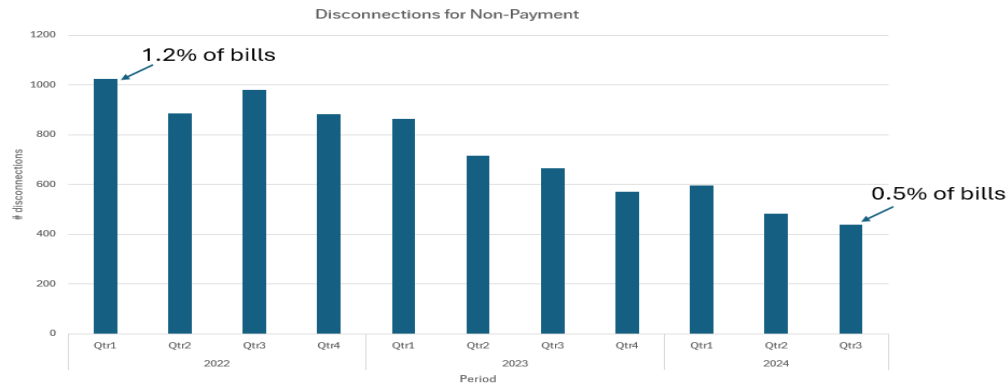
This assistance program helps low to moderate income customers when they are temporarily unable to pay for water and/or sewer connection costs or a City water and/or sewer bill.

H₂O donations are administered by the Interfaith Assistance Ministry (IAM), a non-profit agency which has helped local families in need since 1984. The IAM provides food, shelter, health, crisis intervention, utility bill assistance and other services to thousands of people each year. The IAM is a tax-exempt charity under Section 501(c)(3) of the federal tax code. Below is IAM's contact information. If you are in need of this service, please contact IAM and mention the H₂O program.

IAM P.O. Box 2562 • Hendersonville, NC 28703-2562
(828) 697-7029 • Email: interfaith@iam-hc.org

- Helping Hand Outreach (H₂O)
- Income qualified assistance
- Donation Based
- Interfaith Assistance Ministry (IAM)

Disconnections for Nonpayment



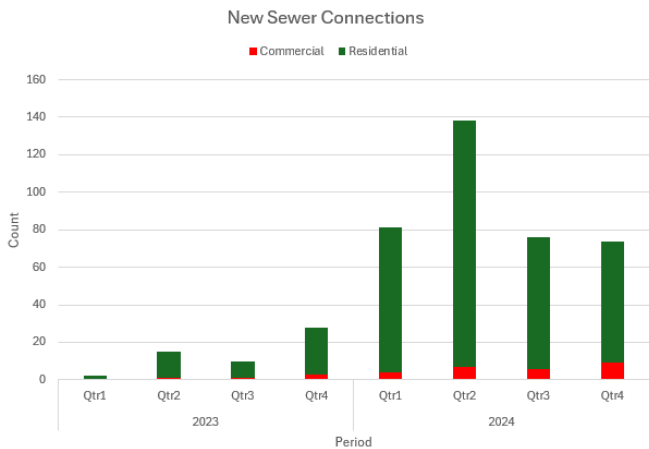
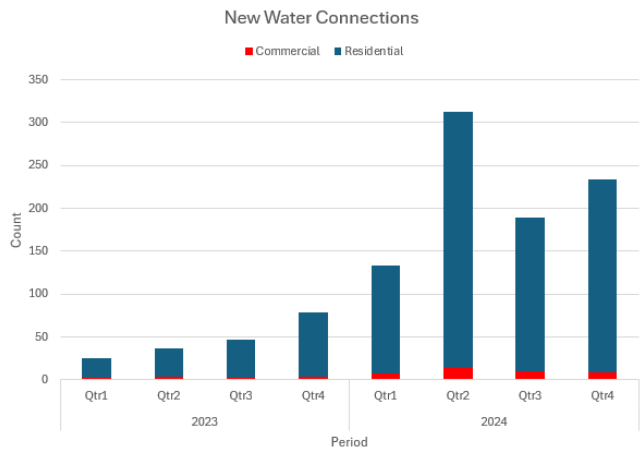
Disconnections for non-payments suspended by City Council October 2024 to March 2025 due to Hurricane Helene

Goals

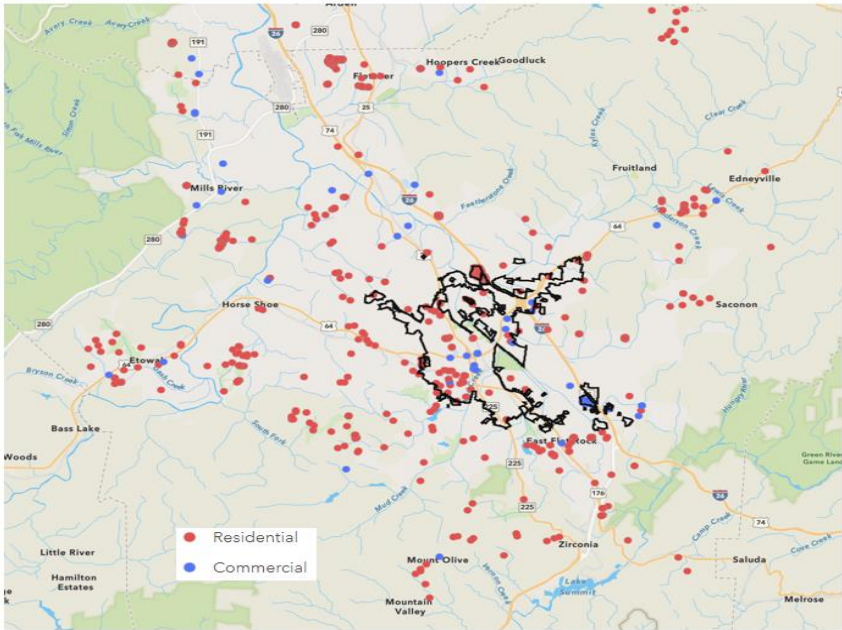
- Improve Public Trust through Education and Outreach Programs
- Affordable Service
 - Efficient Operations
 - Produce high-quality water
 - Rate and Fee Design
- Expand Customer Assistance Programs
- Continue to manage disconnections



New Connections



2023 and 2024 New Connections

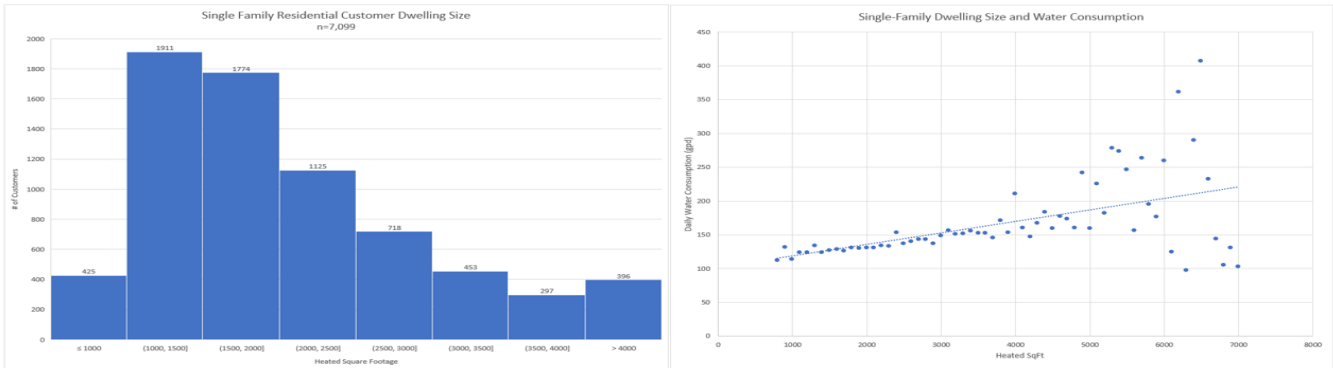


<u>Within City:</u>	
292 Residential	
29 Non-Residential	
321 TOTAL	
<u>Outside City:</u>	
711 Residential	
29 Non-Residential	
740 TOTAL	

System Development Fees

- Fees assessed to new development for water and sewer capacity
- “Growth pays for Growth”
- Lack of SDFs places the full cost of infrastructure capacity on existing ratepayers
- Began January 1, 2025

Residential SDF – By Heated Square Footage



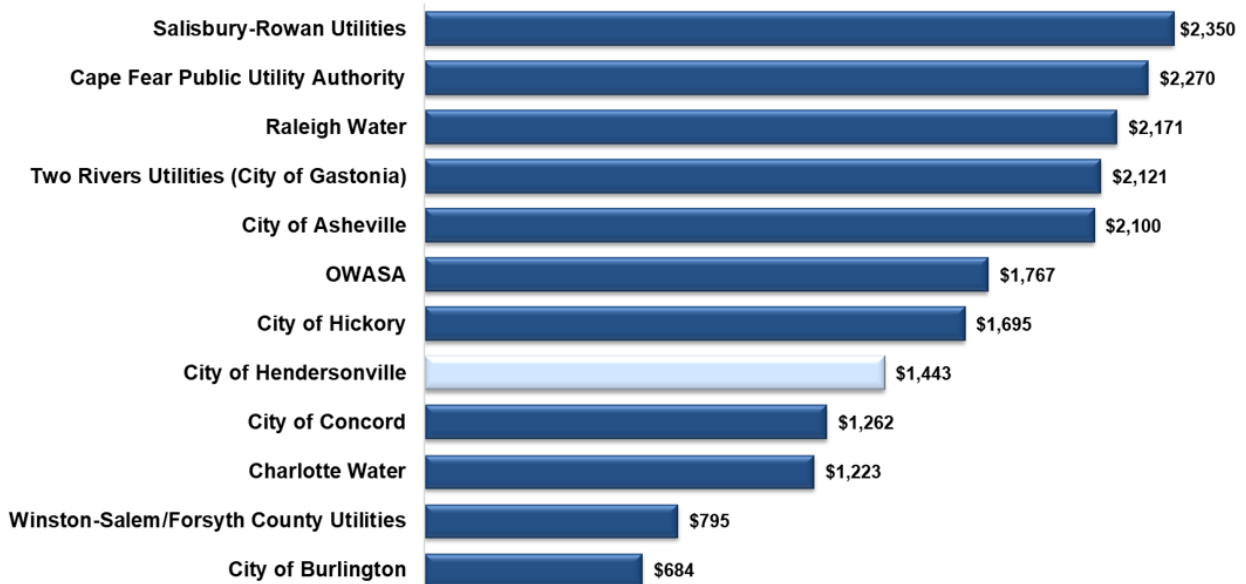
Larger homes use more water and sewer

SDF Implementation

	Beginning July 1, 2026			July 1, 2025 – July 1, 2026			Jan 1, 2025 – July 1, 2025		
	100%			50%			25%		
	Water	Wastewater	Combined	Water	Wastewater	Combined	Water	Wastewater	Combined
RESIDENTIAL									
<1000 sq ft	\$1,247	\$2,048	\$3,295	\$624	\$1,024	\$1,648	\$312	\$512	\$824
1,000 - 1,500 sq ft	\$1,332	\$2,188	\$3,519	\$666	\$1,094	\$1,760	\$333	\$547	\$880
1,501 - 2,000 sq ft	\$1,359	\$2,233	\$3,592	\$680	\$1,117	\$1,796	\$340	\$558	\$898
2,001 - 2,500 sq ft	\$1,443	\$2,370	\$3,813	\$722	\$1,185	\$1,907	\$361	\$593	\$953
2,501 - 3,000 sq ft	\$1,500	\$2,465	\$3,965	\$750	\$1,233	\$1,983	\$375	\$616	\$991
3,001 - 3,500 sq ft	\$1,613	\$2,650	\$4,263	\$807	\$1,325	\$2,132	\$403	\$663	\$1,066
3,501 - 4,000 sq ft	\$1,724	\$2,833	\$4,558	\$862	\$1,417	\$2,279	\$431	\$708	\$1,140
4,000+ sq ft	\$1,992	\$3,273	\$5,265	\$996	\$1,637	\$2,633	\$498	\$818	\$1,316
Multi-Family Master Meter (per unit)	\$894	\$1,469	\$2,364	\$447	\$735	\$1,182	\$224	\$367	\$591
Mobile Home Park (per unit)	\$1,399	\$2,299	\$3,699	\$700	\$1,150	\$1,850	\$350	\$575	\$925
NON-RESIDENTIAL									
3/4" meter	\$2,494	\$4,097	\$6,591	\$1,247	\$2,049	\$3,296	\$624	\$1,024	\$1,648
1" meter	\$4,156	\$6,828	\$10,984	\$2,078	\$3,414	\$5,492	\$1,039	\$1,707	\$2,746
1 1/2" meter	\$8,312	\$13,657	\$21,969	\$4,156	\$6,829	\$10,985	\$2,078	\$3,414	\$5,492
2" meter	\$13,300	\$21,850	\$35,150	\$6,650	\$10,925	\$17,575	\$3,325	\$5,463	\$8,788
3" meter	\$29,093	\$47,798	\$76,891	\$14,547	\$23,899	\$38,446	\$7,273	\$11,950	\$19,223
4" meter	\$52,368	\$86,036	\$138,405	\$26,184	\$43,018	\$69,203	\$13,092	\$21,509	\$34,601
6" meter	\$108,062	\$177,535	\$285,597	\$54,031	\$88,768	\$142,799	\$27,016	\$44,384	\$71,399
8" meter	\$232,748	\$382,383	\$615,131	\$116,374	\$191,192	\$307,566	\$58,187	\$95,596	\$153,783
10" meter	\$349,122	\$573,575	\$922,697	\$174,561	\$286,788	\$461,349	\$87,281	\$143,394	\$230,674

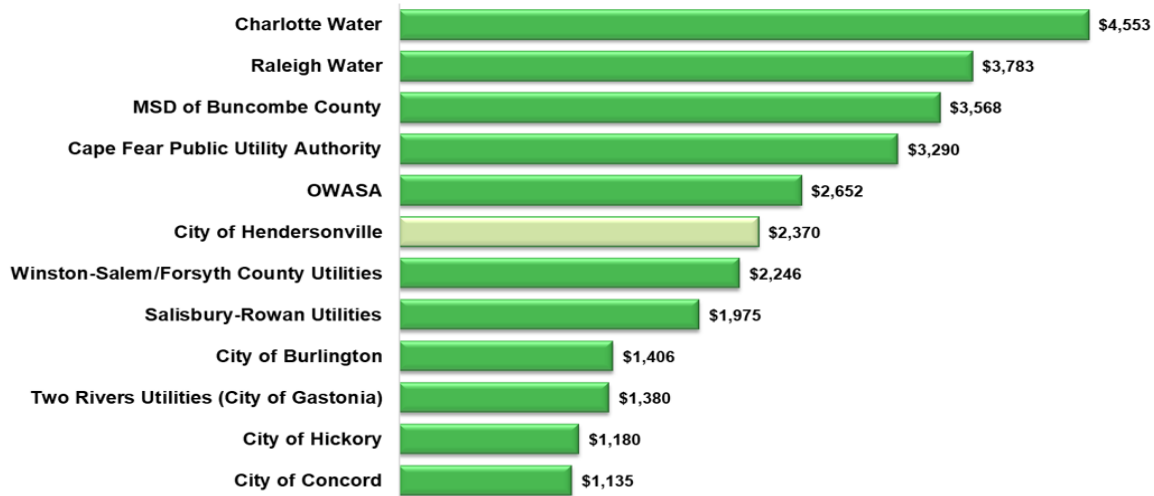
Water SDF – Residential Comparison (2023)

Figure 3.1 - Water System Development Fees (Residential 2,100 Sq. Ft.)



Sewer SDF – Residential Comparison (2023)

Figure 3.2 - Sewer System Development Fees (Residential 2,100 Sq. Ft.)



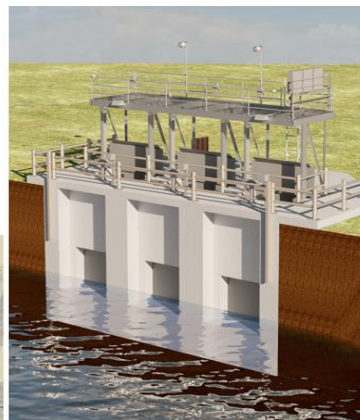
MSD of Buncombe County: - Multi-Family per unit \$2,390 (67% of single family)

Projects

Investing in Resiliency

French Broad River Intake and Pumping Station

- Drought-resilient water source
- 15 mgd capacity and expandable to 21 mgd
- Under Construction – Completion ****Summer 2025***
- \$23.5M



French Broad River Intake & Pump Station



Water Treatment Facility Expansion – 15 mgd

- Installation of additional filter
- REDUNDANCY and Capacity
- Additional 3 mgd capacity
12 mgd to 15 mgd
- Status: Construction
- Cost: \$2.4M



Emergency Generators

- Generators at critical facilities
- Over 100 generators system-wide
- Maintenance staff
- High capital cost
- ~\$200k - \$300k / year in replacement/installations



WWTP 6-mgd Expansion and Improvements

- Influent Pump Station and Headworks
- Equalization Basin (reduce SSOs)
- Blower Improvements
- Filter Replacement
- **Flooding RESILIENCY** and expansion
- Additional Capacity – 6.0mgd
- Status: Funding/Design
- Estimated Cost: \$60-\$80M



'We are having people go in buckets': Mission Hospital lacks water, faces waves of patients



by ANDREW R. JONES
October 1, 2024

LOCAL

Asheville City Schools looking to dig wells at all campuses: Some could open in 2 weeks



Iris Seaton
Asheville Citizen Times

Published 2:04 p.m. ET Oct. 8, 2024 | Updated 1:14 p.m. ET Oct. 9, 2024

ACS backs off drilling wells, works to reopen schools Oct. 28

Posted on October 16, 2024 by Greg Parlier

LOCAL

More Asheville restaurants reopen nearly a month post-Tropical Storm Helene, issues persist



Tiana Kennell
Asheville Citizen Times

Published 5:13 a.m. ET Oct. 22, 2024 | Updated 6:29 a.m. ET Oct. 22, 2024

THURSDAY, OCTOBER 10, 2024

NCDHHS Urges Well and Septic Safety Following Hurricane Helene



Lacking running city water, Buncombe sends nearly 30 percent of its jail population to six other NC counties



by ANDREW R. JONES
October 8, 2024

Asheville, Buncombe hotel sales declined 74% in October, 57% in November after Helene

C. Proposed Zoning Ordinance Text Amendments – *Low Holloway, Community Development Director*

Community Development Director Low Holloway, _____ and _____ presented the following PowerPoint presentation as well as two Zoning Ordinance Text Amendments that will be discussed by the City Council in the near future.

Reduced Pole Flag Lots & Small Lots

Compact Cottages

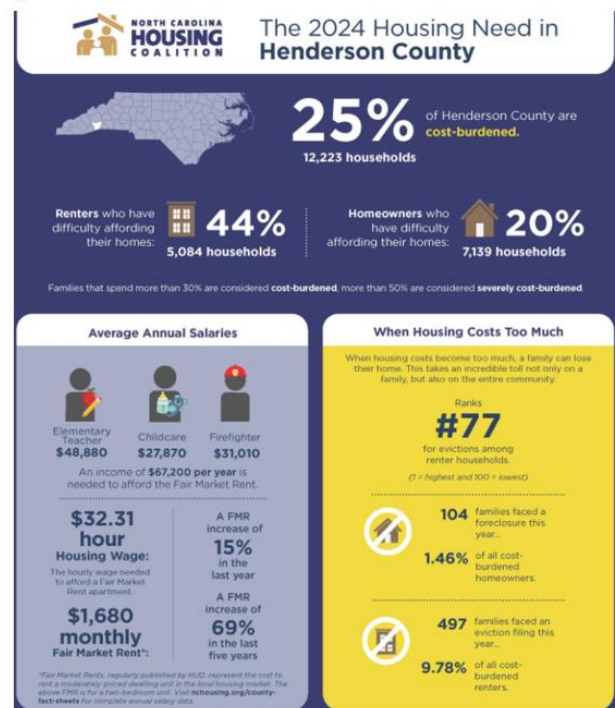
City of Hendersonville
Strategic Housing Plan Steering Committee

2/13/25

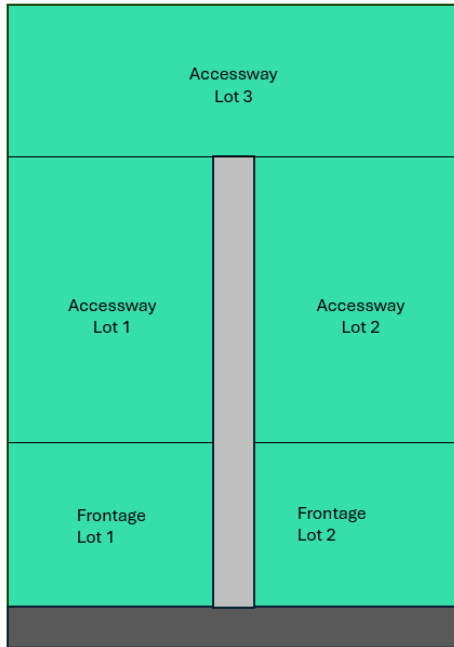
Q: Why are we doing this?

A: Hendersonville and WNC's Housing Market

- City of Hendersonville Strategic Housing Committee report:
 - 10,000 new housing units needed over next 5 years;
 - 2,000 of these needed for low-to-moderate income households
 - “Workforce” and “Attainable” housing helps make room for these Capital-A Affordable units within the larger housing ecosystem.



VACANT LOT



Current Standards

Easiest way to generate revenue from existing land without incurring the expense of building a City Street?

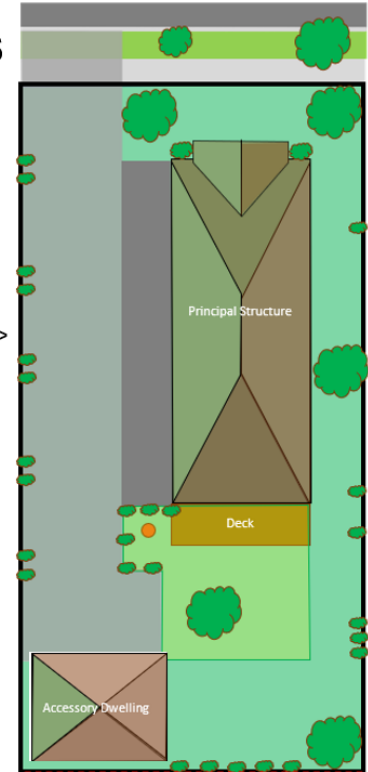
Add ADU up to 800 Sq Ft >

< Each Lot must meet Min Lot Size (may require large land area)

< No Maximum Dwelling Size

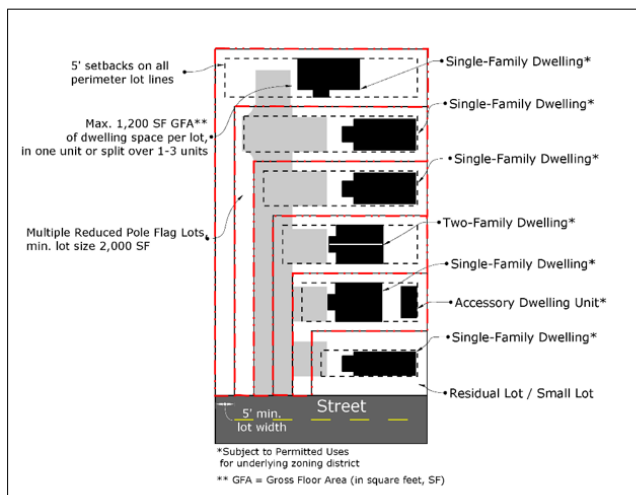
< Up to 3 Lots on 45' Accessway

EXISTING STRUCTURE

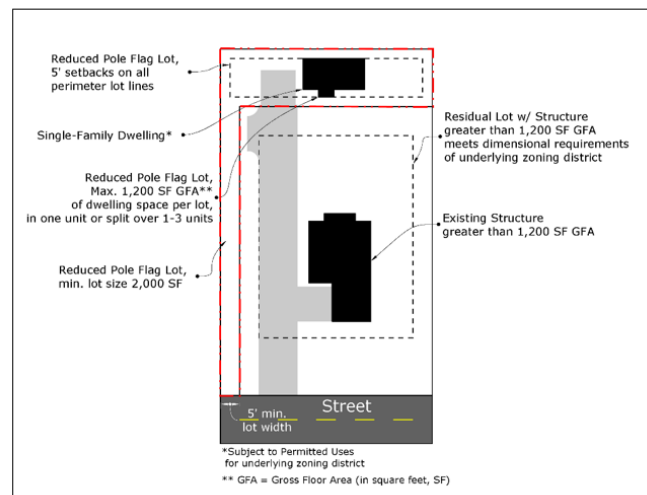


Proposed Standards

VACANT LOT



EXISTING STRUCTURE



Durham, NC – Bending the Curve

Small Homes on Small Lots: How To Beat the Housing Crisis

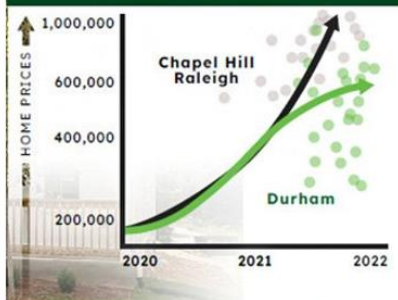
Aaron Labeek • August 29, 2024

Where Are Starter Homes Being Built?

2/1/2023 via Zillow

	# New Homes For Sale < \$400,000	Does the City Have a "Small Lot" Code?
Chapel Hill	0	no
Raleigh	1	no
Durham	28	YES

Average New Home Detached Sales Price

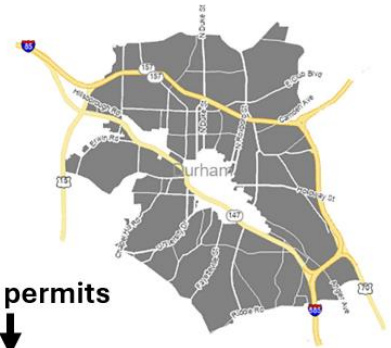


Expanding Housing Choices 2023 Final Report

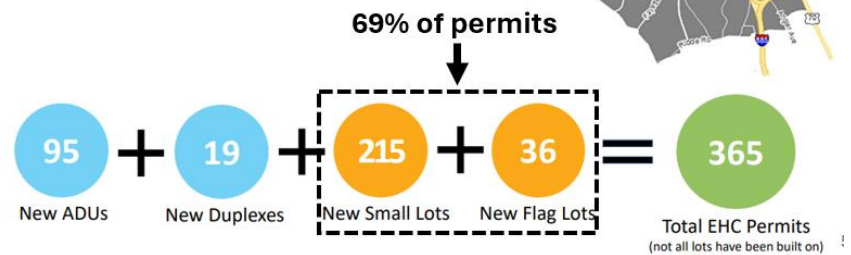


What is the Expanding Housing Choices initiative?

In October 2019, the City of Durham and Durham County approved the Unified Development Ordinance (UDO) Text Amendment TC180007, Expanding Housing Choices (EHC). EHC allowed for more housing choices to be created predominantly within, but not completely limited to, the Urban Tier (pictured right in gray). UDO revisions included expanding the allowance of duplexes, a new small house/small lot option, increasing the opportunities for accessory dwelling units, subdividing excess land into flag lots with reduced pole width, modifications to residential infill standards, and modifications to other associated standards.

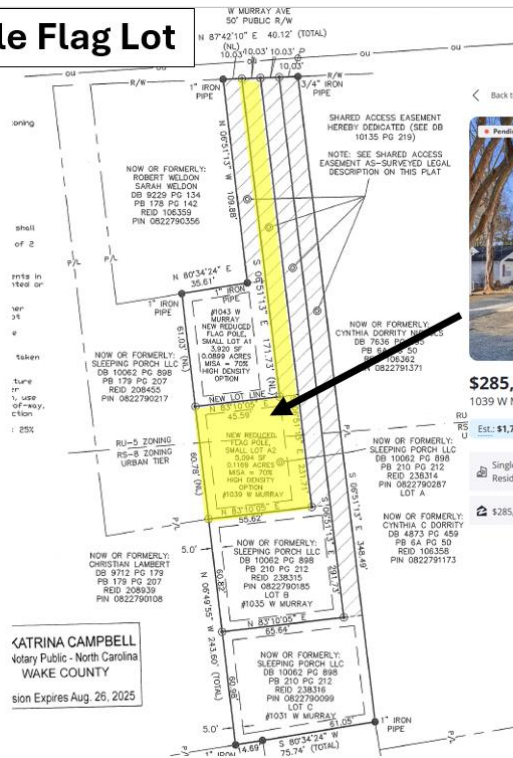


This final summary report highlights data on the type of development activity that has occurred as a result of EHC, along with key takeaways about the effectiveness and impact of the changes. The data on which this report is based spans from the beginning of EHC in October 2019 to October 2023.



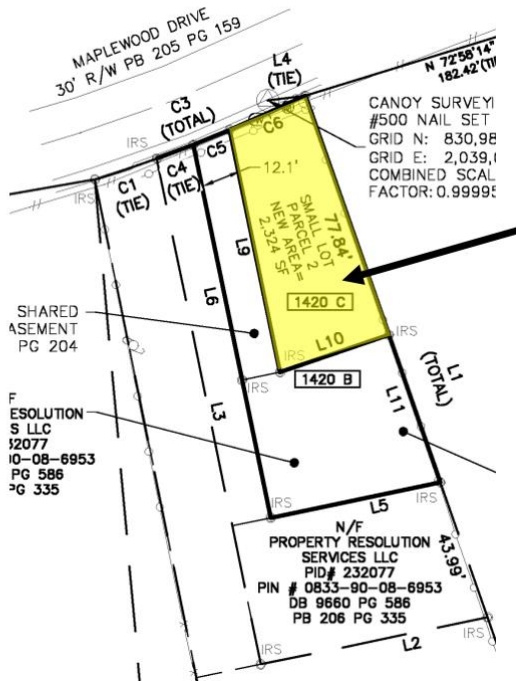
<https://www.strongtowns.org/journal/2024/8/29/small-homes-on-small-lots-how-to-beat-the-housing-crisis>

Reduced Pole Flag Lot



\$285,000	2 beds	1 bath	797 sqft
1039 W Murray Ave, Durham, NC 27704			
Est. \$1,727/mo Get pre-qualified			
Single Family Residence, Residential	Built in 2024	5,227 sqft lot	
\$285,100 Zestimate®	\$358/sqft	\$- HOA	

Small Lot



Back to search **Zillow** Save Share More

\$315,000
1420 C Maplewood St, Durham, NC 27704

3 beds 3 baths 1,192 sqft

Est. refi payment: \$1,919/mo [Refinance your loan](#)

Single Family Residence, Residential	Built in 2023	3,049 sqft lot
\$330,800 Zestimate®	\$264/sqft	\$- HOA

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6. OTHER BUSINESS - None

7. ADJOURNMENT

There being no further business, the meeting was adjourned at 5:28 p.m.

ATTEST:

Jennifer Hensley, Council Member & Chairman

Jill Murray, City Clerk