



CITY OF HENDERSONVILLE BUSINESS ADVISORY COMMITTEE

City Hall – 3rd Floor Community Development Meeting Room | 160 6th Avenue E. |
Hendersonville NC 28792
Monday, April 14, 2025– 11:30 AM

MINUTES

Present: Chairman Ken Gordon, Vice-Chair Rebecca Waggoner, Jamie Justus, Chris Cormier, Michael Gilligan, Tiffany Lucey, Andrea Martin, Melinda Lowrance

Absent: Adam Justus, Sarah Cosgrove

Staff Present: City Manager John Connet, Assistant City Manager Brian Pahle, City Clerk Jill Murray, Communications Manager Allison Justus, Budget Manager Adam Murr, Community Development Director Lew Holloway

1. CALL TO ORDER

Chairman Ken Gordon called the meeting to order at 11:31 a.m. and welcomed those present.

2. APPROVAL OF AGENDA

Rebecca Waggoner moved to approve the agenda as presented. Motion carried unanimously.

3. APPROVAL OF MINUTES

Rebecca Waggoner moved to approve the minutes of January 27, 2025. Motion carried unanimously.

4. OLD BUSINESS - None

5. NEW BUSINESS

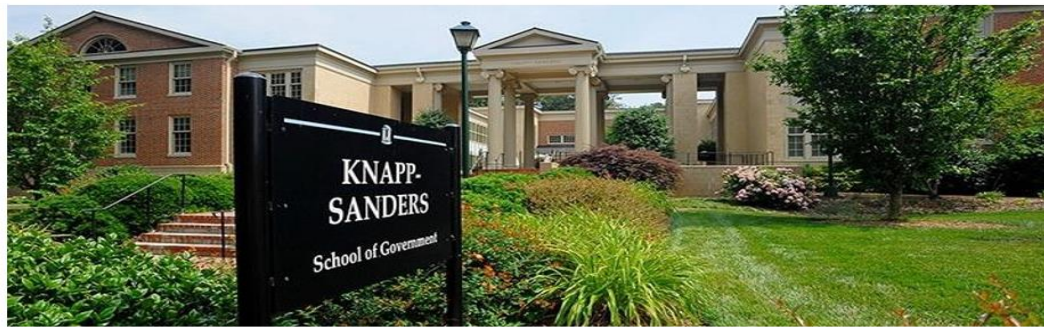
A. Tracking the Affordable Housing Issue - *Lew Holloway, Community Development Director*

Lew gave the following Needs Assessment PowerPoint presentation.

City of Hendersonville

Strategic Housing Plan Steering Committee

UNC School of Government



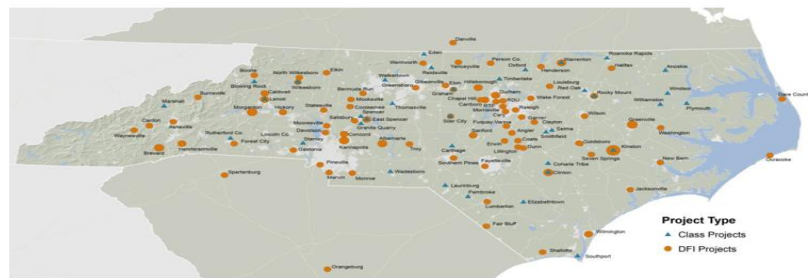
UNC Chapel Hill's School of Government is the largest university-based local government training, advisory, and research organization in the United States, and serves more than 12,000 public officials each year.



DFI, a program of UNC Chapel Hill's School of Government (SOG), partners with local governments to attract private investment for transformative projects by providing specialized finance and development expertise.

SOG is the largest university-based local government training, advisory, and research organization in the United States, and serves more than 12,000 public officials each year.

Values: Nonpartisan, policy-neutral, responsive



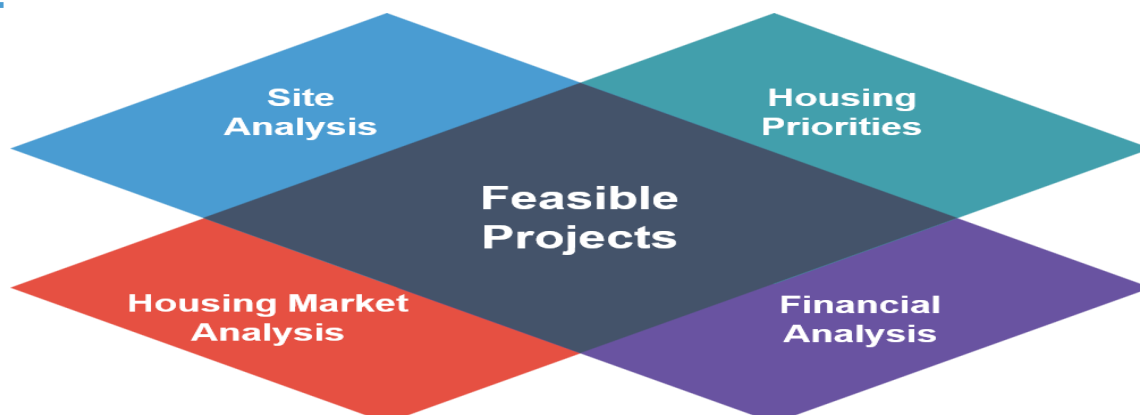
Project Team

Project Lead: Frank Muraca

Associate Director: Sarah Odio

DFI Director: Marcia Perritt

DFI Opportunity Site Identification Process



Stakeholder engagement before Helene

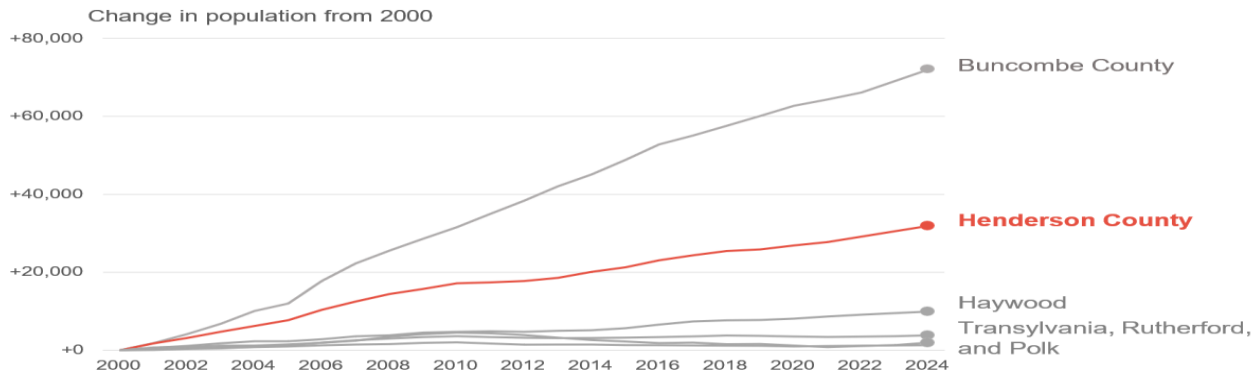
- Looking Glass Realty
- Henderson County Public Schools
- Interfaith Assistance Ministry
- Hendersonville Housing Authority
- UNC Health Pardee
- WNCSource
- Kimberly Clark Corp
- Elkamet Inc
- Demmel Inc
- Habitat for Humanity
- Providence Construction
- Housing Assistance Corp

Summary

- To meet current and future housing demand, Henderson County needs an estimated 10,000 new housing units within the next five years. At least 2,000 of these units are needed in Hendersonville for low-to-moderate income households.
- Hendersonville's housing supply was constrained even before Hurricane Helene. Over the past decade, household growth in Hendersonville outpaced new housing construction by about 2 to 1, and rental and for-sale vacancies dropped below 2%.
- Various household types in Hendersonville live in unaffordable or low-quality housing, over 80% of which are low-to-moderate income.
- According to state estimates, approximately 126,000 housing units were damaged by Hurricane Helene across western North Carolina. Within the city, the lowest income neighborhoods have the greatest exposure to flood hazards.

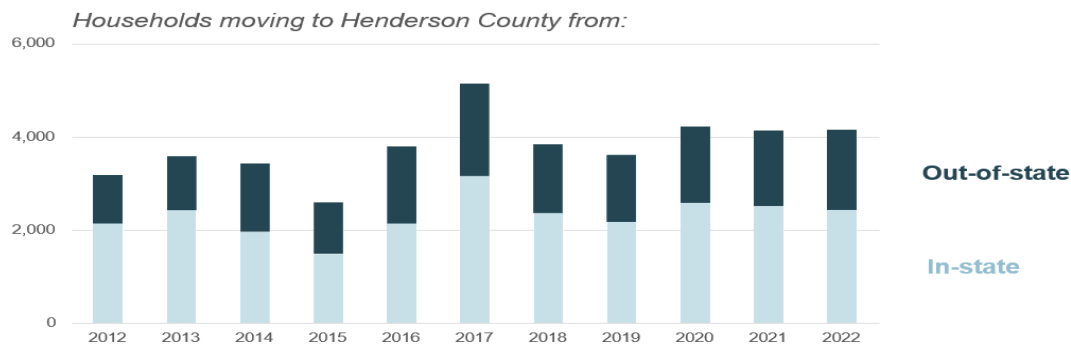
Hendersonville in regional context

Hendersonville in regional context



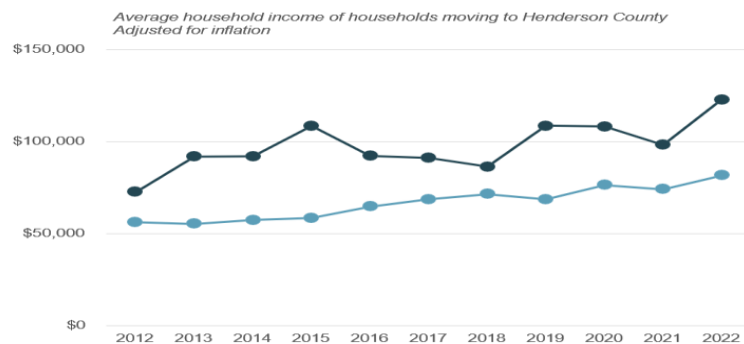
Source: NC OSBM

In recent years, 40% of households moving to Henderson County are from out-of-state



Source: IRS SOI

Households moving from out-of-state have higher incomes than in-state households



The average household income of households moving from out-of-state in 2022 was over \$120,000.

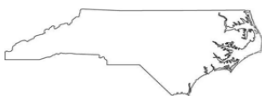
Households moving from in-state have average household incomes of \$80,000.

Source: IRS SOI

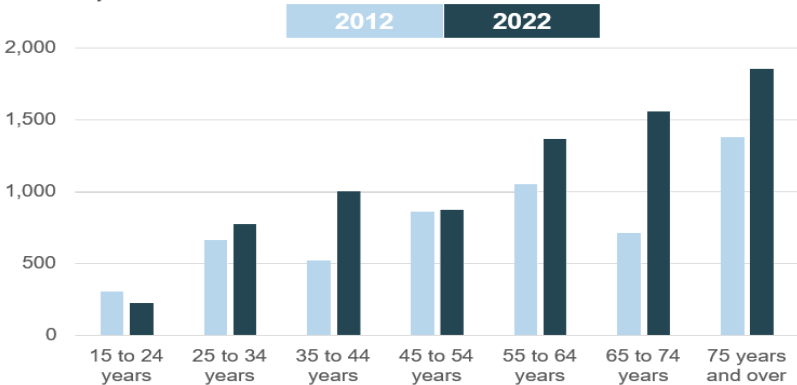
Nearly half of Hendersonville households are over 65 years old

45%
Households in Hendersonville
over the age of 65

Statewide: 26%



Number of households by age bracket
City of Hendersonville



Source: ACS 2012, 2022 (5-Year Estimates)

Housing Needs

Who is “Low-Income” in Hendersonville?

AMI for Four-Person Household: \$86,100

AMI	One Person	Two Person	Three Person	Four Person
100%	\$65,400	\$74,800	\$84,100	\$86,100
80%	\$52,320	\$59,840	\$67,280	\$74,800
60%	\$39,240	\$44,880	\$50,460	\$56,100
50%	\$32,700	\$37,400	\$42,050	\$46,750
30%	\$19,620	\$22,440	\$25,230	\$28,050

Source: HUD 2024 for Asheville MSA

Affordable Housing Costs by AMI

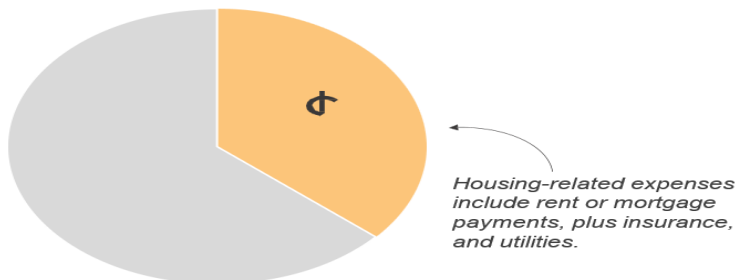
AMI	Studio	1 Bedroom	2 Bedroom	3 Bedroom
100%	\$1,635	\$1,753	\$2,103	\$2,430
80%	\$1,308	\$1,402	\$1,682	\$1,944
60%	\$981	\$1,051	\$1,261	\$1,458
50%	\$817	\$876	\$1,051	\$1,215
30%	\$490	\$525	\$630	\$729

Source: HUD 2024 for Asheville MSA

Housing need is both **cost** and **quality**

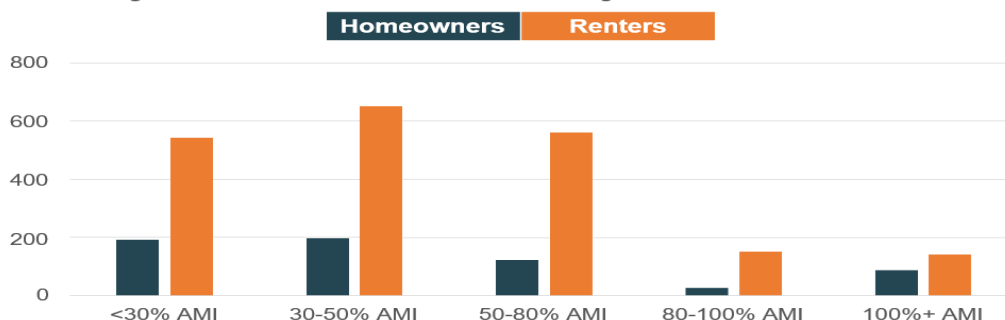
Households have housing need if housing-related expenses are **more than 30% of the household's income**.

Households have housing needs if they live in **poor quality** or **overcrowded** housing.



At least 2,000 renters and 600 homeowners have housing needs in Hendersonville

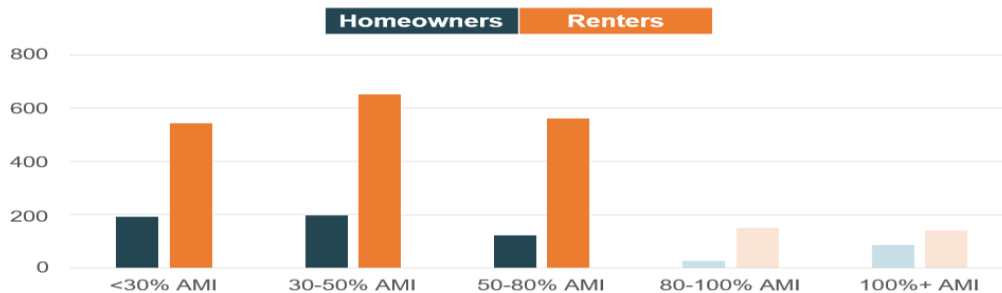
Number of Hendersonville households that are cost burdened or living in substandard or overcrowded housing



Source: HUD CHAS 2021

1,750 renters and 500 homeowners with housing needs are low-to-moderate income

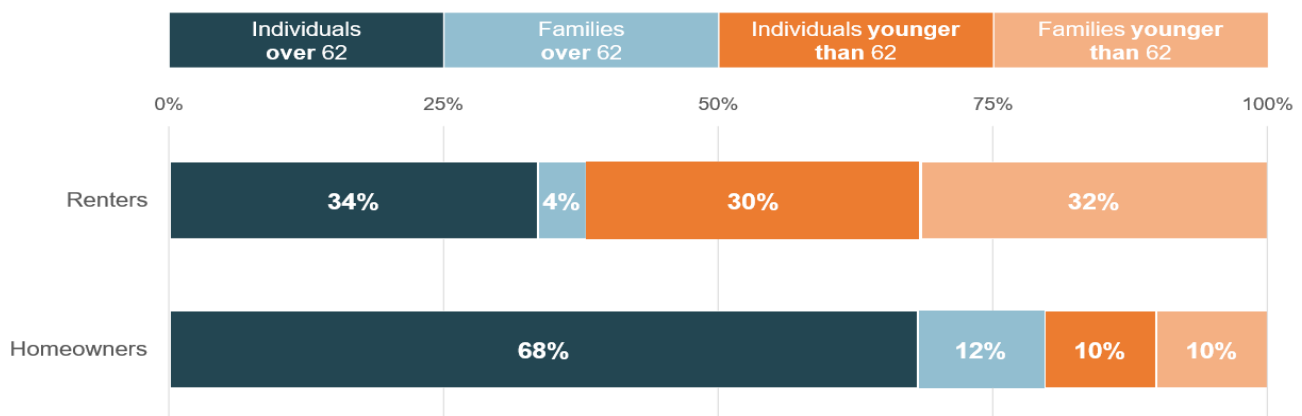
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Source: HUD CHAS 2021

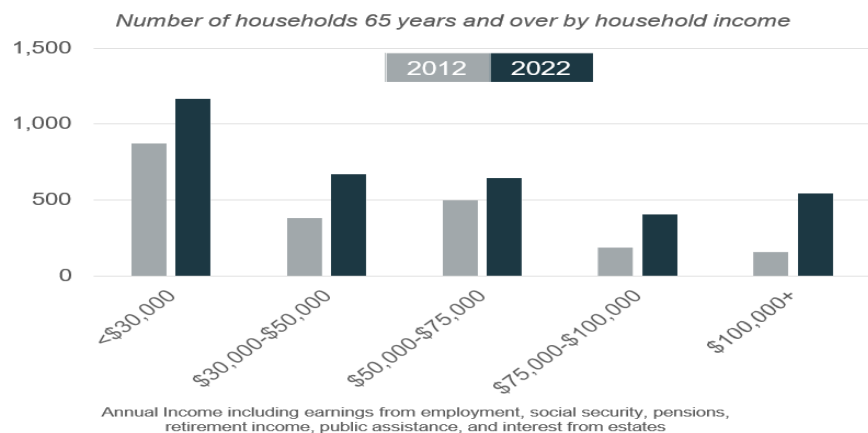
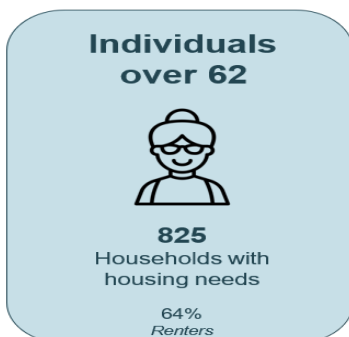
Various household types in Hendersonville have housing needs

LMI households with housing need by household type



Source: HUD CHAS 2021

A third of Hendersonville households over 65 have incomes of \$30,000 or less



Source: HUD CHAS & ACS 5-Year Estimates

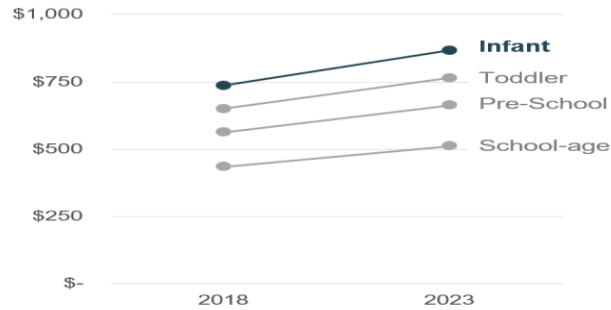
Families younger than 62



550
Households with
housing needs
92%
Renters

Average cost of childcare in Henderson County is about ¼ of the monthly budget for a household earning 50% AMI, or \$42,000 a year

Change in average monthly cost of childcare in Henderson County



Source: U.S. Department of Labor

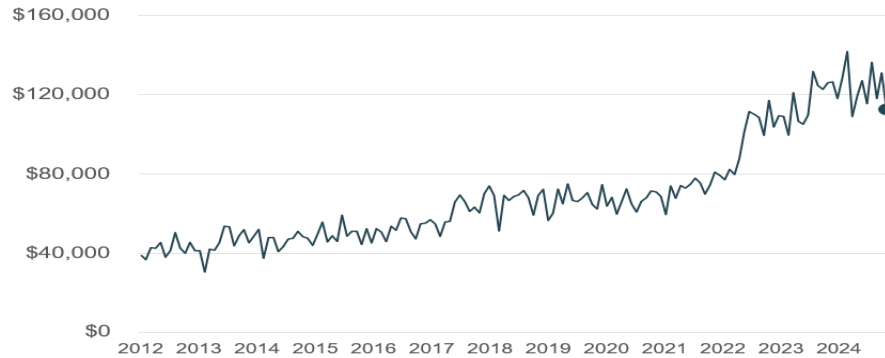
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Prospective homebuyers need to make at least \$120,000 to afford the median home for sale in Hendersonville

Minimum income needed to afford the median priced home in Hendersonville
Adjusted for inflation



Source: DFI analysis. Redfin. St. Louis Federal Reserve. BLS.

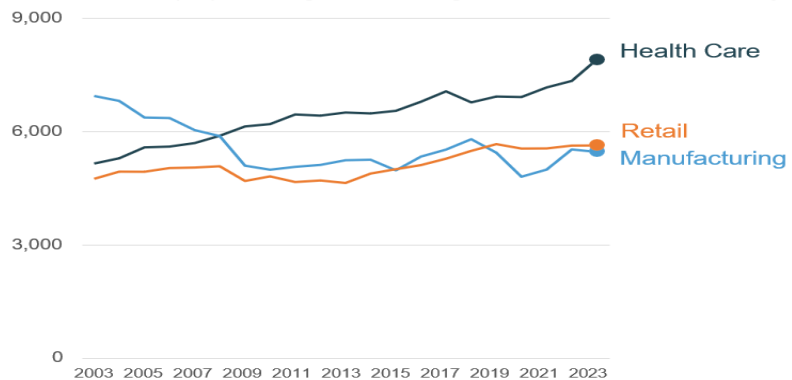
Individuals younger than 62



500
Households with
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92%
Renters

The average wage of Henderson County's largest industries is less than 80% AMI for a one-person household

Number of people working in the three largest industries in Henderson County



Source: NC Commerce

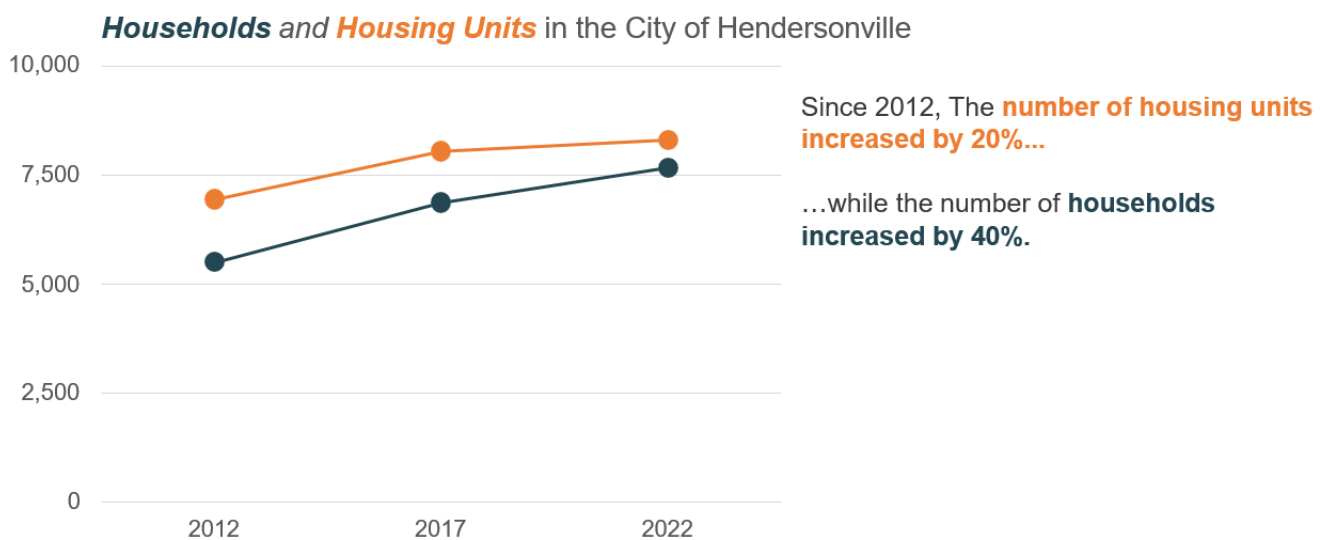
Hendersonville's Housing Supply

Henderson County has demand for nearly 10,000 housing units over the next five years



Source: DFI analysis of ACS 5-Year Estimates and NCOSBM population projections

New construction is not keeping up with household growth



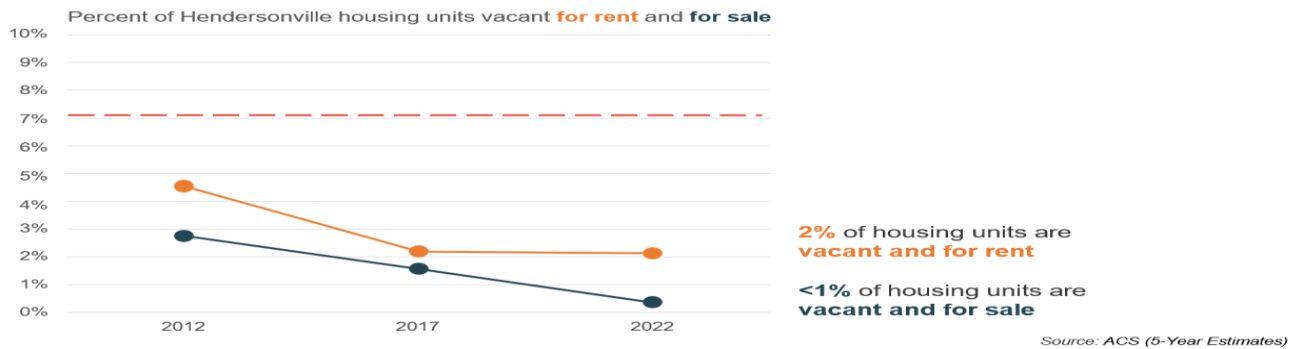
Source: ACS (5-Year Estimates)

Short-term rentals make up an estimated 5% of Hendersonville’s housing stock

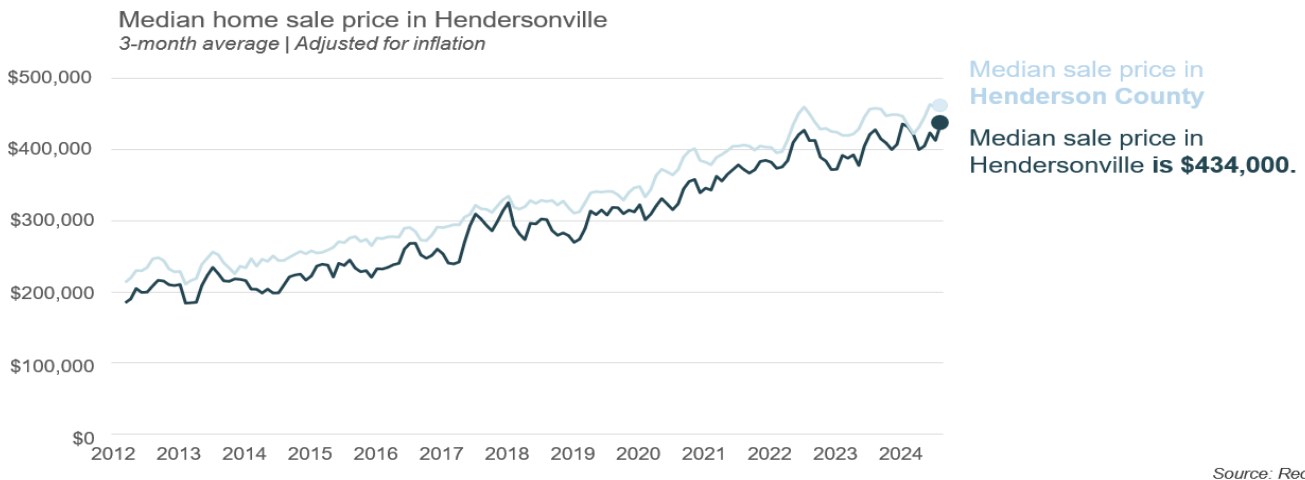


Source: AirDNA

Population growth and limited new supply has pushed down vacancy rates

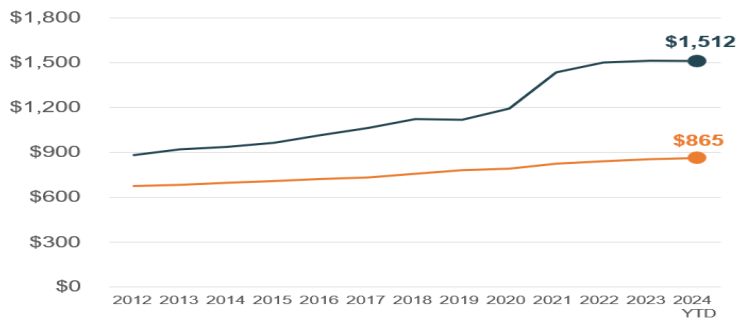


For the past year, median home prices in Hendersonville exceeded \$400,000



Rents among Class A & B properties increased 25% post-COVID

Average rent by building type among market-rate multifamily properties in Hendersonville



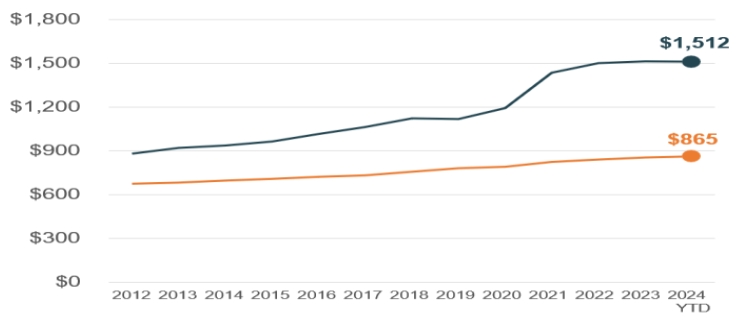
Rents among **Class A & B** properties increased 25% post-COVID and are affordable to households making over 80% AMI.

Rents among **Class C** properties have not increased as quickly, but likely have challenges with quality and safety.

Source: CoStar

The median Class C rental unit is nearly 50 years old

Average rent by building type among market-rate multifamily properties in Hendersonville



The median year built of **Class A & B** units is **2004**...

...while the median year built of **Class C** units is **1976**.

Despite large differences in quality, the vacancy rate among both property types is 3%.

Source: CoStar

An estimated 5,700 housing units are in the Henderson County pipeline

Type	For Sale	For Rent
Affordable	169	163
Market Rate	3,066	2,333
Total	3,235	2,496
% in Hendersonville	35%	83%

Source: Henderson County Planning Department & Hendersonville Housing Dashboard.
Projects recently completed, under construction, entitled, or in pre-entitlement.

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Affordable	169	163
Market Rate	3,066	2,333
Total	3,235	2,496
% in Hendersonville	35%	83%



Cantrell Hills

Affordable at households earning 130% AMI or \$110,000
\$450,000+ / 3-bedroom

Source: Henderson County Planning Department & Hendersonville Housing Dashboard.
Projects recently completed, under construction, entitled, or in pre-entitlement.

An estimated 5,700 housing units are in the Henderson County pipeline

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The Summit at Hendersonville

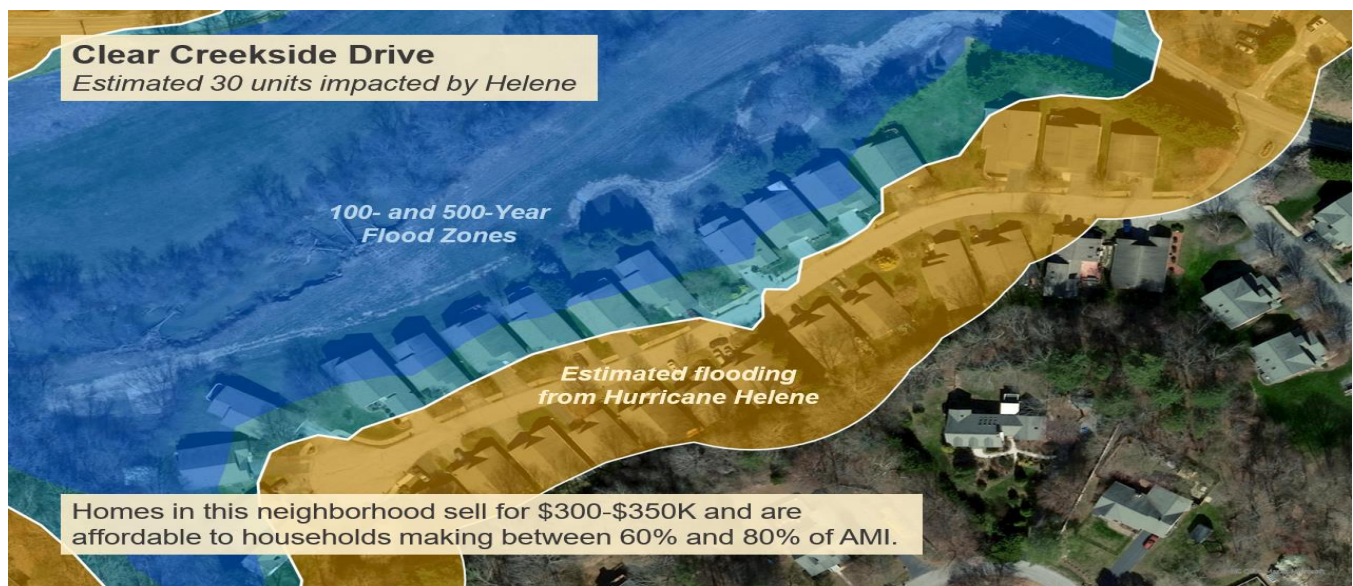
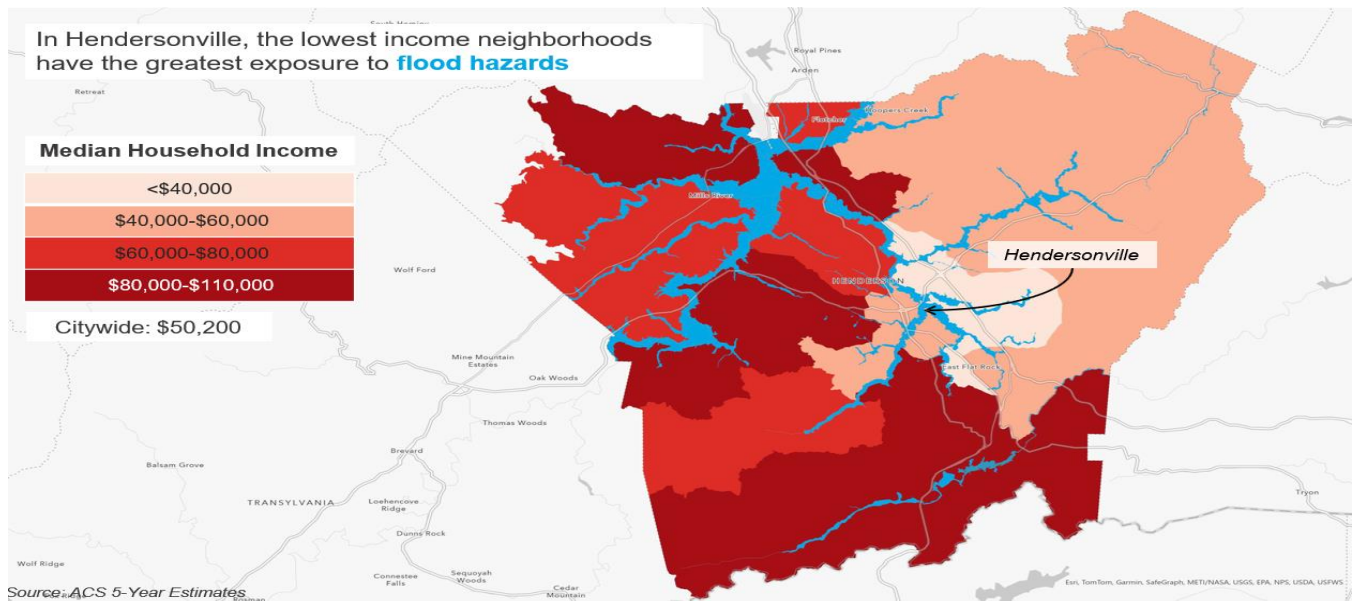
Affordable to households earning 80% AMI or \$65,400
\$1,350 / 1-bedroom
\$1,650 / 2-bedroom
\$2,000 / 3-bedroom

Source: Henderson County Planning Department & Hendersonville Housing Dashboard.
Projects recently completed, under construction, entitled, or in pre-entitlement.

Estimated impact from Hurricane Helene

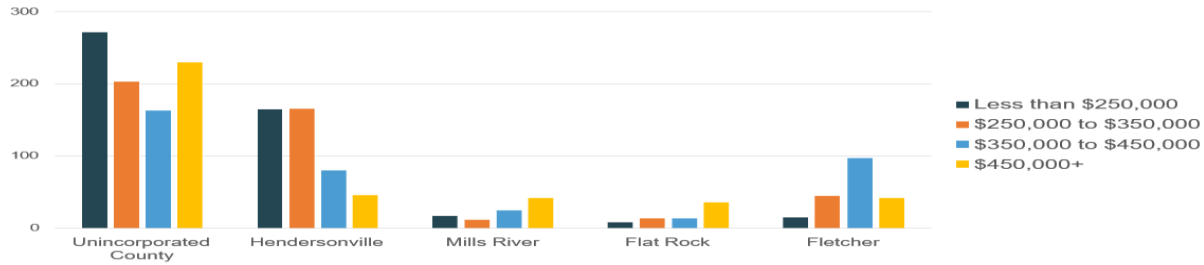
Hurricane Helene

- According to state estimates, approximately 126,000 housing units in western NC were damaged by Hurricane Helene
- As of October 21, 4,600 homeowners and 2,500 renters have been approved for FEMA Individual Assistance in Hendersonville ZIP Codes

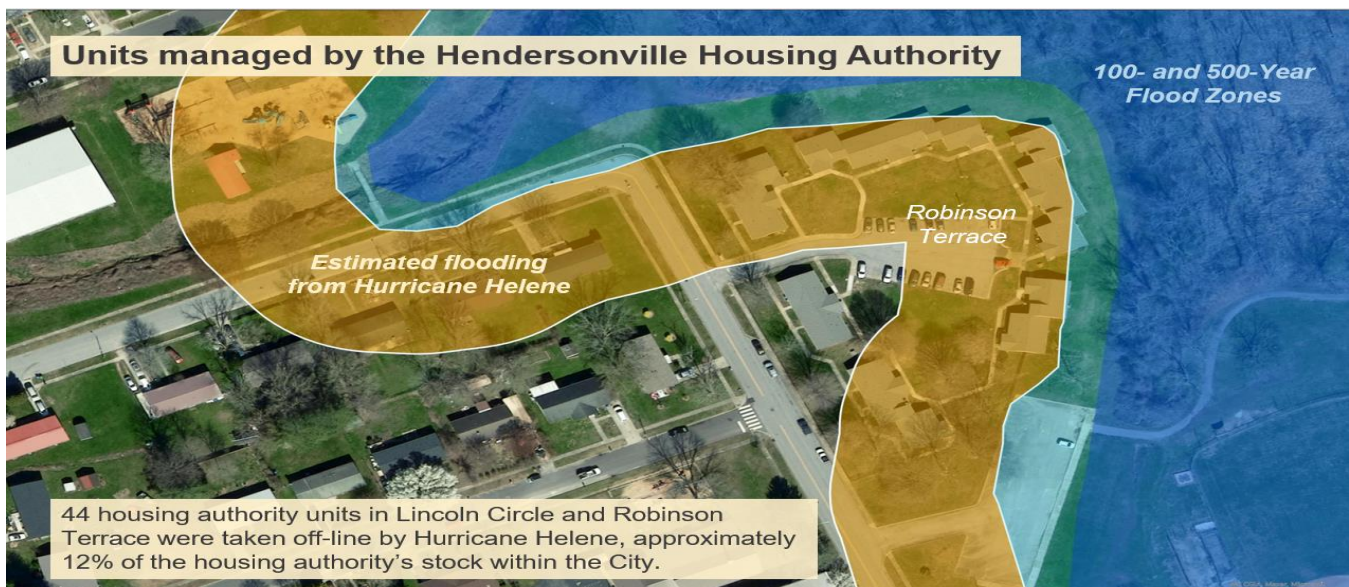


An estimated 1,700 single-family homes were exposed to Helene flooding

Estimated number of single-family and modular homes within 30 meters of the flood zone by municipality and tax assessed value



Source: DFI analysis of data from NC FRIS & Henderson County Tax Assessor



- Most of the budget is dedicated to covering our costs for the market adjustments or cost of living adjustments that we make for staff.
- No new proposed debt projects.
- The pool and the Whitmire Activity Center. We're working on how much money is going to be available to repair and reopen those facilities. We've seen some damage in City Hall so we're trying to figure out how much we're going to get approved for with insurance. We have a five-million-dollar max policy with our insurance for the storm and then we have FEMA and how much they are going to provide for different projects and those processes take a lot of time to work through. We felt like we were early and on top of it but once FEMA gets involved, it is a lengthy process.
- Paving plan. We got our most updated PCI in October, and we had a score of 74. We were previously a 71. We have pretty satisfactory roads, but Council wants to get it to 80 so we're going to evaluate what the cost is to get to 80. On top of that we have an unfunded mandate from the federal government called PROWAG, that says if you're going to pave a road, now you have to fix all of the ADA issues on the sidewalks and intersections so when we used to be able to pave 3-4 miles of road, now we're down to about 1 mile of road. So, it is making it difficult to maintain at 74 much less get to 80.
- Solid waste has had our biggest impact this year, so residential customers are going to see an increase with their solid waste fees of \$30 & \$32 a month for the different size cans, and we are also hiring three additional workers.

C. Storm Debris Update - *Brian Pahle, Assistant City Manager*

Assistant City Manager Pahle showed part of the damage assessment screen that shows all the FEMA Permanent Projects and how to work that dashboard on the City's website.

6. OTHER BUSINESS

7. ADJOURNMENT

Rebecca Waggoner moved to adjourn and there being no further discussion the meeting was adjourned at 12:53 p.m. upon unanimous assent of the Committee.

ATTEST:

Ken Gordon, Chairman

Jill Murray, City Clerk