



# CITY OF HENDERSONVILLE STRATEGIC HOUSING PLAN STEERING COMMITTEE

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

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## 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

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### 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)

%AMI	Income	Rental Units	Rent	Owned Units	Price
≤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

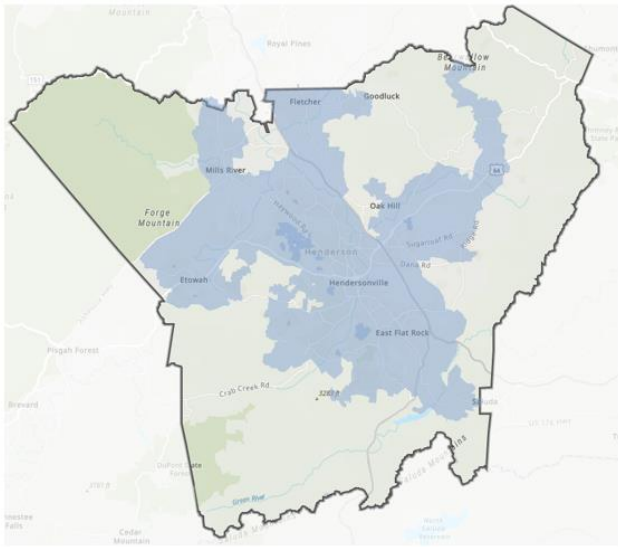


### Utility Overview

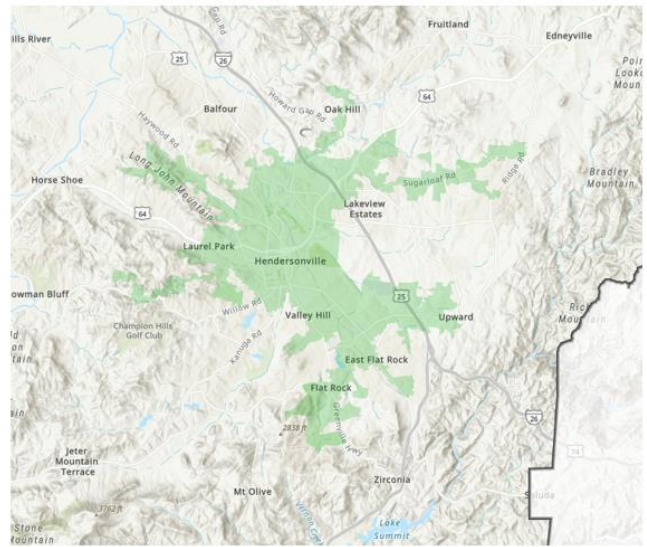
- Water: ~80,000 people served
- Sewer: ~25,000 people served
- Enterprise Fund
- \$27.5M annual operating budget – FY25
- 100 dedicated employees







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



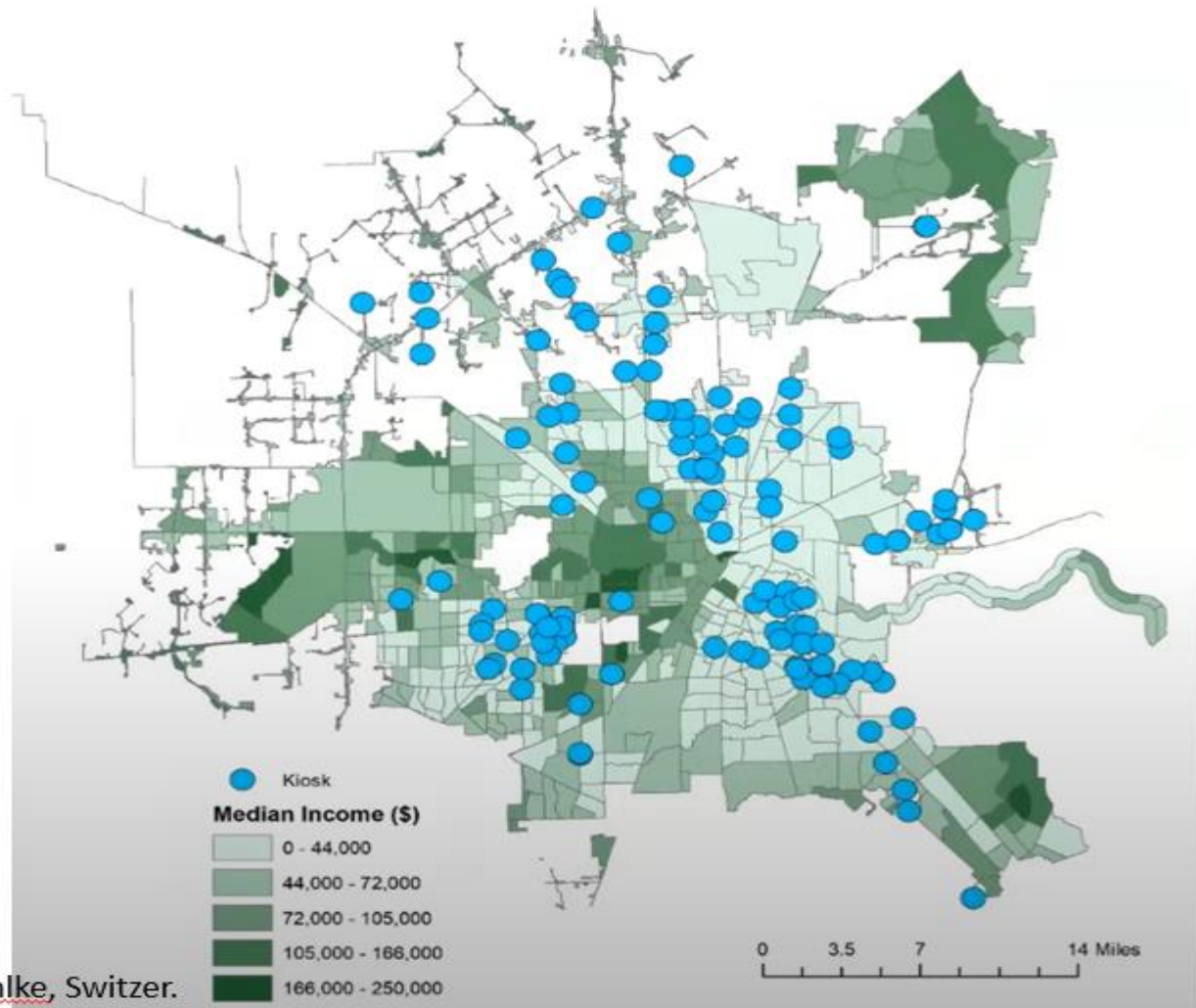


- Primo: \$1.40/gallon (Filling station, Ingles)
- Aquafina: \$1.89/gallon (32-pack, Wal-Mart)
- FIJI: \$10.52/gallon (24-pack, Wal-Mart)

Hendersonville Tap Water: < \$0.01/gallon



## Drinking water kiosks in Houston by income, 2017



like, Switzer.

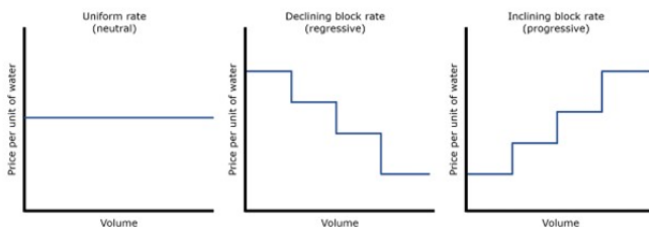


## The importance of quality

- *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%

## ▪ Henderson County

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

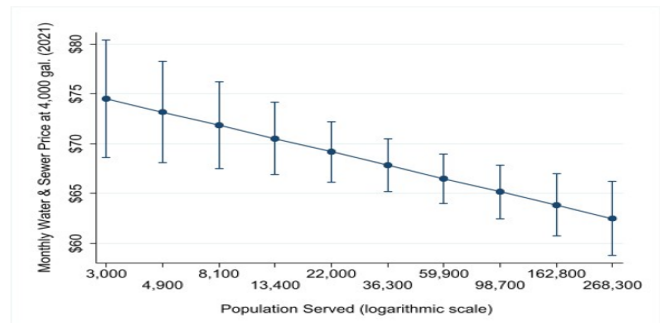
2024 National Average Water and Sewer Bill:

**2.7% of MHI**

-LIHWAP Water Utility Affordability Survey

## 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 H<sub>2</sub>O Program!**

We invite you to help families in need through our automatic monthly or one-time annual donation program called "Helping Hand Outreach" or H<sub>2</sub>O. 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 water and/or sewer connection to City-owned utilities or may be unable to pay a City water and sewer bill. IAM crisis counselors 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 H<sub>2</sub>O 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.

**H<sub>2</sub>O HELPING HAND OUTREACH**

**1 Payment Extensions:**

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

**2 Helping Hand Outreach (H<sub>2</sub>O):**

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.

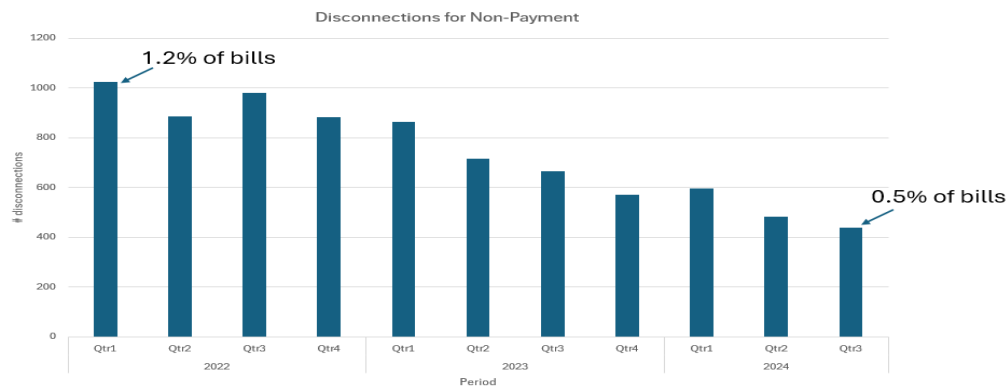
H<sub>2</sub>O donations are administered by the Interfaith Assistance Ministry (IAM), a non-profit agency which has helped local families in need since 1974. The IAM provides food, shelter, health, crisis intervention, utility bill assistance and other services to thousands of people each year. The 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 H<sub>2</sub>O program.

**IAM 600 Box 2563 • Hendersonville, NC 28703-2563  
(828) 697-7039 • Email: [interfaith@iam-hc.org](mailto:interfaith@iam-hc.org)**

- Helping Hand Outreach (H<sub>2</sub>O)
- Income qualified assistance
- Donation Based
- Interfaith Assistance Ministry (IAM)



# Disconnections for Nonpayment



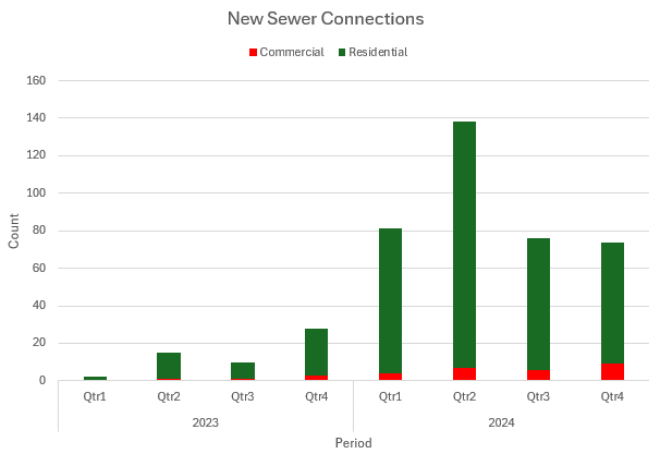
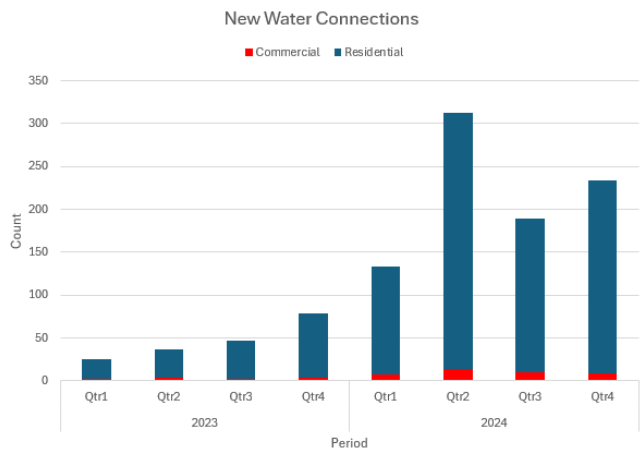
Disconnections for non-payments suspended by City Council October 2024 to March 2025 due to Hurricane Helene

## Goals

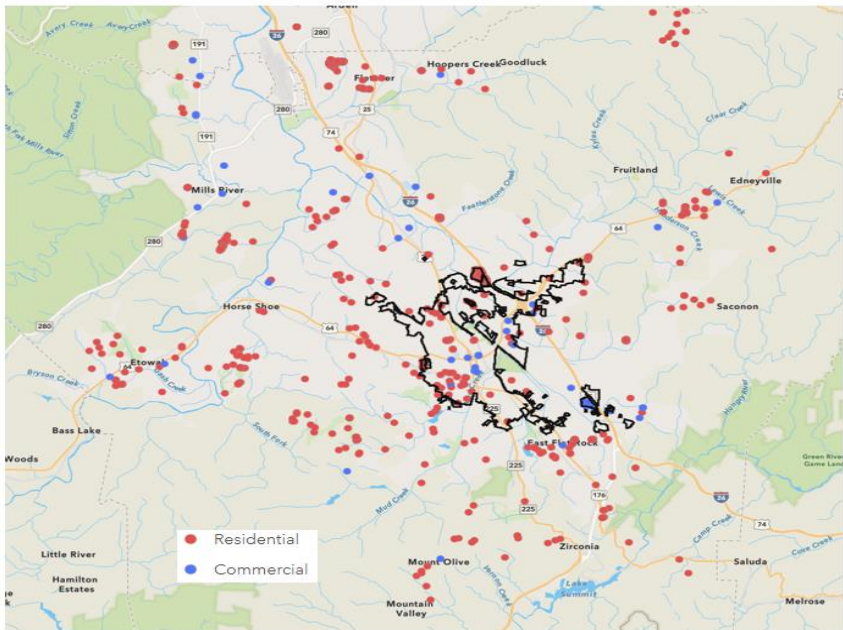
- Improve Public Trust through Education and Outreach Programs
- Affordable Service
  - Efficient Operations
  - Produce high-quality water
  - Rate and Fee Design
- Expand Customer Assistance Programs
- Continue to manage disconnections



## New Connections



# 2023 and 2024 New Connections

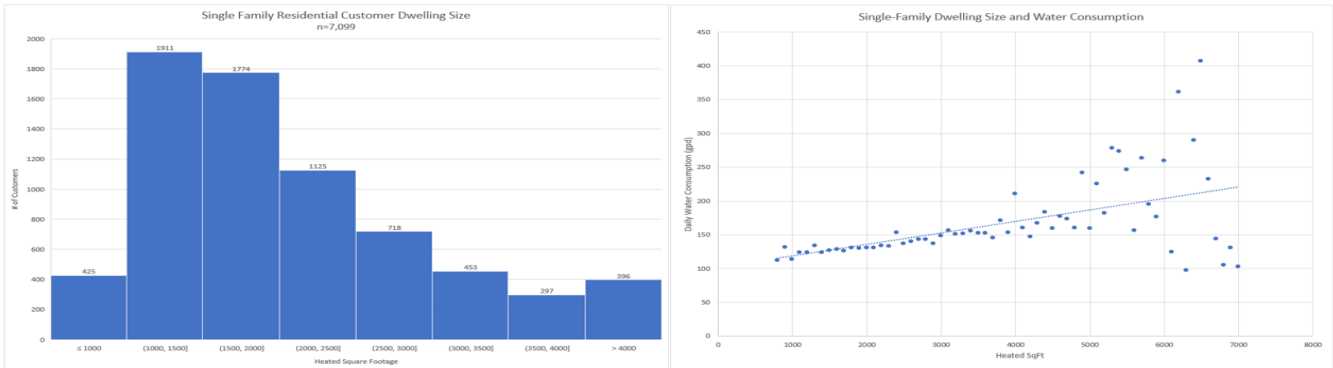


<u>Within City:</u>	
292 Residential	
29 Non-Residential	
321 TOTAL	
<u>Outside City:</u>	
711 Residential	
29 Non-Residential	
740 TOTAL	

## 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



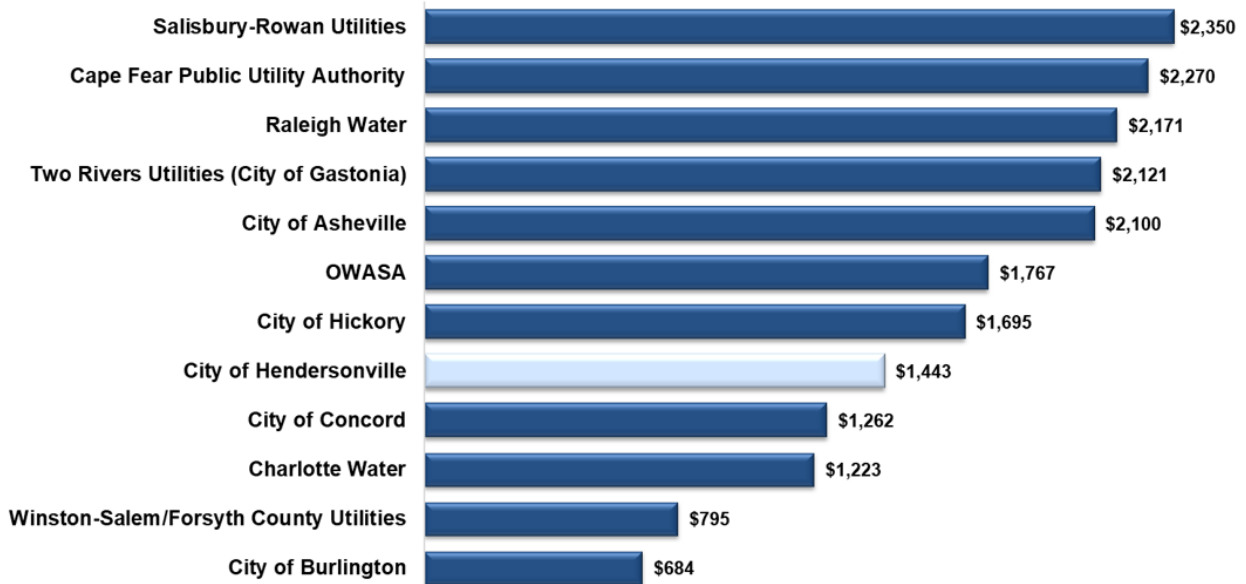
\*Larger homes use more water and sewer\*

# 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
<b>RESIDENTIAL</b>									
<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
<b>NON-RESIDENTIAL</b>									
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)

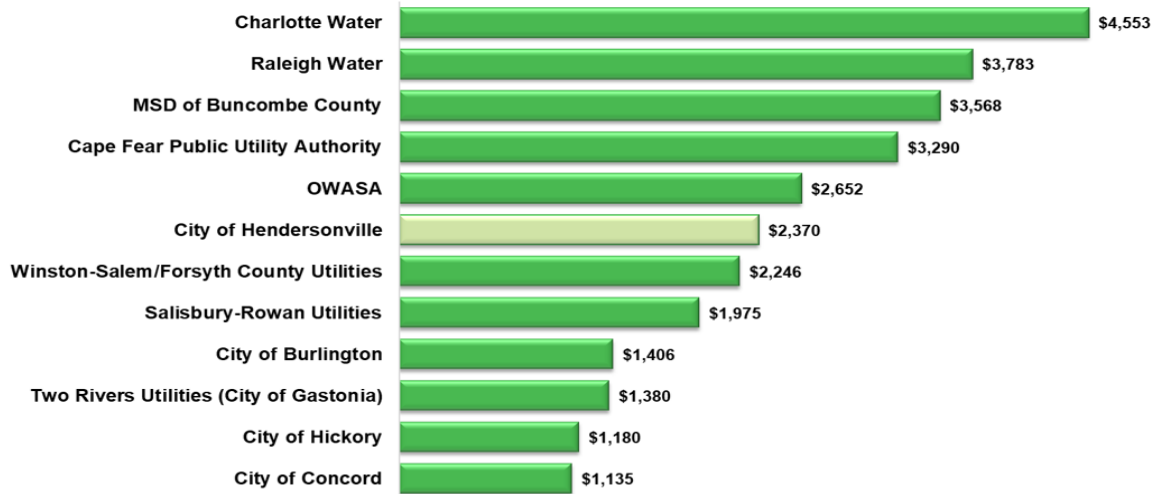
Figure 3.1 - Water System Development Fees (Residential 2,100 Sq. Ft.)





# Sewer SDF – Residential Comparison (2023)

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



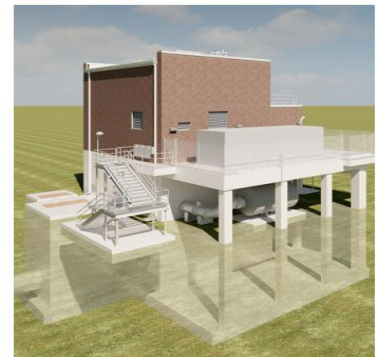
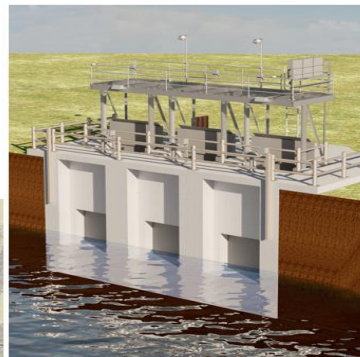
MSD of Buncombe County: - Multi-Family per unit \$2,390 (67% of single family)

## 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

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

### NCDHHS Urges Well and Septic Safety Following Hurricane Helene



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

Moved to next month's meeting.

**6. OTHER BUSINESS - None**

**7. ADJOURNMENT**

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

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Jennifer Hensley, Council Member & Chairman

ATTEST:

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Jill Murray, City Clerk