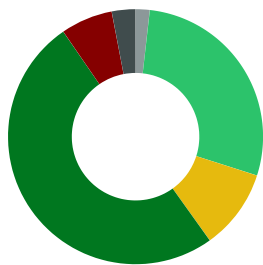




Progress at a Glance



Not Started	3	(2%)
On Track	47	(28%)
Off Track	17	(10%)
Achieved	84	(50%)
Not Achieved	11	(7%)
Canceled	5	(3%)

At a Glance...

The vision of Hendersonville — a vibrant mountain city where the government and citizens work together for a high quality of life — guided this plan's execution. The City of Hendersonville is committed to providing quality, efficient services to all citizens, visitors, and businesses through open communication, timely responses, and quality results. The FY24–FY26 Strategic Plan delivered on its core promise. The City navigated one of the most challenging periods in its history — including the aftermath of Hurricane Helene — while still achieving the majority of its strategic objectives. The next strategic plan cycle is well-positioned to build on this foundation.

Over three fiscal years, staff executed core infrastructure investments, expanded public safety initiatives, adopted foundational policy frameworks, and supported a resilient downtown economy. With 76.8% of the plan complete — surpassing the required 70% achievement threshold — the FY24–FY26 Strategic Plan closes as **Achieved**. This closeout reflects disciplined execution, comprehensive reporting, and an operational focus that positions the City well for the next planning cycle.

✓ All 167 progress updates were submitted on time — 100% up-to-date.

By Plan Goal...

Rank #1 — Public Safety | 70.13%

Overall Public Safety ended the planning period on track. Four goals were fully achieved: Enhance Downtown Safety Program, Explore Social Worker Co-responder Program, Expand Code Enforcement Capacity, and Create Vacant Property Registry.

- Downtown Safety:** The goals of hiring a Downtown police officer and installing new camera and security infrastructure were both successfully completed. The Downtown officer continues to build relationships with Downtown business owners and residents.
- Social Worker Co-responder:** The full-time social worker is successfully co-responding to crisis calls and building relationships with city residents in need of support.
- Quick Response Vehicle (QRV):** Over the plan period, the QRV was in service on average for 10 shifts per month, for a total of 15 months. The QRV was placed in service April 1st of 2025. It played a significant role in mitigating the impact of staffing shortages and helped keep larger fire apparatus available and prepared to respond to other emergencies.
- Code Enforcement Expansion:** A second code enforcement position was created and initially occupied. While currently vacant, its creation represents the achievement of the goal to expand capacity in Code Enforcement.
- Vacant Property Registry:** Various departments (fire, water/sewer, etc.) are contributing to a Community Development-maintained database of vacant properties.

Rank #2 — Compensation, Benefits & Staff Development | 92.68%

Compensation, Benefits, and Staff Development remained on track. The adopted FY27 budget includes a 4% cost-of-living adjustment and an additional 1% 401k match.

- Career Ladders:** Career ladders were significantly developed following the City's prior FY22 pay and classification study.
- Performance Pay:** Staff identified and fine-tuned the new performance evaluation system. All employees received performance ratings and will notice commensurate pay increases.
- Living Wage Calculator:** A living wage draft calculation was presented to City Council during the FY26 budget process, accompanied by a draft living wage policy. Upon further discussion, it was determined the City should pursue a living wage in alignment with JustEconomics. Council continues to provide COLAs in excess of the inflationary rate, in order to mitigate the living wage gap.

Rank #3 — Strong Infrastructure | 74.96%

Excellent strides were made in improving the city's infrastructure, including 0 SSOs the last quarter of the plan period, near completion of the final of 3 water/sewer master plans, and high levels of progress in both the completion rate and timeframe to complete street cut work orders. With the Transportation GO Bond Phase 1 beginning this fiscal year, great progress should continue.

- Water Treatment Plant Expansion:** The Water Treatment Plant was expanded to 15 MGD — a generational infrastructure investment — with the French Broad River and Filter Expansion projects substantially complete and activated.
- Street Cut Repairs:** The addition of 3 Environmental Services positions and restructuring of the Streets Division, made Streets Workers more available to respond to work orders and repairs, finishing the last quarter with 98% of work orders closed within our goal of 30 days.
- Stormwater Master Plan:** The Stormwater Master Plan was presented to City Council along with a Capital Projects Viewer GIS page identifying major Capital Improvement Projects and showing the reduction of flood zones and areas of risk in future flooding events.
- City Hall Renovations:** First Floor Renovations at City Hall were completed in fall 2024, and third floor construction and finishing touches were completed, with Community Dev. services and staff now located in City Hall.
- ADA Transition Plan Funding:** The increase of the motor vehicle fee from \$15 to \$30 will provide over \$200K in additional funding to support both roadway and ADA transition projects.

Rank #4 — Strategic Housing Plan | 83.33%



The Strategic Housing Plan was adopted by City Council in December 2025. A formatted version of the plan is in process, and plan implementation is ongoing.

- **Plan Adoption:** The Plan was adopted by City Council in December 2025.
- **Affordable Units:** The fiscal year ended with 44% of entitled units being affordable, with 77 units of the 175 entitled units coming from the Laurel Meadows LIHTC project — exceeding the 20% target.
- **Unit Volume Gap:** The fiscal year ended with 175 entitled units — well short of the 2,000-unit target.
- **Housing Planner:** The City is hiring a Housing planner who will work to advance the tasks associated with the housing plan.

Rank #5 — Growth Management & Community Character | 72.14%

The FY26–27 budget included funding for hiring a consultant for the initial step of implementing a UDO update. There is also a parallel staff-driven effort to develop and begin implementing form-based design features, including a Downtown Design Overlay District and, in the future, an Entry Corridor Overlay.

- **Comprehensive Plan:** The Comprehensive Plan was completed.
- **Right Density Strategy:** The Right Density Strategy was achieved with the adoption and definition of density desires.
- **Downtown Design Overlay:** The Downtown Design Overlay District ZTA is moving through the boards and commissions towards adoption by City Council this Fall.
- **Missing Middle Housing:** Initial achievements pertain to "missing middle housing" and the integration of allowable "gentle density" or infill housing in existing neighborhoods through Small Lot provisions, Minor PRD allowances, double density or "half unit" allowance for under 1,200 sq ft units, and reduced setbacks.

Rank #6 — Invest in Parks | 50%

Although barriers were faced in replacing wayfinding signage, the City is refocusing on a Trailhead Kiosk project along Clear Creek. Patton & Whitmire centers are being pursued through 2 grants. Clear Creek Greenway is under construction and should be complete by the start of the new calendar year.

- **Clear Creek Greenway:** Construction has begun on the Clear Creek Greenway.
- **Patton Park Pickleball Courts:** Pickleball courts at Patton Park were completed.
- **Bike Racks:** All 20 bike racks have been installed citywide.
- **Parks Bond Deferred:** Due to Hurricane Helene, many priorities changed during the FY26 budget process. It was determined that a Parks Bond should not be pursued until FY29.

Rank #7 — Enhance Sustainability Citywide | 85%

The majority of goals were complete in 2025, with focus continuing on improving tree plantings on park properties and along the Clear Creek & Oklawaha Greenways. These projects are planning to increase educational resources along the trails and expand communication around sustainable lifestyle practices.

- **Sustainability Plan Adopted:** The Sustainability Plan has been adopted.
- **Tree Ordinance:** A new tree ordinance was adopted to strengthen canopy protection.
- **Sustainable Fleet Policy:** City Council adopted the Sustainable Fleet Transition Policy in January 2026.
-  **Tree Planting:** 100 trees were planted annually — double the stated target of 50.
- **Neighborhoods Program:** Additional funding was allocated to the Neighborhoods Program.

Rank #8 — Transportation Planning | 71%

Great progress was made in identifying and planning GO Bond projects, through a voter approved referenda in March of 2026. The City is striving to develop and adopt a traffic calming policy, and the King St narrowing project is moving forward as a SPOT project with funding identified.

-  **Transportation GO Bond Passed:** The Transportation GO Bond was voted on and passed, moving into the next stage of planning and designing the first years' worth of transportation projects to begin in 2027.
- **STIP Priorities:** Eight projects were prioritized for SPOT P8, including Church St/King St Protected Sidewalk, Above the Mud Greenway Connector, N Main/Clear Creek Sidewalk, and Oklawaha Greenway extension to BRCC, among others.
- **King Street:** SPOT P8.0 preliminary scoring shows the Church St + King St Pedestrian Improvements project as the highest scoring project in the Funding Region.

Rank #9 — City Boards & Volunteers | 75%

City Boards and Volunteers remains on track. The Manager's office is in the process of updating board structure and procedures with the goal of increasing compliance and effectiveness through member education.

-  **Core of the City Academy:** The Core of the City Academy has been successfully launched, with eight sessions completed and positive feedback from both staff and participants. 19 of the 20 participants completed all necessary requirements to graduate the program, and at least one participant has been appointed to a board or committee.
- **Board Appreciation Dinner:** We held four Appreciation Dinners over the plan period.

Rank #10 — Support Downtown Businesses | 93.75%

Support for Downtown Businesses made significant progress over the course of the plan, with 11 of 15 items achieved, including 3 goals and 8 milestones.

-  **Opportunity Fund Loans:** \$1,196,550 was distributed through the Opportunity Fund Program with Mountain BizWorks — far exceeding the \$100,000 target.
- **Business Grants:** A total of \$101,734 has been awarded for facade (\$45,100), art (\$20,950) and pivot (\$35,684) grants for the entire plan period.
- **Friends of Downtown Non-Profit:** Legal authority was established and the non-profit entity was formed.
- **Public Art Policy:** A draft public art policy has been presented to City Council in June 2026.
- **Business Incubator:** The downtown business incubator/shared office space is still in progress due to ADA accessibility challenges.



Not Achieved...

Across the plan's 167 items, **33 closed as Off Track, Not Achieved, or Canceled**. Delivery gaps cluster primarily in five areas: **flood readiness, traffic safety and connectivity, housing production, infrastructure execution, and workforce investment**. The majority of canceled items are directly attributable to Hurricane Helene-driven reprioritization.

● Most Prominent — Attention Warranted

Flood Response & Floodplain Management Given the Council's well-established and strongly held position on floodplain protection and flood safety, these items are the most likely to draw direct Council questions:

- The Flood Response Process Improvement has stalled at 36%. While practices are in place for flood response, a formalized SOP should be part of a larger emergency response plan owned by the city's emergency management team.
- The Floodplain Ordinance Update (30%) was broached after Helene but placed on pause. An internal staff meeting was held on 7/2/26 to discuss a number of potential Natural Resource Protection Standards that staff can bring to City Council for their consideration. The current regulatory environment caused delays here.
- Related sustainability items — Urban Forestry Plan Update (25%) and Planting Trees in the Floodplain (0%) — remain incomplete, with limited formal programs in place.

Motor Vehicle Accidents & Transportation Connectivity The Council has previously noted concern with the City's pedestrian-to-vehicle accident record. These items remain unresolved at plan closeout:

- Monthly major accident averages exceeded the target of 10, recording April — 13, May — 12, June — 13, for an average of 12.6.
- The Traffic Calming Policy Update reached 50% completion. Development of a City Street Design Manual is the most likely product that will address this issue in coming years.
- The Transportation Master Plan reached 50% but was not completed. With pieces in place — the SS4A Regional Safety Action Plan, Walk Hendo, and others soon to follow — the City is well-positioned to develop a Comprehensive Transportation Plan.
- The King Street narrowing goal closed at 75% — not achieved. SPOT P8.0 preliminary scoring shows the Church St + King St Pedestrian Improvements project as the highest scoring in the Funding Region, with prospects tied to GO Bond funding (achieved) and a SPOT project (yet to be achieved).

Housing Production Gap The Council has a high frequency of engagement on housing topics and supports formal housing authority mechanisms:

- The fiscal year ended with only 175 entitled units — well short of the 2,000-unit target.
- The developer incentive ordinance reached 50% but was not formally adopted. The concept is included in the Strategic Housing Plan, and the City is hiring a Housing planner to advance implementation. A key opportunity will be to create height and density bonuses through upcoming Zoning Text Amendments.
- The Unified Development Ordinance Update closed at 0% — proposed for the next fiscal year's budget.

● Secondary Items — Staff-Driven Resolution Expected

Infrastructure Execution

- The Mud Creek Sewer Interceptor Project reached only 35% — legal is currently reviewing property acquisition and the City is awaiting environmental comments from USACE and DEQ.
- Streets repaved reached only 25,200 sq ft against a 375,000 sq ft target, as the City awaited completion of utility projects on Bearcat, 4th Ave, and Williams St. With GO Bond projects launching, the City projects roadway repaving to ramp up in FY27.
- The Facilities Maintenance Master Plan stalled at 5%, with focus redirected to asset inventory. As the City continues its Public Works reorganization, the plan will be reprioritized and contracted out once assets are finalized in CityWorks.
- The Commercial Maintenance Code Update sits at 15% — the Legal and Code Enforcement teams need to further discuss goals and process for implementing changes.

Workforce Investment

- Only 50.14% of job classifications currently provide a starting salary at or above the JustEconomics living wage of \$24.10/hour, with 176 of 351 employees in Grade 15 or above. This increased with the new FY27 Budget, but stood at ~50% as of the plan closeout.
- 75% of active employees earn \$24.10 or greater as of the 06/30/26 data extract.
- The 401k match reached 3% vs. the 4% annual target, with FY27 adoption bringing it to 4% and a 5% match planned for FY28 consideration.

Parks & Community Facilities

- Patton Pool and Whitmire Activity Center construction is at 20% — design contracts have been executed and design is kicking off July 14; iParametrics is working through fixed cost offers with FEMA.
- Parks Signage/Branding Manual sits at 0% — wayfinding signage upgrades did not make it into the FY27 CIP plan.

● Canceled — Hurricane Helene and Regulatory Deferrals

Due to Hurricane Helene, many priorities changed during the FY26 budget process. The Parks Bond, along with related project identification and the S. Main Street Park construction, was deferred to FY29, which can be included in a future iteration of the City's Strategic Plan. The Housing Authority Powers Resolution was migrated into the Strategic Housing Plan framework, and the Form-Based Code goal was rolled into the upcoming UDO update.

The most common root causes across all three categories were:

1. **Hurricane Helene** — caused significant capital, budget, and priority reprioritization across Parks, Housing, and Infrastructure
2. **Staffing Gaps** — particularly in Police, Fire, and Code Enforcement
3. **Funding Constraints** — Transportation Master Plan, and Parks Bond
4. **Regulatory Dependencies** — Mud Creek (USACE/DEQ), King Street (NCDOT), Floodplain Ordinance, and Unified Development Ordinance (UDO)



Items in these categories do not go away, staff will continue making strides in these areas, however; they will not move forward into the new 3-year plan from a reporting perspective.

THANK YOU

Thank you to all the staff for their efforts in advancing this plan, to our boards and advisory committees for helping guide decision-making, and to City Council for their support through funding and often times difficult policy decision-making to advance this plan forward. Thank you for your continued focus on providing excellent government services, and we look forward to continuing to advance your goals in achieving an ever prosperous community.