

Housing Needs Assessment

Strategic Housing Plan Steering Committee



SCHOOL OF GOVERNMENT
Development Finance Initiative



This Housing Needs Assessment was performed by the Development Finance Initiative (DFI), an component group of the UNC School of Government. The City of Hendersonville contracted with DFI in June of 2024 to perform a Site Identification Process for the City of Hendersonville. The Site Identification Process, described in more detail below, required DFI to first perform a housing needs assessment for the City of Hendersonville. This needs assessment began in August of 2024, was completed in November of 2024, and was presented by Frank Muraca, former DFI staff member, to the Hendersonville Strategic Plan Steering Committee (November 2024) and the Hendersonville City Council (December 2024). Following is a compilation of Mr. Muraca's presentations to both the Committee and City Council.



Opportunity Site ID Scope

1. Set housing priorities for site identification

- Community scan
- Stakeholder engagement
- Housing needs assessment

2. Identify suitable sites

- Mapping and identification of sites that meet City's housing priorities and are competitive for potential funding sources
- Assessment of path to site control
- Parcel analysis

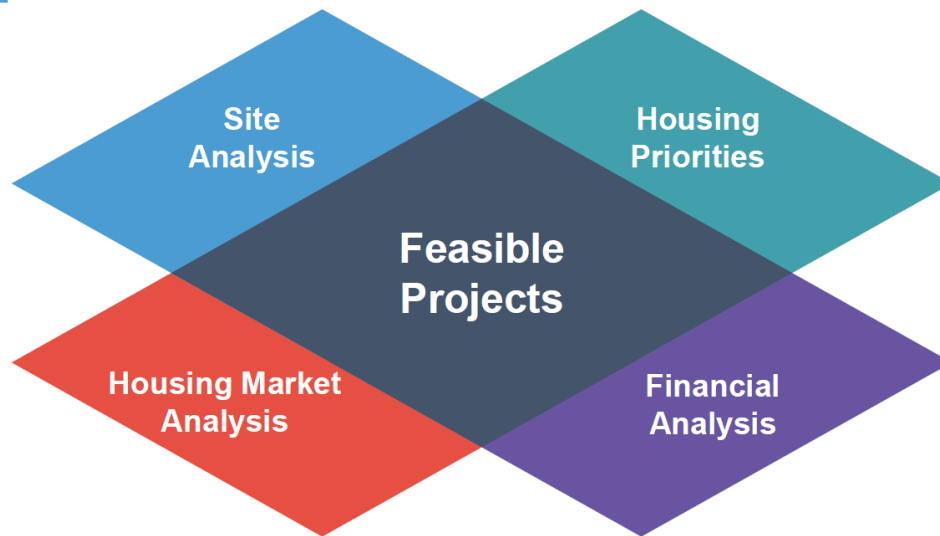
3. Compare development potential of sites

- High-level site analysis of up to 4 sites
- High-level financial analysis to estimate potential funding gap for each scenario

The site identification process is intended to help the City identify sites that will lead to feasible affordable housing projects. The work is split into a few different parts. At the beginning, housing priorities are established to will guide that site identification. Rather than simply looking at all Sites equally, it is important to identify sites that will meet the community's goals. To do that a housing needs assessment is performed and stakeholders are engaged provide stories and really ground the process in those stories when looking at the data.



DFI Opportunity Site Identification Process

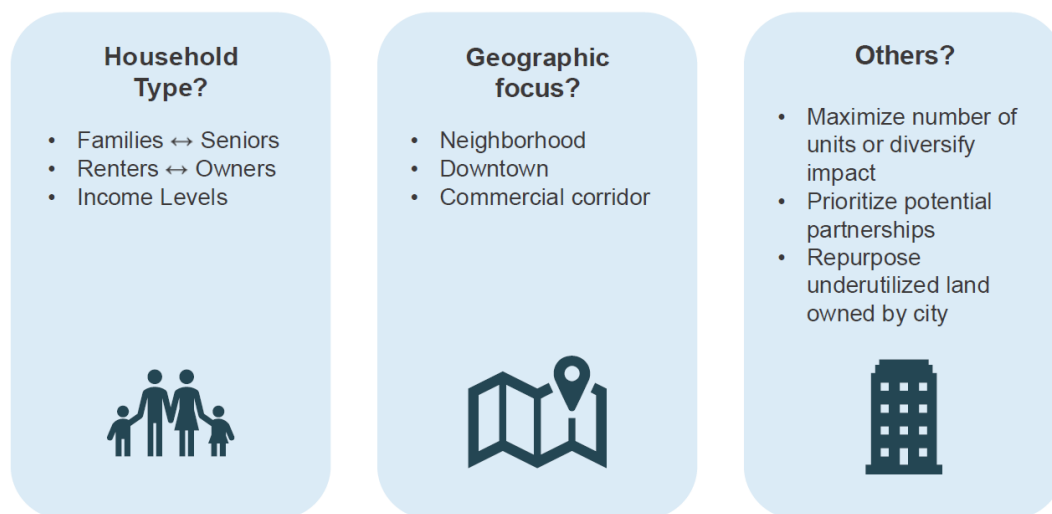


4

The goal of the opportunity site ID process is to lead to a feasible project. Feasibility is determined using a few different lenses:

- The **site** itself is examined to determine if it can support the level of density that the community is interested in seeing.
- **Market data** is analyzed to determine who are the folks most in need of housing assistance in Hendersonville and whether the site can support those housing solutions.
- **Financial feasibility** of the site is analyzed through a developer's eyes to determine the number of units that could be built there, and most importantly what would be the likely Gap funding required to make those sites realized.
- The **community's housing priorities** are examined to determine whether the site can support those priorities, for example families or single individuals, homeowners or renters.

Examples of housing priorities



Some examples of housing priorities that a City can use in site identification include:

- Household types. For example, families versus seniors, renters or homeowners or various income levels across different employments.
- Geographic focus. For example, prioritizing sites within a specific neighborhood downtown or commercial corridor
- Density. For example, maximizing the number of units that can be built on a site
- Multiple priorities: For example, having both low density and high density on the site
- Type of development partner. For example, working with a local church or nonprofit who might have land
- City land. For example, repurposing underutilized land already owned by the City.



DEVELOPMENT FINANCE INITIATIVE

5

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

In addition to data, the needs assessment utilized a lot of stakeholder engagement. Hendersonville is very unique in that there are multiple housing partners at the table and this needs assessment was augmented through conversations with the stakeholders and partners listed above.



A high level summary of the housing needs and market for the City is presented below. Following the summary is a more detailed discussion.

Summary

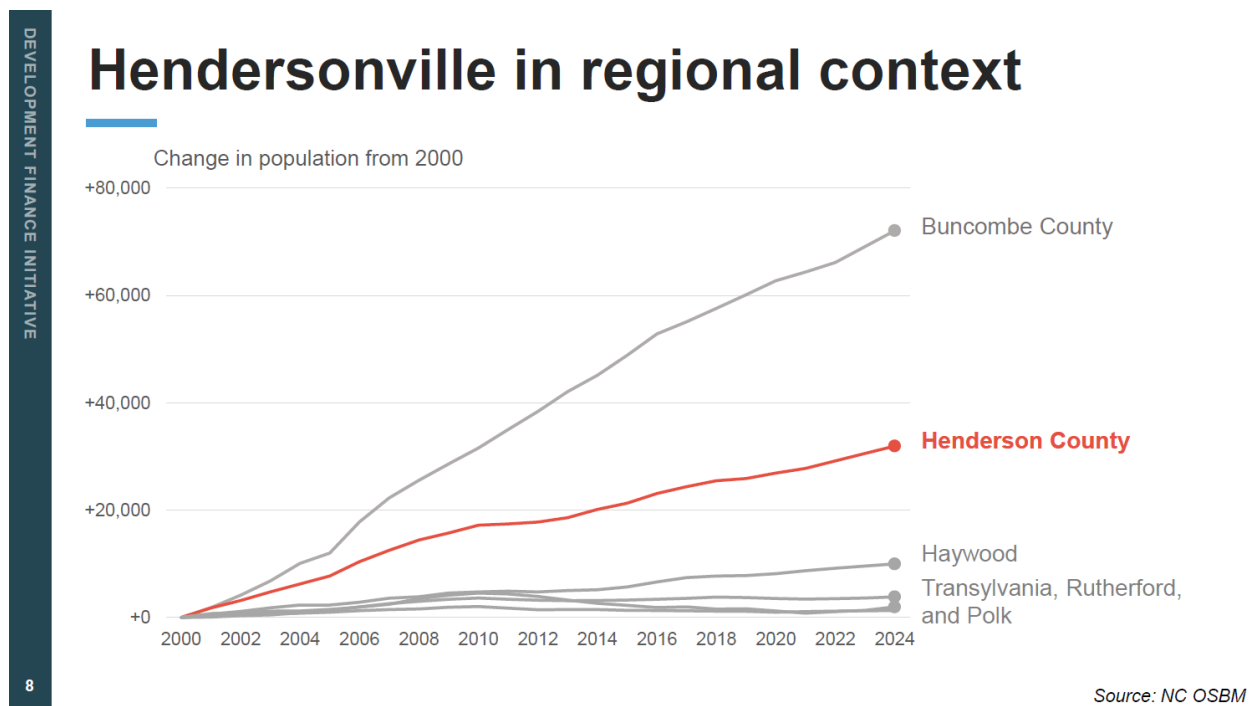
- To meet current and future housing demand, Henderson County needs an estimated 10,000 new housing units within the next five years. At least 2,000 of these units are needed in Hendersonville for low-to-moderate income households.
- Hendersonville's housing supply was constrained even before Hurricane 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.

6

Currently, to meet countywide current unmet demand as well as future growth Henderson County needs an estimated 10,000 new housing units over the next 5 years. More specifically, the City of Hendersonville will need at least 2,000 of these units within its corporate limits for low to moderate income households

Before Hurricane Helene, Hendersonville's housing supply was already constrained. Over the past decade household growth in the City outpaced new construction by about 2 to one. This has resulted in the vacancy rates for both rental units and for sale units being below 2%. There are a wide range of household types within the City that have housing needs ranging from families and early career individuals to older-aged households that live in either unaffordable or low quality housing. 80% of the households in need within the City are low to moderate income. This needs assessment does not take into consideration additional housing needs created by Hurricane Helene, however according to some State of North Carolina estimates, about 126,000 housing units were damaged in the hurricane across Western North Carolina. Within the City of Hendersonville, the lowest income neighborhoods had the greatest exposure to flood hazards prior to the hurricane, and as a result were significantly damaged in the storm. This assessment will present some very early baseline storm impact data at the end.

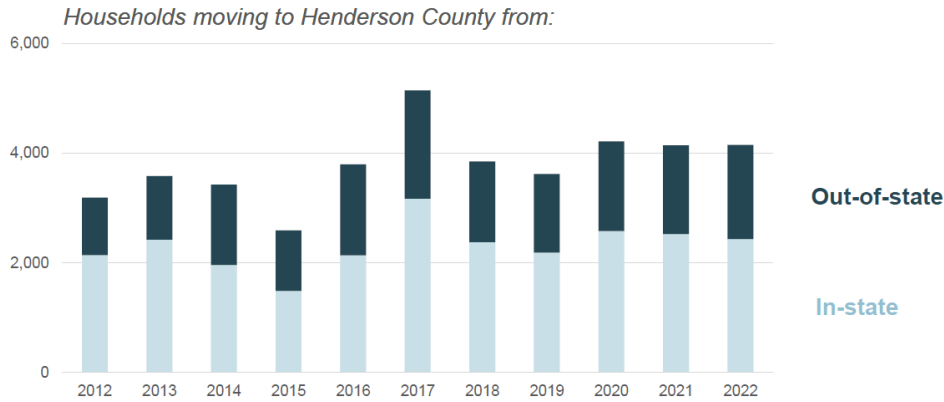




Regionally, Hendersonville fits within some of the growth that Western North Carolina is seeing, but Henderson County is unique from a lot of its neighbors. This chart shows the change in population over the past 20 years for Henderson County and the surrounding counties of Buncombe, Haywood, Transylvania, Rutherford and Polk. While Henderson County hasn't seen the same growth as Buncombe County to the north, Henderson County really is seeing a significantly higher growth compared than the other Western North Carolina counties of Haywood, Transylvania, Rutherford and Polk.



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

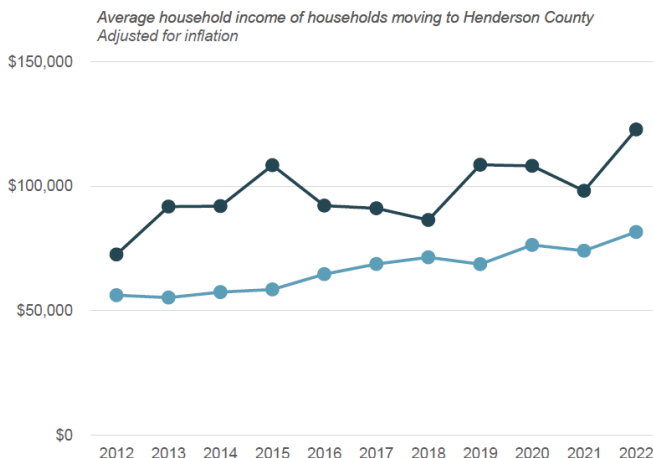


9

Source: IRS SOI

In recent years about 40% of households moving to Henderson County are from out of state, coming from places like California, Florida and New York. It is important to note, however, that folks move to Henderson County from within North Carolina as well.

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.

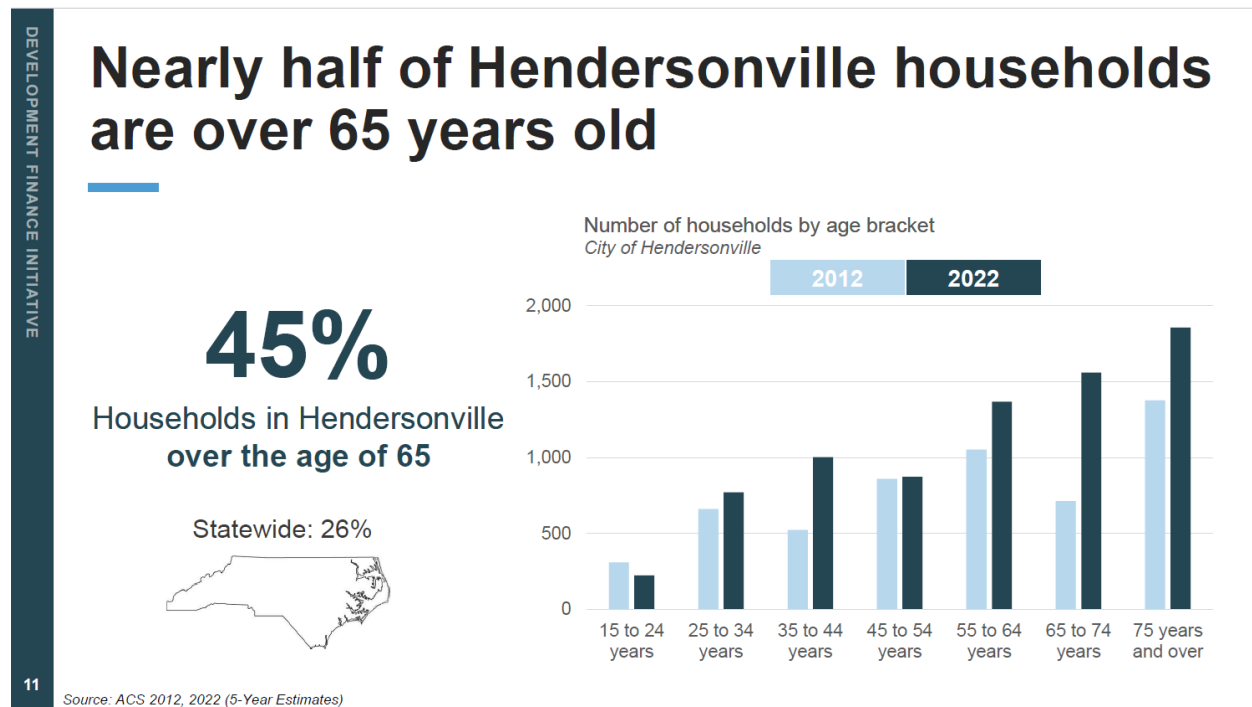
Households moving from in-state have average household incomes of \$80,000.

10

Source: IRS SOI



One of the big themes evident in the data as well as our stakeholder conversations was that a lot of this growth in Hendersonville specifically is really being driven by recent retirees and folks moving to the area after retirement.



About 45% of households within the City are over the age of 65. Statewide, the percentage of households over 65 years of age is about 26%, so the City of Hendersonville's percentage is nearly twice that of the State of North Carolina. This is a trend that we've really accelerate over the past decade. Referring to the chart above shows that about 10 years ago in 2012 the largest age bracket within the City was households aged 75 and over. Ten years later we've seen this trend accelerate. The 75 years of age and over household age bracket is still the largest household group within the City, but the number has increased. This chart also shows significant growth among the 65 to 75 year of age households.



DEVELOPMENT FINANCE INITIATIVE

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

13

Source: HUD 2024 for Asheville MSA

To understand that housing needs in the City, understanding some of the terms used is helpful. The first is, “What does it mean to be low income within Hendersonville?” This term is typically used by different housing programs, in particular Federal housing programs, to determine eligibility. These housing programs look at households as a percentage of the area median income or AMI and differentiate those thresholds depending on the household size or the number of people who are within a household. Low-income households in the City of Hendersonville are those who make 80% of the area median income or less. Generally, therefore, referencing “LMI households” is referring to folks who are making between \$52,000 as a 1person household and up to about \$75,000 as a four-person household.



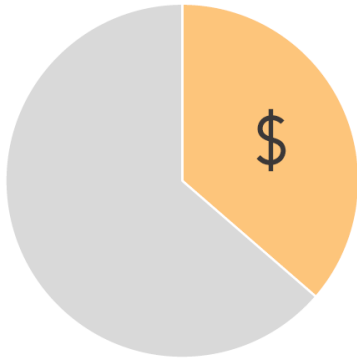
Affordable Housing Costs by AMI

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

What does “affordable housing costs” mean? We can think about affordable housing costs in the same way. A studio apartment that's affordable at the 80% AMI bracket has housing costs that are about \$1,300 per month. A three-bedroom unit affordable to an 80% AMI household is around \$2,000 per month. Obviously that's kind of the upper end for LMI households. If we wanted to say that housing costs are more deeply affordable or affordable to lower income brackets we would say they're affordable to 50% AMI or 30% AMI. Those rents are also shown on this table.

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

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



Housing-related expenses include rent or mortgage payments, plus insurance, and utilities.

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

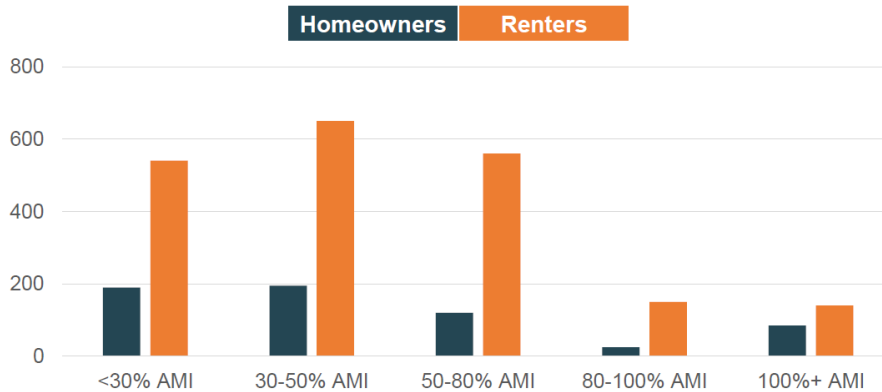


15

Recall that when referring to housing need, we are referring to those folks who either live in unaffordable or low quality housing. It is important to look at both of these categories. A household is in need of more affordable housing if they spend more than 30% of their annual income on housing related expenses including rent and utilities. For homeowners this would include mortgage payments plus insurance and utilities. However, a household can also have need even if they live in an affordable unit. If a household lives in a poor quality or overcrowded unit we would count them as among households with need as well. Again, we must look at both of these criteria when assessing who has need within the City of Hendersonville.

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



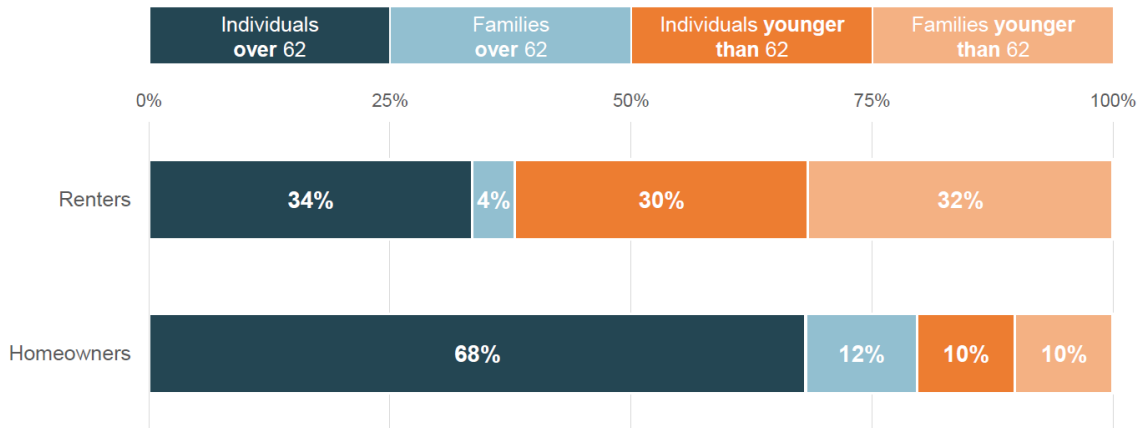
16

Source: HUD CHAS 2021

Based off of those most recent data, considering households living in an unaffordable and/or poor quality housing unit, at least 2,000 renters and 600 homeowners have housing need within the City. This chart breaks down the homeowners in blue and renters in orange and breaks out each of those groups by those AMI brackets referenced earlier. What stands out in the data is that a vast majority, over 80%, of the households in need make less than 80% of the area median income. This means that most of the folks who have housing need because they are burdened by the cost of housing or because they live in low quality units are considered low to moderate income (LMI) households.

Various household types in Hendersonville have housing needs

LMI households with housing need by household type



18

Source: HUD CHAS 2021

Who are these households with housing needs in the City of Hendersonville? There are four main categories in the data. There are individuals and families (shown in the dark blue and light blue) who are over for the age of 62, as well as younger individuals living alone or families who are younger than 62 (shown in orange and light orange).

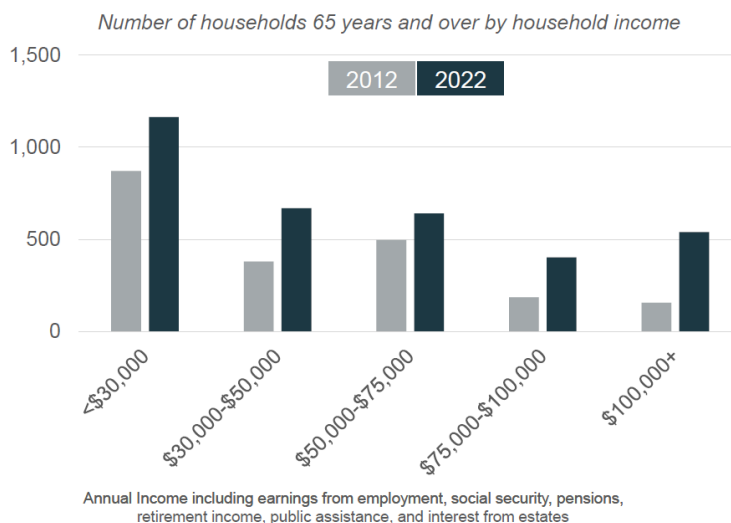
Looking more closely we see that for homeowners, about 2/3 of the households with needs are single folks over the age of 62 living alone. Older individuals and those aging in place are the most significant group among homeowners with housing needs.

Among renters there are various household types with needs. Like homeowners, there are individual renters living alone over 62, but there are also younger folks living alone, as well as families, who are shown in the renters group.

Approximately 20% or one in five of low to moderate income households with unmet housing needs have at least one member of their household with an ambulatory disability or challenges living independently. This also reflects the aging population and their difficulty aging in place within City.



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



19

Source: HUD CHAS & ACS 5-Year Estimates

Concerning individuals over 62, there are about 825 households with housing needs within the City of Hendersonville. Something that was evident data and in our stakeholder conversations was that the older cohorts in within the City were really split into two groups: recent retirees with higher income, who are maybe moving from out of state or elsewhere in North Carolina, and who are making over \$100,000; and there were those, over a third of the City's households, who are over 65 and make \$30,000 or less and are considered extremely low-income households. Income here includes not just earnings from employment or a job but also includes Social Security payments, retirement income, other forms of public assistance or any type of income that a household could receive.

Families younger than 62



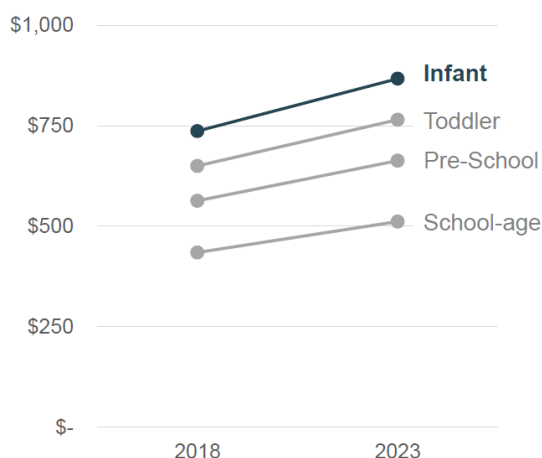
550

Households with housing needs

92% Renters

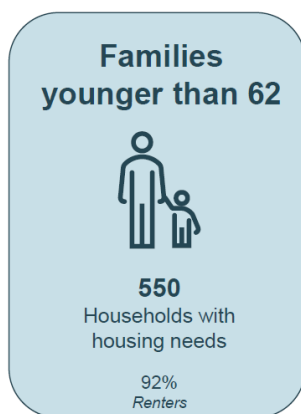
Average cost of childcare in Henderson County is about $\frac{1}{4}$ of the monthly budget for a household earning 50% AMI, or \$42,000 a year

Change in average monthly cost of childcare in Henderson County

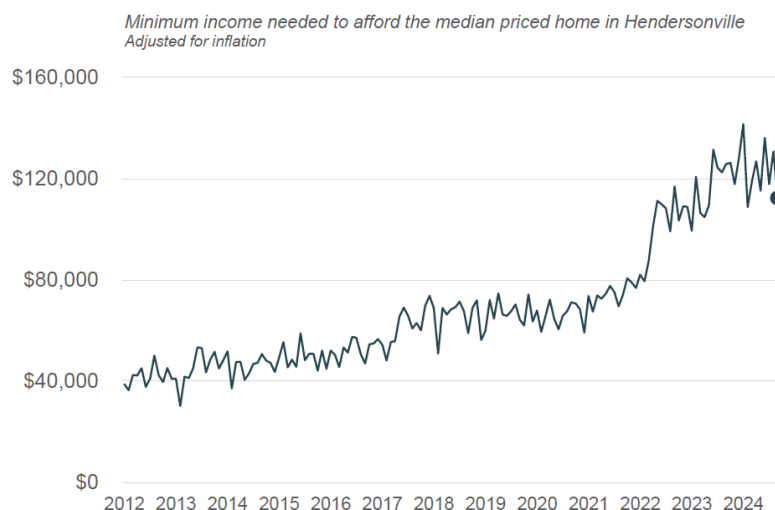


Source: U.S. Department of Labor

Considering families who are younger than 62, about 550 households these younger families within the City have housing needs. Individuals who are younger than 62 tend to be folks in the service industry or in the workforce and therefore have many housing needs. Stakeholder conversations indicated that in addition to housing costs there are many other strains on families budgets that contributed to challenges with housing affordability. One cost placing this additional strain is child care costs. The average cost of child care within Henderson County makes up about a fourth of the monthly budget for a household earning 50% AMI or \$42,000 a year.



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



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

The City is considering the Community Land Trust model and creating more opportunities for low-income families or individuals to transition to home ownership. This was something that supported by the data in that there are significant challenges for low-income families to transition to home ownership within the City. This chart shows the minimum income needed to afford the median priced home within the City adjusted for inflation. About 10 years ago a family making \$40,000 a year could afford the median priced home on the market. In response to rising housing prices and changes in the interest rate environment, today that same household has to make \$120,000 a year to afford the median home price within the City.

Individuals younger than 62

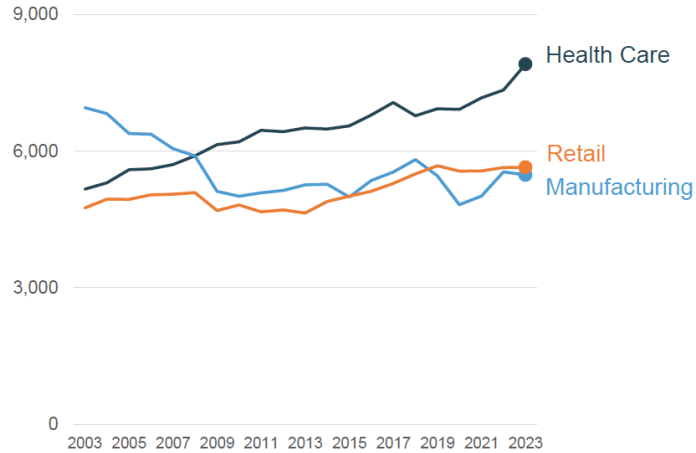


500
Households with
housing needs

92%
Renters

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

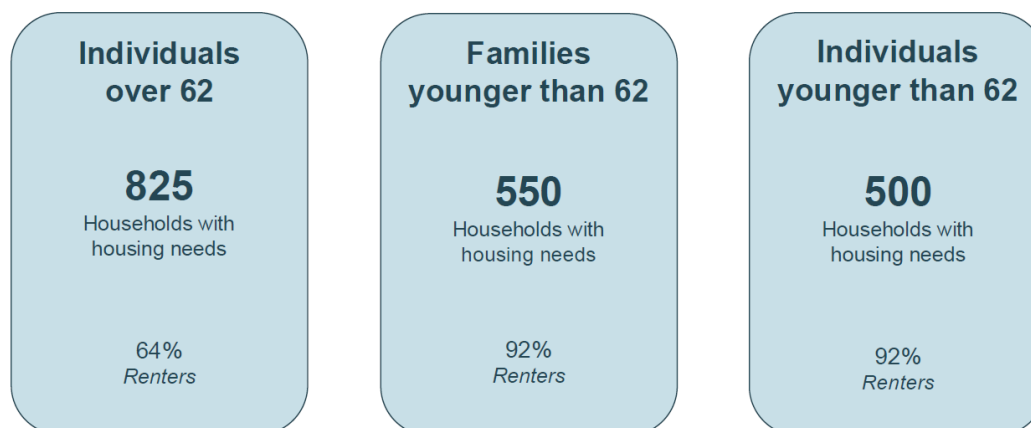
Number of people working in the three largest industries in Henderson County



Source: NC Commerce

The last group with housing needs, individuals who are younger than 62, is the last major group who had housing needs within the City. There about five 500 of these households. Individuals who are younger than 62 tend to be folks in the service industry or in the workforce and therefore have many housing needs. This was something that we heard a lot when we were talking to employers. Housing and the lack of affordable housing is impacting companys' ability to attract workers from outside of the area. With a growing retirement community you have significant job growth in healthcare industry. When we spoke to folks from the UNCC or from the Pardee hospital system they talked extensively about the role of housing in their ability to attract and retain talent. We also heard this from manufacturing companies as well as the Henderson County School System.

LMI household types with housing needs



Approx. 20% of LMI households with unmet housing needs include at least one member with an ambulatory disability or challenges living independently.

Source: HUD CHAS 2021

To summarize the LMI housing types with housing needs, the largest of these groups are individuals living alone who are over the age of 62. Hendersonville is an aging community with about 825 households over the age of 62 have housing needs. 64% of these households are renters. About 550 families younger than 62 have housing needs, 92% of which are renters. Individuals younger than 62 with housing needs comprise about 500 households in the City. Finally, one in five of low to moderate income households with unmet housing needs have at least one member of their household with an ambulatory disability or challenges living independently.

DEVELOPMENT FINANCE INITIATIVE

Hendersonville's Housing Supply

23

DEVELOPMENT FINANCE INITIATIVE

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



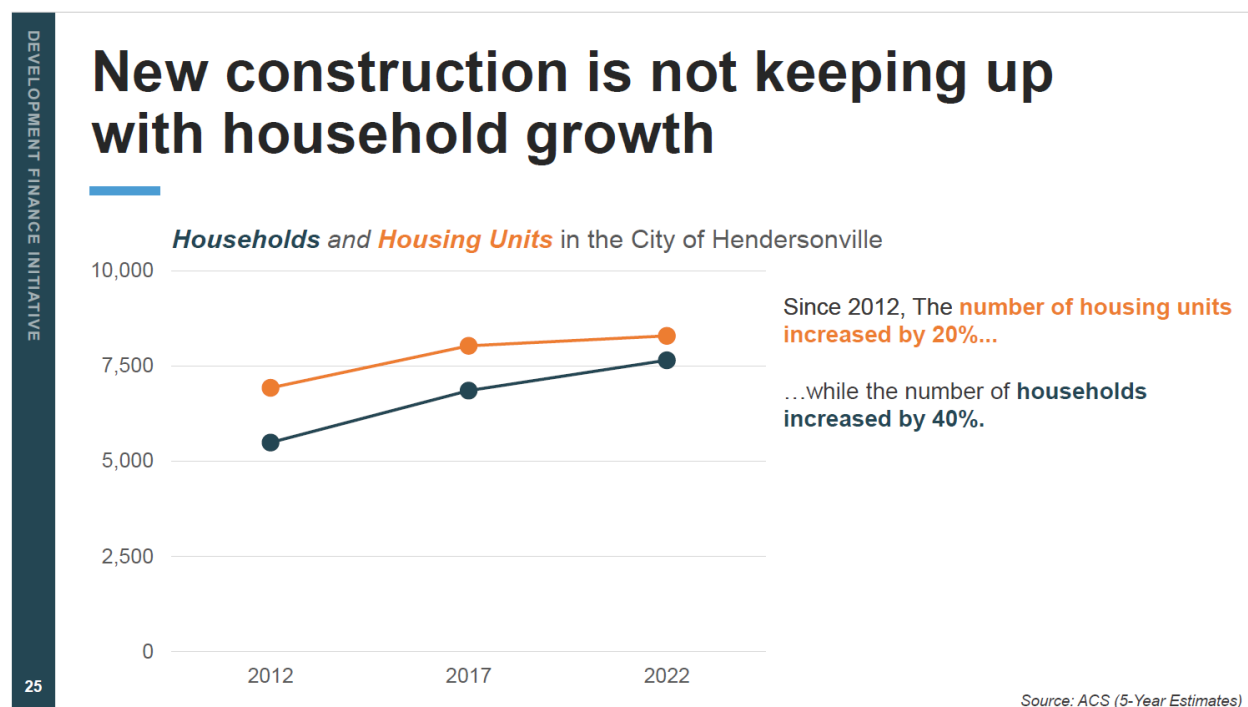
24

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

Looking at overall demand for housing within the region, Henderson County has demand for nearly 10,000 housing units over the next 5 years. Breaking down that number a bit more, about 3,000 of those units are from current unmet demand based off of recent household growth. As referenced earlier, Henderson County has been growing significantly compared to a lot of its neighbors, and construction or the supply of housing hasn't kept up with the demand. If we expect recent household growth to continue into the future there will be an additional demand for about 7,000 units over the next 5 years. This future demand comes from two places. This growth is due not just to folks who are moving to the County but also comes from household formation within the County-- folks who are growing up within Hendersonville who go to college or younger folks living with their families-- who are also looking for housing. Household



growth can come from both of these sources. Together this makes up about 10,000 units of demand over the next 5 years. Of these 10,000 units, the data supports a need for at least 2,200 units that are affordable to LMI households within the City alone.

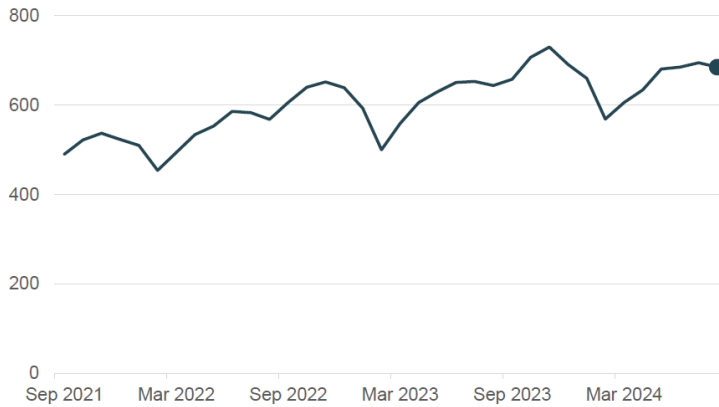


New construction hasn't kept up with recent household growth in the City of Hendersonville. This chart compares the number of households living in the City (in blue) compared with the number of housing units (in orange) in the City. Since 2012 the number of housing units has increased by about 20% while the number of households has increased by 40%-- nearly twice as quickly. At first glance it appears that the City still has enough housing units for the number of households in our community. However, and this is part of the challenge, Hendersonville and the County are a little bit unique in that it's not just folks who are living here who are buying houses or where demand for housing comes from. The City and County also have folks who buy second homes, and some of these units are homes that are used for short-term rentals like Airbnb and VRBO. Demand for housing comes from these places in addition to people who want to live here.



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

Number of units listed on Airbnb & VRBO
Hendersonville Submarket



Source: AirDNA

Short-term rentals make up about 5% of the City's housing stock and has increased slightly over the past few years since 2021.

Population growth and limited new supply has pushed down vacancy rates

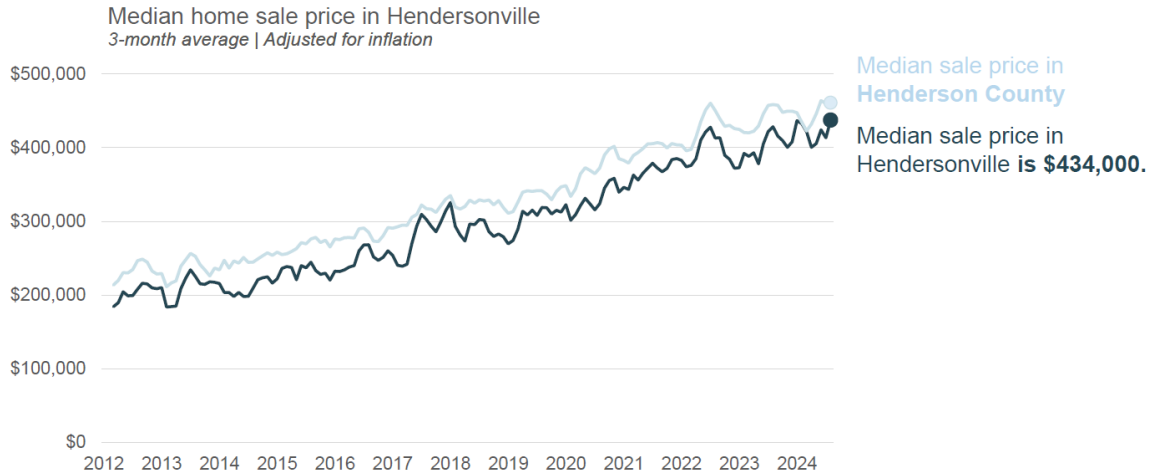


Going back to the comparison of the number of housing units compared to the number of households, because supply has not kept up with household growth, the vacancy rate, or the number of units that are for rent or for sale on the market, has really declined over the same time period. Here in orange this chart shows that the vacancy rate for rental units is only 2%, meaning that only 2% of housing units are vacant and available for rent. On the for-sale side less than 1% of housing units in the City are vacant and for sale. In general, a housing market has a healthy supply of housing if the vacancy rate is at around 7%. We use that 7% threshold to say that there's enough supply on the market for things like turnover or household formation, or someone moving to the area for a job that when they're out looking for units there are enough units available for rent or for sale on the market.

Comparing the City of Hendersonville to other markets in North Carolina-- many North Carolina communities are seeing trends just like this where the vacancy rate has been declining pretty consistently over the past decade and supply really hasn't kept up with demand. That being said, there are a couple of pockets in North Carolina where we've seen the vacancy rate increase in some cases to over 10%, places like downtown Raleigh and Charlotte. In these areas, there's been so much construction over the past few years (a really historic level of new construction) that that vacancy rate has really increased. In many of those markets while affordability is certainly still a big challenge the pace of rent increase or the cost of housing has moderated over the past couple years.



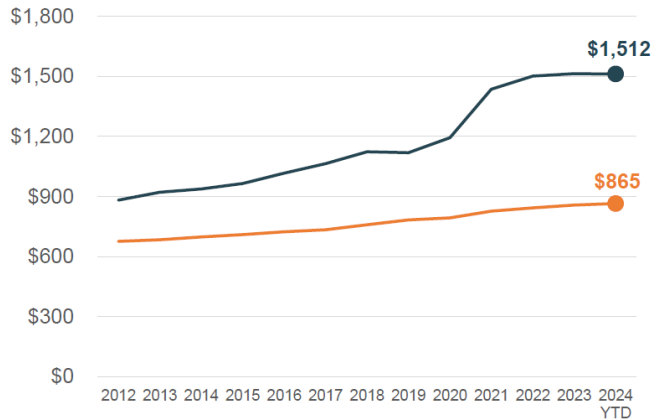
For the past year, median home prices in Hendersonville exceeded \$400,000



Supply not keeping up with demand and vacancy rates decreasing are really the factors that contribute to the rising cost of housing. There's just more demand than there is supply. For the past year the median home price within the City has exceeded \$400,000, a really significant increase even adjusted for inflation. Just 10 years ago the median was about half of that or about \$200,000. The City's median home price is here in blue and you can see in the light blue right above it is really keeping up with the median price within the County as well.

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

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



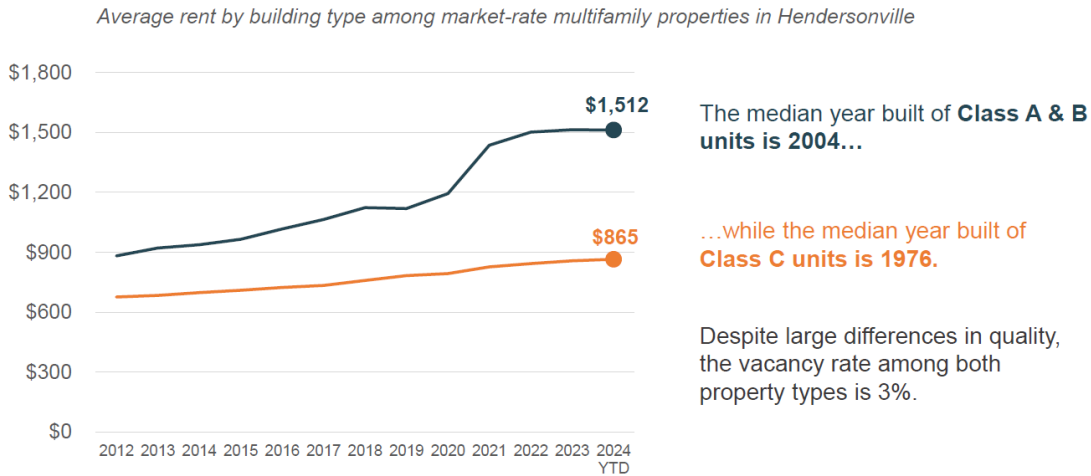
Rents among **Class A & B** properties increased 25% post-COVID and are affordable to households making over 80% AMI.

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

Source: CoStar

The City is seeing the same trend of increasing rents as well. This chart shows the average rent for market rate multifamily properties within the City. The Blue Line shows changes in average rent among Class A and B properties, the newest most high quality units on the market. Rents among these properties have increased about 25% post COVID and are generally affordable to households making over 80% AMI, so not really those within the LMI household group. Rents among Class C Properties, the older properties that maybe don't have renovations or have less amenities, have not seen the same rent increase as the higher quality units. This is likely because these properties have significant challenges with regards to quality and health and safety of the units.

The median Class C rental unit is nearly 50 years old



To add a little more color to that, the median year built for class A and B properties is around 2004; meanwhile the Median year built of Class C units is 1976 even taking renovations into consideration. This is something that we heard as well from stakeholders that there is a share of the housing supply within the City that faces significant challenges with quality. Despite these large differences in quality between these two housing types, vacancy rates among both property types, both the class A and B as well as Class C, is around 3%. Despite the challenges with quality the vacancy rate is still a lot lower than we would expect compared to a market with an abundant supply of housing.

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.

31

Regarding housing supply, there are an estimated 5,700 housing units in the pipeline for Henderson County. This table breaks down the type of housing if it's affordable to LMI households or if it's market rate and if it's for sale or for rent. By and large most of the housing that's in the pipeline is market rate housing geared more towards households making over 80% of the area median income.



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%



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.

32

About 83% of the for rent or the rental units in the pipeline are within the City. I wanted to highlight some of these properties that are that are in the pipeline. Cantrell Hills is a single family subdivision just north of the City. These units are starting at about \$450,000 and are affordable to households earning about 130% AMI or \$110,000.

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%



The Summit at Hendersonville

Affordable to households earning 80% AMI or \$65,400

\$1,350 / 1-bedroom

\$1,650 / 2-bedroom

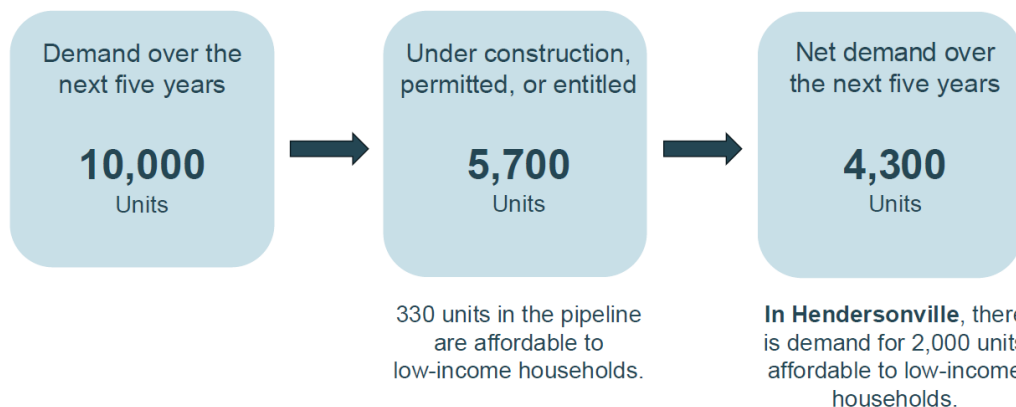
\$2,000 / 3-bedroom

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

33

On the rental side, the Summit at Hendersonville has starting rents for the units that are roughly affordable to households earning 80% AMI or around \$65,000, depending on household size. What we're seeing is that even though these units aren't necessarily affordable to LMI households the vacancy rates among these new multifamily developments are strikingly low so they lease up very quickly over a short amount of time which we think indicates significant demand for both market rate and affordable housing.

Henderson County has demand for an estimated 4,300 housing units over the next five years



11

Source: Estimates based on DFI analysis of data from ACS 5-Year Estimates, NCOSBM, HUD CHAS, and projects tracked by the City of Hendersonville and Henderson County.

In summary, looking at Henderson County as a market there's demand for about 10,000 housing units over the next 5 years. This is taking into account both the current unmet demand as well as projected household growth. So if Henderson County continues to grow as a housing market the way it has been over the past 10 years, we would expect there to be demand for about 10,000 housing units. Developers are responding to this market and have been building a lot of housing over the past few years. There's about 5,700 units in the pipeline countywide. so overall net demand for housing is around 4,300 units.

The 10,000 number is really looking at housing demand across all income needs. Of these 5,700 units about 330 in the pipeline are affordable to low-income households. So within the City of Hendersonville there's still demand for about 2,000 units that are affordable to low-income households.

According to employers, even folks they hire who are in the higher income brackets making maybe between \$70,000 and \$100,000 have a hard time finding housing within the City. So affordability is a challenge that really affects not only LMI households but households of all types really are face this challenge of finding housing because the vacancy rate is so low.



Estimated impact from Hurricane Helene

34



Hurricane Helene

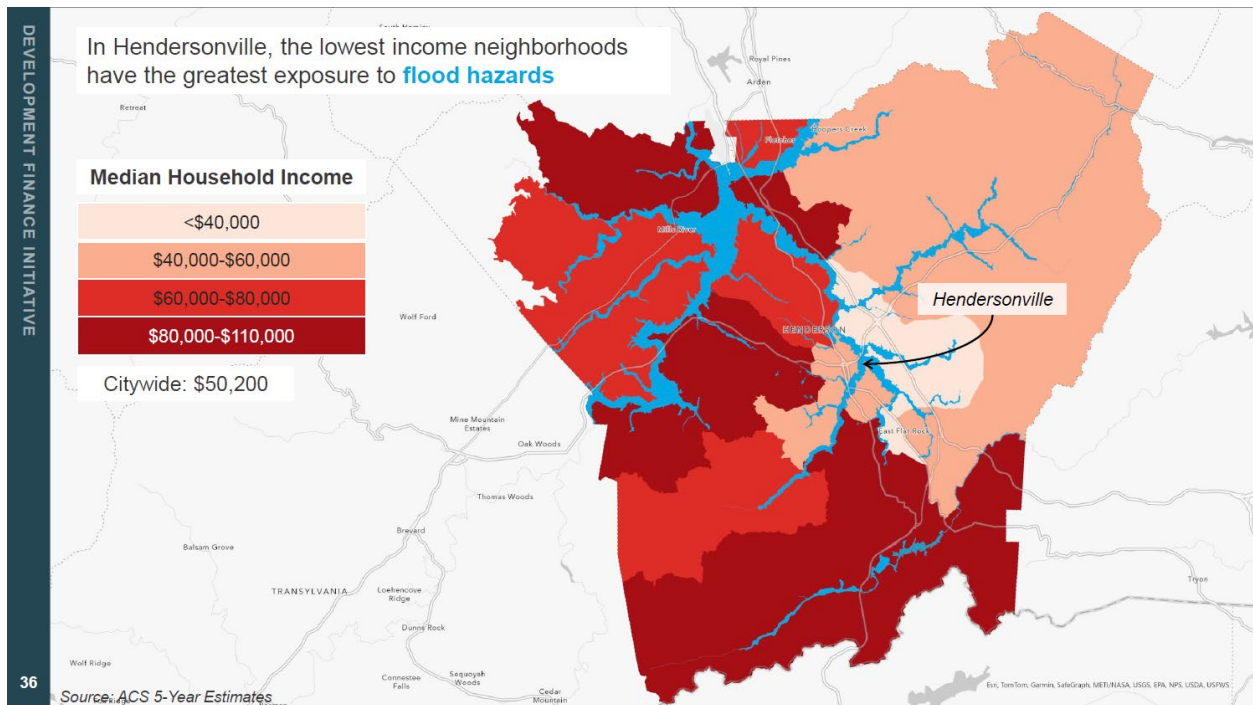
- According to state estimates, approximately 126,000 housing units in western NC were damaged by Hurricane Helene
- As of October 21, 4,600 homeowners and 2,500 renters have been approved for FEMA Individual Assistance in Hendersonville ZIP Codes

35

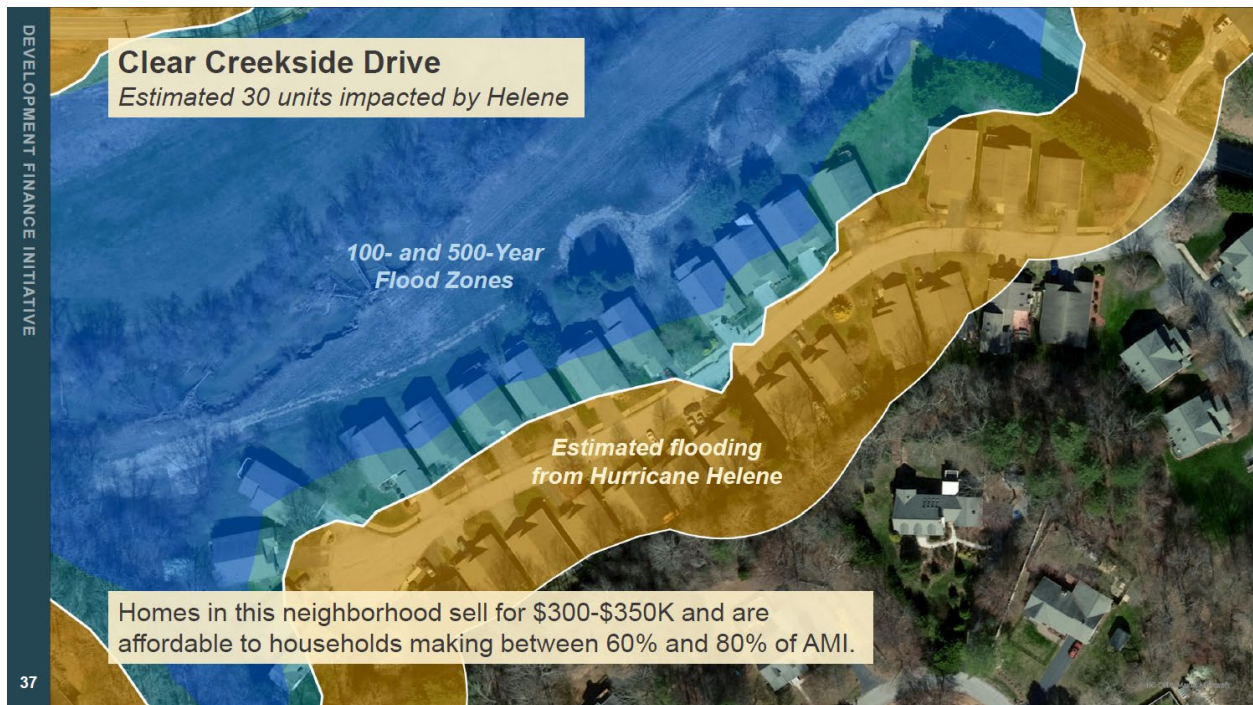


As of the date of this Needs Assessment, the following information is very preliminary. It will take years to really understand the full impact of Hurricane Helene. According to State estimates about 126,000 housing units within all of Western North Carolina were damaged in some capacity by Hurricane Helene, causing a tremendous shock on the supply of housing and folks who are living in in the area. More locally as of October 21, 2024 about 4600 homeowners and 2500 renters have been approved for FEMA individual assistance within zip codes that cover the City of Hendersonville. So we're looking at regionally significant impact and also within the City.





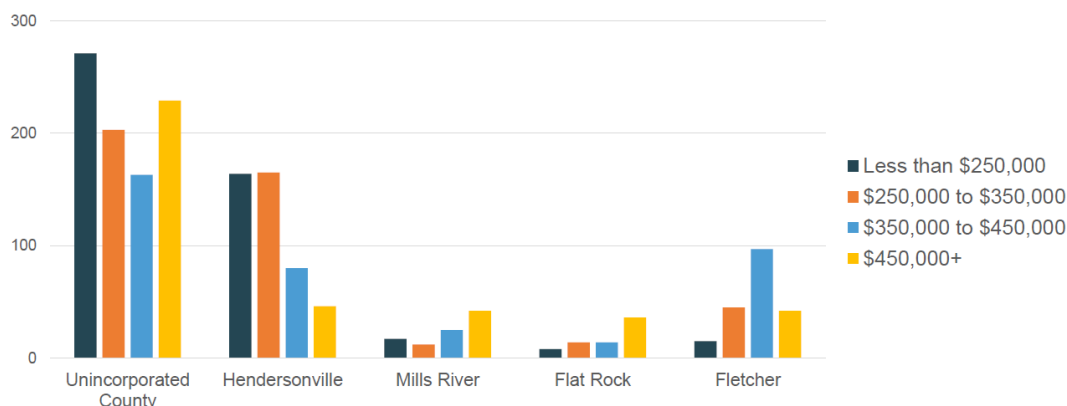
I wanted to map out really where the City and parts of the County were exposed to flood hazards. Helene had a number of different impacts on the housing stock not just flooding, but also damage from falling debris and from landslides. This report is going to focus on flooding because that's where the most accurate data that we have comes from. This map shows the census tracts within Henderson County and shows the median household income of those census tracts. For the darker red areas the median income is between 80 and \$110,000. In the brighter pink areas the median household income is less than \$40,000. What you can see is that most of those lower income neighborhoods within the County overlap in some capacity with the City. When flood zones are overlayed on that same map we see that a lot of these same neighborhoods are exposed to flood hazards within the City of Hendersonville.



Zooming in a little bit more shows some specific ways that that Helene impacted the City. This is Clear Creek Side Drive, a single family neighborhood just Northeast of the City. An estimated 30 units were impacted by Helene. This map shows the neighborhood here with the 100 and 500-year flood zone overlaid in blue and green, with the additional flooded area shown in gold. What made Helene so significant is just the scale of precipitation over a short amount of time and that the flooding really surpassed what we had traditionally thought of as the flood zone for the community. Based off of satellite imagery, news reports and social media postings, on average flooding across Henderson County exceeded roughly 30 meters past the traditional flood zone. Again, the additional flooding is shown here in gold. To put this in perspective of the supply of housing in Hendersonville homes in this neighborhood sell for between \$300,000 and \$350,000 and are affordable to households making between 60 and 80% of area median income.

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

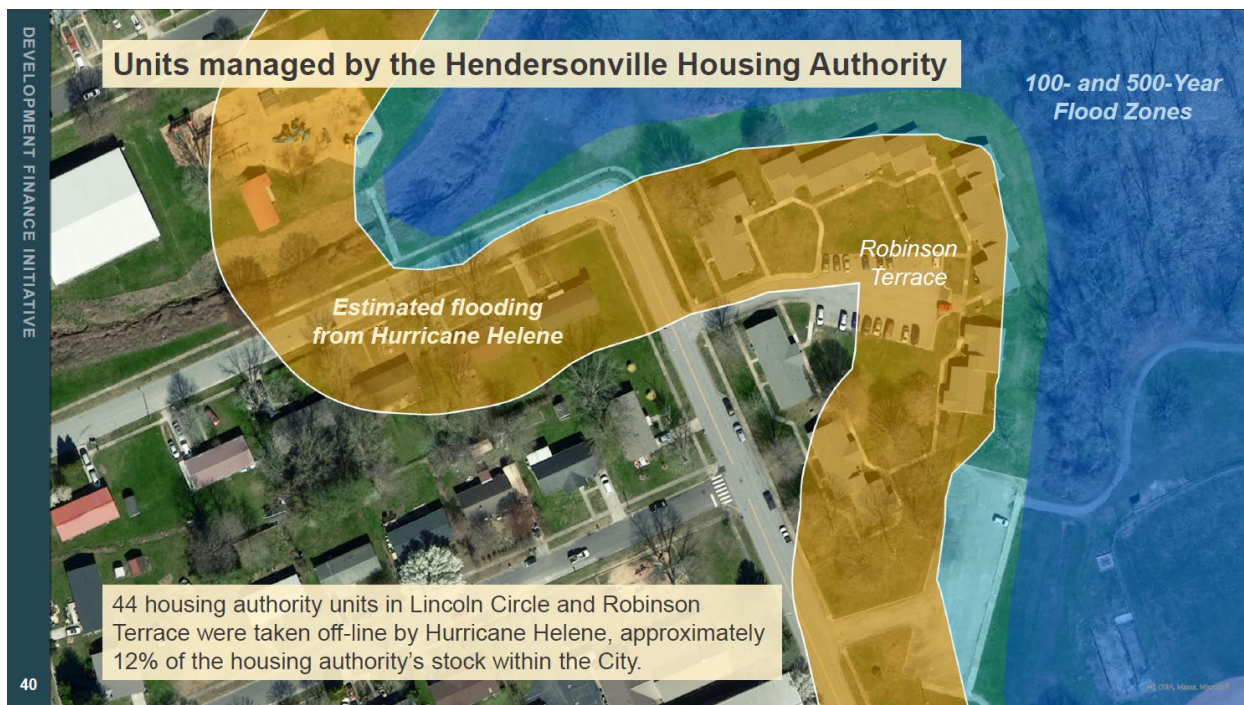


Source: DFI analysis of data from NC FRIS & Henderson County Tax Assessor

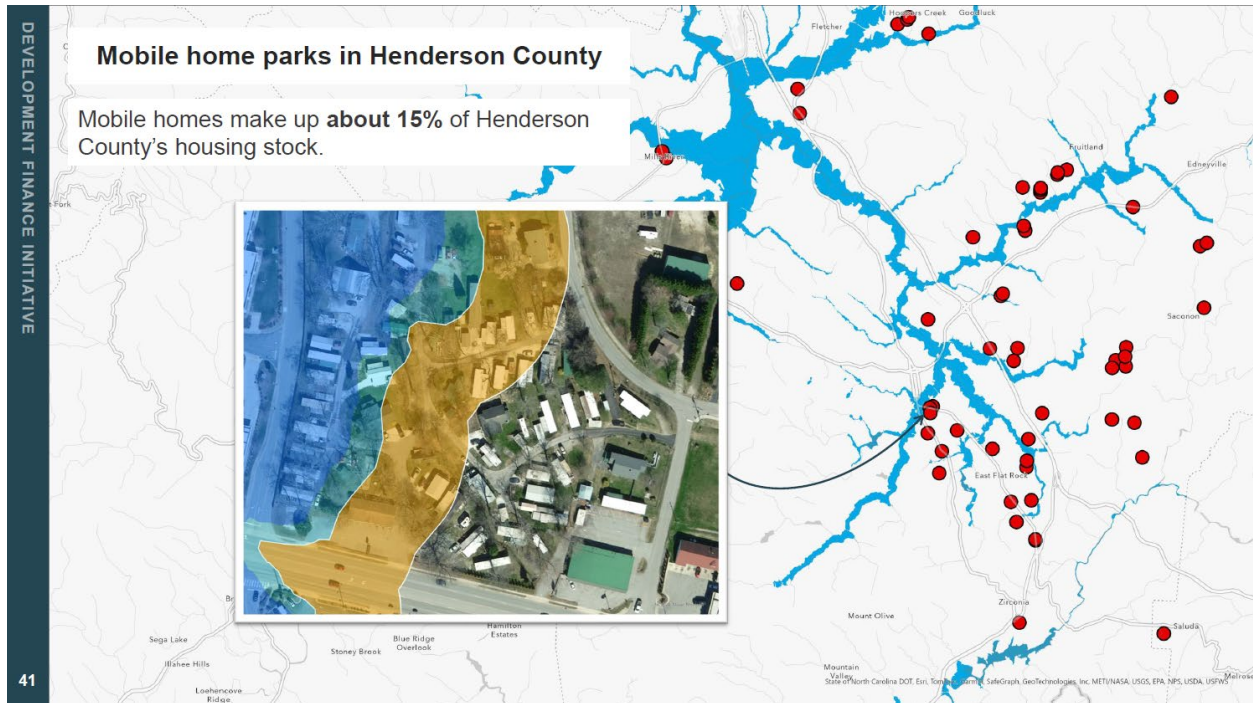
Taking the same approach of assessing how many housing units were exposed to Helene flooding within that 30 meter buffer of the of the flood zones, this chart shows the total number of households that are within that radius. Countywide an estimated 1700 single family homes were exposed to Helene flooding. The flooding damage is broken out here by different areas: the unincorporated County, the City, Mills River, Flat Rock and Fletcher. Each is also broken out by the price of the home or the tax assessed value of those homes. In Hendersonville the majority of homes that were impacted by the storm and that were within that flood that flood buffer were on the lower cost side, those that were more affordable to LMI households. Most of these homes had tax values of \$350,000 or less.



It wasn't just single family homes that were impacted by Helene. The City's multifamily properties were also impacted. This shows another case study looking at Universal at Lakewood, one of the City's newest apartment buildings just completed in 2022. Several dozen units within this apartment complex were damaged during the storm. Rents in this development are affordable to renters making at about 80% AMI. At the time of the storm the vacancy rate was less than 1%. This shows that some of the City's newest most fully occupied housing developments were impacted by the storm as well. ..



The last case study discussed in this Needs Assessment is the Hendersonville Housing Authority. Many properties owned and operated by the Housing Authority were also impacted by the storm. About 44 housing units within Lincoln Circle and Robinson Terrace were taken offline by Hurricane Helene which makes up approximately 12% of the Housing Authority stock within the City. The storm impacted housing stock across a wide range of affordability levels,



Helene impacted many mobile home parks both within the City and the County. Mobile homes make up about 15% of the County's housing stock and mobile homes came up very frequently during our stakeholder conversations as a vital source of affordable housing for folks, but also as a housing type that really struggles with issues around quality and overcrowding. Many of these mobile home parks were also within that 30 meter buffer of the flood zone. This is just an example of one mobile home park within the City.

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.

42

Over the next five years within Henderson County, in order to address both current and future demand, Henderson County needs about 10,000 units, and again within the City about 2,200 of those units are needed for low to moderate income households. Housing Supply was significantly constrained even before Helene. Demand has outpaced supply by about 2 to one and the vacancy rate is below 2%. The household types who are in need of housing within the City are those who live in either unaffordable or low quality housing. Helene had significant impact that had both on supply of Housing and displacement of folks living within the community .



ABOUT THE UNC SCHOOL OF GOVERNMENT AND DFI

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.

2

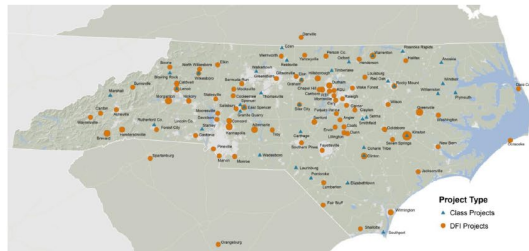


SCHOOL OF GOVERNMENT
Development Finance Initiative

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

3

DFI is a program that partners with local governments on public-private Partnerships for Real Estate development. DFI has worked with the City before on the grey mill in downtown, assessing the feasible paths for redevelopment of that site, and working with a private developer for revitalizing the mill over the past five years or so. DFI has been really responsive to the growing needs of affordable housing across all communities in North Carolina and helping North Carolina communities work with the private sector to attract investment in affordable housing.



Housing Needs Assessment