



CITY OF HENDERSONVILLE
STRATEGIC HOUSING PLAN



2025-2030



CITY OF HENDERSONVILLE **STRATEGIC HOUSING PLAN**

Abstract

Hendersonville is charting a path toward a future where every resident can find a home that is safe, stable, and affordable. We are guided by a clear vision that our community will be a one where everyone has a safe, stable, and affordable place to call home, where people take pride in where they live, where individuals from diverse backgrounds live harmoniously and where a variety of housing options exist to meet the full spectrum of community needs.



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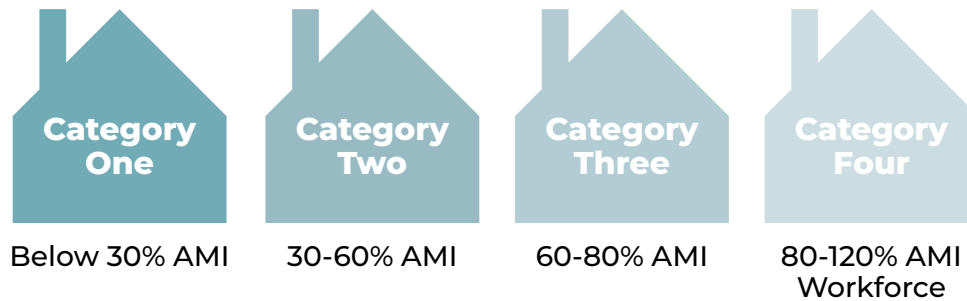
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Executive Summary

Area Median Income Categories



Purpose and Vision

The City of Hendersonville’s Strategic Housing Plan is a five-year, data-driven and community-informed roadmap to ensure every resident has a safe, stable, and affordable place to call home, with pride in neighborhoods, harmonious living among diverse backgrounds, and housing choices that meet the full spectrum of community needs. The Plan is organized around four guiding pillars—the “Four S’s”: Supply, Stability, Subsidy, and System—which translate the best-practice “Three S’s” framework into a locally actionable program that also builds the City’s long-term capacity to deliver results.

It was informed by three key inputs: a **professional needs assessment** by the UNC Development Finance Initiative (DFI), an **expert housing policy presentation** by Shane Phillips of UCLA, and **extensive community engagement** led by Fountainworks (including listening sessions and a public survey). In essence, the plan identifies the scope of Hendersonville’s housing affordability problem, sets clear goals and targets, and outlines multi-faceted strategies – from zoning reforms to funding programs – to address those needs.

The Case for Action (Data and Need)

Independent analysis by UNC’s Development Finance Initiative (DFI)¹ confirms acute shortages, cost pressures, and extremely tight market conditions—especially for low- to moderate-income (Category 2/Category 3) households, seniors, and people with disabilities—worsened by disaster impacts from Hurricane Helene. Countywide, an estimated 10,000 new homes are needed over five years; Hendersonville’s share includes at least 2,000–2,200 homes affordable to Category 2/Category 3 households, with rental vacancies below 2% and for-sale vacancies under 1%, median home prices now above \$400,000, and short-term rentals and second homes further constraining supply. These conditions substantiate the Plan’s emphasis on adding homes across types and price points, preserving and improving existing stock, and deploying targeted assistance where markets fall short.

¹ See, Appendix 1.

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Goals (Five-Year)

The Plan sets clear, measurable goals aligned to the Four S's:

1. Grow Hendersonville's share of county households to 18% by accommodating 3,047 of the projected 4,300 additional homes needed (Supply).
2. Accommodate 2,200 homes serving priority affordability categories 1, 2 and 3 (Subsidy).
3. Ensure at least 45% (990 units) of new affordable homes are owner-occupied to strengthen household stability (Stability).
4. Maintain healthy average annual vacancy rates—6% rental and 3% for-sale—to improve availability and moderate price pressures (Supply).
5. Embed transparency, public education, and continuous community feedback in all housing initiatives (System).

Objectives

To achieve these goals, the Plan advances 16 core objectives: Support a variety of housing options to accommodate diverse needs, increase home ownership opportunities for increased housing stability, prioritize permanently affordable housing options for Categories 1, 2 and 3 households, provide housing solutions for persons displaced by catastrophic events, align new housing with community character in a manner that discourages displacement and supports mixed income communities, reduce barriers to housing supply, prioritize mixed use and mixed income components for multifamily developments, prioritize solutions that allow residents to age in place, prioritize solutions that support naturally occurring affordable housing, preserve and improve existing affordable housing stock, policies that allow younger generations to stay and thrive in the city, partner with for-profit, nonprofit, and government partners, support legislation to provide more flexibility to the city for housing, build public trust through education and transparent reporting, support the local construction industry, and align with the city's comprehensive plan by supporting infill development of housing.

Strategies and Key Actions

The Plan operationalizes its objectives through ten mutually reinforcing strategy areas and 40+ concrete actions, sequenced as short- (1–2 years), mid- (3–4 years), and long-term (5+ years) steps:

1. Organizational Development: Establish a Community Land Trust and land banking system; secure housing authority powers to enable development and stewardship of permanent affordability.

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Strategies and Key Actions (Continued)

2. **Education & Communication:** Build engagement tools, run public education campaigns, publish annual progress reports, host an annual Housing Symposium, and include local builders in decision-making bodies to sustain trust and momentum.
3. **Zoning & Ordinance Amendments:** Increase by-right capacity where infrastructure exists; reduce dimensional and parking barriers; legalize “Missing Middle” and ADUs; offer affordability incentives and study mandates; calibrate rules for short-term rentals; align infill with the Gen H comprehensive framework.
4. **Policy & Process Improvements:** Streamline approval timelines, digitize workflows, and right-size staffing to cut soft costs and accelerate housing delivery.
5. **Ordinance Evaluation & Housing Quality:** Rewrite the Minimum Housing Code; conduct cross-department cost/benefit reviews; target incentives to the full range of affordable housing types while maintaining health and safety standards.
6. **Internal Capacity:** Hire a HUD-certified housing specialist; expand staff training; create a housing resource portal; formalize data tracking and KPIs to guide decisions and report progress.
7. **Community Character Mapping:** Convene neighborhood workshops, document local history, and develop character maps to guide context-sensitive, mixed-income infill and prevent cultural displacement.
8. **Funding Expansion:** Pursue state/federal and philanthropic grants (e.g., CDBG-DR/NR), evaluate a housing bond, and commit recurring City funds to sustain programs and gap-finance projects with durable affordability.
9. **Individual Assistance ($\leq 80\%$ AMI):** Offer down-payment assistance, low-interest purchase/rehab loans, ownership-readiness counseling, and expand owner-occupied rehabilitation with accessibility upgrades to support aging in place.
10. **Public-Private Partnerships:** Formalize nonprofit partnerships for emergency housing; provide loans and pre-approved plans for ADUs; support redevelopment of aging affordable properties into modern, higher-yield mixed-income housing.

Community Engagement and Connection

The Plan’s content and priorities reflect an extensive engagement process: five targeted listening sessions (business, seniors/veterans, nonprofits, Black community, and Spanish-speaking residents) and a

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300+ response community survey identified needs for diverse housing types, anti-displacement, infrastructure alignment, and sustained transparency and education. The plan includes mixed-income integration, language access, and attention to historic communities through character mapping and anti-displacement program design.

Sound Housing Principles

The Plan’s approach explicitly applies best-practice housing principles—expanding Supply, enhancing Stability, and investing Subsidy—while adding “System” to ensure staffing, partnerships, and accountability are in place for execution.² It emphasizes by-right capacity, diverse housing types, gentle density, streamlined approvals, permanent affordability tools (CLT/land bank), and durable funding—all consistent with evidence-based strategies used successfully in peer cities and recommended by national experts.

Implementation, Governance, and Accountability

Actions are phased over five years and prioritized via a scoring tool that weighed cost, staff time, impact, income groups served, community support, and alignment with goals. Governance features include an annual public Housing Report, KPI dashboard, and an Annual Housing Symposium, ensuring transparent progress tracking and course corrections as conditions change. The Plan recognizes homelessness as a critical, related challenge and recommends a separate, coordinated strategy to complement these housing actions.

Alignment with DFI Site Strategy

DFI’s site identification and feasibility framework—physical capacity, market need, financial viability, and alignment with community priorities—guides how the City selects sites, shapes projects, and targets subsidies to maximize production, preservation, and resilience for Category 2/Category 3 households, seniors, and people with disabilities, including recovery from disaster impacts.

Bottom Line

This Strategic Housing Plan is a comprehensive, measurable, and community-endorsed strategy to add the right homes in the right places, preserve and improve existing housing, support households most in need, and build the systems and partnerships required to deliver at scale. It balances growth with neighborhood character and commits to transparent implementation so residents can see and shape progress over time.

²See, Phillips, Shane, *The Affordable City*, Island Press, 2020.

Introduction

Hendersonville is charting a path toward a future where every resident can find a home that is safe, stable, and affordable. We are guided by a clear vision that our community will be a one where everyone has a safe, stable, and affordable place to call home, where people take pride in where they live, where individuals from diverse backgrounds live harmoniously and where a variety of housing options exist to meet the full spectrum of community needs. The Strategic Housing Plan, which has been developed through a collaborative process that was initiated with the creation of a Strategic Housing Plan Steering Committee in March of 2024, translates that vision into actionable goals and objectives, prioritizing strategies and sequencing actions grounded in local data, expert input, and extensive community engagement.

The Plan organizes its work around four mutually reinforcing pillars designed to support affordable housing development in our community—Supply, Stability, Subsidy,³ and System—so that new homes, lasting affordability, targeted assistance, and strong civic capacity move forward together rather than in isolation.

How the Plan Is Organized: The Four “S’s”

- **Supply:** Expand the quantity and diversity of homes to meet demand and support mixed-income, mixed-use, and “missing middle” options where appropriate.
- **Stability:** Preserve affordability over time and reduce displacement risks through ownership households the market cannot serve on its own.
- **Subsidy:** Deploy public, private, and philanthropic resources to fill affordability gaps for households the market cannot serve on its own.⁴
- **System:** Build the City’s capacity, align policies and processes, and maintain accountability through transparent reporting and ongoing community engagement.

Alignment with DFI Site Strategy

At its core, the plan aims to keep Hendersonville a welcoming, livable community for people of all incomes and backgrounds by:

- **Expanding the supply and diversity of homes**—adding “missing middle” options, ADUs, and mixed-use/mixed-income development—so that current and future residents (including families, workers, seniors, and people with disabilities) can find attainable, well-located housing.

³ *Id.*

⁴ *Id.*

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- **Strengthening stability**—preserving existing affordable homes, improving housing quality, preventing displacement, and creating pathways to ownership (e.g., down-payment assistance, counseling), with particular attention to seniors, veterans, and households in Categories 1, 2 and 3.
- **Targeting subsidy**—mobilizing grants, potential bonds, recurring local funds, and partnerships to close feasibility gaps for permanently affordable housing and to provide household-level assistance where markets fall short.
- **Building the system**—establishing durable organizations (community land trust, land banking), hiring specialized staff, streamlining approvals, updating codes, and committing to transparent engagement and annual reporting so progress can be tracked and trust maintained.

By integrating best-practice principles (Supply, Stability, Subsidy, and System) with local data and resident priorities, the plan provides a practical, accountable path to meet today’s needs and prepare for tomorrow’s—adding the right homes in the right places, preserving community identity, and ensuring that prosperity is broadly shared across Hendersonville.

The plan was informed by three key inputs⁵: **a professional needs assessment by the UNC Development Finance Initiative (DFI), an expert housing policy presentation by Shane Phillips of UCLA, and extensive community engagement led by Fountainworks (including listening sessions and a public survey).** In essence, the plan identifies the scope of Hendersonville’s housing affordability problem, sets clear goals and targets, and outlines multi-faceted strategies – from zoning reforms to funding programs – to address those needs. Below is a synthesis of how the Housing Plan aligns with and responds to the needs, expert recommendations, and public input from those source documents.

- ▶ **Data-Driven Targets:** The Housing Plan sets ambitious numeric goals that directly respond to the DFI needs assessment. DFI’s analysis found a shortfall of roughly 2,000 affordable housing units for low- to moderate-income (Category 2/Category 3) households over the next five years, along with extremely low vacancy rates (under 2% for rentals) fueling the crisis. In response, the plan calls for adding about 3,000 new homes in the city by 2030, including 2,200 units reserved for Category 2/Category 3 households. Achieving this would raise the city’s share of regional housing growth to 18% and restore healthier vacancy rates (around 6% for rentals) to ease pressure. These targets show Hendersonville is proactively tackling the shortage quantified by DFI’s report.

⁵See, Appendices 1, 2 and 3.

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- ▶ **“Supply, Stability, Subsidy (and System)” Approach:** Echoing Shane Phillips’ recommended framework, the plan addresses housing through a three-pronged strategy – increasing housing supply, improving housing stability, and providing housing subsidies – with the addition of a fourth pillar focused on strengthening the housing system (the city’s internal capacity and partnerships). Shane Phillips had urged a balanced approach: expand housing supply through upzoning and streamlined development, protect renters and vulnerable residents for stability, and invest public resources to fill affordability gaps, implementing all simultaneously. This plan embraces this philosophy. It proposes broad zoning reforms to enable more homes (“supply”), programs to foster homeownership and permanent affordability (“stability”), new funding mechanisms and incentives (“subsidy”), and enhanced community engagement and coordination (“system”). This multi-faceted strategy was developed to avoid the pitfalls seen in high-cost cities by tackling the issue from all angles at once, as Phillips recommended.
- ▶ **Community-Informed Solutions:** The strategies in the Housing Plan closely reflect the priorities voiced by residents in Fountainworks’ public input report. Across multiple listening sessions, community members stressed a “lack of affordable and diverse housing options” in Hendersonville. They called for zoning changes to allow higher-density and “missing middle” housing, support for mixed-income developments, and protection against displacement. These ideas are directly integrated into the plan. For example, the plan includes actions to increase allowable housing density, reduce restrictive lot standards, and permit a wider variety of housing types in residential and commercial zones. It also calls for exploring inclusionary zoning (requiring a share of affordable units in new projects) and potentially regulating short-term rentals that pull homes off the long-term market – all measures the community indicated were important. Importantly, the plan places a strong emphasis on public education and transparency, committing to annual progress reports and ongoing outreach to build support for new housing initiatives. This responds to the Fountainworks findings that overcoming “NIMBY” resistance and misinformation through education is critical for success.
- ▶ **Addressing Identified Needs and Gaps:** The Housing Plan shows clear alignment with the specific needs identified by DFI and the community. For instance, DFI highlighted the housing challenges of seniors, people with disabilities, and families – noting that nearly half of low and moderate income households with unmet housing needs are seniors living alone, and many Category 1 families struggle to find suitable homes. The plan explicitly prioritizes these groups by setting an objective to provide a variety of housing options for families, singles, retirees, and people with disabilities. Another example: DFI’s assessment and public feedback underscored the impact of Hurricane Helene, which destroyed housing stock in vulnerable neighborhoods and displaced many residents. In response, the plan includes a dedicated objective to provide housing solutions for those displaced by catastrophic events, aiming to improve resilience against future disasters.

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Community members—especially in historically Black neighborhoods—feared displacement and loss of community character due to development. Acknowledging this, the plan emphasizes anti-displacement strategies like establishing a Community Land Trust to keep housing permanently affordable and community-controlled. It also proposes “community character mapping” workshops to ensure new housing fits neighborhood needs and to preserve cultural and historic identity. These measures show the plan’s sensitivity to the qualitative concerns raised in the public input sessions.

- ▶ **Increasing Housing Supply (Plan vs. Sources):** All sources agree that increasing the housing stock is paramount. The DFI report showed Hendersonville hasn’t been building enough to keep up with demand (households grew ~40% while housing units grew only ~20% in the past decade, and only a few hundred affordable units are in the pipeline). Public survey respondents overwhelmingly recognized the shortage; rapid population growth and lack of new supply were cited as major factors driving the affordability crisis. In line with this, the Housing Plan makes expanding supply its first pillar (“Supply”). It outlines concrete steps: updating zoning codes to allow duplexes, apartments, accessory dwellings, and other multi-family or “missing middle” homes in more areas; increasing allowable densities and building heights where appropriate; and simplifying the approval process for housing development. These efforts aim to open the door for private builders and nonprofits to create the ~3,000 new units needed. Shane Phillips had specifically urged cities like Hendersonville to “upzone” and permit more homes by-right, warning that overly restrictive single-family zoning leads to scarcity and higher prices. The plan follows this advice closely – for example, it calls for reducing minimum lot sizes and setback requirements (so more units can fit on available land) and expanding by-right development opportunities downtown and along key corridors. Community input strongly supports these changes: participants favored infill development and mixed-use projects that bring more housing while enhancing walkability and access to services. By incorporating those ideas, the plan’s supply strategy is both data-driven and community-endorsed.
- ▶ **Ensuring Stability and Preventing Displacement:** Beyond bricks and mortar, the plan focuses on keeping people securely housed amid growth and change. Shane Phillips emphasized “housing stability” – protecting renters from sudden displacement and supporting long-term residents – as a vital complement to building new units. He advocated tools like rent stabilization and just-cause eviction ordinances in high-cost areas. While North Carolina law currently limits such measures at the local level, this plan addresses stability in other ways. First, it puts a big emphasis on homeownership opportunities for low- and moderate-income households, setting a goal that at least 45% of new affordable units be owner-occupied. Facilitating ownership (through land trust homes, down-payment assistance, or local partnerships) gives families a stable stake in the community and protection from rent hikes.

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Second, the plan’s Community Land Trust (CLT) initiative directly targets long-term stability: a CLT will acquire land and maintain ownership permanently, selling homes to local residents at controlled affordable prices. This ensures those homes remain affordable for future generations and that residents cannot be easily displaced by market forces. Public input played a role here too – after visiting successful CLTs in other cities, the Housing Steering Committee and local stakeholders strongly recommended pursuing a land trust model, and community members broadly supported ideas to preserve existing affordable housing and prevent displacement. Additionally, the plan calls for expanding home repair and rehabilitation assistance for Category 1 and senior homeowners so they can safely “age in place” in their current homes instead of being pushed out. It even anticipates needs during crises: as noted, one objective is to have rehousing plans for residents displaced by disasters (like floods or fires). Finally, recognizing its limited authority over private leases, the city plans to advocate for state-level policy changes to empower more tenant protections (for instance, seeking legislative support for inclusionary zoning or other affordable housing tools). By focusing on ownership, permanent affordability, and supportive programs, the plan addresses stability in ways that fit local capabilities while pushing for broader changes that Phillips and the community deem necessary.

► **Affordability and Subsidy:** Funding the Solutions: The “Subsidy” component of the plan acknowledges that the market alone cannot produce housing affordable to many working families, seniors on fixed incomes, or vulnerable residents. DFI’s assessment underscored that over 80% of households with unmet housing needs in Hendersonville are Category 1, 2 or 3, meaning the private sector will not supply affordable units for them without incentives or assistance. The public input also reflected this reality: a significant majority of survey respondents agreed that public funds should help support affordable housing (for example, by investing in infrastructure for new homes or offering low-interest loans to housing developers). In response, the plan outlines a proactive funding and subsidy agenda. It proposes establishing dedicated local housing funds (exploring options like a housing bond referendum or annual budget allocations), aggressively pursuing state and federal grants, and partnering with philanthropic organizations. In fact, the planning process itself was jump-started by a \$100,000 grant from Dogwood Health Trust, demonstrating the kind of public-private collaboration the city seeks to continue. The plan also identifies specific subsidy programs: for instance, offering down-payment assistance or low-interest loans to help first-time homebuyers (particularly important for moderate-income workers who can afford a mortgage but struggle with upfront costs), and expanding rehab and weatherization grants to help Category 1 homeowners maintain safe housing. On the development side, the city intends to use carrots (and potentially sticks, if enabled) to create affordable units – density bonuses or streamlined permitting for projects that include affordable housing, and investigating mandatory inclusion of affordable units in larger developments.

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Shane Phillips highlighted many of these subsidy tools, such as direct construction subsidies, rental assistance, and even property tax abatements for affordable housing projects, as essential pieces of the puzzle alongside supply and stability measures. The plan’s comprehensive list of funding strategies aligns well with that advice. It effectively says: we will leverage every resource – municipal, state, federal, private – to make housing attainable, rather than expecting the market to solve it alone. Importantly, this approach had public backing: community members have voiced support for the city using funds and incentives to ensure housing for teachers, first responders, young families and others who are being priced out.

- **System and Implementation – Making It Happen:** Recognizing that goals and strategies mean little without follow-through, the Housing Plan dedicates a pillar to “System” improvements, which is about capacity-building, coordination, and accountability. This focus was influenced by both expert input and community expectations. Shane Phillips noted that solving housing issues requires political will and institutional capacity – essentially, local governments need to set up structures to deliver housing solutions long-term (e.g. housing trusts or dedicated staff) and to measure progress. Accordingly, this plan proposes expanding the city’s housing staff expertise, possibly by hiring a Housing Coordinator or HUD-certified specialist to oversee programs. It also calls for creating a centralized housing resource “clearinghouse” (e.g., a one-stop website or office) to help residents tap into available housing assistance, and for continuing strong partnerships with regional organizations, other local governments and nonprofits. The Strategic Housing Plan Steering Committee that guided this plan will transition into an ongoing advisory or oversight role, ensuring diverse community voices stay involved. Fountainworks’ facilitation highlighted how vital transparency and public trust are – citizens want to be kept informed and see results. In response, the plan commits to regular progress reporting and community updates. In fact, the city has already instituted a public dashboard for its strategic plan. This level of accountability was welcomed in the public input (residents expressed desire for more communication and education around housing efforts to build support). Another “system” element is improving coordination of policies – for example, ensuring land use plans, infrastructure investments, and economic development initiatives align with the housing goals (so that zoning changes are supported by water/sewer capacity, transit planning, etc.). Community feedback pointed out infrastructure as a constraint on housing, and the plan addresses this by pledging to seek infrastructure grants and consider upgrades in tandem with new housing projects. Ultimately, the plan’s System pillar is about creating an environment where the other three pillars – Supply, Stability, Subsidy – can succeed. It institutionalizes the housing affordability mission within city government, which increases the likelihood that the ambitious targets set by the plan will actually be met.

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What the Plan Includes

The plan brings together policy, program, and implementation tools in one coordinated framework. Specifically, it includes:

- A mission, vision, and values statement; quantified goals; and objectives that describe the outcomes residents want to see.
- Ten strategies and detailed action steps (with short-, mid-, and long-term timelines) covering: long-term organizational structures (community land trust and land banking), education and communication to build public trust, zoning and subdivision updates to enable a wider mix of housing, process improvements to speed approvals, ordinance updates to raise housing quality, capacity-building within the City, community character mapping, expanded funding capacity, household-level assistance for those up to 80% AMI, and public-private partnerships to deliver units and preserve affordability.
- A data and site-identification framework, drawing on the DFI Housing Needs Assessment, to guide where and how affordable housing can feasibly be produced and preserved, including priorities by household type, geography, and partner capacity.
- A prioritized implementation section, a reporting cadence, and an appendix with detailed action descriptions to ensure accountability and course correction as conditions change.
- Cross-references to the City's broader planning and code updates (e.g., Gen H Comprehensive Plan, property maintenance standards) to align housing actions with land use, infrastructure, and neighborhood goals.

In short, the plan is both a policy document and an action manual: it sets the vision, specifies the tools, and schedules the work in a way that the public and partners can follow and help deliver.

Glossary of Key Terms

On the following pages are plain-language definitions of the terms that appear in or underpin the Executive Summary of the Housing Plan.

Core Concepts and Metrics

- **Affordable Housing:** Housing that costs no more than 30% of a household's gross income, including rent or mortgage plus basic utilities. Households paying more than this are "cost-burdened"; more than 50% is "severely cost-burdened."

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- **Area Median Income (AMI):** The income level at which half of households in a region earn more and half earn less. Eligibility for affordable homes is often expressed as a percentage of AMI (for example, 60% AMI).
- **Housing Category:** A nomenclature to identify household income as a percentage of AMI. Note: LMI (low-to-moderate income) is a general term used to group Categories 1, 2 and 3 together, indicating that housing income is less than 80% AMI.
 - ▶ **Category 1 Housing:** Housing that is affordable to a household earning $\leq 30\%$ AMI.
 - ▶ **Category 2 Housing:** Housing that is affordable to a household earning 30–60% AMI.
 - ▶ **Category 3 Housing:** Housing that is affordable to a household earning 60–80% AMI.
 - ▶ **Category 4 Housing: [AKA Workforce housing]:** Housing affordable to households typically between about 80–120% of AMI (e.g., teachers, nurses, first responders). It is not necessarily subsidized but is priced below high market levels.
 - ▶ **Category 5 Housing:** Market Rate housing.
- **Unit:** A single housing residence (e.g., one apartment, one townhouse, one single-family home).
- **Vacancy rate:** The share of rental units that are currently unoccupied and available to rent. A “healthy” rental market often targets roughly 5–7% vacancy to ease pressure on rents.
- **Pipeline:** The collection of homes proposed, approved, or under construction but not yet completed.

Housing Types and Land-Use Tools

- **Missing Middle Housing:** Small-scale, multi-unit housing that fits within residential neighborhoods, such as duplexes, triplexes, fourplexes, townhomes, cottage courts, and small apartment buildings.
- **Accessory Dwelling Unit (ADU):** A secondary small home on the same lot as a primary residence (e.g., a backyard cottage or garage apartment).
- **Mixed-Use Development:** Projects that combine housing with other uses (retail, office, services) in the same building or site, typically in walkable areas.
- **Upzoning:** Changing zoning to allow more homes on a site (e.g., more units, greater height, or smaller lots) than previously permitted.
- **By-Right Development:** Projects that meet objective zoning rules and can be approved administratively without discretionary hearings, reducing cost and time.

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- **Dimensional Standards:** Zoning rules that set building size and placement (e.g., minimum lot size, setbacks, height, lot coverage).
- **Parking minimums:** Zoning requirements that mandate a certain number of off-street parking spaces per home; reducing or removing them can make housing easier and cheaper to build.
- **Short-term rental (STR):** A dwelling rented for short periods (e.g., via platforms), which can reduce the supply of long-term housing if not regulated.

Affordability Tools and Programs

- **Permanently Affordable Housing:** Homes kept affordable for current and future households through legal mechanisms (e.g., land ownership structures or deed restrictions) rather than only for a limited term.
- **Community Land Trust (CLT):** A nonprofit that owns land permanently and sells or rents the homes on it at restricted, affordable prices. Resale rules keep homes affordable for the next buyer.
- **Land Banking:** Acquiring and holding land (often vacant or tax-delinquent) for future housing, prioritizing community needs and affordability.
- **Naturally Occurring Affordable Housing (NOAH):** Existing, privately owned homes with modest rents that are affordable without public subsidy; often targeted for preservation to prevent rent spikes.
- **Inclusionary Zoning:** A policy that requires or incentivizes developers to include affordable homes in new projects. Note: Local authority to mandate this varies by state law.
- **Density Bonus:** Allowing more units, height, or floor area than base zoning permits when a project provides specified public benefits (e.g., affordable homes).
- **Fee Waivers/Reductions:** Lowering or waiving certain development fees for projects that include affordable housing to reduce total project cost.
- **Subsidy:** Public or philanthropic financial support to make homes affordable. Forms include:
 - ▶ **Capital Subsidy:** Funds to build or rehabilitate housing (grants, low-interest loans).
 - ▶ **Operating Subsidy:** Ongoing support to keep rents affordable (e.g., rent vouchers).
- **Homebuyer Assistance:** Down-payment and closing-cost help for first-time buyers.
- **Rehabilitation/Weatherization Assistance:** Grants or loans to repair and improve existing homes, often for Category 1 or senior households.
- **Housing Bond:** Debt issued by a local government, repaid over time, to finance affordable housing production or preservation.

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Stability, Equity, and Resilience

- **Housing Stability:** Policies and programs that help residents remain safely housed over time (e.g., eviction prevention, ownership opportunities, repairs to age in place).
- **Anti-Displacement:** Strategies to prevent residents or businesses from being forced out by rising costs or redevelopment (e.g., CLTs, preservation of NOAH, relocation assistance).
- **Aging in Place:** Enabling older adults to remain in their homes and communities safely and comfortably through accessibility upgrades, services, and financial supports.
- **Disaster displacement response:** Plans and programs to rehouse residents who lose homes to floods, fires, or other catastrophes, and to rebuild more resiliently.

Governance, Process, and Accountability

- **Housing Authority:** A public entity that can develop, own, or manage affordable housing and administer certain federal or state programs.
- **Public-private Partnership (PPP):** Collaboration between government, nonprofits, philanthropy, and private developers to finance and deliver housing.
- **Streamlined Permitting:** Process improvements (clear timelines, fewer discretionary steps, concurrent reviews) that reduce approval time and uncertainty for compliant projects.
- **One-Stop Housing “Clearinghouse”:** A centralized resource (website or office) that connects residents and partners to housing programs, applications, and assistance.
- **Key Performance Indicators (KPIs):** Specific, trackable measures used to monitor progress (e.g., units permitted, units affordable at each AMI band, funds deployed).
- **Community Character Mapping:** A participatory planning tool to document neighborhood history, identity, and design preferences, guiding context-sensitive growth.
- **Transparency and Public Dashboard:** Regular public reporting—often via an online dashboard—showing goals, actions, timelines, and progress updates.
- **Advocacy for Enabling Legislation:** Seeking changes in state law to expand local housing tools (e.g., broader inclusionary zoning authority or additional tenant-protection options).

Introduction

History of the Plan

Hendersonville’s housing strategy builds on several years of action, learning, and community partnership:

- ▶ **2020–2022:** The City advanced affordable housing and neighborhood revitalization through a \$750,000 CDBG award for Ashe Street rehabilitation, adopted a CDBG policy, funded projects like Apple Ridge, and began exploring zoning options and best practices, establishing a foundation of grants, policy development, and staff capacity.
- ▶ **2023:** City Council identified affordable housing as a top priority and secured a \$100,000 Dogwood Health Trust grant to develop a strategic housing plan; a Steering Committee representing builders, nonprofits, legal, real estate, government, and economic development was formed to guide the work.
- ▶ **2024:** The City launched broad public engagement—five listening sessions (business, seniors/veterans, nonprofits, Black community, Spanish-speaking community) and a community survey—capturing lived experiences, barriers, and solutions residents wanted to see; Hurricane Helene underscored urgency and the need for resilient, affordable housing options. The City also convened an Affordable Housing Summit in May where Shane Phillips presented the “Three S’s” (Supply, Stability, Subsidy), which Hendersonville expanded to add a fourth, System (capacity and accountability). The City contracted with UNC DFI in June to conduct a Housing Needs Assessment and Site Identification Process, completed in November and presented to the Steering Committee and City Council in November–December. The Steering Committee studied models (including community land trusts) and voted in September 2024 to recommend a CLT approach, informed by field visits and peer learning.
- ▶ **2025:** Staff assembled the Strategic Housing Plan with goals, objectives, strategies, and actions; Fountainworks facilitated Steering Committee review and prioritization on August 22, 2025, producing an implementation sequence and confirming alignment with community input and DFI findings. Throughout, the City hosted events, provided interpretation services, and made plan materials broadly accessible, reflecting an inclusive process inspired in part by lessons shared by Shane Phillips and other experts.

This record shows a plan shaped by data, community voice, expert guidance, and on-the-ground experience—evolving from early grant-driven rehabilitation projects to a citywide, system-level strategy.

Hendersonville's Housing Conditions, Future Need, and Community Input Summary

Current Housing Situation (DFI Assessment and Shane Phillips Data)

- ▶ **Tight Market, Large Unmet Need:** According to the DFI Needs Assessment, Henderson County needs an estimated 10,000 new homes over five years; within Hendersonville, at least 2,000–2,200 homes are needed specifically for low- to moderate-income (Category 2) households. Vacancy rates for both rentals and for-sale homes in the City are below 2%, far under the ~7% vacancy associated with a healthy market, indicating very limited options and elevated price pressure. Since 2012, households grew about 40% while housing units grew only 20%, widening the gap. At least 2,000 renters and 600 homeowners in the City have unmet housing needs, over 80% of whom have incomes in Categories 1, 2 or 3. Median home prices now exceed \$400,000, implying an income of roughly \$120,000 to purchase a median-priced home—triple the income required a decade ago. Rents in newer properties rose about 25% post-COVID, while many older rentals face quality issues. Short-term rentals account for roughly 5% of the City's housing stock. Employers report difficulty hiring at salaries even in the \$70,000–\$100,000 range due to housing costs. Vulnerable housing types, especially mobile homes (about 15% of county stock), provide vital affordability but are at risk. Hurricane Helene further reduced supply, including 44 public housing units taken offline.
- ▶ **Market and Demographic Context:** Data from 2020 presented by Shane Phillips indicates the following: Population grew ~15% from 2012 to 2020; housing units increased ~20% over that period. The rental share is high (about 52.5% renter), and vacancy tightened from 20.7% to 7.7% by 2020 (and tighter since per DFI), signaling much less slack in the market. Median rent rose ~22%, and the Zillow home value estimate rose from ~\$254,000 (2020) to ~\$414,000 (May 2024). The average household size fell from 2.3 to 1.9, with one-person households now about 47%—increasing demand for smaller, more affordable units. Income disparities are notable: median household income is ~\$50,000, with renters around \$38,000 and homeowners about \$65,000. A significant portion of county housing (about 6.2%) is vacant and associated with short-term or seasonal use, further constraining long-term availability. Barriers include historically single-family-dominant zoning, rising land costs, and the need for political will and funding to support affordable housing.
- ▶ **Age structure and special needs:** According to the DFI Needs Assessment, approximately 45% of households have a householder age 65+, and the 75+ cohort is the largest; one in five Category 2 households with unmet housing needs includes a member with ambulatory or independent-living challenges. Priority need groups include older adults (about 825 households), families younger than 62 (about 550 households, mostly renters), and younger individuals in the workforce (about 500 households).

Hendersonville's Housing Conditions, Future Need, and Community Input Summary

Trends Supporting Future Housing Need (DFI Needs Assessment)

- ▶ **Demand Continues to Outpace Supply:** Ongoing in-migration (about 40% of new households) and continued household formation will sustain high demand. Since 2012, construction has lagged behind the growth in the number of households, with new units increasing by only 20% while households grew by 40%. Low vacancy and rising prices/rents outpacing incomes are expected to persist without substantial new production across a range of types and price points.
- ▶ **Pipeline Mismatches:** Of roughly 5,700 units in the county pipeline, only about 330 are affordable to Category 2 households; 83% of rental pipeline units are in the City, but most new developments are only affordable to households in Categories 4 and 5, leaving the deepest needs unserved without subsidy.
- ▶ **Stock Conversion Pressures:** Short-term rentals remain material in scale—about 5% of the local stock—constraining long-term availability and amplifying scarcity. Investor and second-home demand also limit options for local residents.
- ▶ **Shifting Household Composition:** Smaller households and a high share of single-person households increase demand for smaller, more attainable homes (studios to two-bedrooms), “missing middle” formats, and accessible, one-level options for aging in place.
- ▶ **Disaster and Resilience:** Hurricane Helene damaged local housing, with many lower-income neighborhoods most affected. Replacing lost units and building in safer locations adds to future need.
- ▶ **Economic Impacts:** Employers, especially in health care and education, report recruitment and retention challenges due to housing costs, even among their higher earners, signaling broader economic stakes if supply and affordability are not addressed.

Hendersonville's Housing Conditions, Future Need, and Community Input Summary

Community Input Summary (Fountainworks Report and Appendix)

- ▶ **What Residents are Experiencing:** Widespread reports of being priced out, long waitlists, and difficulty finding safe, quality homes that align with incomes. Essential workers (teachers, nursing assistants, service staff) struggle to live where they work; seniors face rising taxes, repair needs, and limited accessible options; quality concerns persist in older rentals. Community members see STR growth, investor purchases, and zoning/infrastructure limits as reducing available homes and driving up prices.
- ▶ **What Residents Want:** Strong support for a broader mix of housing types—apartments, accessory dwelling units (ADUs), duplexes/fourplexes, cottage courts, townhomes, modular/manufactured and tiny homes—and for mixed-income, mixed-use infill near jobs, shopping, and services, recognizing that affordability depends on combined housing plus transportation costs. Many support upzoning, overlays, and infill to expand options while preserving community character through context-sensitive design. There is broad support for local investment (infrastructure, down-payment assistance, low/no-interest loans) and for partnerships among the City, County, nonprofits, faith organizations, and private developers.
- ▶ **Community Priorities:** Solutions for certain community groups emerged repeatedly—aging in place for seniors and veterans; language access and credit/financing pathways for Spanish-speaking households; missing-middle and workforce housing with anti-displacement protections in historically Black neighborhoods; preservation of manufactured home communities. Residents emphasized combating stigma, ensuring transparency, and sustaining public education to build trust.
- ▶ **Implementation Feedback:** Participants called for faster, clearer processes; zoning reforms that allow more by-right housing; incentives (and where feasible, mandates) for affordability; management of short-term rentals; and durable stewardship tools (e.g., community land trusts, land banking). Community input also helped reprioritize actions (e.g., moving permission for more housing types to the Short-Term and phasing engagement tools and reporting to ensure capacity) and affirmed the need for ongoing collaboration beyond city limits.

Together, these data and lived experiences show a present-day housing market that is undersupplied, increasingly expensive, and ill-matched to the incomes and household types prevalent in Hendersonville—conditions that, absent intervention, will intensify given demographic shifts, disaster impacts, and pipeline gaps. The community's recommendations align with evidence-based solutions and underscore both urgency and broad local support for expanding and diversifying housing, preserving existing affordability, and investing in people and places.

Introduction to Goals, Objectives, and Strategies

This section translates Hendersonville’s housing vision into clear direction: what the City intends to achieve (goals), the outcomes that define success (objectives), and the approaches and actions it will take to get there (strategies and action steps), all organized for accountability over the next five years. It builds on the plan’s guiding framework—the “Four S’s” of Supply, Stability, Subsidy, and System—which adapts nationally recognized best practice (the “Three S’s”) to Hendersonville by adding a deliberate focus on implementation capacity and accountability.

Grounded in local data and extensive community engagement, the goals, objectives, and strategies presented here respond to documented needs and the values residents articulated through surveys, listening sessions, and stakeholder work sessions, as well as to the feasibility insights provided by the DFI Housing Needs Assessment completed in November 2024. The development of this section was further shaped by a multi-year process of grants, committee deliberations, expert presentations, and peer-city learning, ensuring that what follows reflects both community priorities and proven methods.

To provide a clear roadmap, this section is structured as follows:

- ▶ **Goals:** Five measurable, plan-wide targets aligned to the Four S’s serve as benchmarks for progress and public reporting.
- ▶ **Objectives:** Sixteen objectives specify the outcomes Hendersonville will pursue—such as diversifying housing types, preventing displacement, expanding homeownership, and preserving existing affordable homes—to operationalize the goals.
- ▶ **Strategies and Actions:** Ten strategies and 40+ actions detail the policy, program, and process tools the City will deploy, each assigned to short-, mid-, or long-term timelines to sequence work and manage resources effectively.

Each goal, objective, and strategy in this section is traceable to the City’s shared vision and to the record: community input themes (affordability, diverse housing types, community character, sustainable infill, supportive infrastructure and policy), feasibility considerations (sites, market demand, and financing gaps), and expert guidance on balancing Supply, Stability, and Subsidy while building the System to deliver results. While homelessness is a critical, related challenge, the City will address it through a parallel strategy coordinated with county and regional partners; the goals, objectives, and strategies here focus on the broader housing system that supports affordability, quality, and choice for all Hendersonville residents.

Together, the elements that follow form a comprehensive, actionable, and measurable agenda— linking what the City will accomplish to how it will do so, and establishing the foundation for implementation, monitoring, and continuous community accountability.

Goals, Objectives, and Strategies

Plan Goals

The goals section translates Hendersonville’s housing vision into a concise set of measurable targets that direct policy, programs, partnerships, and investments over the next five years. Rooted in the plan’s commitment that everyone should have a safe, stable, and affordable place to call home—and organized around the “four legs of the stool” (Supply, Stability, Subsidy, and System)—these goals provide the framework that links community values to concrete outcomes and establishes how progress will be tracked and reported to the public.

- ▶ **Goal #1:** The City will grow its percentage of households to 18% of Henderson County’s Total Households over the next 5 years. To achieve this, the City will accommodate 3,047 units of the projected additional 4,300 Units needed countywide. *(Supply)*
- ▶ **Goal #2:** The City of Hendersonville will support building an additional 2,200 permanently affordable housing units to Categories 1, 2 and 3 households over the next 5 years, as identified by DFI. *(Subsidy)*
- ▶ **Goal #3:** At least 45% of the permanently affordable units (900 units) for Category 1, 2 and 3 households should be fee simple/owner-occupied. *(Stability)*
- ▶ **Goal #4:** The City of Hendersonville will maintain a average annual vacancy rate of 6% amongst rental housing and 3% amongst for sale housing in order to have an adequate supply of housing at all income levels. *(Supply)*
- ▶ **Goal #5:** The City of Hendersonville will incorporate transparency, public education and community feedback in each of its housing endeavors. *(System)*

Why These Goals Matter

- They reflect what residents said they need most—affordability, safety, accessibility, inclusion in the process, and non-displacement—so the City’s actions align with lived experience and community priorities rather than abstract benchmarks.
- They respond directly to documented conditions: tight vacancies, rising costs, and unmet demand across household types (seniors, families, people with disabilities, and the local workforce), ensuring the City focuses resources where they will have the greatest impact.

Goals, Objectives, and Strategies

- They embody widely accepted housing principles—growing the right kinds of homes (Supply), protecting residents and neighborhoods (Stability), investing where the market falls short (Subsidy), and building the capacity to deliver and be accountable (System)—so efforts are comprehensive and mutually reinforcing rather than piecemeal.
- They guide decisions and resource allocation—informing zoning updates, funding choices, partnerships, and implementation sequencing—while establishing clear metrics that enable transparent monitoring, course correction, and public trust over time.

By setting these goals up front, the plan ensures a shared direction for action, connects strategies to outcomes residents care about, and creates a practical basis for accountability as Hendersonville advances toward a more affordable, equitable, and resilient housing future.

Plan Objectives

To achieve its vision and goals, the strategic plan lays out a set of objectives that capture Hendersonville’s housing priorities for the coming years. These objectives reflect both data findings and extensive community input, ensuring the plan addresses practical needs and resident concerns. Major objectives include:

- **Diversify Housing Types:** Encourage a variety of housing options to serve the full spectrum of residents – from single professionals and young families to retirees and those with disabilities. This means fostering everything from apartments and townhomes to accessory dwelling units (granny flats) and “missing middle” housing (duplexes, triplexes, etc.) in appropriate neighborhoods.
- **Expand Affordable Homeownership:** Create more paths to homeownership for low- and moderate-income households to improve long-term stability. By increasing access to entry-level homes and assistance programs, the plan aims to help renters (including younger residents and families) buy homes and put down roots in the community.
- **Permanently Affordable Housing:** Prioritize development of housing that remains affordable for Categories 1, 2 or 3 households. This involves tools like community land trusts and deed restrictions so that a portion of new housing – whether rental or for-sale – stays affordable for future generations, not just the initial occupants.
- **Disaster Recovery and Resilience:** Provide housing solutions for residents displaced by catastrophic events (such as hurricanes or floods). Recent disasters like Hurricane Helene damaged many lower-income neighborhoods, taking dozens of affordable units offline. The plan addresses the need for temporary and replacement housing to ensure displaced families can remain in the community and quickly find safe housing.

Goals, Objectives, and Strategies

- **Neighborhood Integration & Anti-Displacement:** Integrate new housing in a way that preserves neighborhood character and minimizes displacement. The plan encourages mixed-income communities – so affordable units are spread throughout the city, not concentrated – and includes anti-displacement measures to help existing residents (especially in historic Black and working-class neighborhoods) stay in their homes even as improvements occur. This objective echoes community concerns about gentrification and the desire to maintain Hendersonville’s small-city charm while accommodating growth.
- **Reduce Regulatory Barriers:** Lower the barriers that hinder an adequate housing supply. This means revising zoning rules, speeding up permitting, and updating codes that have limited housing construction or added costs. By reforming restrictive policies (for example, single-family zoning or onerous parking requirements), the city can enable creative, denser, and more affordable development forms.
- **Promote Mixed-Use, Mixed Income and Infill Development:** Encourage mixed-use, mixed income and infill projects, especially in appropriate corridors and downtown areas. This objective aligns with the city’s comprehensive plan (Gen H) and community feedback favoring vertical development and reuse of underutilized lots for housing over sprawl. Mixed-use and infill housing can revitalize commercial areas, provide convenient access to services, and protect open space by building within the existing urban footprint.
- **Support Aging in Place:** Support seniors, the disabled, and veterans through housing choices that allow aging in place and accessible living. This includes promoting universally designed units, one-level living options, and support services so older residents and people with disabilities can remain in the community safely as their needs change. Naturally occurring affordable housing (such as older homes or mobile home communities) should be preserved and improved to continue serving as a resource for these groups.
- **Preserve and Improve Existing Housing:** Preserve existing affordable housing stock and promote naturally occurring affordable housing. Rather than only focusing on new units, the plan calls for rehabilitating substandard homes, extending the life of subsidized housing, and keeping existing naturally affordable units (older apartments, mobile homes) from being lost to redevelopment or neglect. Safe, well-maintained existing housing is a crucial piece of meeting affordable housing needs.
- **Retain Local Workforce and Youth:** Enable younger generations and local workers to live in Hendersonville. Many participants noted that children who grew up in Hendersonville, as well as teachers, first responders, and service industry workers, struggle to afford living there now. The plan prioritizes strategies (like moderately priced starter homes, workforce rental housing, and down-payment assistance) to keep and attract these individuals, which is vital for the city’s economic vitality and generational continuity.

Goals, Objectives, and Strategies

- **Build Partnerships:** Partner with employers, nonprofits, other local governments and regional agencies to support housing initiatives. Objectives emphasize collaboration with major employers (who need workforce housing), institutions like the county or Dogwood Health Trust, other local governments such as Henderson County, and nonprofits (Habitat for Humanity, Housing Assistance Corporation, and other housing organizations) to leverage resources and expertise. A collective approach will amplify the impact of city-led efforts and create a support network for residents.
- **Advocate for Policy Changes:** Support state and federal policy changes that give the city more flexibility and resources to promote affordable housing. Hendersonville recognizes some tools (like stronger tenant protections or certain funding mechanisms) may require legislative action beyond the local level. The plan includes advocating for pro-housing legislation and creative state programs to complement local strategies.
- **Community Support and Engagement:** Build broad community support for housing initiatives through outreach and education. Given some public skepticism and NIMBY attitudes, the plan makes it a priority to engage residents early and often. This includes dispelling myths about affordable housing, highlighting successful projects, and ensuring citizens have a voice in housing decisions. Gaining community buy-in is essential for smooth implementation of new housing developments and policies.
- **Support Local Builders and Innovators:** Strengthen the local construction industry and encourage innovative housing solutions. Objectives call for helping small-scale local developers navigate the building process, possibly through technical assistance or incentives, and encouraging pilot projects (like modular homes or tiny home communities) that could demonstrate new affordable housing models. By including builders on advisory boards and reducing red tape, the city can foster a more vibrant, inclusive development sector that delivers on community needs.
- **Support Infill Housing in accordance with the City's GenH Comprehensive Plan.** The City's GenH Comprehensive Plan calls for context-sensitive infill development which will accommodate future growth while respecting the character of both built and natural environments while maximizing the utilization of existing infrastructure and feasible service delivery which. This will align housing and land use targets resources where infrastructure exists, limiting sprawl. Focused infill yields more units, lower costs, and better access to services—a key to affordability.

These objectives collectively ensure the strategic plan touches on all facets of Hendersonville's housing challenge—increasing quantity and diversity of homes, improving affordability and access, safeguarding vulnerable populations, and engaging the community. They serve as a bridge between the high-level goals and the concrete strategies that the city will pursue.

Goals, Objectives, and Strategies

Plan Strategies

The strategies section translates Hendersonville’s housing vision into specific, measurable outcomes that guide policies, programs, and partnerships over the next five years. These objectives are grounded in the City’s values and “Four S’s” framework—Supply, Stability, Subsidy, and System—and are informed by local conditions, lived experiences from broad community engagement, and best-practice housing principles adapted to Hendersonville’s context.

Why these strategies matter:

- They focus action where the data show the greatest need—tight vacancies, rising costs, and unmet demand among low- to moderate-income households, seniors, families with children, and residents with disabilities—so investments deliver the most impact.
- They ensure solutions reflect what residents asked for: a wider variety of home types, mixed-income neighborhoods, anti-displacement measures, and transparent implementation with clear accountability.
- They operationalize proven principles—expanding the supply of homes, strengthening household stability, and targeting subsidies where markets fall short—while building the City’s capacity to execute, measure, and adjust over time.

Together, these strategies provide a practical roadmap that links Hendersonville’s vision to on-the-ground results, aligning community priorities, empirical need, and implementable strategies into a coherent plan of action.

Strategies and How They Work Together

This plan organizes its strategies under a unified framework—the Four S’s: Supply, Stability, Subsidy, and System—so that regulatory reforms, funding tools, organizational capacity, and community engagement reinforce one another to deliver affordable, diverse, and well-located homes across Hendersonville. Each strategy is implemented through specific actions; taken together, these actions increase the number and variety of homes, protect current residents, target resources where the market falls short, and build the City’s ability to execute and be accountable over time.

1. Develop long-term organizational structures for permanently affordable housing.

- What it does: Establishes durable stewards and tools—Community Land Trust (CLT), land banking, and housing authority powers—to secure sites, develop housing, and preserve affordability over generations. This institutional backbone ensures that public investments and donated/discarded land produce enduring affordability for renters and owners alike.
- Link to others: The CLT and land bank are the “receiving gear” for zoning-enabled sites (Strategy 3), City funding (Strategy 8), and nonprofit/private partnerships (Strategy 10), turning opportunities into long-term affordable homes rather than one-time wins.

2. Education and communication to build public trust.

- What it does: Deploys engagement tools, public education, annual progress reports, and an annual housing symposium; includes local builders and tracks measurable goals. These actions cultivate informed support, reduce misinformation, and maintain transparency throughout implementation.
- Link to others: Engagement smooths adoption of zoning updates (Strategy 3), supports neighborhood character mapping (Strategy 7), and sustains political will to capitalize the housing fund and pursue bonds (Strategy 8).

3. Zoning and subdivision ordinance amendments related to housing.

- What it does: Increases by-right capacity; reduces dimensional and parking barriers; legalizes diverse housing types (e.g., Missing Middle, manufactured, tiny homes, ADUs); creates affordability incentives and studies mandates; manages short-term rentals; and supports targeted infill. These reforms unlock more sites and formats so builders (including nonprofits and small local developers) can deliver attainable homes at scale and in context-sensitive ways.
- Link to others: Regulatory capacity only converts to homes when paired with streamlined processes (Strategy 4), funding (Strategy 8), and delivery partners (Strategy 10). CLT/land bank (Strategy 1) capture rezoning benefits to keep a share of homes permanently affordable, while character mapping (Strategy 7) guides where and how infill occurs.

Strategies and How They Work Together

4. Improve City policies and processes.

- What it does: Streamlines approvals, right-sizes staffing, and improves interdepartmental coordination to cut soft costs and shorten time-to-permit for qualifying housing. Predictable, timely reviews are a low-cost way to make more projects pencil out, especially those providing affordable units.
- Link to others: Efficiency amplifies the impact of zoning changes (Strategy 3) and City funding (Strategy 8), while better process clarity helps residents and builders engage productively through the education strategy (Strategy 2).

5. Evaluate and update other ordinance requirements.

- What it does: Rewrites the Minimum Housing Code, conducts cost/benefit analyses of requirements, and calibrates incentives so codes protect health and safety without unintentionally blocking attainable homes. This preserves quality while aligning rules with affordability outcomes.
- Link to others: Strong but workable standards complement stability programs (Strategy 9), and ordinance tuning can be targeted to the appropriate geographies identified through character mapping (Strategy 7).

6. Build internal capacity.

- What it does: Hires a HUD-certified specialist or housing coordinator, trains staff, creates a housing resource portal, partners with technical experts, and tracks development trends. This “System” capacity ensures the City can design programs, underwrite projects, enforce standards, and report results reliably over time.
- Link to others: Capacity is the execution engine for all other strategies—necessary to stand up CLT/land bank (Strategy 1), administer funding (Strategy 8), run individualized assistance programs (Strategy 9), and manage partnerships (Strategy 10).

7. Community character mapping.

- What it does: Uses workshops, local history, and neighborhood character maps to guide context-sensitive infill and mixed-income development while preventing cultural displacement. This aligns growth with neighborhood identity and values.
- Link to others: Character maps inform where zoning changes (Strategy 3) are applied first and how incentives (Strategy 8) and partnerships (Strategy 10) are targeted, and they depend on ongoing engagement infrastructure (Strategy 2).

Strategies and How They Work Together

8. Increase funding capacity.

- What it does: Leverages grants, evaluates a housing bond, commits recurring City funds, and utilizes federal programs (e.g., CDBG-DR/NR) to provide gap financing, preserve naturally occurring affordable housing (NOAH), and support homeowner/renter assistance. Dedicated, sustained capital closes feasibility gaps that supply-side reforms cannot bridge alone.
- Link to others: Funding enables CLT/land bank acquisitions (Strategy 1), supports deed-restricted units made feasible by zoning bonuses (Strategy 3), scales rehab and down-payment programs (Strategy 9), and strengthens partner-led production (Strategy 10).

9. Implement individual assistance programs (Categories 1, 2 and 3).

- What it does: Provides down-payment assistance, low-interest purchase/rehab loans, housing counseling, and expanded owner-occupied rehabilitation and accessibility upgrades. These stabilize current residents, create pathways to ownership, and preserve existing affordable homes.
- Link to others: Counseling and assistance draw on the City's capacity (Strategy 6) and funding (Strategy 8), complement code updates (Strategy 5), and ensure that benefits of new supply (Strategy 3) reach households most in need (goals and objectives on stability).

10. Leverage public and private partnerships.

- What it does: Coordinates with other government agencies, nonprofits for emergency housing, supports ADUs with loans and pre-approved plans, and redevelops aging affordable properties to higher-yield, mixed-income communities. Partnerships expand reach, add expertise, and accelerate delivery.
- Link to others: Partners help activate sites enabled by zoning (Strategy 3) and financed via City funds (Strategy 8), often placing units into CLT stewardship (Strategy 1). Pre-approved ADU plans pair efficiency (Strategy 4) with homeowner incentives (Strategy 9).

How These Strategies Support the Plan's Goals and Objectives

- **Advancing Supply:** Zoning/subdivision reforms, process streamlining, and partnerships enable more homes of varied types—duplexes, cottage courts, ADUs, manufactured and modular— especially in serviced corridors and infill areas, supporting objectives to diversify housing, supporting infill development, and accommodate growth while maintaining neighborhood character.
- **Strengthening Stability:** Code updates, owner rehab and accessibility, anti-displacement through character mapping, and permanent affordability via CLT/land banking protect existing residents, improve quality and safety, and expand homeownership pathways—directly addressing objectives to prevent displacement and raise long-term housing security.

Strategies and How They Work Together

- **Targeting Subsidy:** Grants, bonds, recurring City funds, and federal sources fill the feasibility gap for deeply affordable units and household-level assistance, aligning with objectives to serve Categories 1, 2 and 3 households and to preserve/produce affordable homes that markets alone will not deliver.
- **Building the System:** Dedicated staffing, training, expert partnerships, engagement infrastructure, annual reports, and measurable goals create the governance and accountability necessary to deliver at scale and course-correct—supporting objectives on transparency, community trust, and sustained implementation capacity.

Why This Integrated Approach Is Sound

- **Theory of Change:** The plan intentionally combines the “Three S’s” (Supply, Stability, Subsidy) with a fourth—System—so that adding homes does not trigger avoidable displacement, protections are backed by resources, and the City has the organizational muscle to execute. This alignment reflects expert guidance that the S’s must work together as a mutually reinforcing “stool,” not as standalone measures.
- **Evidence and Feasibility:** DFI’s needs assessment and site framework ensure actions are aimed where needs and feasibility intersect (household types, target geographies, viable densities, and realistic gap financing), maximizing the return on policy and funding choices while grounding objectives in documented local conditions.
- **Community Alignment:** Fountainworks’ survey and listening sessions shaped the objectives (diverse housing types, anti-displacement, accessibility, mixed-use infill, transparency), and the strategies operationalize those priorities with concrete, trackable actions and timelines, sustaining trust through ongoing engagement and reporting.

In short, the strategies are intentionally sequenced and interlocked: rules and processes enable projects; funding and partnerships make them feasible; organizational stewards keep them affordable; community engagement and character mapping tailor them to place; and City capacity and public reporting keep the whole system accountable. Together, they advance the plan’s goals and objectives to expand housing choice, protect residents, deploy subsidy wisely, and build a durable system that can deliver year after year.

Analysis of Strategies and Actions

Why Each Matters and How It Solves Housing Challenges in Hendersonville

This analysis walks through every strategy and action in the City’s Strategic Housing Plan, explaining why it is important and how it contributes to a comprehensive solution. The through-line is the “Four S’s” framework—Supply, Stability, Subsidy, and System—which integrates best-practice principles (Shane Phillips’ Three S’s) with Hendersonville’s data and community priorities. Together, these measures address root causes (insufficient and undiversified supply), protect current residents, invest where markets fall short, and build the City’s capacity to deliver results at scale and over time. All actions steps are categorized into Short-Term, Mid-Term and Long Term, meaning the general time frame within which work on the action step will begin. Short-Term items will begin within years 1-2, Mid-Term within years 3-4, and Long Term within year 5 of this Plan.

I. Develop Long-Term Organizational Structure to Support Permanently Affordable Housing

► 1.01 Establish a community land trust (CLT) (Short-Term)

This plan calls for setting up a community land trust (CLT) in the Short-Term. A CLT is a nonprofit entity that acquires land and keeps it permanently affordable by leasing it for housing at below-market rates. This helps maintain a stock of homes (for example, affordable townhouses or cottages) that remain affordable after resale. Hendersonville’s CLT can prioritize first-time buyers and local residents, ensuring public investments in housing serve many generations.

Why it Matters: CLTs remove land from speculation and preserve affordability across generations, directly addressing price pressures tied to rising land values and ensuring wealth-building via shared-equity homeownership for lower-income households. This is a cornerstone “Stability + Subsidy” tool supported by both local needs and national best practice.

How it Contributes: Creates a permanent steward to hold land, ground lease homes, and enforce long affordability periods—so public investments and discounted land convert into lasting affordable units for owners and renters. It also provides a vehicle for community partnerships (faith, nonprofit, employer) and right-to-return commitments in redevelopment.

► 1.02 Establish a community land banking system (Mid-Term)

By the Mid-Term, the city aims to create a land bank. This involves identifying and acquiring vacant or underutilized properties now, so they can be reserved for future affordable housing development. A land bank can strategically assemble parcels (especially in growth areas or near downtown) and dispose of them to affordable housing developers under favorable terms. This proactive approach addresses one barrier to housing – the cost and availability of land – and gives the city more control over where and how affordable units are built.

Analysis of Strategies and Actions

Why it Matters: In a tightening market, assembling and holding strategic sites is how a city stays ahead of speculation and prepares a predictable pipeline for affordable development aligned with priorities (household types, locations, feasibility).

How it Contributes: Secures well-located parcels near services/infrastructure for future mixed-income projects, making it possible to time delivery with funding cycles and to pair sites with CLT stewardship for permanent affordability.

► 1.03 Establish powers of a housing authority (Short-Term)

Early in the plan, Hendersonville City Council will adopt a resolution enabling the City to exercise the same powers that a housing authority can exercise. This move could enable the city to directly develop, own, or manage affordable housing (or partner in those roles) and apply for certain federal housing funds. Having those powers broadens the toolkit for creating and preserving affordable units (for example, the city could buy an apartment building to keep rents low).

Why it Matters: Housing authority powers expand the City’s toolbox to own, finance, and operate affordable housing, crucial where deep affordability is infeasible with private capital alone.

How it Contributes: Enables participation in federal programs, project sponsorship, and acquisition/rehab strategies—especially important for preserving NOAH and delivering deeply affordable units identified in the needs analysis.

2. Develop Education & Communication Strategies to Build Public Trust

Starting immediately, the plan calls for public education on housing initiatives. This means crafting a positive, fact-based narrative around housing affordability – for instance, sharing stories of who benefits from affordable housing (teachers, nurses, young professionals who grew up locally), highlighting successful mixed-income projects, and clarifying terms like “affordable,” “attainable,” and “workforce” housing. The city can use workshops, social media, and informational materials (in multiple languages, as needed) to broaden understanding. Educating property owners about available programs, such as tax exemptions or rehab grants, is another focus so that more people can take advantage of assistance. The goal is to build public trust and counteract misconceptions, as some community members initially fear that affordable housing might harm property values or neighborhood safety. By proactively sharing data and examples – such as the fact that safe, stable housing improves overall community well-being – the plan aims to cultivate a supportive environment for its initiatives.

Analysis of Strategies and Actions

► 2.01 Develop a community engagement tool for neighborhood feedback (Mid-Term)

By the Mid-Term, the city will develop formal community engagement tools to gather neighborhood input on housing projects and policies. These could include interactive online platforms, neighborhood liaison programs, or a rotating series of community meetings in different areas. The idea is to meet people where they are and solicit feedback on proposed developments or zoning changes, so that community values and concerns are considered early in the process. Such tools also serve to educate residents on housing needs and the trade-offs involved in policy decisions, fostering a more informed public discourse.

Why it Matters: Early, structured input reduces opposition, incorporates local knowledge, and aligns projects with neighborhood goals. Trust and buy-in are prerequisites for durable zoning and funding decisions.

How it Contributes: Produces actionable, place-specific feedback used to calibrate design, scale, and location; speeds approvals; and sustains political will for reforms and investments.

► 2.02 Provide public education on housing initiatives, programs and opportunities, and affordable housing tax exemptions (Short-Term)

Why it Matters: Many residents and owners lack clear information on programs (e.g., rehab aid, senior tax relief), undermining uptake and impact. Education combats stigma and NIMBYism with facts.

How it Contributes: Increases program participation, improves outcomes (e.g., successful rehabs, first-gen homebuyers), and builds a broader coalition for housing solutions.

► 2.03 Produce an annual housing progress report (Mid-Term)

To maintain transparency, the plan will produce annual progress reports on housing metrics and program outcomes. Each year, the city will publish data on how many units were built or preserved, how many families assisted, and where the city stands relative to its five-year goals. This report keeps leaders accountable and informs the public of tangible results.

Why it Matters: Transparent metrics create accountability, let the City course-correct, and build public confidence.

How it Contributes: Tracks units produced/preserved, funds leveraged, time-to-permit, and other housing indicators, informing prioritization and resource allocation.

► 2.04 Host an annual housing symposium (Short-Term)

An annual housing symposium or summit will be hosted to bring together stakeholders – city officials, developers, nonprofits, and residents – to discuss progress, share lessons, and refine strategies. This mirrors the successful Housing Summit that Hendersonville held during the planning process and institutionalizes that collaborative forum on a yearly basis.

Why it Matters: Regular convening of builders, lenders, nonprofits, employers, and residents spreads best practices and aligns efforts.

How it Contributes: Accelerates partnerships and problem-solving (e.g., employer-assisted pilots, lender products for ADUs/ITIN borrowers).

Analysis of Strategies and Actions

► 2.05 Support local small-scale developers and construction workforce (Mid-Term)

Why it Matters: Small, infill projects and a strong local trades base are essential to deliver “missing middle” housing at scale.

How it Contributes: Technical assistance and workforce partnerships grow delivery capacity, especially for scattered-site and rehab work.

► 2.06 Ensure local builders are represented on boards/committees (Short-Term)

Why it Matters: Practitioner input improves policy feasibility and reduces unintended barriers.

How it Contributes: Better, faster policy design and implementation that responds to field conditions.

► 2.07 Establish and track measurable goals (Short-Term)

Community engagement is not a one-off effort but a continuous loop in the plan. The city will maintain mechanisms (surveys, steering committees, public comment periods) to receive ongoing feedback as projects and policies roll out. If certain strategies are not working or unintended issues arise (for example, community opposition to a particular project), the plan allows for adjustments informed by community voices. This responsiveness helps prevent roadblocks – a point raised by the steering committee, which stressed anticipating potential challenges and being ready to adapt. Finally, local leadership has committed to being transparent and accountable for housing goals, meaning they will openly communicate setbacks or changes in course and celebrate successes with the public.

Why it Matters: Clear targets tie effort to outcomes and enable adaptive management.

How it Contributes: Keeps the whole system focused on production, preservation, and affordability levels.

3. Develop Long-Term Organizational Structure to Support Permanently Affordable Housing

► 3.01 Increase allowable density in appropriate locations (Short-Term)

The city plans to increase allowable residential densities in appropriate areas. This means zoning changes to let more units be built per acre – for instance, allowing small apartment buildings, townhomes, or cottage clusters on lots that formerly only permitted one single-family house. Higher-density infill development will be steered toward places with infrastructure and walkability (such as downtown, commercial corridors, and transit-adjacent sites) to create vibrant, mixed-use neighborhoods and protect rural open space. By broadly upzoning targeted zones, Hendersonville can welcome new housing without drastically altering neighborhood character lot-by-lot, and avoid land price spikes that happen when only a few parcels are eligible for growth.

Why it Matters: When demand outpaces supply, prices rise. Adding homes—especially near jobs/services—reduces cost pressures and transportation burdens.

How it Contributes: Unlocks production capacity in serviced corridors/centers, supporting mixed-use, walkable growth consistent with community input.

Analysis of Strategies and Actions

► 3.02 Reduce dimensional standards (lot size, setbacks, frontage) (Short-Term)

Along with use changes, the plan will ease certain development standards – for example, reducing minimum lot sizes, setbacks, and parking requirements that can unnecessarily limit the number of units or add costs. Smaller lot and yard requirements enable cottage courts or townhomes on land that would otherwise hold only one house. Lower parking minimums (especially in walkable areas or for senior and affordable housing) can free up land and budget for additional units or green space, acknowledging that not all households have multiple cars. These tweaks make it easier to achieve the higher densities envisioned, while still respecting safety and design considerations.

Why it Matters: Overly large lots and setbacks constrain infill and raise per-unit land costs.

How it Contributes: Enables cottage courts, townhomes, and small apartments on previously infeasible parcels, boosting attainable supply.

► 3.03 Support integrated “Missing Middle” housing (Short-Term)

Today, many residential areas are restricted to single-family homes; by removing those prohibitions, the city can promote “missing middle” housing that fits gently into neighborhoods and offers more affordable choices.

Why it Matters: Hendersonville’s household sizes are shrinking; demand is strong for duplexes, triplexes, townhomes, and small apartments that fit neighborhood fabric.

How it Contributes: Diversifies choices and price points without requiring large parcels or heavy subsidy.

► 3.04 Establish affordable housing incentives (density/height bonuses) (Short-Term)

To leverage the private market, the plan introduces affordable housing incentives into zoning. For instance, developers might receive density bonuses, height waivers, or fee reductions if they include a certain percentage of below-market-rate units in their projects. Such incentives encourage mixed-income developments and expand affordable rental opportunities without direct public expenditure.

Why it Matters: Incentives help private projects include rent-restricted units where mandates are limited by state law.

How it Contributes: Produces on-site affordable homes and mixed-income outcomes in market-rate projects.

► 3.05 Explore affordable housing mandates (inclusionary zoning) (Mid-Term)

The plan also leaves room to explore inclusionary zoning mandates in the mid-term – a policy that would require larger developments to set aside a share of units as affordable (or pay into a housing fund). While state law can affect these tools, Hendersonville intends to at least study their feasibility, reflecting strong community support for requiring developers to contribute to the affordable supply.

Why it Matters: Where legally feasible, inclusionary tools can secure affordability in strong markets.

How it Contributes: Ensures a steady stream of below-market units and contributions to a housing fund.

Analysis of Strategies and Actions

► 3.06 Regulate short-term rentals (STRs) and provide incentives for long-term rentals (Mid-Term)

In response to concerns that short-term vacation rentals (e.g. Airbnb) are removing homes from the local market, the plan includes actions to regulate and manage short-term rentals while offering incentives to encourage long-term rentals. Potential measures are limits on short-term rental permits, or controlling their location. By controlling short-term rentals, the city hopes to return some units to year-round housing use and prevent investor-driven price surges – an issue raised frequently in community meetings.

Why it Matters: STR growth can remove homes from the long-term market; right-sizing policy protects resident housing options.

How it Contributes: Returns units to year-round use and stabilizes rents in tight sub-markets.

► 3.07 Increase by-right development (Short Term)

Why it Matters: Discretionary processes add delay and risk, increasing costs and killing marginal projects.

How it Contributes: Predictable, administrative approvals shorten timelines and sharpen pro forma feasibility.

► 3.08 Permit more housing types (manufactured, tiny, modular) (Short-Term)

The plan commits to legalizing a wider range of housing types citywide. This includes permitting duplexes, triplexes, fourplexes, accessory dwelling units (garage or backyard apartments), modular homes, tiny houses, and manufactured homes in more zones. Community members specifically voiced support for alternatives like tiny homes and modular construction as creative solutions for affordability. Embracing these housing types can provide options at different price points and for different life stages without requiring large subsidies.

Why it Matters: Alternative formats can deliver lower construction costs and accessible entry-level homes.

How it Contributes: Expands choices for seniors, workforce, and first-time buyers; supports aging in place.

4. Improve City Policies & Processes (System)

► 4.01 Reduce approval timelines (Short-Term)

Simplifying and speeding up the permitting process is another regulatory reform in the plan. The city will review its development review procedures to eliminate unnecessary delays and ensure adequate staffing for quicker turnaround on projects. When approvals are predictable and efficient, developers (including nonprofits and small builders) can bring housing online faster and at lower cost, which ultimately benefits affordability. The Affordable Housing Steering Committee recommended moving this action to the earliest phase of implementation, underscoring its importance for jump-starting housing production.

Why it Matters: Time is money; long reviews inflate costs that flow to rents and prices.

How it Contributes: Cuts soft costs, encourages applications for affordable/mixed-income projects, and brings units online faster.

Analysis of Strategies and Actions

► 4.02 Right-size staffing levels (Mid-Term)

Why it Matters: Housing reforms raise application volumes and complexity; undersized teams cause backlogs.

How it Contributes: Adequate permitting/inspection capacity sustains predictable service levels and quality enforcement.

► 4.03 Increase efficiency (interdepartmental coordination) (Mid-Term)

Why it Matters: Siloed workflows cause rework and delay.

How it Contributes: Clear checklists, digital tracking, and coordinated reviews shorten the path to yes for compliant projects.

5. Evaluate Other Ordinance Requirements

► 5.01 Rewrite the minimum housing code (Mid-Term)

Why it Matters: Aging stock and substandard rentals threaten health/safety and erode affordability via deferred maintenance emergencies.

How it Contributes: Modernized standards and targeted enforcement improve quality, preserve NOAH, and support tenant stability.

► 5.02 Cross-departmental cost/benefit analysis of requirements (Mid-Term)

Why it Matters: Some well-intentioned rules (e.g., excessive parking, design mandates) can price out attainable homes.

How it Contributes: Data-driven adjustments keep health/safety protections while removing unnecessary cost drivers.

► 5.03 Identify incentives for Category 1–3 housing (Mid-Term)

The plan explores financial incentives to encourage the creation of affordable units. This might involve waiving or reducing development fees for affordable housing projects as an example. The community input process suggested using local tax dollars to support housing (e.g. infrastructure or loan subsidies) and offering tax relief to Category 1 seniors to ease their cost burden. In response, the plan includes studying incentive policies that align with those ideas, ensuring public funds are used where they have the greatest impact (such as lowering the cost of building or preserving affordable homes) but in accordance with applicable laws.

Why it Matters: Different income bands require different tools; one size rarely fits all.

How it Contributes: Calibrated incentives get the most affordable units per public dollar across income tiers.

Analysis of Strategies and Actions

6. Build the Internal Capacity of the City (System)

▶ 6.01 Hire a certified HUD housing specialist or Housing Coordinator (Mid-Term)

To drive implementation, the plan includes building internal capacity by hiring at least one housing specialist (such as a certified HUD housing specialist or a housing coordinator). This staff member will focus full-time on housing programs – coordinating projects, securing grants, and liaising with developers and nonprofits. In addition, existing staff will receive training in affordable housing policies and tools. Strengthening the city’s expertise ensures the ambitious plan has the human resources behind it to succeed.

Why it Matters: Residents need counseling to become mortgage-ready; programs need expert administration.

How it Contributes: Increases successful home purchases, program compliance, and access (e.g., language support).

▶ 6.02 Strategically support staff training (Short-Term)

Why it Matters: Implementing new tools (CLT, land bank, incentives) demands up-to-date skills.

How it Contributes: Better underwriting, monitoring, and enforcement across the portfolio.

▶ 6.03 Establish a City clearinghouse for housing resources (Mid-Term)

Why it Matters: Fragmented information deters eligible households from aid.

How it Contributes: A one-stop portal improves uptake for resources.

▶ 6.04 Partner with housing experts (e.g., DFI) (Short-Term)

Why it Matters: Feasibility, site vetting, and deal structuring are specialized; external experts extend capacity.

How it Contributes: Targets dollars to viable, high-impact projects and informs policy calibration with market intelligence.

▶ 6.05 Track development trends and KPIs (Short-Term)

Why it Matters: Markets shift; data must lead.

How it Contributes: Quarterly metrics drive timely course corrections and transparent reporting.

7. Perform Community Character Mapping

▶ 7.01 Community workshops (Mid-Term)

Why it Matters: Co-creating neighborhood visions builds legitimacy and reduces conflict.

How it Contributes: Produces place-specific guardrails (scale, form, transitions) that enable gentle density with community support.

Analysis of Strategies and Actions

► 7.02 Document community history (Short-Term)

Why it Matters: Historic neighborhoods face displacement risks.

How it Contributes: Embeds preservation/recognition into redevelopment.

► 7.03 Compile character maps (Long-Term)

Why it Matters: Policy without maps is abstract; maps guide real siting and inform decisions.

How it Contributes: Directs infill/zoning incentives to appropriate places and supports predictable, context-sensitive approvals.

8. Increase Funding Capacity (Subsidy)

► 8.01 Leverage public and private grants (Short-Term)

Hendersonville will aggressively pursue federal, state, and private grants to support housing projects. For example, the plan notes opportunities with Community Development Block Grant-Disaster Recovery (CDBG-DR) funds (for rebuilding housing lost to disasters), Community Development Block Grant- Neighborhood Revitalization funds, and partnerships with philanthropic organizations like Dogwood Health Trust. Early wins have already been achieved – the city secured grants for a housing needs study and an affordable housing project on Ashe Street– and the plan calls for continuing to seek such external funding. By leveraging outside dollars, Hendersonville can multiply its impact without bearing the full cost on local taxpayers.

Why it Matters: Grant dollars stretch local funds and are critical for deeper affordability.

How it Contributes: Funds acquisition, gap financing, rehab, and services; pairs with CLT/land bank to lock in permanence.

► 8.02 Establish a housing bond (Mid-Term)

A voter-approved bond could inject a large one-time capital infusion (potentially millions of dollars) into the housing fund to jump-start construction and land purchases. These local funds are crucial to match state and federal grants and to signal the city's commitment to the plan's goals.

Why it Matters: One-time, large-scale capital can jump-start production/preservation at meaningful scale.

How it Contributes: Finance-ready pipeline plus bond proceeds = hundreds of affordable units and preserved homes.

► 8.03 Public and private grant funding for bricks and mortar projects (Short-Term)

Why it Matters: Construction costs outpace what affordable rents support; capital grants close the gap.

How it Contributes: Makes deeply affordable and supportive projects pencil, especially post-disaster rebuilds.

Analysis of Strategies and Actions

► 8.04 Commit annual City funds (Short-Term)

The strategy includes having the City commit recurring annual funding to housing initiatives. Even modest contributions each year (for instance, dedicating a percentage of general fund or sales tax revenue) will build a reliable funding stream for programs like down payment assistance or property acquisition. Regular budgeted funds also help maintain staffing (like the housing specialist) and cover operating costs of new programs. This institutionalizes housing as a city priority long-term, rather than a one-time project.

Why it Matters: Predictable local dollars enable steady program delivery and match requirements.

How it Contributes: Stabilizes housing initiatives; signals sustained commitment to partners.

► 8.05 Utilize CDBG-DR (Short-Term)

Hendersonville will aggressively pursue federal, state, and private grants to support housing projects. For example, the plan notes opportunities with Community Development Block Grant-Disaster Recovery (CDBG-DR) funds (for rebuilding housing lost to disasters), Community Development Block Grant- Neighborhood Revitalization funds, and partnerships with philanthropic organizations like Dogwood Health Trust (9).

Why it Matters: Disaster recovery is a housing strategy when low-income neighborhoods are hit hardest.

How it Contributes: Replaces damaged stock with resilient, affordable units; supports relocation and right-to-return.

► 8.06 Utilize CDBG-NR (Mid-, Long-Term)

Early wins have already been achieved – the city secured grants for a housing needs study and an affordable housing project on Ashe Street– and the plan calls for continuing to seek such external funding. By leveraging outside dollars, Hendersonville can multiply its impact without bearing the full cost on local taxpayers.

Why it Matters: Neighborhood revitalization grants fund small but high-impact rehab and infrastructure.

How it Contributes: Improves safety/quality and preserves naturally affordable homes.

9. Implement Individual Assistance Programs Categories 1, 2, and 3

► 9.01 Down-payment assistance (DPA) (Mid-Term)

To boost homeownership, the plan proposes an individual subsidy program offering down payment or second-mortgage assistance to homebuyers with moderate incomes. By helping local renters buy their first home (through low-interest loans or grants), the city can make homeownership attainable for those who can afford monthly payments but struggle with upfront costs. This not only stabilizes those families but also frees up rental units for others. The plan schedules this program for the mid-term, allowing time to set up funding sources and program administration.

Why it Matters: Financial literacy and credit repair increase sustainable homeownership and reduce foreclosure risk.

How it Contributes: Improves loan performance and program accessibility (multilingual access, first-gen focus).

Analysis of Strategies and Actions

► 9.02 Low-interest loan options (purchase/rehab) (Mid-Term)

The plan also seeks to engage local banks and lenders to expand access to credit for homebuyers and small developers. Some residents expressed that they have trouble getting mortgages. By partnering with financial institutions, the city can encourage or underwrite loan programs that serve these groups – for example, guaranteeing a portion of certain loans or convening banks to create a shared risk pool. Similarly, the city can help de-risk development loans for affordable housing or provide seed money that attracts private investors into mixed-income projects. Mobilizing private capital alongside public money will be key to reaching the scale of investment needed for thousands of new units.

Another action is to develop low-interest loan options for home repairs and improvements, especially for Category 1 and senior homeowners. Many older homes in Hendersonville need repairs to be safe and livable, and seniors on fixed incomes may defer maintenance due to cost. A revolving loan fund or forgivable loan program can finance critical repairs (like fixing roofs or adding accessibility features) and thereby preserve affordable homes that are already in the community. Additionally, loans could help homeowners construct accessory dwelling units (ADUs) on their property, creating more rental housing – essentially a partnership where the city aids homeowners in becoming part of the affordable housing solution.

Why it Matters: High rates and credit barriers (including for ITIN borrowers) limit access.

How it Contributes: Makes safe rehab and attainable purchases feasible for Category 2 households and seniors aging in place.

► 9.03 Leverage public and private grants (Short-Term)

The plan recognizes the importance of housing counseling services to prepare residents for renting or owning homes. Actions include offering homebuyer education workshops, financial literacy classes, and tenant counseling. These services, possibly delivered via nonprofit partners or a city housing office, will help people improve credit, understand the homebuying process, and navigate landlord-tenant issues. By the mid-term, the goal is to have formal counseling and “ownership-readiness” programs in place as an integral support system for sustainable housing.

Why it Matters: Financial literacy and credit repair increase sustainable homeownership and reduce foreclosure risk.

How it Contributes: Improves loan performance and program accessibility (multilingual access, first-gen focus).

► 9.04 Expand owner-occupied rehab assistance through CDBG-NR and other programs (Mid-, Long-Term)

To improve existing units, the plan will expand owner-occupied housing rehabilitation assistance. This could involve increasing funding to programs that help Category 1 homeowners fix code issues or weatherize their homes (for energy efficiency). By year 3–5, the city aims to significantly increase the number of homes rehabbed annually. This strategy extends the life of affordable homes, enhances safety, and supports seniors aging in place. It also preserves the city’s older housing stock, which tends to be more affordable than new construction.

Analysis of Strategies and Actions

Why it Matters: Preserving existing affordable homes is often faster and cheaper than building new—and critical for seniors/disabled residents.

How it Contributes: Extends the life of NOAH, protects health/safety, and prevents displacement.

10. Leverage Public and Private Partnerships

► 10.01 Provide emergency housing support services (with nonprofits) (Short-Term)

Partnering with nonprofits to offer emergency housing services – such as shelter or rapid rehousing for people in crisis – as a complement to the city’s longer-term housing solutions. By formalizing these partnerships, the plan taps into community organizations’ strengths and spreads responsibility for housing across sectors. Also, while the plan is not a homelessness plan per se, it does touch on preventing homelessness through rental assistance and eviction prevention efforts. Partnering with agencies like Pisgah Legal Services, the city intends to support programs that provide emergency rent or utility aid, mediation between landlords and tenants, and legal assistance to prevent unjust evictions. Keeping at-risk families housed is far more cost-effective and humane than dealing with homelessness after the fact, and it aligns with the plan’s stability value.

Why it Matters: Disasters and sudden crises push vulnerable households into homelessness; immediate response prevents long-term harm.

How it Contributes: Rapid rehousing, shelter, and case management stabilize families while permanent solutions are developed.

► 10.02 Low-interest loans for homeowners to build ADUs/affordable rentals (Long-Term)

Why it Matters: Homeowners can be micro-developers if capital and templates are accessible.

How it Contributes: Adds gentle density, income for owners (stability), and new, more affordable rentals citywide.

► 10.03 Pre-approved ADU building plans (Long-Term)

Why it Matters: Standard plans cut design/time costs and simplify permits.

How it Contributes: Scales ADU delivery and expands by-right capacity into actual units on the ground.

► 10.04 Redevelop existing affordable housing (Long-Term)

Why it Matters: Some properties are obsolete or damaged; thoughtful redevelopment can add units and quality while honoring existing residents.

How it Contributes: Replaces low-yield sites with higher-yield mixed-income communities; pairs with CLT/land bank and right-to-return.

Analysis of Strategies and Actions

► 10.05 Regional and Cross-Jurisdictional Collaboration

Acknowledging that housing markets cross city lines, Hendersonville’s plan looks to collaborate with Henderson County and regional bodies. This may include coordinating on grant applications (for example, the city successfully obtained a Dogwood Health Trust grant for planning), aligning with county efforts to address homelessness, and sharing resources or best practices with neighboring jurisdictions. Such collaboration helps maximize resources and ensures strategies are complementary rather than working at cross purposes.

Why it Matters: Housing issues do not follow jurisdictional lines, and therefore must be addressed in collaboration with other local governments in our region.

How it Contributes: Such collaboration helps maximize resources and ensures strategies are complementary rather than working at cross purposes.

Integrated Impact: How These Pieces Solve the Housing Problem

- **Supply:** Zoning and process reforms (Strategy 3 and 4), site control (Strategy 1), ADUs (Strategy 10), and funding (Strategy 8) collectively translate capacity into thousands of new, context-sensitive homes that better match household sizes and incomes.
- **Stability:** Code updates, preservation/rehab, CLT stewardship, and counseling/DPA (Strategies 1, 5, 9) keep current residents safely housed and build pathways to ownership.
- **Subsidy:** Grants, bonds, CDBG-DR/NR, and calibrated incentives (Strategy 8 and 3.04/3.05) fill feasibility gaps for deeply affordable units and household-level aid.
- **System:** Staffing, training, KPIs, engagement tools, and annual reporting (Strategies 2 and 6) ensure accountable delivery, sustained public support, and timely adjustments as market conditions evolve.

This coordinated, evidence-based approach—grounded in DFI’s needs analysis, the community’s priorities, and the Three S’s—addresses both root causes and symptoms of unaffordability, building a durable housing ecosystem where Hendersonville residents at all income levels can find and keep a good home.

Implementation

This strategic housing plan is action-oriented, pairing each initiative with an implementation timeline and establishing systems for monitoring progress. Over the five-year span, the plan details what should begin in the short-term (years 1–2), Mid-Term (years 3–4), and by the long-term (year 5). This phased approach helps manage resources and allows mid-course corrections. Key timeline elements include:

- ▶ **Short-Term Actions (1–2 Years):** The plan’s initial phase focuses on high-impact foundational steps that set the stage for larger projects. In the first two years, Hendersonville will launch the community land trust, formally obtain housing authority powers, and initiate priority zoning reforms to allow more housing types by-right. Early zoning amendments (such as permitting duplexes and ADUs and raising density limits) are intentionally front-loaded to stimulate private development soonest. Short-term actions also include kicking off public education efforts, convening the first annual housing summit, and beginning to streamline development approvals (e.g. improving the permit process and adding staff capacity). These quick wins demonstrate momentum and start addressing the housing shortage while longer-term programs ramp up.
- ▶ **Mid-Term Actions (3–4 Years):** In the middle years, larger initiatives and programs come online. By year 3 or 4, the city expects to develop the land banking program and to consider adopting more complex policies like inclusionary zoning if feasible. Mid-Term is also when significant funding measures materialize – for instance, placing a housing bond referendum before voters or allocating substantial budget funds to the housing trust fund. Housing assistance programs such as down payment assistance and housing counseling are slated to be developed in this period as well. Additionally, the city will continue refining ordinances (like completing a comprehensive rewrite of the minimum housing code to strengthen enforcement of rental housing quality) and will use the results of early community engagement to do community “character mapping.” (Character mapping involves working with residents to document each neighborhood’s vision and priorities, guiding where and how new development should occur so that it enhances community character rather than detracts from it.) Taking these actions by year 4 positions the city to begin seeing tangible outcomes – hundreds of new units approved or built, a pipeline of affordable projects in development, and measurable improvements in housing conditions.
- ▶ **Long-Term Actions (Year 5 and Beyond):** By the fifth year, the plan aims to culminate in several capstone achievements. These include finalizing community character maps for all neighborhoods (a tool that will inform the next comprehensive plan or future zoning changes), rolling out any remaining programs (such as a library of pre-approved ADU building plans to make it easier for homeowners to add backyard cottages), and possibly redeveloping an aging housing site into a higher-density, modern affordable housing development, potentially in partnership with a nonprofit entity. Year 5 is also when the city will evaluate the need to renew or update the strategic housing plan. The expectation is that by then, many short- and mid-term projects will be completed or institutionalized, and Hendersonville can set new targets based on the progress made (for example, if the 3,000 new units goal is on track or achieved).

Implementation

Throughout all phases, the plan includes rigorous monitoring and evaluation. A set of Key Performance Indicators (KPIs) will track outcomes such as number of units permitted, number of affordable units created or preserved, funds spent or leveraged, vacancy rates, and the share of cost-burdened households. City staff will update these metrics regularly and use an internal dashboard to flag whether actions are “on track” or need attention. The annual housing report mentioned earlier is a critical transparency tool in this monitoring process, allowing officials and the public to see if the strategy is working as intended. If certain metrics fall short (for instance, if vacancy rates remain extremely low despite new construction), the plan mandates a review to diagnose issues and adjust tactics accordingly. Essentially, implementation is treated as a dynamic process – guided by the timeline but responsive to real-world results and challenges. This built-in flexibility and accountability means the strategic plan is not a static document on a shelf; it is a living roadmap that the city will actively manage over the five-year period.

Conclusion

In summary, this Strategic Housing Plan is a well-rounded response to the city’s housing challenges – and it didn’t emerge in a vacuum. The **DFI needs assessment** provided a factual foundation, quantifying the housing gap and spotlighting urgent needs, which directly shaped the plan’s targets and focus areas. The **Shane Phillips presentation** contributed a clear framework (Supply, Stability, Subsidy) and a sense of urgency, much of which is reflected in the plan’s structure (with the city adding a fourth “System” pillar to ensure implementation). Perhaps most importantly, the **Fountainworks public engagement report** infused the plan with on-the-ground perspectives and community-preferred solutions, from upzoning and mixed-income development to senior-friendly housing and anti-displacement measures. The resulting Housing Plan Summary is highly consistent with these inputs: it seeks to increase housing choice and quantity, keep homes affordable and residents secure, invest public resources wisely, and do it all in partnership with the community.

Going forward, the true measure will be execution. But residents can take heart that this plan was **built on local data, expert guidance, and their own voices** – giving it a strong chance of making a meaningful difference. As Hendersonville implements the plan’s multiple action steps in the coming years, continued community involvement and adaptive management (adjusting strategies as conditions change) will be key. By staying aligned with the principles and insights that shaped this plan, Hendersonville is positioned to move toward its vision of “a community where everyone has a safe, stable, and affordable place to call home.”



CITY OF HENDERSONVILLE
STRATEGIC HOUSING PLAN
2025-2030