

AFFORDABLE HOUSING

Overcoming Challenges in Our
Community

Asheville Affordable Housing Advisory Committee
May, 2014

What is “Affordable” Housing

- **Housing for people with income below 80% of area median**
- **and that costs the residents no more than 30% of their gross income**

Who would qualify for affordable housing?

- 80% of the County Median Household Income
 - 1 person: \$31,100
 - 2 persons: \$35,550
 - 3 persons: \$40,000
 - 4 persons: \$44,400
 - 5 persons: \$48,000
- Adjusted Annually by HUD

Why We Need Affordable Housing in Asheville

- Low wages
- Housing Costs
- Transportation Costs

Low Wages

- Retail Trade and Accommodation & Food Services have provided more than 26% of all new jobs created in past year
- Jobs paying an average annual wage of less than \$25,000 comprise 31% of our workforce

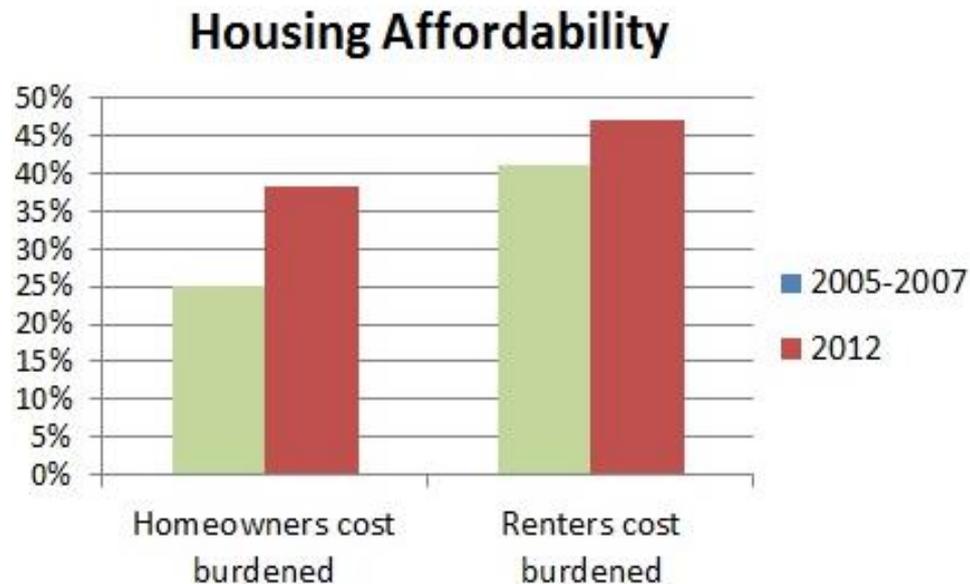
| | Average Employment | Average Weekly Wage | Average Annual Wage |
|--|---------------------------|----------------------------|----------------------------|
| | Average Employment | Average Weekly Wage | Average Annual Wage |
| Retail Trade | 15,373 | \$453 | \$23,556 |
| Accommodation and Food Services | 14,585 | \$314 | \$16,328 |

Red shading = Unable to afford Fair Market Rent

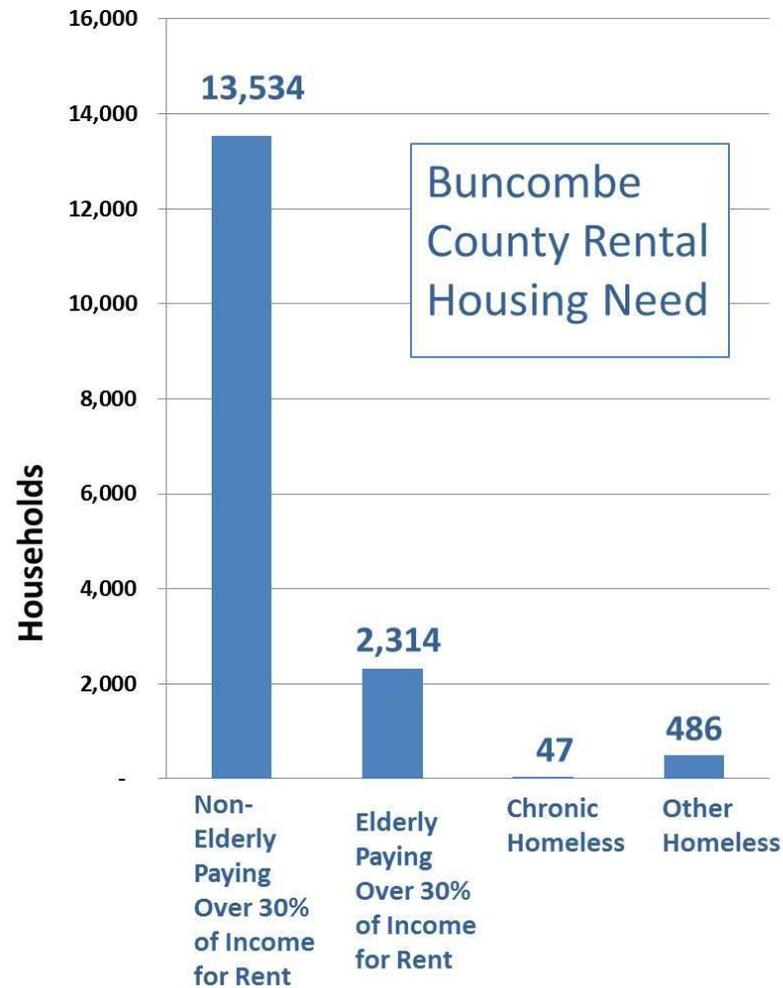
| | Mean Hourly Wage | Employment | % of Total | Efficiency | Bedrooms | | |
|--|------------------|------------|------------|------------|----------|---|---|
| | | | | | 1 | 2 | 3 |
| Total all occupations | \$17.14 | 116,920 | | | | | |
| Retail Salespersons | \$10.71 | 4,690 | 4.0% | | | | |
| Food Preparation & Serving Workers | \$8.08 | 3,780 | 3.2% | | | | |
| Registered Nurses | \$28.96 | 3,630 | 3.1% | | | | |
| Cashiers | \$8.45 | 3,350 | 2.9% | | | | |
| Waiters & Waitresses | \$8.90 | 3,250 | 2.8% | | | | |
| Home Health Aides | \$10.57 | 2,310 | 2.0% | | | | |
| Stock Clerks & Order Fillers | \$10.74 | 1,970 | 1.7% | | | | |
| Laborers, Freight, Material Movers | \$11.08 | 1,930 | 1.7% | | | | |
| Secretaries | \$13.74 | 1,900 | 1.6% | | | | |
| Janitors & Cleaners | \$9.84 | 1,740 | 1.5% | | | | |
| Office Clerks, General | \$11.73 | 1,720 | 1.5% | | | | |
| Customer Service Representatives | \$13.14 | 1,700 | 1.5% | | | | |
| General & Operations Managers | \$49.62 | 1,600 | 1.4% | | | | |
| Cooks, Restaurant | \$10.42 | 1,500 | 1.3% | | | | |
| Supervisor/Mgr of Retail Sales Work | \$17.62 | 1,450 | 1.2% | | | | |
| Bookkeeping & Accounting Clerks | \$15.20 | 1,390 | 1.2% | | | | |
| Maids & Housekeeping Cleaners | \$8.77 | 1,310 | 1.1% | | | | |
| Executive Secretaries & Admin Assts | \$16.55 | 1,270 | 1.1% | | | | |
| Truck Drivers, Heavy/Tractor-Trailer | \$18.11 | 1,200 | 1.0% | | | | |
| Receptionists & Information Clerks | \$11.39 | 1,180 | 1.0% | | | | |

Housing Costs

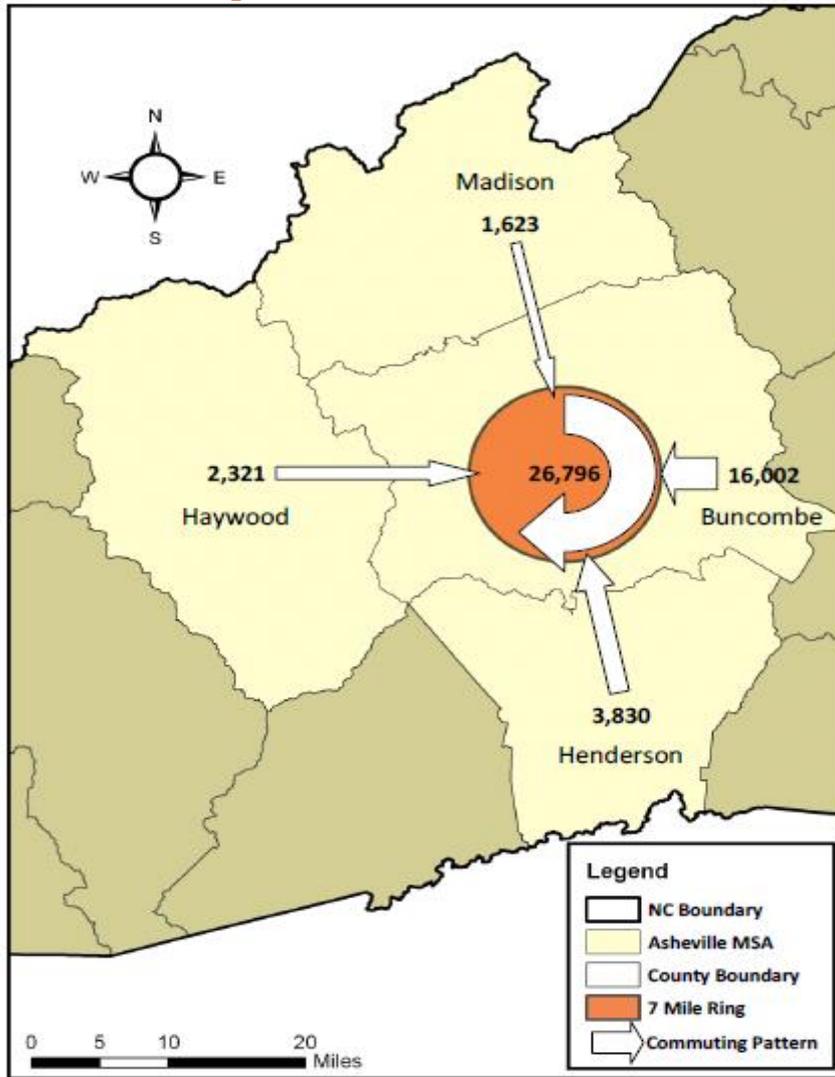
- A high percentage of households are “cost burdened” (i.e. pay more than 30% of their income for housing costs):
 - 38.2% of homeowners with a mortgage
 - 47% of renters



Housing Costs



Transportation Costs



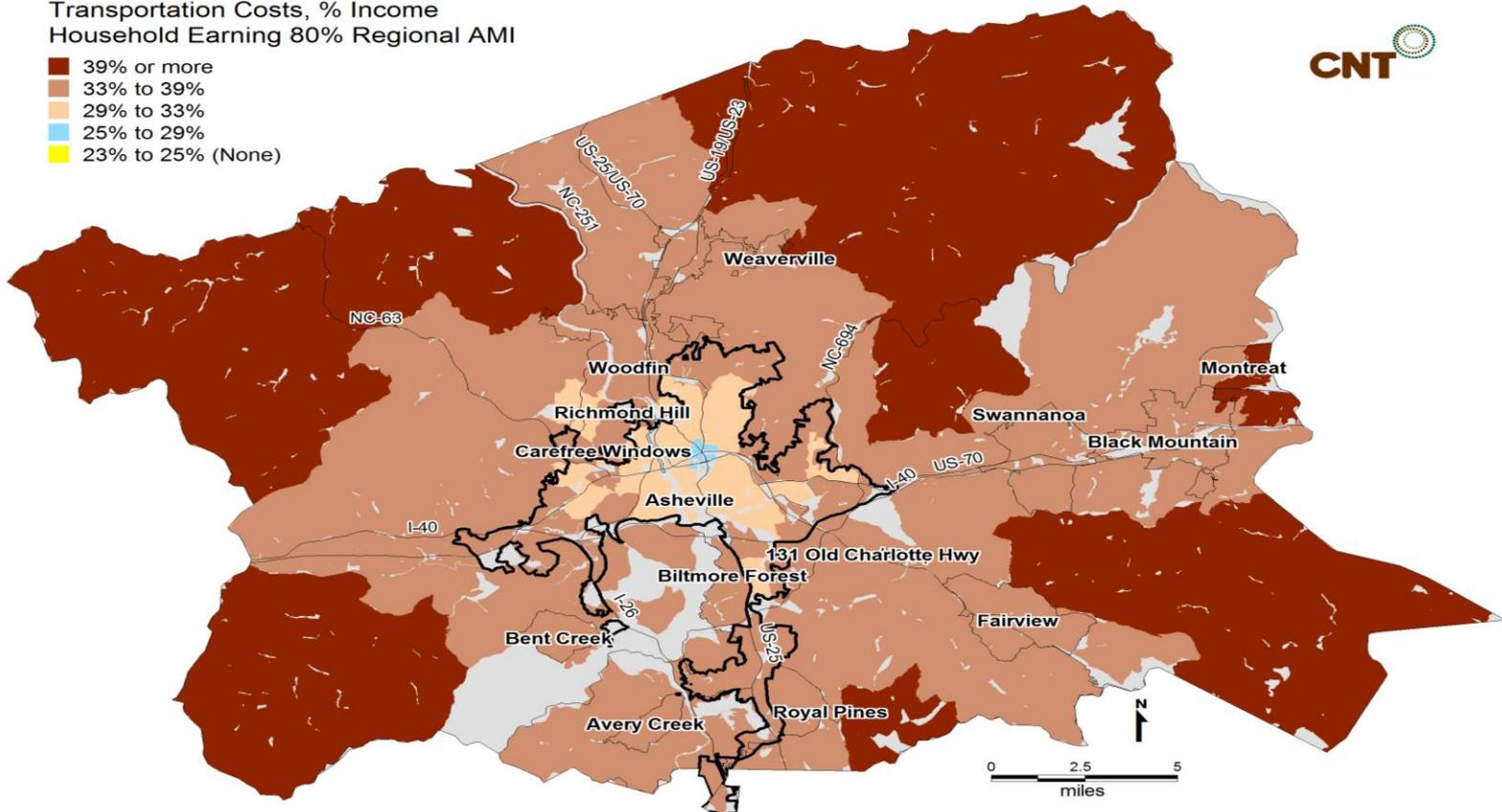
45% of Asheville's workers commute more than 7 miles each way

From "A Long Way From Home," 2010

Transportation Costs

Transportation Costs, % Income
Household Earning 80% Regional AMI

- 39% or more
- 33% to 39%
- 29% to 33%
- 25% to 29%
- 23% to 25% (None)



Transportation costs eat up 25% or more of the gross income of ALL Asheville Households earning less than 80% of median income

Challenges to Create Affordable Housing

- Rising Prices of Existing Homes
- Availability and Cost of Land
- Cost of Construction
- Density
- Neighborhood Opposition
- Reduced Public Financial Support

Rising Prices of Existing Homes

Median Sales Price of Homes in Asheville and Buncombe County



The City of Asheville Median Housing Sales Price has almost returned to its 2007 level

2011 2012 2013

—●— City of Asheville —●— Buncombe County (not inc Asheville)

The median sale price for a buildable single family lot in 2013 was \$67,000.

Map List

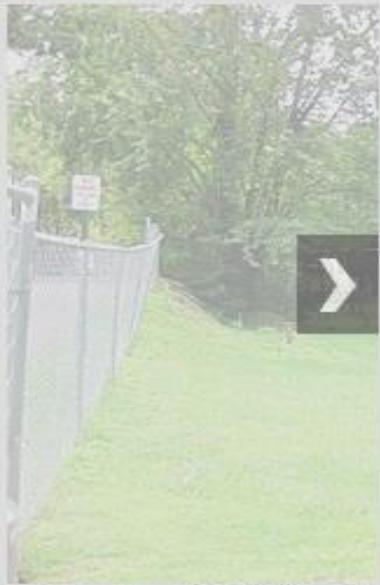
Report Listing



x Close



View larger



Bird's Eye



Street View

40 Short Madison Ave Asheville, NC 28801

6,098 sqft

🏠 Lot/Land: \$60,000

Est. Mortgage: \$230/mo

[See current rates on Zillow](#)

A Bad Credit Score is 598, See Yours for \$1

-Flat building lot just a short distance from downtown, Greenlife, and Trader Joe's. The parcel has already been split and recorded from original PIN, taxes TBD. Buyer to verify water and sewer access.

Get more information



Robbie McLucas

★ ★ ★ ★ ★ (0)

4 Recent sales

Listing Agent



Amanda Boren

★ ★ ★ ★ ★ (5)

6 Recent sales

Compare Types with 18,000 units

(this is 23% of County's projected growth to 2025)



| | Urban Lowrise | Subdivision | % Difference |
|---------------------------|----------------------|----------------------|---------------------|
| Acres | 300 | 39,419 | 13,040 |
| Annual Resouce Use | | | |
| Miles Driven | 92,100,000 | 526,285,714 | 471 |
| Gasoline Used | 4,210,286 | 23,682,857 | 463 |
| Kw Utlities Consumed | 257,880,000 | 460,500,000 | 79 |
| Lbs. Of CO2 Created | 171,042,857 | 644,700,000 | 277 |
| Local Taxes Pd | \$178,937,143 | \$171,042,857 | (4.41) |

*ignored extra cost to government for water, sewer, fire, police, roads.

• Density

**“Asheville City Council
passes Larchmont
Project”**

**“Development fears aren't
always realized”**



Neighborhood Opposition

Challenges to Create Affordable Housing

- Public Funding Issues
 - Declining Federal Support
 - Federal and State Policies and Regulations
 - Local Budget Priorities

Affordable Housing Changes Lives



Even a week after we moved in, the girls still got teary eyed, still not believing that they had their own rooms and their own home,” said Treva. “For three girls and to provide this for them is amazing to me to be a single mother and something single parents don’t ever think they could ever achieve, ” said Treva. “ I could only picture this happening with my entire family.

Affordable Housing Changes Lives



Having an affordable, safe place to live has been my key to staying in Asheville and continuing to invest in this community. If I didn't have this opportunity, I would have to live somewhere else – either far out in the county where rent is more affordable or another city altogether. There isn't a week that goes by that I don't take stock of my blessings and I consider my home to be near the top of the list.

Affordable Housing Changes Lives

I think of all the amazing and valuable people who've essentially been pushed out of Asheville because the wages are too low and the cost of living too high. I'm fearful of the trend towards gentrification that seeks to homogenize a city that is a renowned tourist destination because of its eclectic community. Affordable housing is vital to attracting and retaining talented people in our city, to fostering diversity, and to keeping Asheville weird.



What Can be Done?

- Adequate Funding
- Increase Density
- Public Support for Ancillary Costs such as Fees and Infrastructure
- Make Land Available
- Expand Transportation Modes
- Explore New Tools

Affordable Housing Advisory Committee Recommendations

GOAL #1:

- The City's Housing Trust Fund should be increased starting in budget year 2014-2015 until it reaches the goal of 1¢ per \$100 assessed value of all property in the City.

Affordable Housing Advisory Committee Recommendations

GOAL #2:

- The City of Asheville should increase density for affordable housing throughout the City, and should change land use regulations to encourage affordable housing in more zoning districts.
 - Adopt Inclusionary Zoning
 - Promote Accessory Unit Development

Affordable Housing Advisory Committee Recommendations

GOAL #3:

- Permit and other development fees for affordable housing projects should be waived in full

GOAL #4:

- A cost sharing plan for utilities, roads, sidewalks, and other infrastructure should be offered for affordable housing development.

Affordable Housing Advisory Committee Recommendations

GOAL #5:

- Increase land available for affordable housing.
 - Evaluate currently owned City property and make available for affordable housing development.
 - An affordable housing land bank should be created to hold land in reserve in strategic areas (near transit lines, grocery stores, services, etc.).
 - Land for development can be offered through a competitive bidding process.

Other Key Issues

- Build Community Support for Affordable Housing
- Improve Public Transportation Services
- Explore other models of housing affordability
- Adopt Living Wage Policies

Affordable Housing Advisory Committee

- Members:

Lindsey Simerly, Chair

Brian Alexander

Mae Creadick

Scott Dedman

Jayden Gurney

William Irby

Barber Melton

Robin Raines

- Meetings: First Thursday of the month, 8:30 AM, fifth floor, City Hall
- Information: Contact Jeff Staudinger, Community Development Director

828-259-5723, jstaudinger@ashevillenc.gov