



COMPREHENSIVE AFFORDABLE HOUSING STRATEGY

October Work Session

Strategy

The **Comprehensive Affordable Housing Strategy** is envisioned as a “living strategy” that will guide ongoing work related to affordable housing policies and programs. Adoption of the strategy will inform annual work program priorities aimed at continual action, monitoring and evaluation to expand housing opportunities through a variety of tools and coordinated initiatives.

Purpose of Strategy

- Strengthen the city's affordable housing programs for low- and moderate-income households
- Continue the development of a housing crisis management system to prevent and end homelessness
- Expand housing opportunities for middle-income households
- Explore innovative approaches to providing additional housing and a broader range of housing options, particularly for housing needs not being met by the market
- Prioritize action items that provide the highest return on investment as measured by number of affordable units, percentage of permanently affordable units, contributions to long-term economic and tax base growth, and sustainability

Work Session

City Council is being asked to:

- Provide feedback on the draft goals and assumptions outlined in the framework
- Consider an affordable housing goal for FY2014-2015
- Identify short- and long-term priorities that need to be incorporated into the city's work plan
- Provide direction on the prioritization of action items, projects and policy recommendations

Staff will edit the strategy based on Council's direction today and bring it back for adoption.

Background



- Current and Projected Affordable Housing Need
- Existing plans and policies
- Tools and resources
- Alignment with other plans and efforts
- Affordable Housing Scorecard: How are we doing?

What is Affordable Housing?

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

What is Affordable Housing?

What would affordable housing cost?

	Family Size	Utility Allowance	Max rent at 80% AMI	Max rent at 60% AMI
0 BR	1	60	725	428
1 BR	2	77	819	606
2 BR	3	95	914	719
3 BR	4	117	1,003	922
4 BR	6	146	1,154	1,044

Current and Projected Need

- Low wages
- Housing Costs
- Transportation Costs

Low wages

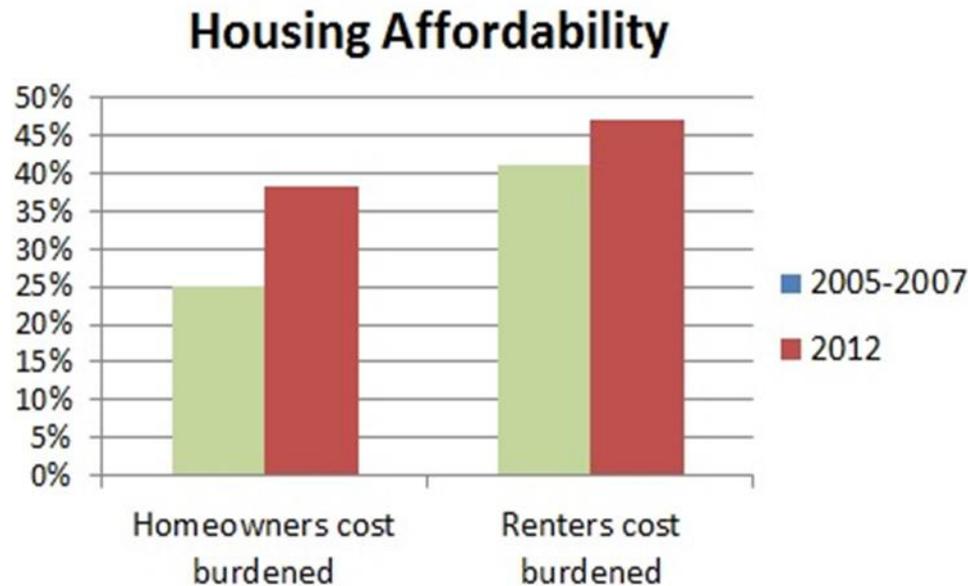
Low Wages

- 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

Housing Costs

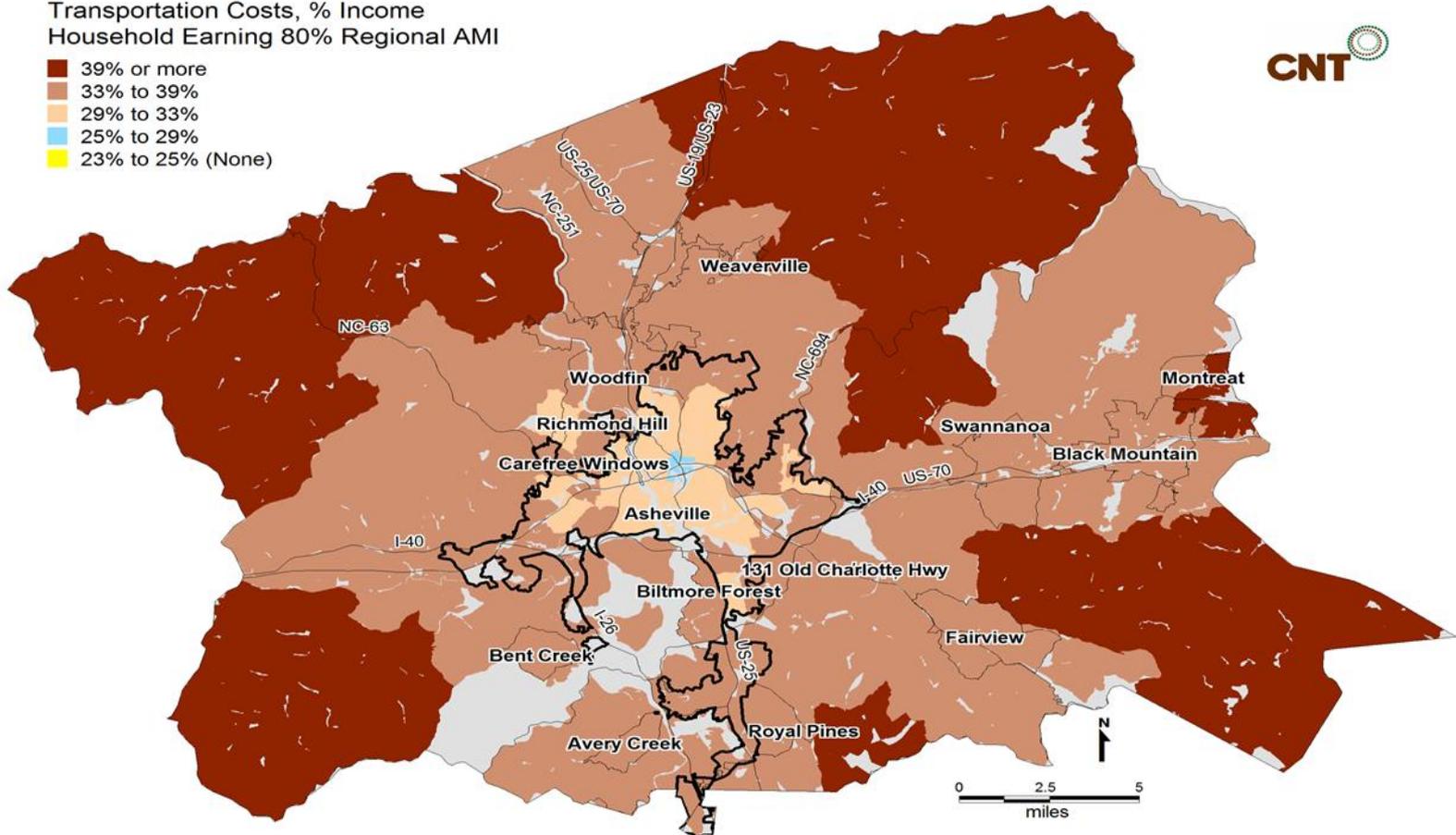
- A high percentage of households are “cost burdened” (i.e. pay more than 30% of their income for housing costs):
 - 38.2% of homeowners with a mortgage
 - 47% of renters



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)



Affordable Housing Scorecard:

Findings

- The city of Asheville
 - is outperforming annual targets for affordable housing production and assistance
 - is outperforming all four comparison cities: Greenville, SC, Wilmington, NC, Chapel Hill, NC and Durham, NC
 - is using its state and federal grant dollars efficiently
 - Housing Trust Fund and rebate programs have been very effective at assisting developers to make affordable housing development feasible
 - has the political support as well as institutional/organizational capacity to tackle the affordable housing challenge
- The local community development corporation, Mountain Housing Opportunities, has efficiently and effectively utilized Housing Trust funds, LIHTCs, HOME funds, NeighborWorks funds, and other funding to produce affordable rental and for sale housing

Affordable Housing Scorecard: Recommendations

- *Permanent affordability*
- *Housing Trust Fund and dedicated funding for affordable housing*
- *Identify opportunity areas*
- *Neighborhood Planning*
- *Economic Development and Workforce Development*
- *Continue and expand affordable housing coordination with Buncombe County*
- *Expand affordable housing network*

Assumptions

- ❑ Build on Asheville's existing policy context
- ❑ There are no single solutions
- ❑ Low- to middle-income focus
- ❑ Continued focus on greatest need: affordable rental apartments
- ❑ Only considers land in the city's service area
- ❑ Increase supply through infill and redevelopment
- ❑ Support strong and diverse neighborhoods
- ❑ Housing near to jobs, schools and services enhances affordability
- ❑ Asheville needs to grow "in and up"

Assumptions

Are the assumptions correct and reflective of City Council's vision?

Are there any important assumptions we are missing?

Goals

Strengthen Our Current Commitments

- Reach or exceed Asheville's goals to serve people of in all life stages, incomes and abilities; adopt production goals that are ambitious and achievable

Maintain the Middle

- Provide greater variety of housing choices for middle-income families and for Asheville's workforce.

Create Diverse Housing Choices in Every Neighborhood

- Facilitate the creation of a variety of housing options in every part of the city, including existing single-family neighborhoods and commercial districts.

Create Vibrant Neighborhoods

- Foster mixed-income, mixed-use, highly walkable neighborhoods in amenity rich locations (e.g., close to transit, parks, open space and trails, employment, retail services, etc.) to maximize locational efficiency

Strengthen Partnerships and Leverage Resources

- Strengthen current partnerships and explore creative new public-private-partnerships to address our community's housing challenges

Goals



Are the goals correct and reflective of City Council's vision?

Are there any important goals we are missing?

Action Items

□ **Initiatives underway**

- ▣ UDO Wording Amendment to allow housing density in commercial districts
- ▣ Affordable Housing Trust Fund Cycle for FY2014-2015
- ▣ Economic Development Capital Improvement Plan (EDCIP)
- ▣ Eagle Market Place, Hudson Hills Developments
- ▣ Lee Walker Heights redevelopment project
- ▣ CDBG and HOME funding cycles
- ▣ Deaverview Road site disposition
- ▣ Redevelopment of city-owned property initiative – Hilliard Avenue site

Action Items

□ **Foundations for action**

- ▣ Adoption of a housing production goal for FY2014-2015
- ▣ Comprehensive Housing Market Analysis
- ▣ 2015-2019 Consolidated Plan for CDBG and HOME
- ▣ Revisit production goal for FY2015-2016

□ **Mid-term policy initiatives**

- ▣ Adopt Affordable Housing Policy Guidelines for FY2015-2016
- ▣ Comprehensive Recommendations on City Affordable Housing Tools for FY2015-2016
- ▣ Comprehensive Regulatory Analysis and Recommendations
- ▣ Adoption of achievable and aspirational long-term goal to substantially impact affordable housing needs

Action Items

Staff is seeking your policy guidance on key questions as we continue to build the work program.

- ▣ Are we ready to strategically prioritize the relocation of city facilities to pursue mixed-use project and affordable housing developments? Staff sees this as a high priority.
- ▣ Are we ready to consider UDO and other regulatory changes to increase housing density and otherwise encourage affordable housing production?
- ▣ Are we ready to focus financial and staff resources to maximize the return on housing production?
- ▣ What are the attributes we seek in development partners?

Action Items

- Are we ready to move to adopt standards to guide City resource contributions to affordable housing developments?
- Should we strengthen incentives that will result in affordable and “workforce” housing development in our Innovation Districts and other locationally efficient areas in the City?
- Are we ready to consider strategies to prevent gentrification such as community land trusts, live-work housing, cooperative housing and strategic land banking?
- Are we ready to move forward with policy decisions regarding the impact of short-term rentals on affordable housing, as soon as sufficient data and evidence is available to guide that policy?

Action Items

- Have we captured the right action items?
- Are there other projects and initiatives that need to be added?
- What additional policy direction would you give us now as we develop the mid-term policy initiatives?

Next Steps

- Staff to report on progress regularly to Council Committees
- Staff to incorporate feedback from today into strategy and action items
- City Council to adopt strategy and work program for next 12 months