

Housing Needs Assessment & Market Study

Madison County

November 2009

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Introduction

Demographic & economic overview

With a total population of 20,432 in 2008, Madison County continues a decades old trend of relatively steady and stable population growth. Average annual population growth is 0.5 %, which is below both the statewide and national pace. On average Madison County grows by 93 persons each year. Population in-migration is the major source of population change in the county, accounting for nearly 100 % of net growth (Table1 and Figure 1 and Appendix Table A-1). Natural growth (births over deaths) has been negative in six of the last nine years.

Current and reliable demographic information on the racial or ethnic composition of Madison County is unavailable at this time. Results from the 2000 decennial Census are still the most reliable.

Four major economic activities drive the economy of Madison County:

1. *Manufacturing*, longstanding sector led by plastics, and electrical equipment
2. *Educational Services*, led by activity at Mars Hill College
3. *Workforce Commuting*, the county is partially reliant on the economy of Buncombe County, with 45% of the workforce out-commuting to Buncombe
4. *Population in-migration*, a loose network of industries serving new residential growth such as construction and real estate

Together, these economic activities have supported relatively balanced employment growth. Over the last two decades, relative to most rural counties in the state, Madison has held comparatively low unemployment rates, and weathered national and state economic downturns with minimal structural disruption. While the current recession has caused significant job changes, especially relative to its own history, Madison County still remains among the more economically stable rural counties in the state.

Over the last five years, private industry employment has grown by 7.5 percent, with gains in *Health Care and Social Assistance*, and *Accommodation and Food Services*, tempering losses in *Manufacturing* and *Educational Services* (Appendix Table A-2). Overall, wages in Madison County are below the nation and state (Figure 2). As of 2007, the average annual wage per job was \$25,443 in the county, which was 34 % below the state and 42% below the nation and the lowest in the consortium area. The pace of wage growth has lagged behind the state and nation over the last decade.

Despite lower relative wages and subpar wage growth, housing in the four-county Asheville metro (of which Madison is part) is less affordable than other metros in the state and the nation overall (Figure 3 and Appendix Table A-3). The National Association of Home Builders/Wells Fargo Housing Opportunity Index is a quarterly measure of the percentage of homes sold in a given area that are affordable to families earning that area's median income. Currently the index is at 62.5 for the Asheville metro area, up from a low in the mid forties in 2007, but still below the nation's 72.3 figure and all other six metros measured in North Carolina. With strong domestic in-migration, it is highly likely that newcomers from outside the area have been the main force behind the gap between rising housing prices and lagging incomes.

**Table 1
Demographic & Economic Comparisons**

	Madison	North Carolina	United States
Population (2008)	20,432	9,222,414	304,059,724
Average Annual Population Growth Rate (2000-2008)	0.5%	1.6%	0.9%
Average Annual Population Change (2000-2008)	93	142,949	2,735,974
Per Capita Income (2007)	\$25,008	\$33,735	\$38,615
Average Wage Per Job (2007)	\$25,443	\$38,556	\$43,889
Five-Year Average Wage Per Growth (2002-2007)	9.2%	20.0%	21.4%
Poverty Rate, All Ages (2007)	16.2%	14.3%	13.0%
Employment Growth Rate (Annual 2007-2008)	-0.7%	-0.4%	-0.4%
Unemployment Rate (Annual 2008)	5.8%	6.3%	5.8%
Source of Net Population Growth (2000-2008)			
Natural	0.0%	34.5%	63.5%
International In-Migration	6.1%	16.1%	36.5%
Domestic In-Migration	93.9%	49.4%	X

Sources: U.S. Census Bureau, U.S. Bureau of Labor Statistics, U.S. Bureau of Economic Analysis

Since 2000, the U.S. Census Bureau estimates the number housing units in Madison County has increased by 1,088, or 10%, to a total of 10,858 in 2008. Over the same period of time the total population in the county increased by 742 or 4%. As a result, average household size has dropped from 2.02 persons in 2000 to 1.88 persons in 2008 (Figure 4).

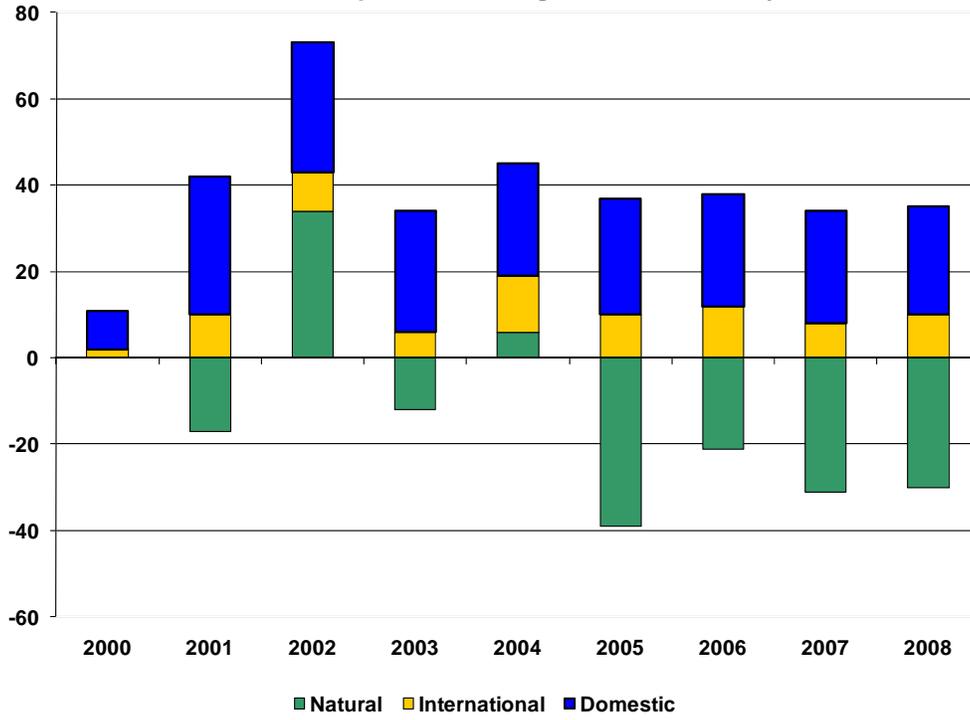
Transportation: In Madison County, 181 owner occupiers (3% of all owner occupiers) and 302 renters (15%) have no vehicle available for transportation (Table 2). There is no scheduled transit service in Madison County. The county provides a demand-response van service requiring 24 hour advance reservations. This provides a link for many low-income residents to health services, nutrition centers and other essential services which would otherwise be virtually inaccessible, given the distances between towns

**Table 2
Households with access to a vehicle (2005-2007)**

Owner occupied:	6,008
No vehicle available	181
1 or more vehicles available	5,827
Renter occupied:	2,012
No vehicle available	302
1 or more vehicles available	1,710

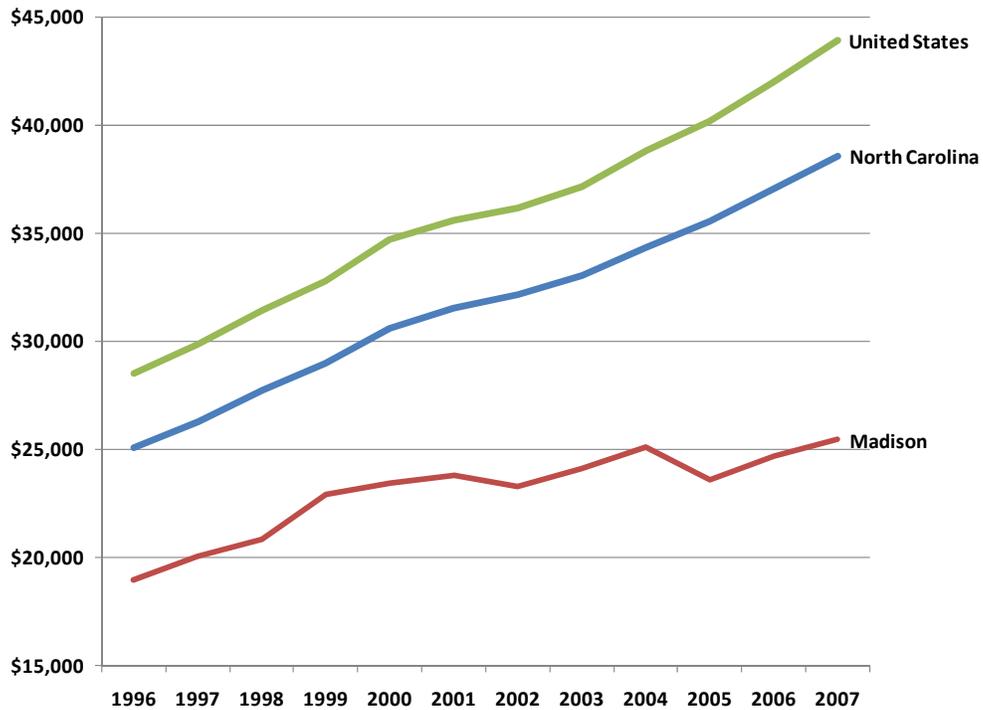
Source: U.S. Census Bureau

Figure 1
Sources of Population Change-Madison County

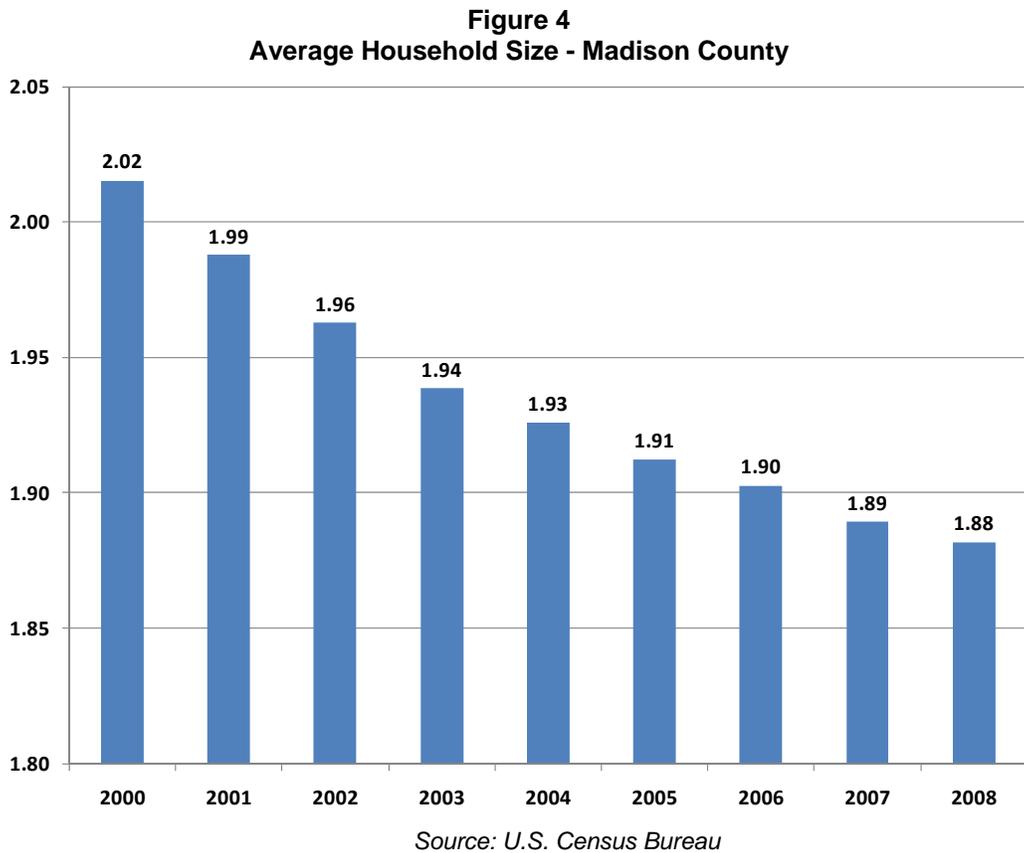
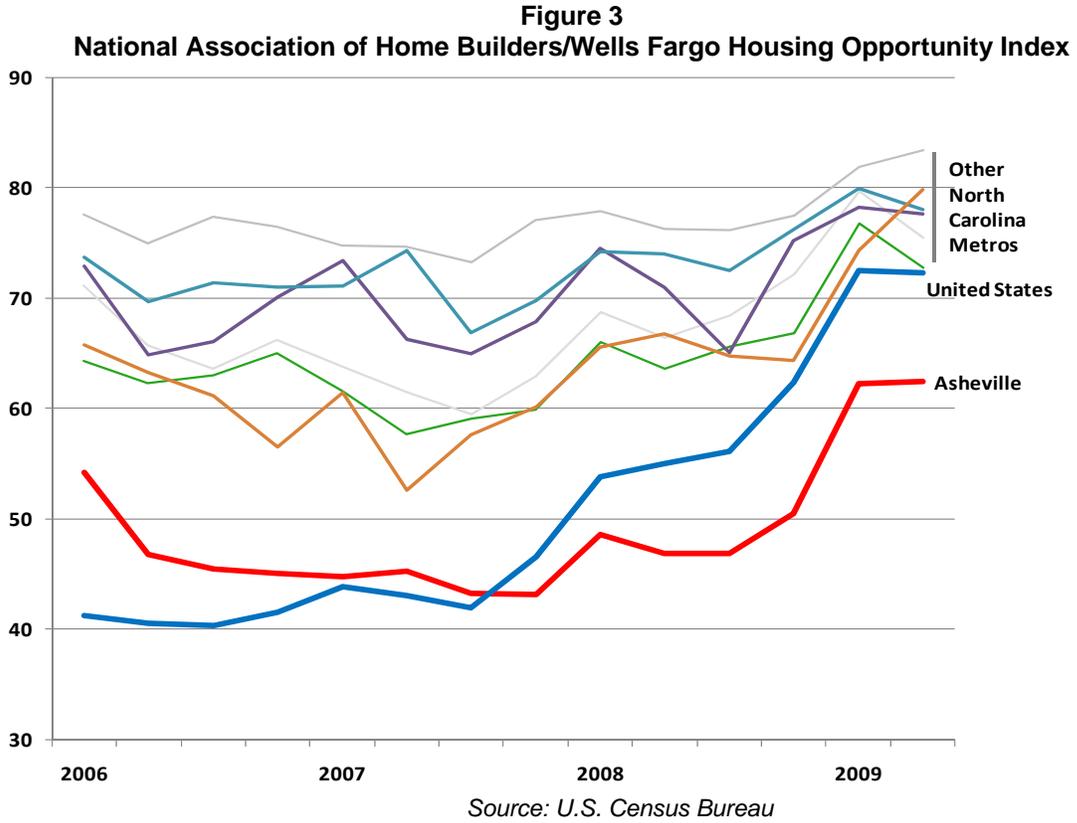


Source: U.S. Census Bureau

Figure 2
Average Wage Per Job



Source: U.S. Bureau of Economic Analysis



Current Housing Market

1. Existing Inventory

Type: Single detached housing is the dominant housing structure type, accounting for 70 % of all occupied units in Madison (Appendix Table A-4). Relative to the nation and state, mobile homes make a significantly larger share of all housing in Madison County.

Age: Madison County has the oldest housing stock in the Consortium. Measured from the median year built, Madison County housing is slightly newer than the nation's housing stock, with a median year built of 1976 compared to 1974 in the nation (Appendix Tables A-5 and A-6). However, Madison's median is older than the state's median year, which is 1982, and older than any other county in the Consortium.

Tenure: As of 2005-2007¹ owner occupied units represented 75 % of all occupied housing in Madison County, down slightly from 76 % in 2000 (Table 3). The proportion of renter occupied units increased by 2 percentage points over the same period. The pattern toward more renter occupied housing is similar in the state, while nationwide the portion of owner occupied housing has increased. The percentage of homeownership in Madison County is still above the state and nation.

Table 3
Tenure of Occupied Housing Units

	2000		2005-2007	
	Owner Occupied	Renter Occupied	Owner Occupied	Renter Occupied
Units				
Madison	6,130	1,870	6,008	2,012
Percent				
Madison	76.6%	23.4%	74.9%	25.1%
North Carolina	69.4%	30.6%	68.4%	31.6%
United States	66.2%	33.8%	67.3%	32.7%

Source: U.S. Census Bureau

Vacancy: Housing vacancy rates have increased significantly in Madison County between 2000 and 2005-2007, rising from 17% to 24% (Table 4). The rate stands is well above the state and nation. A breakdown of the types of vacancies in Madison County for the 2005-2007 survey is not available.

¹ Throughout this report data will be used from the Census Bureau's 2005-2007 American Community Survey (ACS). The three-year estimates are based on data collected between January 2005 and December 2007. The ACS is a nationwide survey designed to provide communities a fresh and accurate look at how they are changing. The ACS collects and produces population and housing information every year instead of every ten years. Data are largely collected by mail with Census Bureau field representatives following up by telephone and/or personal visit with addresses that do not respond. In 2008, the ACS released its first multiyear estimates based on ACS data collected from 2005 through 2007. These three-year estimates are available for geographic areas with a population of 20,000 or more, including the nation, all states and the District of Columbia, all congressional districts, approximately 1,800 counties, and 900 metropolitan and micropolitan statistical areas.

Table 4
Occupancy - Percent of Total Housing Units

	2000		2005-2007	
	Occupied	Vacant	Occupied	Vacant
Units				
Madison	8,000	1,722	8,020	2,557
Percent				
Madison	82.3%	17.7%	75.8%	24.2%
North Carolina	88.9%	11.1%	86.1%	13.9%
United States	91.0%	9.0%	88.4%	11.6%

Source: U.S. Census Bureau

Condition of Housing: Census data tells us little about the physical condition of the housing stock. However, Madison County, alone among the Consortium member counties, carried out a detailed survey of housing conditions in 2000. This survey found that 1190 homes, 25% of the housing stock was in need of repair. Of these, 293 or 6% of the housing stock, had severe repair needs.² Most of the units with severe needs were occupied by very low income families (housing income less than 50% of area median). 20% of homes had non-compliant septic systems.

In discussions with local government staff, we were told that despite a USDA grant in 2000 to address non-compliant septic systems and other housing rehabilitation activities, there are still substantial numbers of substandard homes in the County, mainly owner occupied housing in rural areas and older units in mobile home parks. Staff are also concerned about some newer homes built “off the grid” which do not meet environmental codes.

Madison County does not require existing housing to meet a minimum quality standard. However, a new Comprehensive Plan for Madison County is nearing completion which will recommend that the County adopt a minimum housing code ordinance, with compliant-driven enforcement.

2. Homeownership

A. Household Characteristics

The number of owner occupied homes in Madison County has declined slightly to 6,008 units in 2005-2007, down 115 units or 1.9% since 2000 (Table 5).

² As later reported in “Assessment of Housing Needs In Madison County, North Carolina”, Richard Genz, Housing & Community Insight - 2003.

Table 5
Owner Occupied Summary-Madison County

	2000	2005-2007	Change	Change (%)
Units	6,123	6,008	-115	-1.9%
White Householder	6,043	5,891	-152	-2.5%
Black Householder	10	NA	NA	NA
Hispanic or Latino Householder	31	NA	NA	NA
Median Household Income	35,117	44,015	8,898	25.3%

Source: U.S. Census Bureau

Cost burdens: Nineteen percent of owner occupiers in Madison County have housing costs that are 30 % or more of household income (Table 6 and Table 7). Housing expenditures³ that *exceed 30 % of household income* have historically been viewed as an indicator of a housing affordability problem.⁴ Households with expenditures greater than this are said to be “cost burdened”. Five percent of owner occupiers (332 households) have housing costs exceeding 50% of income and are considered severely cost burdened.

Table 6
Monthly Owner Costs as a Percentage of Household Income (2005-2007)

	2005/2007	Percent
Total:	6,008	
30.0 to 49.9 %	815	13.6%
50.0 % or more	332	5.5%
Total 30.0 % or more	1,147	19.1%

Source: U.S. Census Bureau

Table 7
Owner Occupied Units with Housing Costs >30% of Household Income

Household Income	2000		2005-2007	
	#	Percent of Income Group	#	Percent of Income Group
Less than \$20,000:	240	33.8%	404	34.9%
\$20,000 to \$34,999:	142	26.9%	342	27.7%
\$35,000 to \$49,999:	72	14.0%	171	20.9%
\$50,000 to \$74,999:	38	6.0%	183	13.1%
\$75,000 or more:	0	0.0%	47	3.4%

Source: U.S. Census Bureau

Household type: The type of owner occupied housing has changed somewhat between 2000 and 2005-2007 (Table 8 and Figure 5). *Married-couple family households* experienced the

³ Monthly owner costs include: mortgage, second mortgage and/or home equity loans, real estate taxes, homeowners insurance, condo fees (if applicable), mobile home cost (if applicable), and utilities – Electricity, Gas, Water and Sewer, and any other Utilities.

⁴ Schwartz, Mary and Wilson, Ellen, *Who Can Afford To Live in a Home? A look at data from the 2006 American Community Survey*, U.S. Census Bureau, <http://www.census.gov/hhes/www/housing/special-topics/files/who-can-afford.pdf> [August 2008]

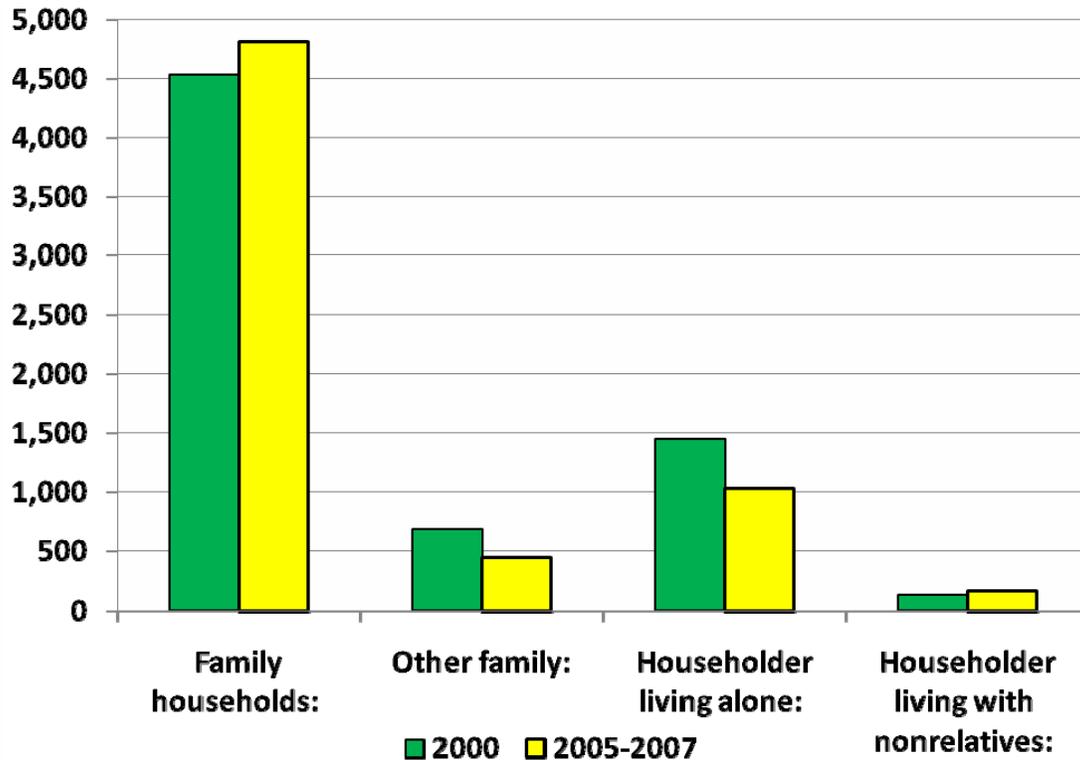
largest absolute increase, and most *nonfamily household* categories saw declines. This trend is different from most of the Consortium area, where non-family households (including single people) have increased more than family households.

Table 8
Owner Occupied Household Type

	2000	2005-2007	Change	Change (%)
Total owner occupied	6,123	6,008	-115	-1.9%
Family households:	4,533	4,812	279	6.2%
Married-couple family	3,847	4,367	520	13.5%
Other family:	686	445	-241	-35.1%
Male householder, no wife present	210	200	-10	-4.8%
Female householder, no husband present	476	245	-231	-48.5%
Nonfamily households:	1,590	1,196	-394	-24.8%
Householder living alone	1,451	1,032	-419	-28.9%
Householder living with nonrelatives	139	164	25	18.0%

Source: U.S. Census Bureau

Figure 5
Owner Occupied by Household Type



Source: U.S. Census Bureau

B. Manufactured Housing (Mobile Homes)

Information on the number of mobile homes in Madison County is not provided in the 2005-2007 American Community Survey. The ACS does tell us that just over 25% of the population in Madison County lives in mobile homes. This is the highest proportion in the Consortium area, and is much higher than in the state or the nation (Table 9). Residents of owner occupier households⁵ account for 78% of the total.

Table 9
Population Living in Mobile Homes

	Madison County	North Carolina	United States
Total population	19,283	8,596,744	290,655,225
Living in owner occupied mobile homes	3,890	862,408	13,187,714
Living in renter occupied mobile homes	1,098	415,158	4,671,567
Total living in mobile homes	4,988	1,277,566	17,859,281
Percent of total population	25.9%	14.9%	6.1%

Source: U.S. Census Bureau, 2005-2007 American Community Survey

According to Madison County Planning Department, there are 30 mobile home parks in the county, with a total of 278 units. This clearly represents a much smaller proportion of mobile homes than in Buncombe or Henderson counties, where more than 50% of mobile homes are in parks. In Madison County it appears that the majority of mobile homes are not only owner occupied but are also situated on the owner's land, providing a lower cost but less durable alternative to site-built housing. County and non-profit staff have told us that there are many substandard owner occupied mobile homes in the county which need major repairs or even total replacement in order to provide decent, safe housing.

C. The Current Housing Sales Market

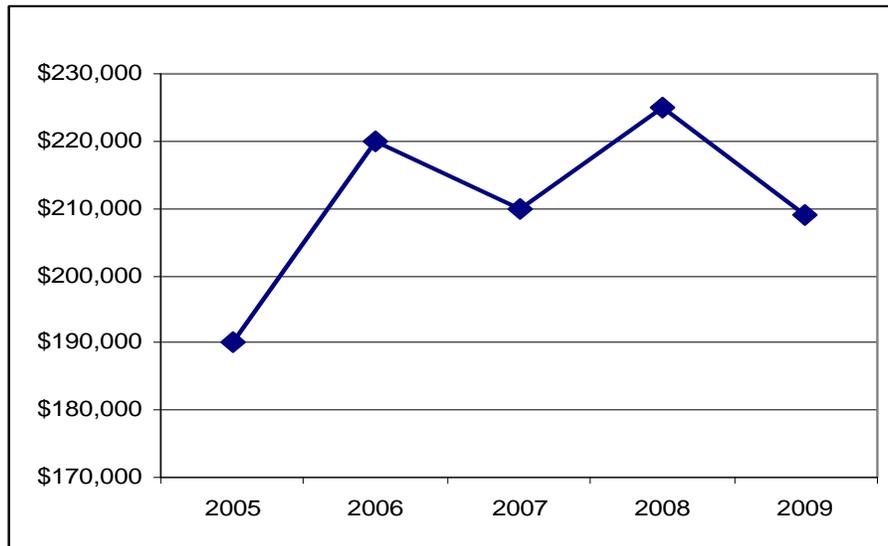
Madison County has been in the past the poorest and most rural of the four counties in the Consortium. The extension of I-26 from Asheville into Tennessee in 2003-2005 increased the accessibility of the county and coincided with a considerable amount of new, upscale housing construction, such as that in the Wolf Laurel resort area. This new development co-exists with older, often substandard rural housing and a land-ownership pattern that still reflects a tradition of small family farms passed down through the generations.

Over the past five years, Madison County has seen house prices rising in a similar pattern as in the other counties in the consortium, with median prices for single family homes peaking at \$228,000 in 2008 (Figure 6).

Sales figures were heavily influenced by the increasing luxury home market combined with a low overall sales volume compared to the other counties in the region. Multifamily sales were negligible (7 sales in 5 years), which is not surprising given the low demand, mountainous terrain, and lack of infrastructure required for such developments (Appendix Tables A-7(a) & (b)).

⁵ The US Census counts owner-occupiers of mobile homes as "owners" even if they pay rent for the land or pad on which the home is sited. Mobile homes on rented sites are titled and taxed as "personal property" rather than as real estate.

Figure 6
Median Sales Price of Single Family Homes - Madison County 2005-2009



Source: Mountain Multiple Listing Service

Note: (1) 2009 sales recorded through August 31

(2) Data does not include sales by owner (not through a broker)

The volume of sales declined each year from 2005 onwards, but prices did not show a steep drop until late in 2008. This pattern, seen, with variations, all over the nation, was due to several factors, including the withdrawal of buyers from overheated markets and the collapse of the subprime mortgage market followed by national economic recession.

This decline deepened with the events of September 2008 when it became apparent that major financial institutions were at immediate risk of failure due to widespread investment in the subprime market. In September 2008, the New York Stock Exchange crashed, reducing personal wealth, including individual savings and retirement accounts, at a rate not known since the Great Depression. Both purchasing power and confidence in the housing market were severely diminished.

One might conclude that these reduced prices would translate into an increase in the availability of affordable housing; such an assumption would be incorrect. First, both sales volume and prices at the upper end of the market (over about \$500,000) fell much more rapidly than at the affordable end. Much of the decline in median prices is due to the absence of many high-priced sales. Prices of homes at the affordable end of the market were less impacted.

Second, as many sub-prime borrowers fell behind on payments and headed into default, national and local financial institutions tightened their lending practices. These restrictions decreased the availability of credit for qualified homebuyers in every income bracket. At this time, a solid credit record with the ability to pay 20 % down on the purchase price of a home is no guarantee for loan approval.⁶ In their efforts to reduce risk, many banks require a higher down payment as well as additional documentation.

⁶ Information provided by local industry experts, including mortgage brokers and Realtors, reporting many similar client experiences.

These restrictions are severely impacting the ability of first time-homebuyers to enter the market, despite favorable prices and interest rates.

There are additional factors to consider in Madison County. The mountainous terrain, and lack of public infrastructure in the unincorporated parts of the county limit opportunities to develop affordable housing. Costs of development are heavily impacted by the cost of building on sloped land and by the need to install septic systems which require additional land for drain fields. Multi-family developments are not feasible without sewer access or costly private treatment plants.

It is difficult to predict the future of the local housing market while such major economic changes are still playing out. So far, it appears that the local market has undergone a less severe "correction" than many other parts of the country, but signs of recovery which have recently been noted in the national media have yet to appear here. Market recovery will depend greatly on the stabilization of financial institutions and their willingness to provide loans on realistic terms to qualified buyers. Economic activity and unemployment levels will also affect the rate at which the housing market stabilizes. Nationally, many economists are predicting a slow economic recovery through 2010 and 2011. Once credit frees up and financial accounts recover, it seems likely that the buying trend will resume. However, the mountainous terrain combined with very low density and lack of infrastructure will continue to greatly impact the feasibility of affordable housing development in Madison County.

D. Impact of Foreclosures

Since 2006, there has been a notable increase in foreclosures across the nation, for reasons noted in the previous section. This has been reflected locally. Foreclosure actions in Madison County have doubled since 2007 (Figure 7). However, the local impact is less severe than in North Carolina as a whole (Table 10), and North Carolina is less impacted than most states, with one foreclosure action for every 759 homes in 2008, compared with one in 127 nationally. Seventy percent of all foreclosures in 2008 took place in just five states: Nevada, California, Florida, Arizona, and Illinois⁷.

We were unable to identify any neighborhoods in which foreclosures have been so prevalent as to cause visible blight or a locally distinct drop in home values compared with other neighborhoods.

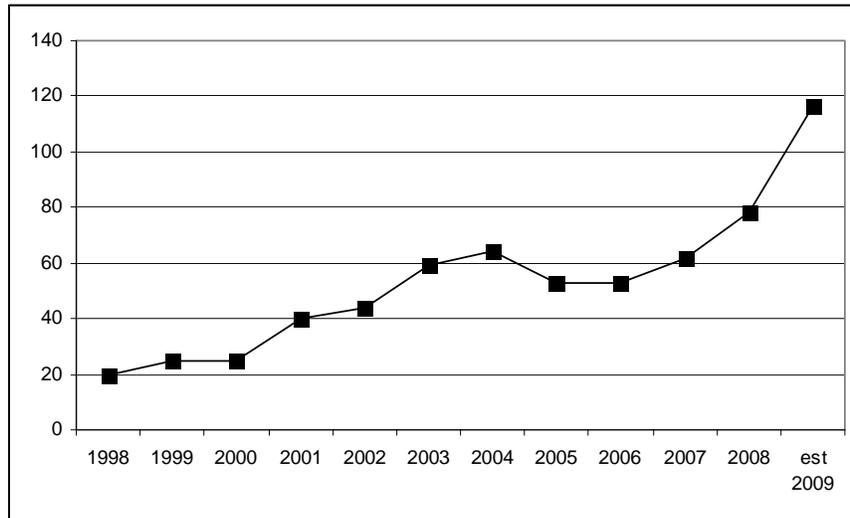
Table 10
Foreclosure Starts Jan 2005 - Oct 2009

	Number of Foreclosure Starts	Foreclosure Starts as Percent of Year 2000 Owner-Occupied Housing Units
Buncombe	3,775	6.3%
Henderson	1,657	5.6%
Madison	343	5.6%
Transylvania	451	4.6%
North Carolina	244,477	11.30%

Source: NC Foreclosure Help

⁷ "Foreclosures in States and Metropolitan Areas: Patterns, Forecasts and Pricing Toxic Assets". Lucy and Herlitz, Dept. of Urban & Environmental Planning, University of Virginia, Feb. 2009.

Figure 7
Foreclosure Actions in Madison County (1998 - 2009)

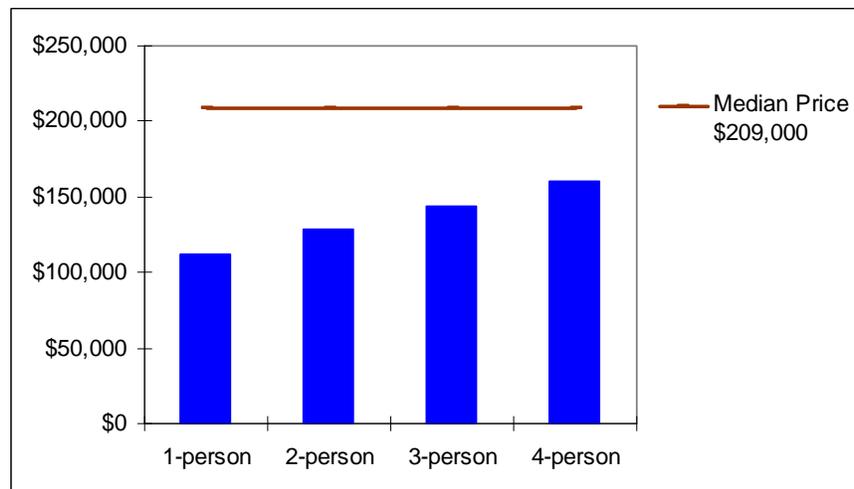


Source: NC Commissioner of Banks "NC Foreclosure Help"

E. Affordability of Homeownership

Despite the recent decline in median home prices, most homes remain out of reach for low- and moderate-income homebuyers. Figure 8 illustrates the buying power of families in the unincorporated parts of Madison County at 80% of area median income - the upper income limit for CDBG or HOME assistance - compared with the median price of homes sold in 2009.⁸ Figure 9 illustrates the buying power of people with average wages for selected professions in the county. The calculations and assumptions on which these charts are based are shown in Appendix Table A-8.

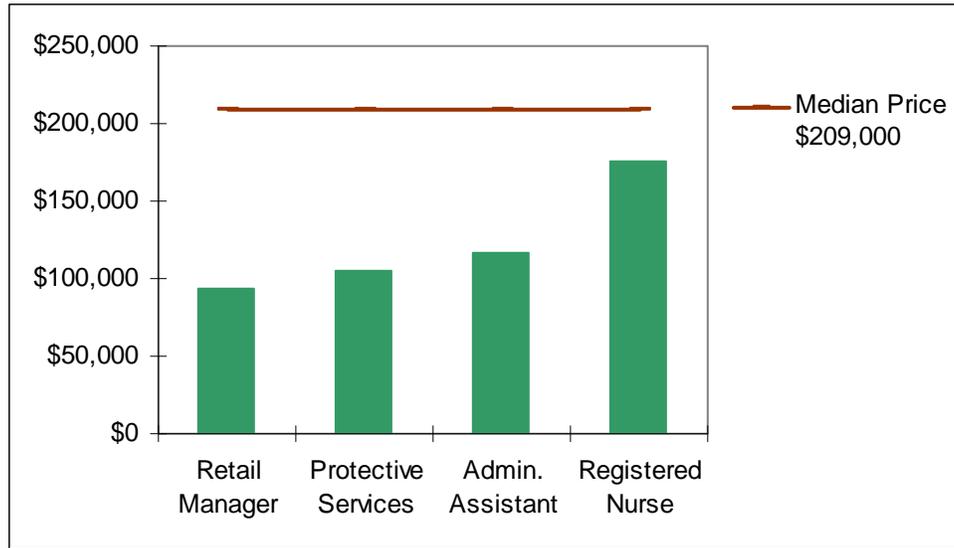
Figure 8
Maximum House Prices Affordable to Families at 80% of Area Median Income



Source: Mountain Multiple Listing Service;
Here and in the next figure "Madison Co." refers to the unincorporated area only.

⁸ In the incorporated areas the prices that are affordable will be lower because of the impact of higher property taxes on the PITI calculation

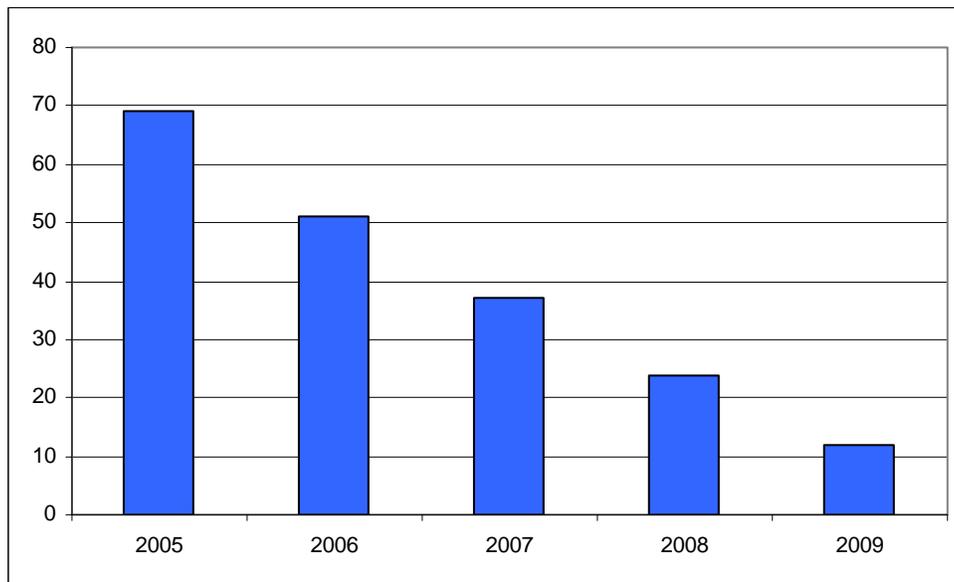
Figure 9
Maximum House Prices Affordable to Selected Professions



Source: Mountain Multiple Listing Service; NC Employment Security Commission

The number of affordable homes on the market has declined steadily over the past five years, indicating shrinking choices for LMI buyers (Figure 10 and Appendix Table A-9). In mid-October, 2009, 41 residential units in Madison County were on the market in with asking prices at or below \$150,000, 21 of which were priced below \$125,000. These figures include manufactured homes and those for sale "as is" i.e. in need of rehabilitation.

Figure 10
Number of Homes Sold Below \$150,000



Source: Mountain Multiple Listing Service; 2009 figures are through August 31 only.

With so few affordable homes available and tightening mortgage restrictions, it is extremely difficult for families below 80% of area median to become homeowners

without assistance. Data available for Buncombe County (but not elsewhere in the Consortium) shows that the average assistance needed to help families with income below 80% AMI become homeowners has risen from about \$35,000 in 2005 to almost \$50,000 in 2009.

3. Rental Market

Since 2000, the number of renter occupied units in Madison County has increased by 7% to 2,012 units in 2005-2007 (Table 11).

Table 11
Renter Occupied Summary

	2000	2005-2007	Change	Change (%)
Units	1,877	2,012	135	7.2%
White Householder	1,812	1,996	184	10.2%
Black Householder	17	NA	NA	NA
Hispanic or Latino Householder	21	NA	NA	NA
Median Household Income	20,174	23,677	3,503	17.4%
Housing Costs 30 % or More of Household Income	470	736	266	56.6%

Source: U.S. Census Bureau

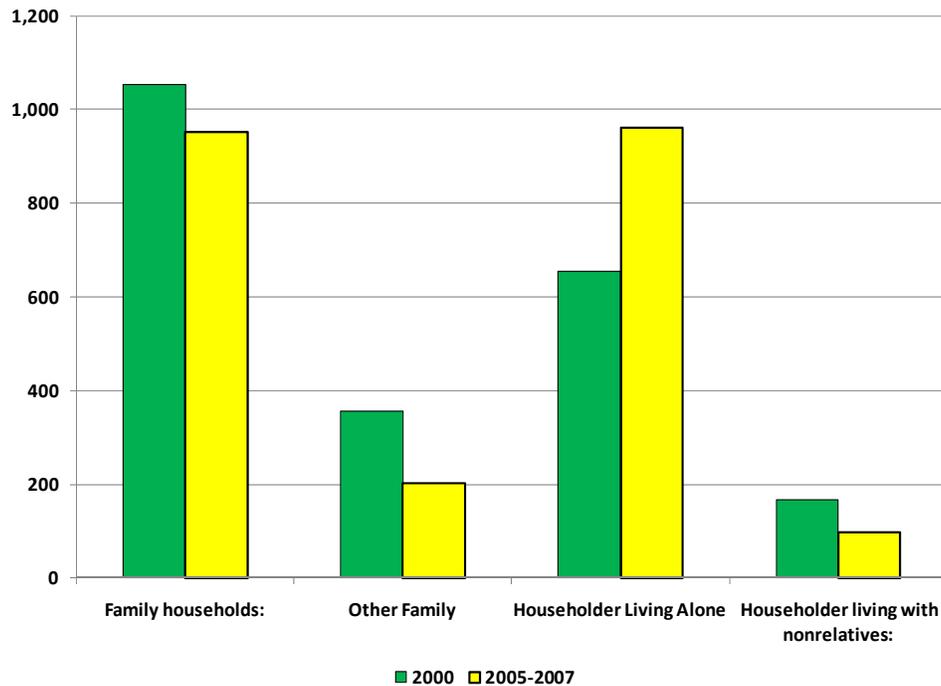
Household types: The type of householders of renter occupied housing has changed notably between 2000 and 2005-2007 (Table 12 and Figure 11). *Family households* no longer makes up the largest type of renter occupied household, as *Nonfamily households*, particularly those living alone, have experienced a significant increase. However, these numbers are subject to relatively large sampling errors.

Table 12
Renter Occupied Household Type

	2000	2005-2007	Change	Change (%)
Total renter occupied	1,877	2,012	135	7.2%
Family households:	1,054	952	-102	-9.7%
Married-couple family	697	750	53	7.6%
Other family:	357	202	-155	-43.4%
Male householder, no wife present	99	121	22	22.2%
Female householder, no husband present	258	81	-177	-68.6%
Nonfamily households:	823	1,060	237	28.8%
Householder living alone	655	962	307	46.9%
Householder living with nonrelatives	168	98	-70	-41.7%

Source: U.S. Census Bureau

**Figure 11
Renter Occupied Household Type**



Source: U.S. Census Bureau

A. Rental Affordability

The number of renters with housing costs⁹ that are 30 % or more of household income has increased significantly since 2000, from 470 to 736, a 56% increase (Table 13 and Figure 12). Of renters with incomes less than \$20,000, 81% were rent-burdened. Increased cost burdens were experienced by every age group below age 65 (Table 14).

**Table 13
Renters with Housing Costs >30% of Household Income**

Household Income	2000*		2005-2007	
	#	Percent of Income Group	#	Percent of Income Group
Less than \$20,000:	397	62.60%	438	81.30%
\$20,000 to \$34,999:	72	19.80%	244	58.80%
\$35,000 to \$49,999:	-	0.00%	54	29.30%
\$50,000 to \$74,999:	1	1.10%	-	0.00%
\$75,000 or more:	-	0.00%	-	0.00%
Total	470		736	

*1999 dollars, unadjusted for inflation
Source: U.S. Census Bureau

⁹ Renter housing costs are contract rent plus utilities – heating fuel, electricity, water, sewer, and trash collection.

Figure 12
Renters with Housing Costs >30% of Household Income

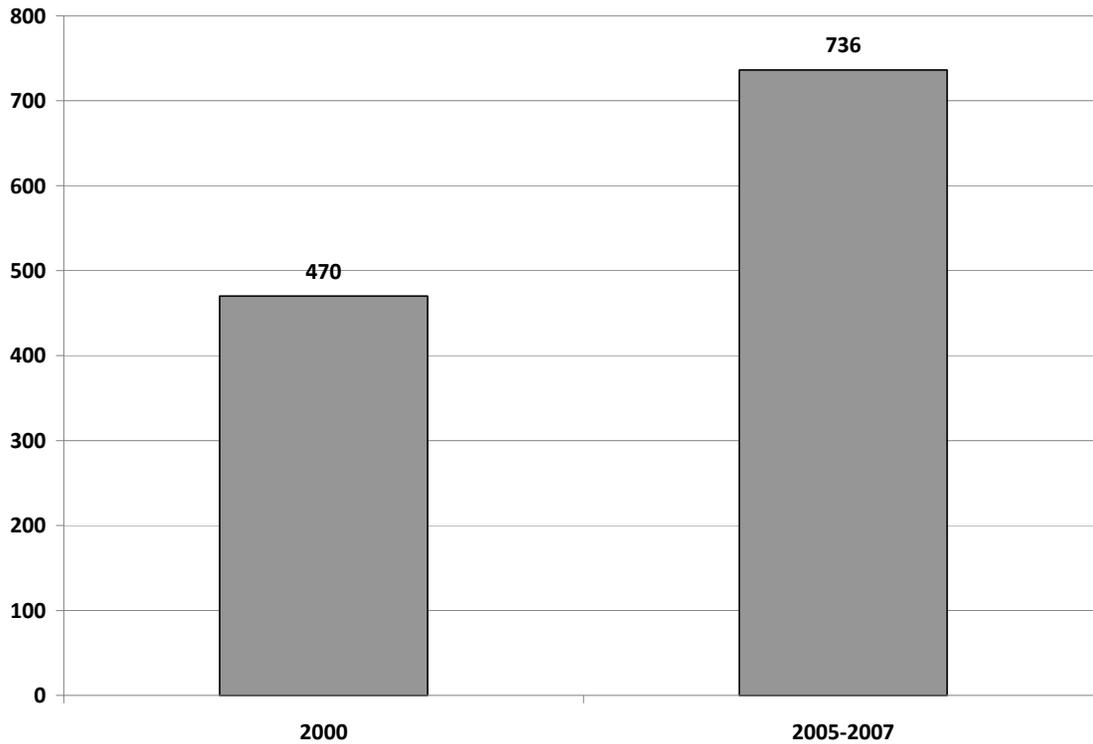


Table 14
Renters with Housing costs >30% of Household Income by Householder Age

Householder Age	2000		2005-2007	
	#	Percent of Age Group	#	Percent of Age Group
15 to 24 years	92	39.70%	70	42.70%
25 to 34 years	107	26.40%	205	46.80%
35 to 64 years	181	25.70%	413	41.50%
65 and over	90	30.30%	48	11.60%
Total	470		736	

Source: U.S. Census Bureau

Another way to quantify rental affordability is to calculate the maximum housing costs (i.e. 30% of income) that are affordable for people in the most significant occupations and compare them with the Department of Housing and Urban Development's *Fair Market Rents* (Table 15). The Fair Market Rent (FMR) for an area is the amount HUD calculates is needed to pay the gross rent (shelter rent plus utilities) of privately owned, decent, and safe rental housing of a modest (non-luxury) nature.

Table 15
Affordability of Fair Market Rents 2009

Bedroom Type	Fair Market Rents	Minimum Hourly Wage to Afford
Efficiency	\$518	\$10.80
1 Bedroom	\$604	\$12.60
2 Bedroom	\$690	\$14.40
3 Bedroom	\$925	\$19.30

Source: Department of Housing and Urban Development, 2009

Of the top 20 occupations in Madison County, only three offer average wages sufficient to afford all FMR bedroom types, and four provide wages insufficient to afford any of them (Table 16).

Table 16
Occupational Wages-Ranked Top 20 Occupations by Employment - 2009
Red shading indicates inability to afford Fair Market Rent Bedroom Type

	Mean Hourly Wage	Employment	% of Total	Bedrooms			
				0	1	2	3
Total all occupations	\$16.57	5,380					
Janitors & Cleaners	\$9.66	160	3.0%				
Secretaries	\$10.15	120	2.2%				
Home Health Aides	\$11.14	110	2.0%				
Maintenance & Repair Workers	\$12.87	100	1.9%				
Executive Secretaries	\$15.66	90	1.7%				
Office First-Line Supervisors	\$16.79	90	1.7%				
General and Operations Managers	\$38.97	80	1.5%				
Truck Drivers	\$13.99	70	1.3%				
Sales Representatives	\$14.67	70	1.3%				
Office Clerks, General	\$10.34	60	1.1%				
Customer Service Representatives	\$14.91	60	1.1%				
Bookkeeping & Accounting Clerks	\$16.28	60	1.1%				
Machine Operators	\$13.97	50	0.9%				
Receptionists & Information Clerks	\$8.57	40	0.7%				
Industrial Truck & Tractor Operators	\$12.04	40	0.7%				
Laborers & Freight, Hand	\$13.92	40	0.7%				
Const First-Line Supervisors/Managers	\$23.47	40	0.7%				
Housekeeping First-Line Supervisors	\$12.79	30	0.6%				
Computer Support Specialists	\$15.56	30	0.6%				
Production First-Line Supervisors	\$23.35	30	0.6%				

Source: NC Employment Security Commission

B. Current Rental Market Conditions

Census data shows that median gross rent (contract rent plus utilities) in Madison County increased by 66% from 2000 to 2005-2007, by far the largest increase in the Consortium area (Table 17). Examination of sampling error rates suggests that this is a robust finding. No recent information is available on vacancy rates.

This large increase suggests that the rental market in Madison County is becoming more active and closer in price range to the rest of the consortium. There may now be a market for affordable apartment development which previously appeared small or non-existent in this county.

Table 17
Median Gross Rent

	2000	2005-2007	Percent increase
Buncombe Co.	551	689	25%
Henderson Co.	513	621	21%
Madison Co.	367	610	66%
Transylvania Co.	468	574	23%
North Carolina	548	674	23%
United States	602	781	30%

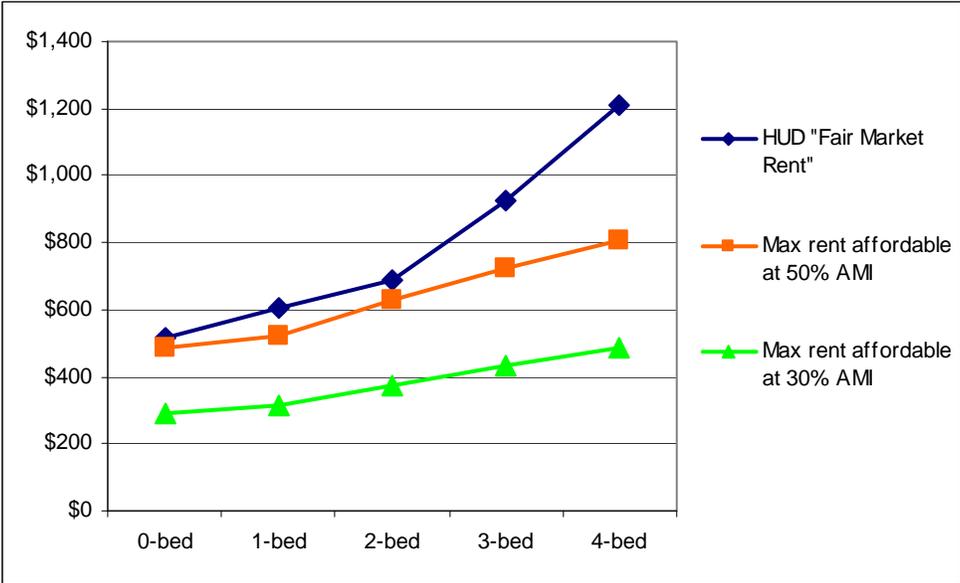
Source: U.S. Census Bureau

Subsidized Housing

1. Need for Subsidized Rental Housing

Rental housing is considered affordable if rent plus utilities cost no more than 30% of the tenant household's income. Most rental housing in Madison County is affordable only to households with more than 50% of area median income. This is illustrated in Figure 13 using HUD Fair Market Rents, which are somewhat below average market rents.

Figure 13
Rental Affordability



Source: www.huduser.org (datasets)
Rents shown include utilities

Renters with income below about 50% of area median face difficult choices. They can search for the least expensive units in the market, often in mobile home parks which include many substandard units; they can try to live with a housing cost burden exceeding 30% of their income; they can "double up" or rent a unit smaller than they need and live in overcrowded conditions; or they can seek housing that is subsidized in some way. This includes housing and vouchers administered by the public housing authorities (described in more detail in the next section) and housing that receives HUD rental subsidies directly, or whose construction was assisted by federal or state subsidy.

2. Inventory of Subsidized Units

There are 418 units of rental housing assisted with subsidies that regulate maximum rents and maximum tenant income, making up 21 % of all rental units in the county. These are summarized in Table 18 with more detail in Appendix Table A-10. All of the units listed also carry rent subsidies so that tenants pay no more than 30% of their household income in rent and utilities. 388 of these units are operated by the public housing authorities. There are only 40 units subsidized from other federal sources - the lowest proportion of any county in the Consortium.

Table 18
Subsidized Rental Housing in Madison County

Property	Primary Funding Source	Total Units	Primary Resident type
WNC Madison County Group Home, Hot Springs	HUD Section 811	6	Developmental disability
Mashburn Gap Apts, Marshall	Low Income Housing Tax Credits & USDA	34	Elderly
Public Housing	HUD	197	All
Housing Choice Vouchers	HUD	191	All
Total units:		428	

Sources: HUD: huduser.org;

USDA: http://rdmfhrentals.sc.egov.usda.gov/RDMFHRentals/select_state.jsp

3. New Subsidized Development

We were unable to discover any plans for new affordable rental development in Madison County. Several of the agencies we interviewed expressed the need for more affordable rental property in the county.

4. Conversion of Assisted Housing to Market Rate

There are no plans to convert any housing to market rate. Mashburn Gap Apartments still has many years to run on its USDA contract, and WNC Madison Group Home is operated by a non-profit which will seek to renew HUD assistance for as long as it is available.

Public Housing

1. Inventory

There are four separate public housing authorities (PHAs) in Madison County, managing 197 public housing units (Table 19). Madison County Housing Authority also administers 191 Housing Choice Vouchers which are rental subsidies that can be used anywhere in the county. Together these provide housing for 388 households, i.e. 19 % of the county's rental households, which is the highest proportion in the Consortium. All the PHAs meet HUD's performance standards and Madison County and Mars Hill are rated "high performing".

Table 19
Public housing Inventory

Housing Authority	Total Units	UNIT BREAKDOWN				ADA units	Year Built	Current Condition
		1 BR	2 BR	3 BR	4 BR			
Madison County HA						2	1985	Good
Mars Hill HA						3	~1968	Good
Marshall HA						4	1971	Good
Hot Springs HA						3	1964 & 1983	Good
Vouchers **	191	14*	96*	74*	-	-	-	-
Totals	388	80	174	122	5	9		

* Sizes of units occupied by current voucher holders

** The county's voucher allocation is 191 but because of cost constraints only 184 are currently in use.

2. Tenant Characteristics

Income: Precise income data was not available, but PHAs tells us that the great majority of households they serve are very low or extremely low income.

Race: Tenants are almost all white and non-Hispanic with just one head of household reported as African-American (Table 20). This is consistent with the county's demographic make-up (97% white and less than 1% in any one minority group).

Other characteristics: There is a predominance of female-headed households: 79% of the total where data is available. It was not possible to determine the exact number of elderly tenants, but at least 47% of tenants are elderly or disabled or both.

Table 20
Tenant Characteristics (Public Housing & Voucher Holders)

Public Housing Tenants	White	Black	Other	Hispanic	FHH	Elderly	Disabled
Madison County HA	40	0	0	0	31	11*	
Mars Hill HA	46	1	0	0	39	27	19
Marshall HA	50	0	0	0	n/a	21*	
Hot Springs HA	60	0	0	0	n/a	20	11
Vouchers	184	0	0	0	142	119*	
Totals	380	1	0	0	212		

* Numbers shown are for elderly and/or disabled

Disabilities: There is no information on the number of tenants with disabilities requiring an ADA accessible apartment, but the PHA Directors told us that they had a total of 12 accessible units, all of which are currently were occupied by tenants who needed such a unit and none were vacant. This number meets HUD's guideline of 5% of units, but with all accessible units occupied any disabled applicant reaching the top of the waiting list would still have to wait for a disabled tenant to leave. **Additional accessible units appear to be needed.**

3. *Waiting lists*

Waiting lists vary between the PHAs and people may be on more than one waiting list (Table 21). Although the numbers on waiting lists may seem small, low turnover can mean very long waits. The waiting lists for one-bedroom units are consistently the longest.

Table 21
Public Housing and Voucher Waiting Lists

	Wait list (Number)	Vacant Units	Annual Turnover	Waiting time (months)
Madison County HA	16	0	68%	3 - 6
Mars Hill HA	17-19	0	10%	up to 24
Marshall HA	n/a	4 *	n/a	6 - 12
Hot Springs HA	18	0	22%	Up to 24
Vouchers	77	0	n/a	12 - 24

* Units undergoing maintenance; new tenants have been selected.

4. *Public Housing Improvement Plans*

All the PHAs are planning improvements to their housing stock next year using both annual capital funds and one-time funds allocated through the American Recovery & Reinvestment Act (ARRA). Madison County HA was also awarded a competitive ARRA grant.

Table 22
Public Housing Improvement Plans

	Total FY 2009 Capital funding	Capital Funds (incl. ARRA formula)	Other Needs
Madison Co. HA	\$287,391	New exterior doors and locks; new windows	Floor coverings, sidewalks, playground equipment, re-surface parking areas
Mars Hill HA	\$155,656	Plumbing and bathroom updates	Remaining plumbing/bathroom updates
Marshall HA	\$165,433	Complete interior renovation ~ 8 units per year.	Exterior renovations
Hot Springs HA	\$204,667	Bathroom renovations	

5. *Role of the Consortium*

PHA managers did not specify any needs for their own agencies, but expressed to us two urgent needs for housing in Madison County:

1. More affordable rental housing in the county, particularly for elderly & disabled people;
2. A homeless emergency shelter.

Housing for People with Special Needs

People with special housing needs include the elderly (65 years and older) and frail elderly, and those with physical disabilities, developmental disabilities, severe and persistent mental illness (SPMI), or combinations of these, and youth of 18 and older who have “aged out” of foster care or institutional care. This last group is not always recognized as having special housing needs, but few of them are ready for fully independent life and their outcomes without help are poor ¹⁰.

Over 1750 adults in Madison County (13% of the total adult population) have a disability of some kind (Table 23) In 2005-2007, 868 people with disabilities had incomes below the poverty level, a 6 % increase from 2000 (Table 24). Households having members with disabilities are considerably more likely to have extremely low incomes. 25% of such households have extremely low income compared with 17% of all households in the county (Appendix Tables A-12 & A-13).

Table 23
Persons by Age and Type of Disability in 2005-2007

	Madison	Percent of Age Group Population*
Population 16 to 64 years:	13,221	
With any disability*	1,758	13.3%
With a sensory disability	436	3.3%
With a physical disability	1,190	9.0%
With a mental disability	714	5.4%
Population 65 years and over:	3,351	
With any disability*	1,712	51.1%
With a sensory disability	811	24.2%
With a physical disability	1,401	41.8%
With a mental disability	653	19.5%

Source: U.S. Census Bureau

*Persons may have more than one disability

Table 24
Disabled Persons with Income below Poverty Level

Age Group	2000	2005/2007
16 to 20 years	22	0
21 to 64 years	444	515
65 years and over	352	353
Total	818	868

Source: U.S. Census Bureau

¹⁰ North Carolina Division of Social Services at www.dhhs.state.nc.us/dss/links

It is hard to identify specific housing needs for people with different types and degree of disability. We have divided needs into three broad categories: Independent living, accessibility (for people with mobility limitations), and assisted living.

1. Independent Living

Both the elderly and people with disabilities generally want to live as independently as possible. In many cases their housing needs can be met by removing physical barriers in their existing homes, by dealing with deferred maintenance issues, and by providing limited services from outside. The cost of these is likely to be no more than the cost of assisted living and certainly less than full nursing home care, but Medicaid qualification depends on different rules from those applying to institutional care, and not all expenses are covered.

A. Repairs and Accessibility Modifications

Sources of assistance in Madison County are:

- State CDBG & HOME funds for “scattered site rehabilitation” in Madison County are administered by Land of Sky Regional Council of Governments for substantial rehabilitations and repairs on a three-year funding cycle.
- The Community Housing Coalition of Madison County (CHCMC) completes about 50 home repairs each year, mainly for the elderly and disabled.
- NC Division of Vocational Rehabilitation’s Independent Living Program assists about 25 households a year with housing modifications
- Community Action Opportunities provides weatherization improvements for about 7 units a year with income under 200% of the federal poverty level. For 2010 this will increase to about 60-70 units using one-time stimulus funds under the American Recovery & Reinvestment Act.
- The French Broad Baptist Association, a coalition of about 60 local churches, assists 8-10 elderly or disabled households a year.

Most agencies reported to us that word of mouth and referrals bring in all the cases they can handle, suggesting that there is significant unmet need. CHCMC receives about twice as many requests as it can carry out.

B. Purpose built housing

There are two housing developments built for affordable independent living in Madison County, with a total of 40 units (Table 25). Both developments have rent subsidies that make them affordable regardless of income. Mashburn Gap Apartments (elderly housing) reported a waiting list of 12 months or more.

We could not find evidence that any new housing for independent living is being planned for Madison County.

Table 25
Subsidized Housing in Madison County

Property	Address	Total Units	1-bed	2-bed	Primary Resident type	Source of Subsidy
WNC Madison County Group Home	36 Mountain Heights Ave, Hot Springs	6	6		Developmental disability	HUD
Mashburn Gap Apts	1140 N Main St, Marshall	34	32	2	Elderly	LIHTC & USDA
Totals:		40	38	2		

A primary need for the elderly and people with physical disabilities is housing that is accessible to those with restricted mobility. There is no good information on the number of housing units that meet accessibility criteria. Since 1991, the Americans with Disabilities Act (ADA) has required all ground floor units in multi-family housing to be structurally accessible, and all units on higher floors where there is an elevator¹¹. Such units can be retrofitted to meet most accessibility needs without major structural changes.

Since there is so little multifamily housing in Madison County, it seems very likely that there are insufficient units to meet the needs of people with restricted mobility and that many must rely on retrofitting their existing (single family) homes to make them accessible. Additionally, people who use wheelchairs may be unable to visit friends and relatives because they cannot enter their homes or use the bathroom. There are no ADA requirements for single-family homes, but as the population ages, there will be an increasing need for new single-family homes to be made accessible, and "visitable", that is with one at-grade entrance, ground floor doorways and passages at least 30" wide, and a wheelchair-accessible bathroom on the ground floor.

3. Assisted Living

Those who need help with several activities of daily living may need housing where assistance is constantly available. This type of housing is licensed by the state and monitored by the County Department of Social Services or, for mental health facilities, by Western Highlands Network. Table 26 summarizes the various types of state-licensed residential facilities in Madison County, with full details in Appendix Table A-11. Facilities for children are not included.

¹¹ Exceptions to the accessibility guidelines may be allowed for developments on difficult sloping sites or in floodplains.

Table 26
State-licensed Residential Care Facilities in Madison County

Category	Description	Beds
Adult Care Homes	Residential care for aged or disabled persons whose principal need is a home; 7 or more beds.	69*
Family Care Homes	Residential care for aged or disabled persons whose principal need is a home; 2-6 beds.	48
Nursing Home	Provides medical and nursing care for persons who are not sick enough to require hospital care	200**
Mental Health Facilities:	Residential homes for adults with developmental disabilities (DD)	38
	Residential homes for adults with a primary diagnosis of mental illness	0
	Assisted Family Living - all disability groups; 2-3 beds only.	10
	Total:	365

Source: NC Division of Health Service Regulation, www.ncdhhs.gov/dhrs/reports.htm

* All beds are in one facility which does not accept Medicaid

** 20 of these beds are designated for assisted living.

There are relatively fewer options for low-income elderly people needing assisted living in Madison County than elsewhere in the region. The only licensed adult care home does not accept Medicaid. Of the eight licensed family care homes, only six are currently operating, and most of the beds are taken up by people with severe and persistent mental illness. There are two nursing homes, one of which has 20 beds designated for assisted living rather than full nursing care. Madison County DSS staff told us that elderly people sometimes have to go outside the county for assisted living or nursing home care.

There are no facilities licensed specifically to care for people with chronic mental illness. DSS staff informed us that 30 of 32 residents in Family Care Homes have a primary diagnosis of mental illness, although these homes are intended mainly for the elderly and would be unlikely to meet the more rigorous mental health licensing requirements. **This suggests that at least 30 beds are needed in homes licensed to care for the mentally ill,** and needs are likely to increase as state mental hospitals continue to discharge long-term patients.

New Housing Production

1. Trends in production

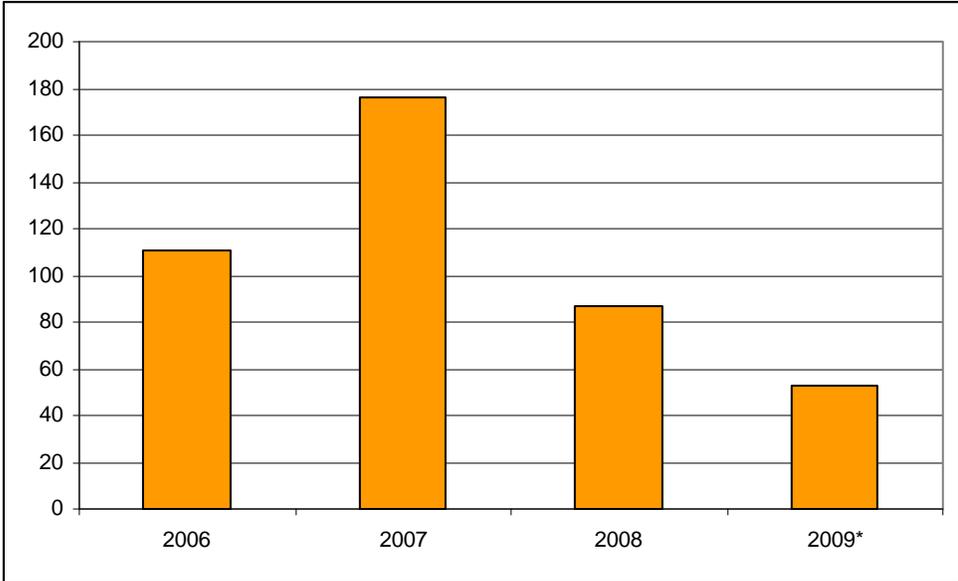
Reflecting the national downturn in housing construction, Madison County has seen a decline in new housing starts following a peak in 2007 (Table 27 and Figure 14). The number of residential permits issued in 2008 was only one half that of 2007. All new residential construction over the period 2006-2009 has been single family units.

Table 27
Madison County Residential Building Permits- Units

	2006	2007	2008	2009*
Single Family	111	176	87	53
Two Family	0	0	0	0
Three and Four Family	0	0	0	0
Five or More Family	0	0	0	0
Total	111	176	87	53

Source: Madison County Inspections, Planning, and Zoning Department
* 2009 figures are through October 31.

Figure 14
Residential Building Permits – Madison County



2. Future Development Capacity, Constraints, & Plans

A. Non-profit Developers

Non-profit housing developers are committed to providing or rehabilitating affordable housing for low income residents. Table 28 summarizes information provided by key agencies on their production targets in Madison County for the next five years. These figures assume that federal funding levels are maintained in real terms. We noted that no plans currently exist for developing rental units.

Table 28
Non-profit development capacity for 2010-2014

Agency	New Units for Homeownership	New Rental Units	Substantial Rehab.*	Repair & Weatherization
Community Housing Coalition of Madison County *	5	-	25	225
Madison County Habitat for Humanity	5	-	-	-
CDBG & HOME Scattered Site Rehab	-	-	10	15
Community Action Opportunities *	-	-	-	95**
NC Independent Living program	-	-	-	125
French Broad Baptist Assoc.	-	-	-	45
5-Year Totals:	10	0	35	505
Totals for 2005-2009:	5	0	n/a	n/a

Source: agency reports.;

* There may be some duplication in these agency's numbers as they sometimes work together on a house.

** Most of these will be weatherizations completed in 2010 using ARRA Stimulus funding

Non-profit agencies report factors limiting their capacity as:

- Funding
- Building and sustaining staff capacity
- Number & skills of volunteers
- Availability and cost of suitable land for development
- Finding qualified homeownership applicants (Habitat) - many have income too low to qualify.

B. For-profit Developers

Of 76 new homes built and sold by private sector developers in the past five years, only four sold at prices below \$175,000 and only one below \$150,000(Appendix Tables A-7(a) & (b)). There is virtually no new affordable housing being built for sale by for-profit developers in Madison County. We were unable to identify any developers with plans to build affordably-priced housing in the future.

Housing Needs and Gaps

1. Projected Population Increase through 2020

According to projections by the North Carolina Office of State Budget and Management (OSBM), the population in Madison County in 2020 will be 23,587 in 2020, an increase of 2,273 persons or up 10% from 2010. **An additional 928 new housing units will be needed to meet this population increase, or 93 per year (Table 29)¹².** If current demand patterns hold, 656 of these units (71% of the total) will be single detached or attached homes. Mobile homes will comprise 23% of the total new demand, or 223 more units.

The OSBM also projects changes in population age groups (Table 30). A significant increase in the age group 65-74 is projected by 2020, growing by 663 persons or nearly 33% from 2010. This age group represents the “baby boomer” generation in 2020. This increase in an age group that typically scales down its housing size indicates a possible need for smaller unit sizes. It has already been noted that one-bedroom units are in short supply at the affordable end of the market.

Table 29
2010-2020 Projected Housing Unit Demand by Tenure & Type

	Net Demand			Average Annual Demand		
	Total	Owner Occupied	Renter Occupied	Total	Owner Occupied	Renter Occupied
Total	928	695	233	93	69	23
1, detached or attached	656	536	120	66	54	12
2 to 9 units	44	9	35	4	1	4
10 or more units	11	0	11	1	0	1
Mobile Homes	217	150	67	22	15	7

Sources: North Carolina Office of State Budget and Management, U.S. Census Bureau, author's calculations

¹² Projected housing unit demand based on annual population change, age group change, household size, non-grouped quarters, housing replacement, census residual, owner/renter ratio, and structure/unit proportions.

Table 30
2010-2020 Projected Population by Age Groups - Madison

Age Group	2010	2020	Change	Change %
15-24	3,083	3,310	227	7.4%
25-34	2,574	3,085	511	19.9%
35-44	2,734	2,981	247	9.0%
45-54	2,984	3,058	74	2.5%
55-59	1,542	1,571	29	1.9%
60- 64	1,381	1,502	121	8.8%
65-74	1,988	2,651	663	33.4%
75-84	1,131	1,395	264	23.3%
85+	445	476	31	7.0%

Sources: North Carolina Office of State Budget and Management

2. Need for affordable units

A. Renters

Based on the estimates above, there will be an increase of about 233 rental units by 2020. How many of these should be subsidized in order to meet demand from low-income renters? We found that 736 renters in Madison County were cost-burdened in 2005-2007, or 37 % of all renter households (Tables 11 & 12). Applying this percentage to the projected increase in renter households would add another 86 cost-burdened renters by 2020, for a total of 822 renters needing affordable rental housing. To meet this total need over the next 10 years would require providing 82 units of affordable rental housing each year.

These needs might be met through a combination of new construction and rent assistance. Renters with income less than about 30% of area median income need public housing units or voucher-type rent subsidy because it is not feasible, even with construction subsidies, to build units affordable to this extremely low income group. Renters with incomes in the range 30-50% AMI need rent subsidies or units with significantly below-market rents, for example with construction subsidized through the Low Income Housing Tax Credit (LIHTC) or similar programs. Some renters in the 50-80% AMI group will also need units with below-market rents.

We found no evidence of plans for new rental housing in Madison County, affordable or otherwise, and conclude that there is a need for the construction of new affordable rental housing of appropriate size and design for this rural county.

B. Homeowners

The projected increase in owner-occupied units is 695 units. We found that 19 % of existing homeowners were cost-burdened in 2005-2007. This implies that 132 new homebuyers over the next 10 years may need homeownership assistance to avoid cost-burdens, or 13 a year. Assistance could be in the form of subsidizing the construction of new homes for sale or downpayment assistance to buy homes on the market.

However, this does not provide a very good basis for projecting total need for homeownership assistance. While we can reasonably estimate needs for rental housing for low-income households who have no option but to rent, the purchase of a home is a choice rather than a basic need. We may assume that many current renters want to become homeowners but we do not know how many could buy a home if provided with some financial assistance. Many would not qualify for a mortgage at all because of past credit problems and others would need very large amounts of assistance because of low income and existing debt burdens.

It is ultimately a policy issue whether to provide homeownership assistance and how much assistance is reasonable. Federal HOME and CDBG funds can be used to benefit only those households below 80% AMI and it seems likely that the gap between current house prices and the mortgage debt capacity of a household at 80% AMI will continue to widen, so the cost of homeownership assistance per household will rise.

Finally, if credit restrictions such as requiring downpayments of the order of 20% are maintained indefinitely, it is likely that homeownership demand will be reduced over a wide range of income levels. Conversely, the demand for rental units would then increase.

3. HUD Table 2A

HUD regulations require completion of a prioritized housing needs table, based on in the incidence of housing problems by tenure, household type, and income group. The information on housing problems is contained in the Comprehensive Housing Affordability Strategy (CHAS) tables published by HUD. However these are based on a special tabulation of data from the 2000 Census and are now ten years out of date.

We have attempted to update Table 2A through estimations based on proportional distributions in the U.S. Census Bureau's 2005-2007 American Community survey for Madison County. A notable limitation is the broader reported ACS income groups, which do not clearly fall into the income ranges defined in Table 2A. The revised table is shown on the next page. The data should be used with caution.

HUD-Required Table 2A
Priority Needs Summary Table
2005-2007 Estimate-Madison

Priority Housing Needs		Income (% AMI)	Priority (tbd)	Unmet Need
Renter	Small Related	0% to 30%		86
		31% to 50%		46
		51% to 80%		18
	Large Related	0% to 30%		23
		31% to 50%		13
		51% to 80%		5
	Elderly	0% to 30%		50
		31% to 50%		27
		51% to 80%		10
	All Other	0% to 30%		87
		31% to 50%		46
		51% to 80%		18
Owner	Small Related	0% to 30%		251
		31% to 50%		205
		51% to 80%		167
	Large Related	0% to 30%		29
		31% to 50%		28
		51% to 80%		22
	Elderly	0% to 30%		133
		31% to 50%		108
		51% to 80%		88
	All Other	0% to 30%		43
		31% to 50%		35
		51% to 80%		29

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Table A-1
Sources of Population Change – Madison County

Year	Natural	International	Domestic
2000	0	2	9
2001	-17	10	32
2002	34	9	30
2003	-12	6	28
2004	6	13	26
2005	-39	10	27
2006	-21	12	26
2007	-31	8	26
2008	-30	10	25

Source: U.S. Census Bureau

Table A-2
Top Industry Sector Employment -Madison County

	2009 Employment	5-Year Average Annual Change	5-Year Average Annual Change (%)
Total Private Industry	3,196	44	1.6%
Local Government	850	7	0.9%
Health Care and Social Assistance	770	44	7.0%
Educational Services	526	-96	-9.5%
Public Administration	435	0	0.0%
Manufacturing	394	-45	-8.0%
Retail Trade	304	-9	-2.5%
Accommodation and Food Services	298	24	12.4%
Construction	236	3	2.7%
Arts, Entertainment, and Recreation	138	6	5.5%
State Government	102	-2	-1.6%

Source: NC Employment Security Commission, 1st Quarters

Table A-3
Nat. Association of Home Builders/Wells Fargo Housing Opportunity Index

	Qtr2 2006	Qtr2 2007	Qtr2 2008	Qtr2 2009
Asheville MSA	46.8	45.3	46.9	62.5
Charlotte-Gastonia-Concord-SC	65.7	61.5	66.4	75.5
Durham	62.3	57.7	63.6	72.8
Fayetteville	64.9	66.3	71.0	77.7
Greensboro-High Point	69.7	74.4	74.1	78.1
Raleigh-Cary	63.3	52.6	66.8	79.9
Winston-Salem	75.0	74.7	76.3	83.4
United States	40.6	43.1	55.0	72.3

Table A-4
Type of Structure
Percent of Occupied Housing (2005-2007)

	Madison (units)	Madison	North Carolina	United States
Single, detached	5,630	70.2%	66.7%	63.1%
Single, attached	40	0.5%	3.4%	5.8%
Two apartments	136	1.7%	2.2%	3.8%
Three or four apartments	201	2.5%	2.8%	4.3%
Five to nine apartments	48	0.6%	4.3%	4.7%
Ten or more apartments	96	1.2%	6.5%	11.9%
Mobile home or other type of housing	1,877	23.4%	14.1%	6.4%

Source: U.S. Census Bureau

Table A-5
Median Year Structure Built - Occupied Housing

	Madison	North Carolina	United States
2000	1975	1978	1971
2005-2007	1976	1982	1974

Source: U.S. Census Bureau

Table A-6
Year Structure Built
Percent of Occupied Housing (2005-2007)

	Madison	North Carolina	United States
2000 or later	6.3%	14.7%	10.3%
1990 to 1999	20.7%	22.8%	14.6%
1980 to 1989	15.5%	17.6%	14.5%
1960 to 1979	27.7%	26.2%	28.7%
1940 to 1959	17.3%	12.7%	17.8%
1939 or earlier	12.4%	6.1%	14.1%

Source: U.S. Census Bureau

Table A-7(a)
Single Family Home Sales 2005-2009 - Madison County

	Closed Price	Total # Units	Total #							MFH	Total Median \$
			0 BR	1 BR	2BR	3BR	4BR	New			
2005	75000-100000	17	0	0	7	10	0	0			
	100000-125000	23	0	0	10	13	0	0			
	125001-150000	25	0	0	6	18	1	0			
	150001-175000	32	0	1	7	22	2	0			
	175001-200000	24	0	1	7	13	3	2			
	200001-+	104	0	0	11	69	24	9			
	Total	225	0	2	48	145	30	11	0	\$190,000	
2006	75000-100000	11	1	1	5	4	0	0			
	100000-125000	20	0	1	8	10	1	0			
	125001-150000	20	0	1	6	12	1	0			
	150001-175000	18	0	0	9	8	1	2			
	175001-200000	21	0	1	7	12	1	2			
	200001-+	98	0	2	16	65	15	12			
	Total	188	1	6	51	111	19	16	0	\$218,920	
2007	75000-100000	8	0	2	2	4	0	0			
	100000-125000	5	0	0	2	3	0	0			
	125001-150000	24	0	0	14	8	2	0			
	150001-175000	19	0	0	6	13	0	0			
	175001-200000	17	0	1	3	13	0	1			
	200001-+	84	0	1	10	58	15	15			
	Total	157	0	4	37	99	17	16	0	\$210,000	
2008	75000-100000	6	0	1	2	3	0	1			
	100000-125000	7	0	0	2	5	0	0			
	125001-150000	11	0	0	2	9	0	0			
	150001-175000	6	0	0	2	4	0	0			
	175001-200000	10	0	0	2	7	1	9			
	200001-+	63	1	1	9	35	17	17			
	Total	103	1	2	19	63	18	27	0	\$225,000	
2009	75000-100000	2	0	0	1	1	0	0			
	100000-125000	7	0	1	3	2	1	0			
	125001-150000	3	0	1	0	2	0	0			
	150001-175000	5	0	0	0	4	1	1			
	175001-200000	4	0	0	0	4	0	0			
	200001-+	22	0	0	5	16	1	3			
	Total	43	0	2	9	29	3	4	0	\$209,000	

Source: Mountain Multiple Listing Service
2009 figures include all sales through August 31.

Table A-7(b)
Multi-family Home Sales 2005-2009 - Madison County

	Closed Price	Total # Units	Total #						New	MFH	Total Median \$
			0 BR	1 BR	2BR	3BR	4BR				
2005	75000-100000	1	0	0	0	0	1	0			
	100000-125000	3	0	3	0	0	0	0			
	125001-150000	0	0	0	0	0	0	0			
	150001-175000	0	0	0	0	0	0	0			
	175001-200000	0	0	0	0	0	0	0			
	200001-+	1	0	0	1	0	0	0			
	Total	5	0	3	1	0	1	0	0	\$107,000	
2006	75000-100000	0	0	0	0	0	0	0			
	100000-125000	0	0	0	0	0	0	0			
	125001-150000	0	0	0	0	0	0	0			
	150001-175000	0	0	0	0	0	0	0			
	175001-200000	0	0	0	0	0	0	0			
	200001-+	1	0	0	0	1	0	1	0		
	Total	1	0	0	0	1	0	1	0	\$791,924	
2007	75000-100000	0	0	0	0	0	0	0			
	100000-125000	0	0	0	0	0	0	0			
	125001-150000	0	0	0	0	0	0	0			
	150001-175000	0	0	0	0	0	0	0			
	175001-200000	0	0	0	0	0	0	0			
	200001-+	1	0	0	0	0	1	1			
	Total	1	0	0	0	0	1	1	0	\$675,000	
2008	75000-100000	0	0	0	0	0	0	0			
	100000-125000	0	0	0	0	0	0	0			
	125001-150000	0	0	0	0	0	0	0			
	150001-175000	0	0	0	0	0	0	0			
	175001-200000	0	0	0	0	0	0	0			
	200001-+	0	0	0	0	0	0	0			
	Total	0	0	0	0	0	0	0	0	\$0	
2009	75000-100000	0	0	0	0	0	0	0			
	100000-125000	0	0	0	0	0	0	0			
	125001-150000	0	0	0	0	0	0	0			
	150001-175000	0	0	0	0	0	0	0			
	175001-200000	0	0	0	0	0	0	0			
	200001-+	0	0	0	0	0	0	0			
	Total	0	0	0	0	0	0	0	0	\$0	

Source: Mountain Multiple Listing Service
2009 figures include all sales through August 31.

Table A-8
Calculation of Maximum Affordable Sales Price - Madison County

Assumptions:

1. Buyers qualify for 30 year fixed rate FHA loan at 5.25% interest with a 3.5% downpayment
2. Maximum allowed for principal, interest, taxes & insurance (PITI) is 28% of income
3. Property taxes per \$100 are: \$0.57/\$100 (\$0.51 basic + ~\$0.06 fire district)
4. FHA Annual mortgage insurance premium is 0.5% of loan amount
5. Property insurance is 0.4% of price of home

Families at 80% AMI

Family size	80% AMI	Max. PITI	Property Taxes	Insurance	Mortgage Insurance	Max. P&I	Max. Loan	Max. Price
1	31,200	8,736	638	409	511	7,178	108,270	112,197
2	35,650	9,982	730	467	584	8,202	123,707	128,194
3	40,100	11,228	821	525	657	9,225	139,144	144,191
4	44,550	12,474	912	584	730	10,249	154,581	160,188

Key professions

Retail Manager	26,098	7,307	536	343	429	6,000	90,499	93,781
Protective Services	29,384	8,228	604	387	483	6,753	101,859	105,554
Admin. Assistant	32,580	9,122	667	427	534	7,495	113,049	117,149
Registered Nurse	48,764	13,654	998	638	798	11,220	169,231	175,369

Table A-9
Sales of homes below %150,000 in Madison County

	Single Family Sales <\$150,000	Multifamily Sales <\$150,000	All Sales <\$150,000	Total Sales, All Prices	Percent of Sales <\$150,000
2005	65	4	69	230	30%
2006	51	0	51	189	27%
2007	37	0	37	158	23%
2008	24	0	24	103	23%
2009	12	0	12	43	28%
Totals:	189	4	193	723	27%

Source: Mountain Multiple Listing Service

Table A-10
Subsidized Housing in Madison County

Property	Address	Total Units	Rent Assistance*	1- bed	2- bed	3- bed	Primary Resident type	Targeted to special needs
HUD-assisted								
WNC Madison County Group Home	36 Mountain Heights Ave, Hot Springs	6	Yes	6			Developmental disability	6
LIHTC								
Mashburn Gap Apts (also USDA assisted)	1140 N Main St, Marshall	34	Yes	32	2		Elderly	
	Totals:	40	0	38	2	0		6

* In units with rent assistance tenants pay no more than 30% of gross income in rent & utilities

Sources: HUD: huduser.org; USDA: http://rdmfhrentals.sc.egov.usda.gov/RDMFHRentals/select_state.jsp

Table A-11
State Licensed Residential Care Facilities in Madison County

Adult Care Homes	Beds	Type	Owner
Mars Hill Retirement Community	<u>69</u>		David Ammons (No Medicaid)
Family Care Homes			
Hot Springs Family Care Home #1	6		Boyd and Edwina Mintz
Hot Springs Family Care Home #2	6		Boyd and Edwina Mintz
Hot Springs Family Care Home #3	6		Boyd and Edwina Mintz
Mintz Family Care Home #1	6		Boyd and Edwina Mintz
Mintz Family Care Home #2	6		Boyd and Edwina Mintz
Mintz Family Care Home #3	6		Boyd and Edwina Mintz
Mintz Family Care Home #4	6		Boyd and Edwina Mintz
Mintz Family Care Home #5	6		Boyd and Edwina Mintz
	<u>48</u>		
Mental Health Facilities			
Blue Ridge Homes-Madison	32	DD	Blue Ridge Area Foundation
Madison County Group Home *	6	DD	WNC Madison County Housing Corporation
Bogin Therapeutic Home	3	AFL	Ray of Light Homes, LLC
Morning Song Farm	3	AFL	Davidson Homes, Inc.
Randall House	2	AFL	Turning Point Services, Inc.
The Skyway Home	2	AFL	Ray of Light Homes, LLC
	<u>48</u>		
Nursing Homes			
Elderberry Health Care	100		Wilkinson Care Center, Inc.
Madison Manor	100		Brookwood - Madison County Convalescent Center
	<u>200</u>		
Grand Total	<u>365</u>		

DD: Developmentally Disabled

AFL: Assisted Family Living (any mental disability)

Source: NC Division of Health Service Regulation, www.ncdhhs.gov/dhrs/reports.htm

Table A-12
Housing Problems for Households with Mobility & Self Care Limitation – 2000

Name of Jurisdiction:		Source of Data:				Data Current as of:			
Madison County, North Carolina		CHAS Data Book				2000			
Household by Type, Income, & Housing Problem	Renters				Owners				Total Households
	Extra Elderly 1 & 2 member Households	Elderly 1 & 2 member Households	All Other Households	Total Renters	Extra Elderly 1 & 2 member Households	Elderly 1 & 2 member Households	All Other Households	Total Owners	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
1. Household Income <=50% MFI	69	64	135	268	233	166	197	596	864
2. Household Income <=30% MFI	45	40	65	150	130	94	119	343	493
% with any housing problems	33.3	37.5	69.2	50	38.5	63.8	54.6	51	50.7
3. Household Income >30 to <=50% MFI	24	24	70	118	103	72	78	253	371
% with any housing problems	16.7	16.7	50	36.4	7.8	11.1	37.2	17.8	23.7
4. Household Income >50 to <=80% MFI	10	14	39	63	83	45	144	272	335
% with any housing problems	0	28.6	10.3	12.7	9.6	44.4	30.6	26.5	23.9
5. Household Income >80% MFI	20	8	74	102	69	98	490	657	759
% with any housing problems	0	0	5.4	3.9	0	8.2	12.2	10.4	9.5
6. Total Households	99	86	248	433	385	309	831	1,525	1,958
% with any housing problems	19.2	26.7	35.5	30	17.1	31.1	23.8	23.6	25

Definitions for Mobility & Self-Care Table:

Extra Elderly: 1 or 2 Member households, either person 75 years or older

Elderly: 1 or 2 Member Households, either person 62 to 74 years

Mobility or Self Care Limitations: This includes all households where one or more persons has 1) a long-lasting condition that substantially limits one or more basic physical activity, such as walking, climbing stairs, reaching, lifting, or carrying and/or 2) a physical, mental, or emotional condition lasting more than 6 months that creates difficulty with dressing, bathing, or getting around inside the home.

Table A-13
Housing Problems Madison County - 2000 data

Housing Problems Output for -All Households

Name of Jurisdiction: Madison County, North Carolina		Source of Data: CHAS Data Book				Data Current as of: 2000					
Household by Type, Income, & Housing Problem	Renters					Owners					Total Households
	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Owners	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	
1. Household Income <=50% MFI	299	282	38	277	896	862	347	66	231	1,506	2,402
2. Household Income <=30% MFI	196	134	16	163	509	477	178	16	148	819	1,328
3. % with any housing problems	49.5	81.3	75	66.3	64	53	61.2	100	52.7	55.7	58.9
4. % Cost Burden >30%	41.8	81.3	50	66.3	60.3	50.9	61.2	75	50	53.5	56.1
5. % Cost Burden >50%	24.5	70.1	50	51.5	46	26	38.8	50	33.8	30.6	36.5
6. Household Income >30% to 50% MFI	103	148	22	114	387	385	169	50	83	687	1,074
7. % with any housing problems	33	45.9	54.5	34.2	39.5	14.5	40.8	62	21.7	25.3	30.4
8. % Cost Burden >30%	29.1	35.8	36.4	30.7	32.6	12.5	38.5	54	21.7	23	26.4
9. % Cost Burden >50%	0	2.7	0	13.2	4.9	7.8	26.6	16	12	13.5	10.4
10. Household Income >50 to 80% MFI	37	260	33	110	440	320	450	98	169	1,037	1,477
11. % with any housing problems	21.6	13.5	54.5	14.5	17.5	14.7	23.3	43.9	32	24	22.1
12. % Cost Burden >30%	10.8	9.6	12.1	10.9	10.2	13.4	21.1	43.9	29.6	22.3	18.7
13. % Cost Burden >50%	0	0	0	3.6	0.9	7.8	6.7	4.1	5.9	6.7	4.9
14. Household Income >80% MFI	48	322	29	154	553	628	2,393	199	329	3,549	4,102
15. % with any housing problems	0	2.5	48.3	9.1	6.5	11.6	9.1	9.5	11.9	9.8	9.4
16. % Cost Burden >30%	0	1.2	13.8	6.5	3.3	9.2	8.8	2	10.6	8.7	7.9
17. % Cost Burden >50%	0	0	0	0	0	2.9	2.5	0	3	2.5	2.1
18. Total Households	384	864	100	541	1,889	1,810	3,190	363	729	6,092	7,981
19. % with any housing problems	36.2	25.5	56	32.7	31.3	23.7	15.7	30	25.9	20.2	22.8
20. % Cost Burden >30	30.2	22.1	24	30.5	26.3	21.7	15	23.7	24.3	18.6	20.4
21. % Cost Burden >50	12.5	11.3	8	19	13.6	10.9	6.4	5.5	11	8.2	9.5