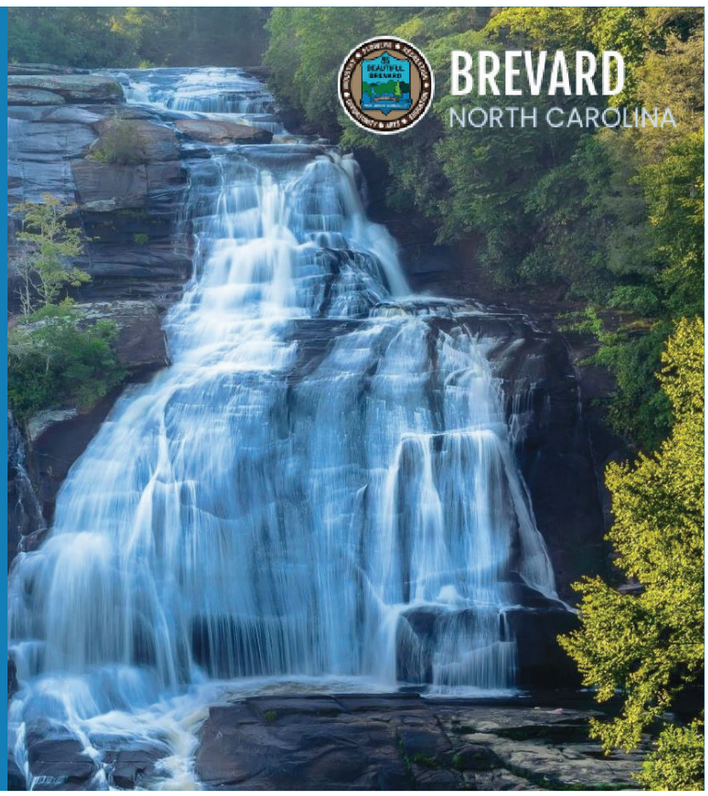
Affordable Housing Initiatives Update

City Council | August 19, 2024



What is affordable housing?

Housing is considered “affordable” if a family is paying less than **30%** of their annual income on **housing-related expenses.**



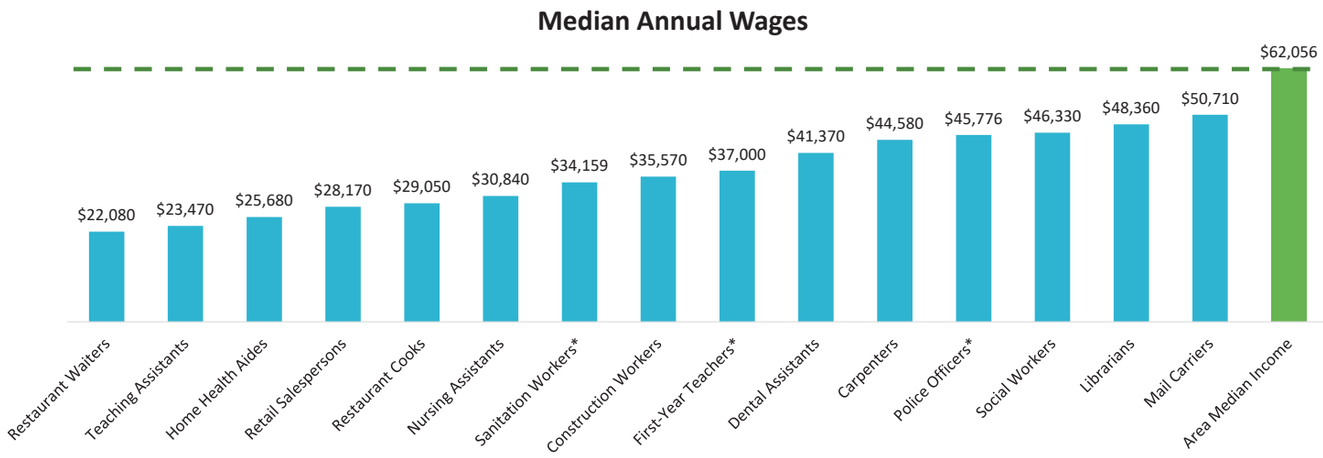
Housing expenses include rent plus utilities or mortgage, insurance, and property taxes plus utilities.

Families living in affordable housing have more income than cost burdened households to cover other expenses like childcare, health care, transportation, or food.

Income Limits in Transylvania County

AMI	1-person	2-person	3-person	4-person
30% Extremely Low Income	$16,170	$18,480	$20,790	$23,100
50% Very Low Income	$26,950	$30,800	$34,650	$38,500
60% Low Income	$32,340	$36,960	$41,580	$46,200
80% Low-to-Moderate Income	$43,120	$49,280	$55,440	$61,600

Who is Brevard's workforce?



Source: US Bureau of Labor Statistics, Occupational Employment and Wage Estimates, Mountain North Carolina nonmetropolitan area, May 2022.
**Confirmed starting salaries with the City of Brevard or Transylvania County Schools*

Who is Brevard's workforce?

Transylvania County Area Median Incomes (AMI) – One Person Household*				
	30%	50%	60%	80%
Income (annual)	$16,170	$27,000	$32,340	$43,120
1-BR Affordable Rent (per month)	$430	$670	$860	$1,080

Average rental rate for a 1-BR unit is $1,960/month.
(as of April)



Senior Resident (Social Security Income)



Restaurant Server



Firefighter

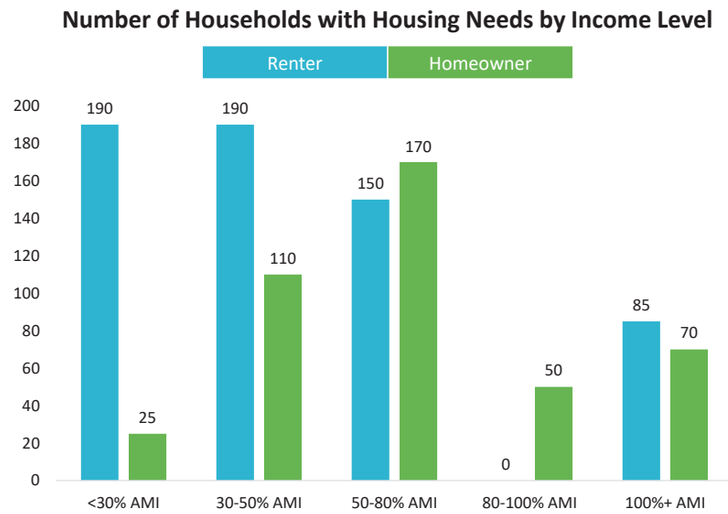


Elementary School Teacher

Source: DFI Analysis of HUD 2024 data.

The Need

- At least **530 LMI renters** and **305 LMI homeowners** have housing needs in Brevard.
- Of these households, approximately 50% are severely housing cost-burdened.
- The number of households with housing needs has likely grown post-pandemic.



Housing Need: households with housing need (1) spend at least 30% of their annual income on housing-related costs, (2) live in units without plumbing or kitchen facilities, or (3) live in units with more than 1 person per room.

Source: DFI Analysis of HUD CHAS (2020)

The Need

- **The rise in housing costs over the last three years has likely increased the number of cost-burdened households.**
- Post-pandemic there are continued pressures on limited housing stock.
  - Increasingly competitive market with vacancy rates below 2%
  - Population growth, 50% increase in home sales, and a tripling of seasonal-use properties has reduced rental availability.
- Land and construction costs are pushing up prices for both homeowners and renters.
- The highest price rental units (over $1,000/month) have more than doubled.
- The average home sale price increased nearly 30%, and price of new homes has more than doubled.

Source: DFI Analysis

Housing Identified as Top Priority

- **Building Brevard 2030 Comprehensive Land Use Plan**
  - All long-range planning efforts in the past 20 years have highlighted housing as a critical effort
  - Ranked as the most important goal: "*Expand housing opportunities for all residents while preserving the character of Brevard and its neighborhoods*."
- **City Council's Response**
  - City Council elevated the Housing Committee to a Policy Committee and expanded it's scope to beyond the Housing Trust Fund
  - Housing Policy Action / Funding categorized as "Category 1: Essential" in City Council's FY23-24 and FY 24-25 Strategic Planning Retreats
  - Legislative agenda setting and advocacy

Housing Goals & Local Government Solutions



Creating New Affordable Units

The City can use the policies, programs, and tools at its disposal to allow for the creation of more affordable housing.

Preserving Existing Affordable Housing

The City can implement policies and programs to protect the affordable/ workforce housing created by the market.

Supporting Affordable Housing Programs

The City can engage with others to invest in and support affordable/workforce housing programs and projects.

Reviewing Regulatory Environment

The City can review the provisions of its UDO to ensure the regulatory environment can accommodate housing development at all price ranges.

Regulatory Changes

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- **Missing Middle Housing Allowed By-Right**
  - Triplexes and Quadraplexes (June 2022)
  - Accessory Dwelling Units Increased Size (December 2022)
  - Cluster Home Development (May 2024)
- **Infill Development Allowances**
  - Irregular Lots and Road Frontage Requirements (September 2022)
  - Subdivision off Private Roads in ETJ (June 2024)
  - Group Developments and Interior Lots (June 2024)
- **Short-Term Rental Regulations (August 2023)**
  - Only permitted in some zoning districts
  - Permanent Resident Exemption
- **Architectural Standards (Anticipated Fall 2024)**
  - Ensuring larger developments align with the character of Brevard
  - Addressing concerns voiced by neighboring residents

Partnership and Regional Participation

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- **Collaboration with Non-Profits and Local Advocates (Ongoing)**
  - Brevard-Davidson River Presbyterian Church
  - Habitat for Humanity
  - Brevard-Transylvania Housing Coalition
- **Better Alignment with County Housing Efforts (Ongoing)**
  - Participation in Transylvania County Housing Study
  - County Support for PRO Housing Application / Azalea Neighborhood Sewer Extension
- **Regional Participation (Ongoing)**
  - Asheville Regional Housing Consortium (distributing HOME Funding – Fairhaven Meadows)
  - Land of Sky Regional Housing Alliance (coordinating efforts region-wide)
  - Legislative agenda setting and advocacy

Funding and Subsidy

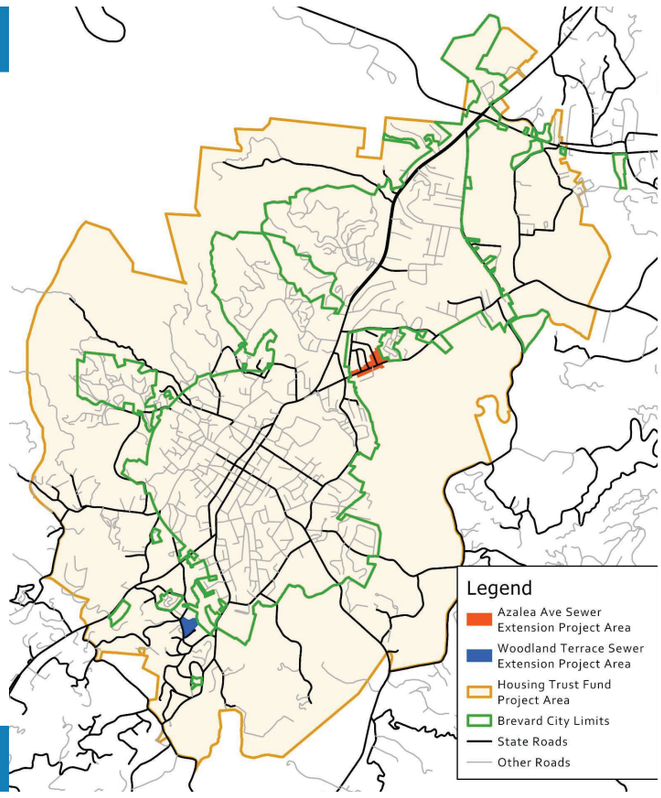
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- **Housing Trust Fund Improvements (March 2023)**
  - Alignment with City's priorities and statutory authority
- **Housing Trust Fund Contribution (Ongoing)**
  - FY 2023 - equal to 2 cents of property tax
  - FY 2024 - equal to 1.5 cents of property tax
  - Identifying City-owned sites for disposition (new!)
- **Development Finance Initiative Contract (Ongoing)**
  - Conducted Housing Needs Assessment
  - Identified opportunity sites for potential city-supported project
  - Facilitated Lease Agreement with Brevard-Davidson River Presbyterian Church
  - Identifying community priorities, assessing financial feasibility, and soliciting developer partner
- **Pursuing State, Federal and Private Grants (Ongoing)**
  - Azalea / Rhododendron Neighborhood Sewer Extension
  - Preservation Program Funding
  - Habitat for Humanity Woodland Terrace Sewer Extension

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PRO Housing Round 2

- **Project Proposal**
  - Extending sewer to Azalea / Rhododendron neighborhood along Old Hendersonville Highway → **~ $2 Million**
  - Extending sewer to Habitat for Humanity's Property on Woodland Terrace → **~ $800,000**
  - Endowing the Housing Trust Fund for preservation programs → **~ $1 Million**
- **Timeline**
  - Funding Announced → August 13th
  - Public Hearing → September 16th
  - Application Due → October 15th



Summary & Key Takeaways

- Affordable housing has been identified as **a top priority** for the City time and time again.
- There is **no one-size-fits-all solution** in solving the affordable housing crisis in and around Brevard. An assortment of solutions are required to reach **different income levels** and provide **different residential product types**.
- For a local government with limited resources, **collaboration, creativity, and persistence** in addressing the housing crisis are of the utmost importance.
- The work undertaken to date has **set the stage** for new housing to be created.
- The City continues to address **regulatory barriers**, apply for new **funding opportunities**, and pursue a **city-supported affordable housing project**.