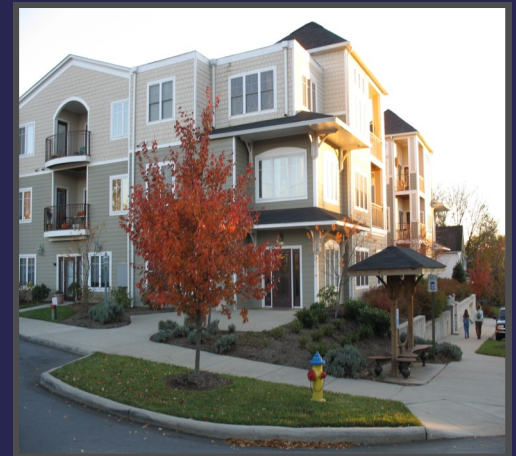


# A LONG WAY FROM HOME: THE IMPACTS OF A LIMITED SUPPLY OF WORKFORCE HOUSING IN THE ASHEVILLE METROPOLITAN AREA



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# EXECUTIVE SUMMARY

The lack of workforce housing in desirable areas like Asheville and Buncombe County often forces essential workers, such as teachers, nurses, and police personnel, to seek housing in outlying areas far from where they work. The result: long commutes that have negative impacts on those workers and their families such as having to spend more of their incomes for gas and car maintenance, and having less time to spend with family and friends. Often overlooked, however, is that those long commutes have negative impacts on the local and global environments. They increase tailpipe emissions which contribute both to local health problems and to global climate change. They also contribute to traffic congestion, which reduces the quality of life for all area residents. Finally, they make it more difficult and costly for local businesses, nonprofits, and government agencies to hire and retain workers.

The purpose of this report is first, to assess the need for additional workforce housing in the Asheville/Buncombe County area and,

second, to document the environmental, economic, and quality-of-life impacts that commuting causes due to a shortage of such housing. Based on this information we offer a series of recommendations for expanding the supply of workforce housing in the area, which will result in significant benefits to the local environment, economy, and overall quality-of-life.

## **What evidence is there of a need for additional workforce housing in the Asheville Metropolitan area?**

The analysis of U.S. Census and local housing data indicates that the Asheville Metropolitan Statistical Area (MSA), which consists of Buncombe, Haywood, Henderson, and Madison counties, is growing rapidly in terms of both people and jobs. Between 2000 and 2007 the population of Buncombe County grew from 206,330 to 226,771 while the population of the rest of the MSA grew from 162,841 to 176,030. This population increase

has caused housing prices and rents in the area to increase significantly. Of particular importance to the issue of workforce housing is that during this same period the number of lower-income households in Buncombe County jumped from 18,700 to almost 22,300 while the number in the rest of the MSA grew from 15,300 to 17,300. Many of those households have members who work for the city or county governments, hospitals, and private companies located in or around Asheville. These workers often have to travel long distances from work to live in affordable housing.

Turning to job growth, between 2000 and 2007 Buncombe County added almost 10,000 jobs while the other three counties in the MSA added an additional 2,400 jobs. Many of those jobs, however, offered low wages. Two of the fastest growing industry classifications in Buncombe County were accommodation and food services, which had an average annual wage of \$15,500 in

2007, and administrative and waste services, which had an annual wage of \$22,800.

Recent changes have also taken place in the characteristics of the housing stock. Between 2000 and 2007, 75% of the 16,100 units permitted in Buncombe County and 90% of the 13,200 units permitted in the other three counties within the MSA were single-family detached houses. Over the same time period, the number of manufactured housing units, which are often affordable to lower-income families, declined throughout the MSA.

Indicators of housing affordability do, in fact, show that substantially larger percentages of households are experiencing housing affordability problems in both Buncombe County and the rest of the MSA. For example, in 2007 over 90% of renters with incomes below \$20,000 in Buncombe County and 80% of the same group in the rest of the MSA were paying more than 30% of their incomes for rent.<sup>1</sup> Within the \$20,000 to \$34,999 income group, the percentage of rent-burdened families in both Buncombe County and the rest of the MSA jumped from under 30% to over 50% between 2000 and 2007.

The number of homeowners experiencing affordability problems has also increased. The number of owners with incomes under \$35,000 paying more than 30% of income for housing increased from 11,000 in 2000 to over 16,600 in 2007. Over the same time period, the number of cost-burdened homeowners with incomes between \$35,000 and \$50,000, increased from 2,600 to over 5,400. In 2007, the Asheville metropolitan area had the second least affordable housing market in the North Carolina. Escalating housing costs have also made it more difficult to buy homes in the area. In 2004 the median price of a home for sale was \$165,000. By 2007, the median price had jumped to \$220,000.

Data also indicate a substantial mismatch between the location of jobs and the location of housing units in the Asheville MSA. Buncombe County contains 67% of the jobs in the area, yet it only accounts for 54% of all housing units in the MSA. Between 2000 and 2007, the percent of people in Buncombe County who reported working in the county remained constant at 90%. Over the same period, the percent of people who reported working in their county of residence in the other three counties declined from 72% to 67%. A total of 7,774 lower-

income workers commute from Madison, Haywood, and Henderson counties into a seven-mile ring around downtown Asheville each day.

Taken together these data demonstrate the substantial need for additional workforce housing close to major employers in and around Asheville.

### **What impact does this lack of well-located workforce housing have on both individuals and the community?**

To address this question we conducted a mail survey of 581 lower-wage employees of five major organizations in the Asheville area who live more than fifteen miles from where they work. A total of 258 surveys were returned for a 44.4% response rate. Among other questions, respondents were asked if they would be willing to consider moving closer to work. Twenty-six percent of the respondents replied “yes” while another 36% said “maybe.” Thus, 62% of the respondents were at least willing to consider moving closer to work. Single people, those under forty years of age, college graduates, and people in households with incomes under

\$40,000 were more willing to move, particularly if affordable housing was available in safe areas, and in areas conducive to walking and bicycling. These findings indicate there is a strong demand for affordable housing located close to employment centers.

Information on where survey recipients work and where they live, allowed us to estimate the reduction in commuting distances if they were to move to likely locations for the development of new workforce housing in the Asheville area. The survey also asked the recipients if they drive alone to work, and the makes, models, and years of the cars they drive to work. From there we projected the benefits of shorter commutes on the environment, the economy, and the quality of life of the area. A summary of those benefits is presented in Table 1.

The analysis indicates that, on average, each worker in our sample would reduce their yearly work commute by 8,770 miles, which would save each worker \$4,600 in commuting costs. Each worker would also substantially reduce his or her production of toxic emissions and greenhouse gases. For every

hundred commuters who moved to one of the possible areas for workforce housing construction, nitrogen oxide emissions would decline by 117 kg, carbon monoxide emissions would decline by 1,011 kg, and carbon dioxide emissions would be reduced by 350 tons. The reduction in CO<sub>2</sub> emissions would be equivalent to turning off all street lights in the city of Asheville for ten days. The yearly travel time saved per worker would be between 159 and 250 hours depending on average travel speeds. This time savings would provide workers with more time for family, friends, and community involvement. Each move would save almost 400 gallons of gas per year. Although

more difficult to quantify, moving closer to work is likely to reduce employee turnover and save businesses thousands of dollars in the replacement and training costs.

**What are the main obstacles and facilitators to the development of additional workforce housing in Asheville and Buncombe County?**

Based on interviews with a wide range of representatives of public, nonprofit, and private organizations in Asheville and Buncombe County the most frequently perceived obstacles to the development of additional workforce housing in the area are: high land values due both to topographical constraints on supply and to strong demand for

**Table 1: Summary of Direct Benefits to Households and the Environment**

<b>Benefit</b>	<b>Savings</b>
Yearly reduction in miles driven (per commuter)	8,770 Miles
Yearly commuting costs saved, including fuel costs (per commuter)	\$ 4,600
Yearly tailpipe emissions saved (per 100 commuters)	
Nitrogen oxides (NO <sub>x</sub> )	117 Kg
Carbon monoxide (CO)	1,011 Kg
Carbon dioxide (CO <sub>2</sub> )	350 Tons
Yearly travel time saved (per commuter)	159-250 Hrs.
Yearly gasoline saved (per commuter)	397 Gallons



second homes; opposition from neighborhood and environmental groups that either want to limit new development or object to lower-priced homes; long and difficult city and county development review processes; and insufficient public subsidies to support workforce housing.

When asked what should be done to increase the supply of workforce housing, the most frequently mentioned suggestions are to increase city and county contributions to their respective affordable housing trust funds; adopt inclusionary zoning ordinances that would require large developments to provide a certain percentage of affordable units in return for density bonuses; expand the number of affordable housing providers in the area; and increase the number of public/private partnerships designed to produce more workforce housing.

### **What can be done to expand the supply of well-located workforce housing in the Asheville area?**

The findings of this research lead us to make the following recommendations:

*Recommendation 1: Asheville and Buncombe County should set yearly goals for the construction of workforce housing units.*

*Recommendation 2: Asheville and Buncombe County should assess their current workforce housing policies and development ordinances to determine their effectiveness in encouraging workforce housing.*

*Recommendation 3: The city and the county should increase annual contributions to their respective affordable housing trust funds and consider donating unutilized property for workforce housing.*

*Recommendation 4: Community leaders should set up a committee of interested parties to discuss both the development of an inclusionary zoning policy or ordinance, and the issue of the preservation of affordable housing once it is constructed.*

*Recommendation 5: Representatives of the affordable housing and environmental advocacy groups in the area should develop a working group or coalition to facilitate communication, identify common interests, and seek win-win solutions to issues.*

*Recommendation 6: The city and county should look for opportunities to redevelop areas close to major activity areas and along major transit corridors that would include workforce housing.*

*Recommendation 7: Greater cooperation is needed among the various organizations with interests in expanding the supply of workforce housing in the city and the county.*

A sea change is taking place in our country. At both the federal and local levels, policy makers are realizing the need to change the way we plan and develop our communities. If we are to address both the current economic and environmental challenges, we need to promote mixed-use developments that contain a range of housing types since these community characteristics are more conducive to walking, bicycling, and the use of public transportation which, in turn, reduce traffic congestion, air pollution, and the costs of transportation. Asheville and Buncombe County have the choice of either getting out in front of this trend to maintain the high quality of life that attracts both businesses and residents to the area, or conduct business as usual and be strangled by pollution, congestion, and the economic costs of long commutes.