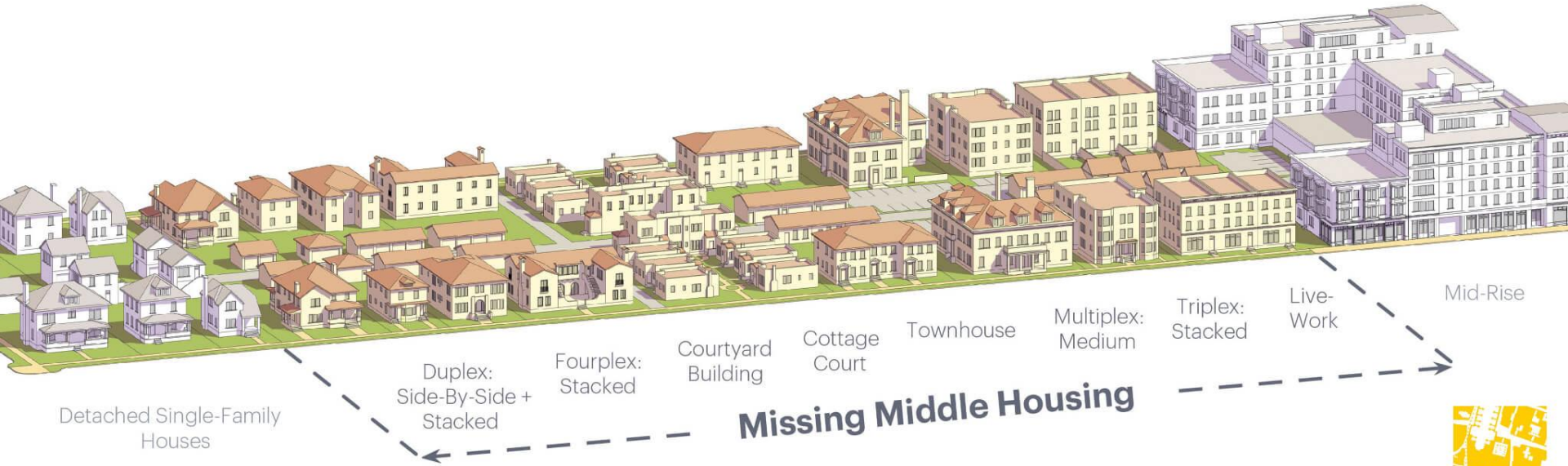


Missing Middle Housing Study



Presentation to the Land of Sky Association of Realtors (LOTSAR)
by Vaidila Satvika, AICP
Department of Planning & Urban Design
December 13, 2023

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Missing Middle Housing Study

- Chapter 1)** Purpose & Objectives
- Chapter 2)** About Missing Middle Housing
- Chapter 3)** Analysis of Barriers
- Chapter 4)** Testing Zoning Standards
- Chapter 5)** Displacement Risk Assessment
- Chapter 6)** Displacement Mitigation Strategies
- Chapter 7)** Recommendations

Chapter 1) Purpose & Objectives

The scope of this study is to identify regulatory or policy barriers that negatively impact the **production of housing supply** and to develop recommendations that help **better align Asheville's regulations with the City's goals** of promoting growth that occurs responsibly.

Asheville's Housing Opportunity Index

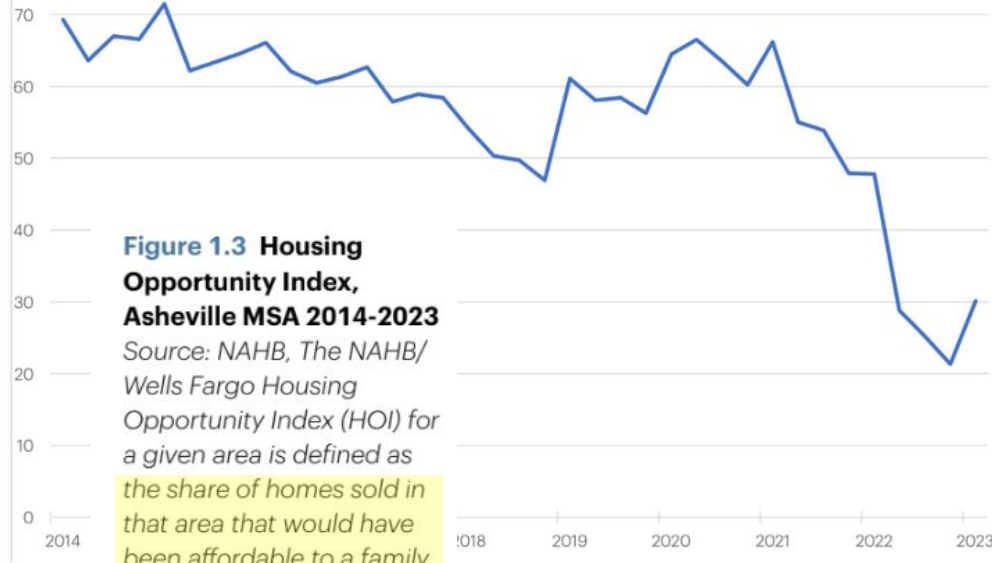
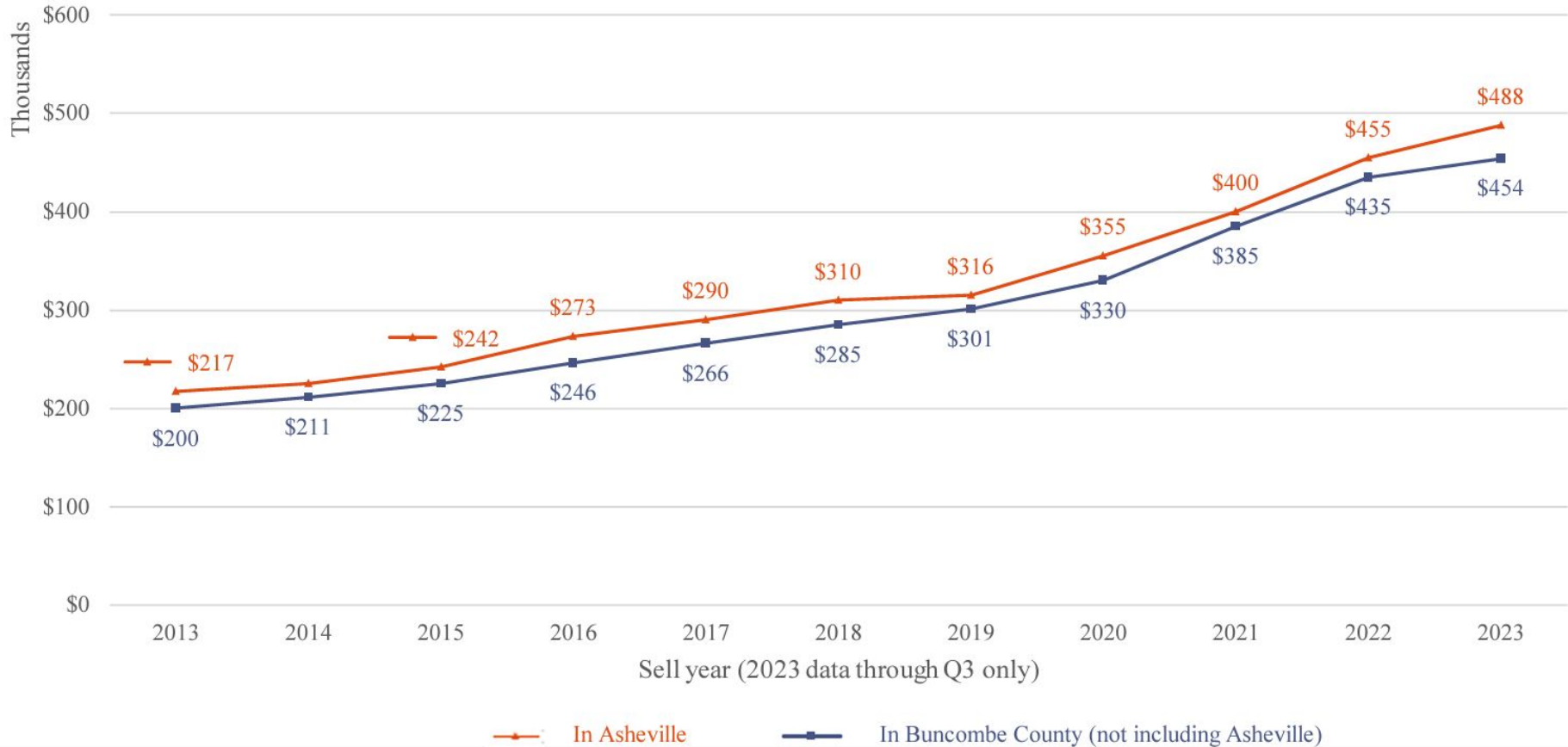


Figure 1.3 Housing Opportunity Index, Asheville MSA 2014-2023

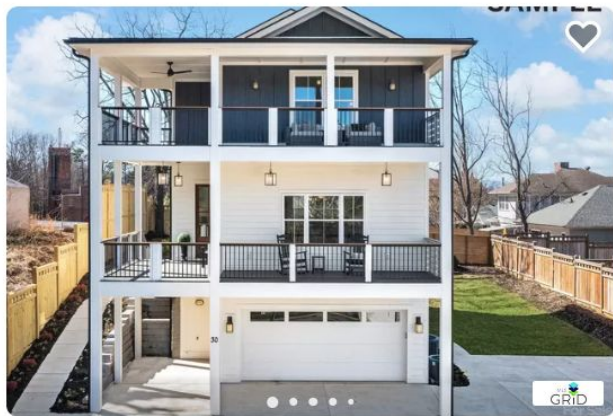
Source: NAHB, The NAHB/Wells Fargo Housing Opportunity Index (HOI) for a given area is defined as the share of homes sold in that area that would have been affordable to a family earning the local median income, based on standard mortgage underwriting criteria.

Median Home Sale Price in Asheville and Buncombe County



Median Home Sale Price in Asheville and Buncombe County

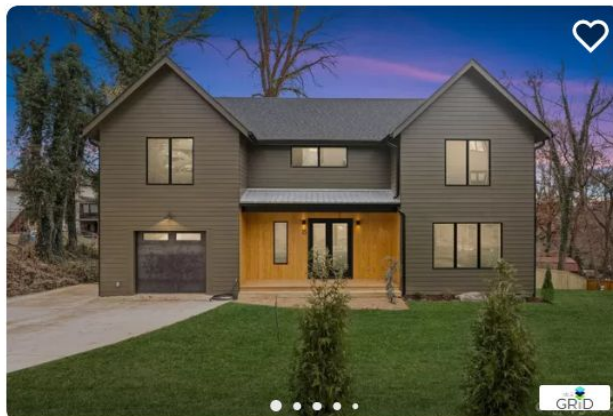




\$1,250,000



5bd 4ba 3,059 sqft



\$919,000



4bd 3ba 2,367 sqft



\$695,000



3bd 3ba 1,743 sqft



\$949,000



4bd 4ba 2,652 sqft



\$949,000



4bd 4ba 2,585 sqft



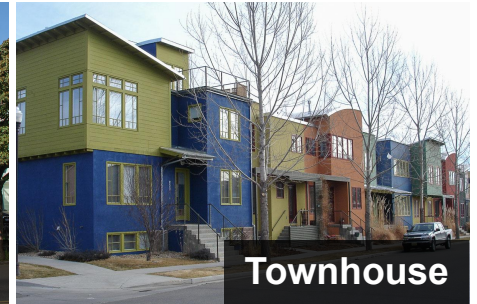
\$589,000 ↓



3bd 3ba 1,516 sqft

Chapter 2) About Missing Middle Housing

Missing Middle Housing (MMH) is comprised of **house-scale buildings with multiple units** that are **compatible with single-family neighborhoods** and provide **housing choice**.



Chapter 2) About Missing Middle Housing

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Chapter 3) Analysis of Barriers

While there is demand for additional housing variety, there are **community concerns** and **barriers** as well, such as the following:

Concerns

- New construction may not benefit the community
- Increased development may undermine tree canopy
- New housing units may not be affordable

Barriers

- Zoning is outdated and too restrictive
- Financing multi-unit buildings can be challenging
- High cost of land
- Parking regulations can be difficult and expensive

“ There is constant pressure to redevelop – how can we help protect existing affordability?”

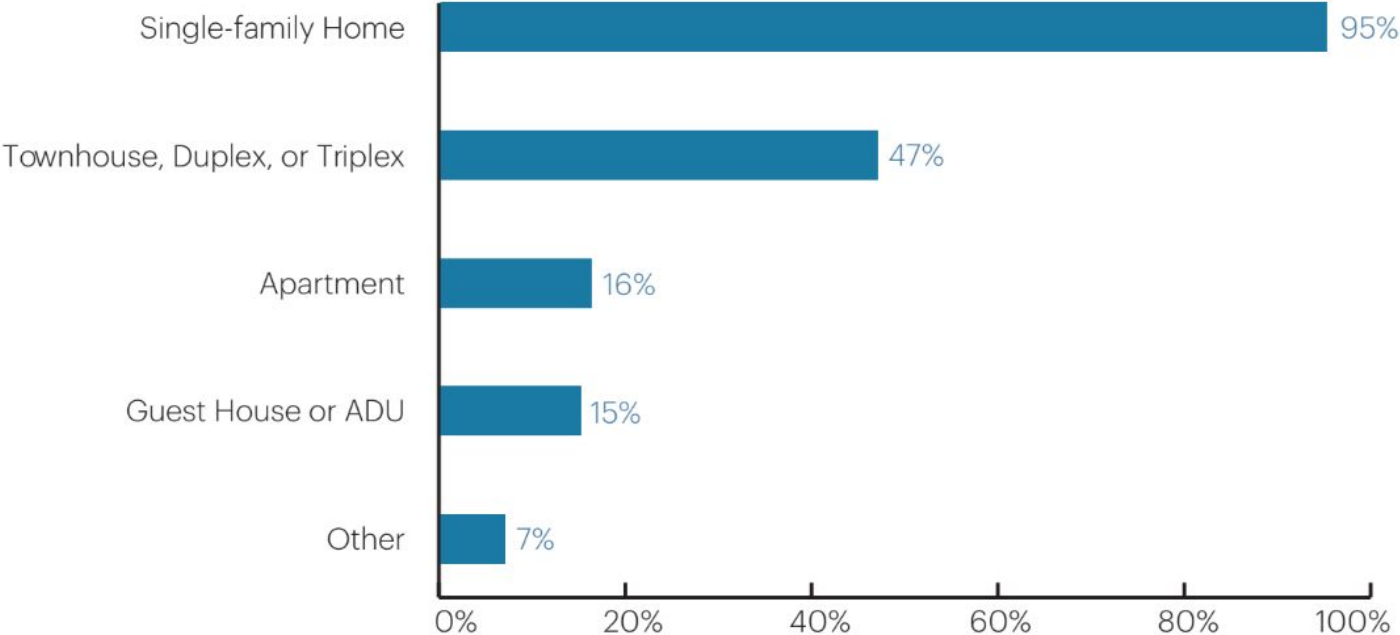
**Legacy
Neighborhood
Representatives
and Leaders**

including County representatives and community leaders



Chapter 3) Analysis of Barriers

Renter's Survey Results



94%
of respondents claim the biggest hurdle to ownership is unaffordability


91%
of respondents want to be homeowners, at least at some point


Survey response to the question “Which of the following housing types would you consider owning? Select all that apply”


Chapter 3) Analysis of Barriers

Key

 Enables All MMH Types

 Barrier to 3 or fewer MMH Types






 Barrier to 4 or more MMH Types

 Unclear/Potential Barrier

(# of 9) Standard enables "#"
MMH Types

Summary of Regulatory Barriers for Housing in Asheville

Development Standards

	RS-8	RM-6	RM-8	RM-16
Density Maximum	 (1 of 9)	 (3 of 9)	 (3 of 9)	 (7 of 9)
Lot Area Minimum		 (7 of 9)		
Lot Width Minimum	 (7 of 9)	 (7 of 9)	 (7 of 9)	 (7 of 9)
Setbacks Minimum				
Front Setback				
Side Setback				
Rear Setback				

Chapter 4) Test Fit Analysis for Attainability

What Is Attainability?

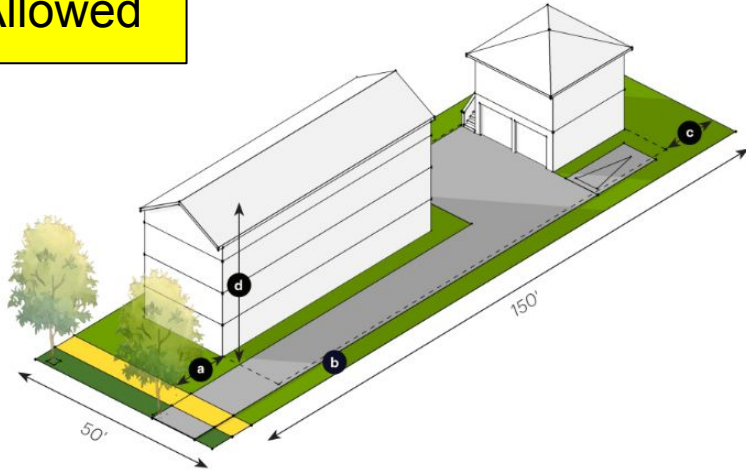
When we say housing is “attainable” for a certain income group, we mean that households within that group could afford to own or rent it without spending more than 30% of their income on rent or a mortgage payment.

When we say middle housing is attainable to middle-income households, we mean those earning between 80% and 120% of area median income (AMI), adjusted for family size. In Asheville, this means the following²:

	80%	← Area Median Income (AMI) →	120%
1-Person Household	\$47,600	\$59,500	\$71,400
2-Person Household	\$54,400	\$68,000	\$81,600
3-Person Household	\$61,200	\$76,500	\$91,800
4-Person Household	\$68,000	\$85,000	\$102,000

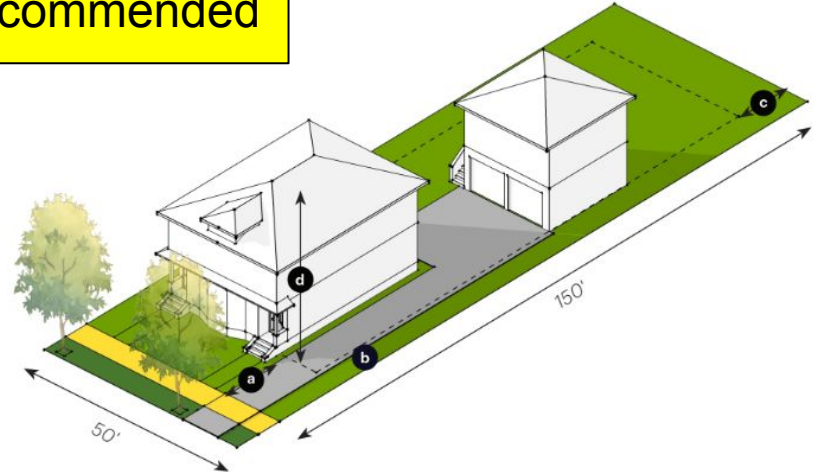
Chapter 4) Testing Zoning Standards (RS8)

Allowed



- 1 Home + 1 ADU = 2 units
- No home size limit, height up to 40 feet
- Typically three or more parking spaces

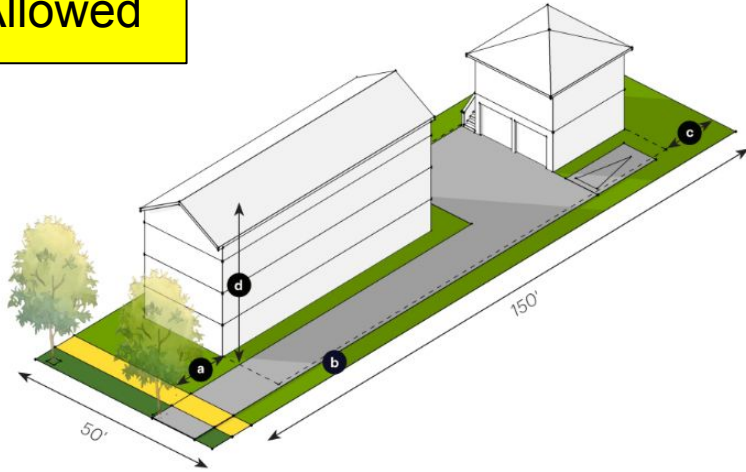
Recommended



- 1 Duplex + 1 ADU = 3 units
- **Orientation to the public realm**
- Home size limited, height reduced
- Allow parking reductions
- Duplex = more attainable price

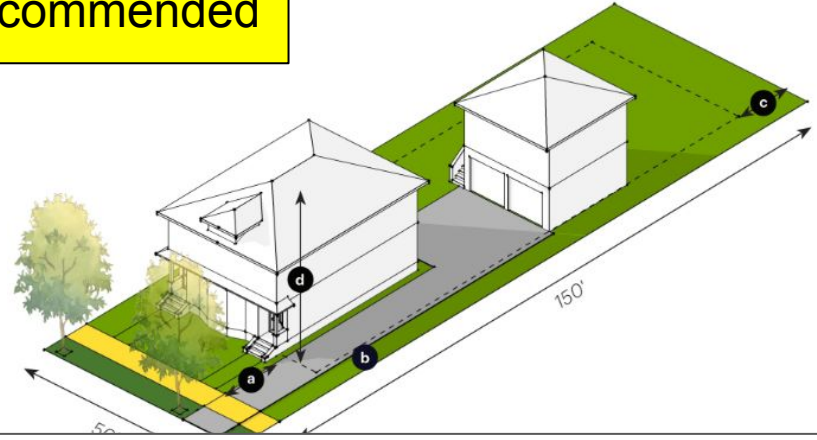
Chapter 4) Testing Zoning Standards (RS8)

Allowed

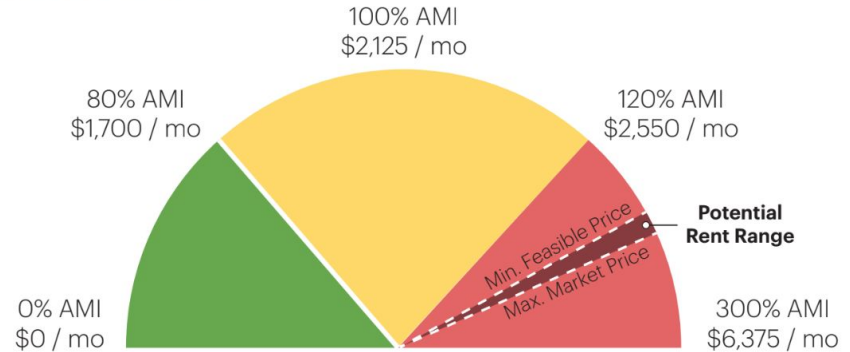


- 1 Home + 1 ADU = 2 units
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Recommended

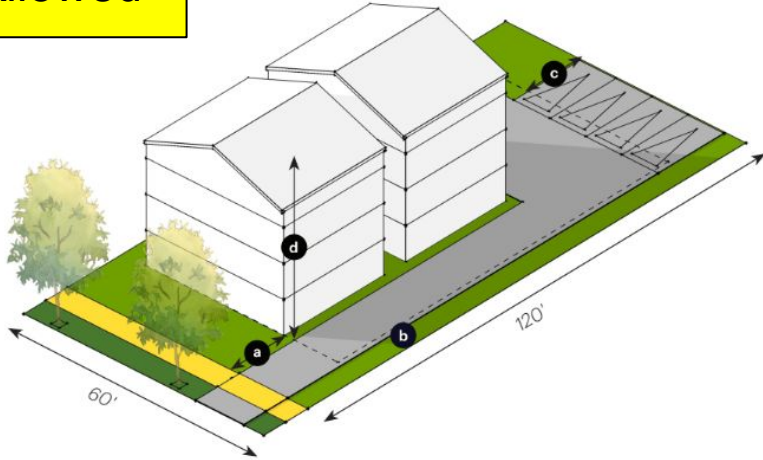


Rent Needed to Afford



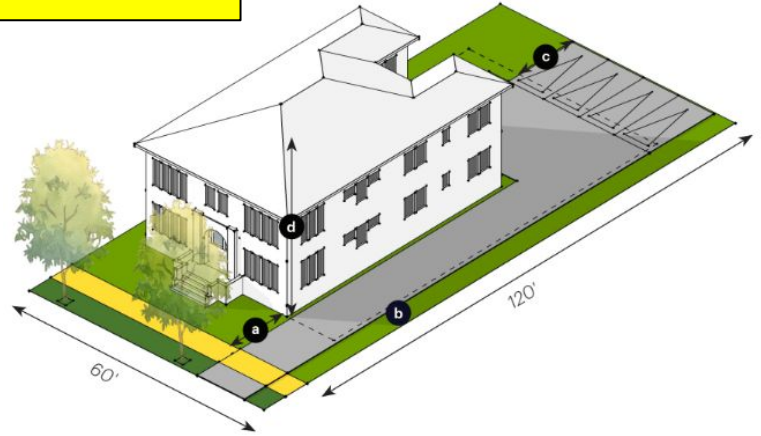
Chapter 4) Testing Zoning Standards (RM6)

Allowed



- 2 Homes
- No home size limit, height up to 40 feet
- Typically four or more parking spaces

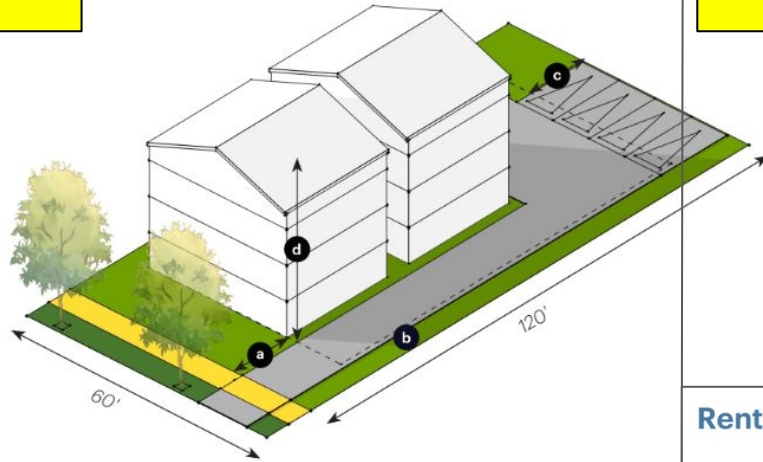
Recommended



- 4 Homes
- Orientation to the public realm
- Home size limited, height reduced
- Allow parking reductions
- Fourplex = more attainable price

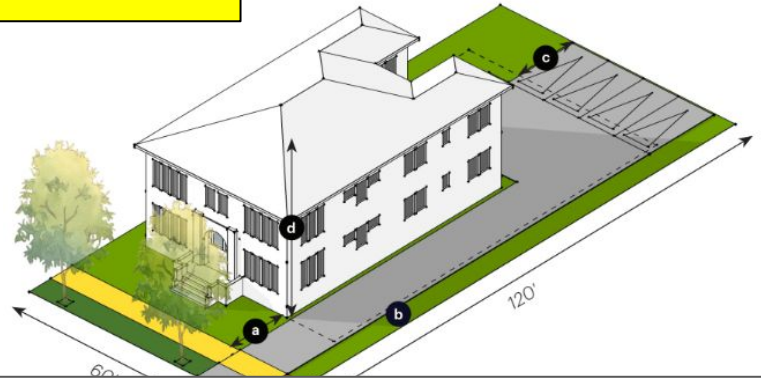
Chapter 4) Testing Zoning Standards (RM6)

Allowed

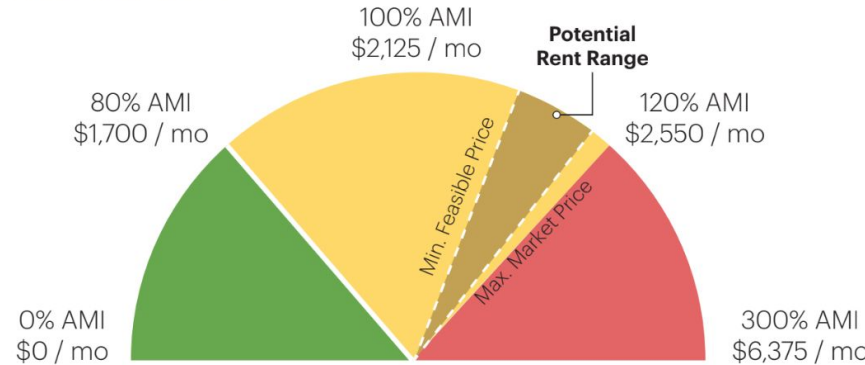


- 2 Homes
- No home size limit, height up to 40 feet
- Typically four or more parking spaces

Recommended






Rent Needed to Afford






Chapter 4) Testing Zoning Standards (RM6)

<div style="background-color: #1a3d4d; color: white; padding: 5px; display: inline-block;"> 4 UNITS </div> <p>FOURPLEX (800 sqft/unit)</p>  <p>Sale Price / Unit: \$292,000</p>	<div style="background-color: #1a3d4d; color: white; padding: 5px; display: inline-block;"> 2 UNITS </div> <p>DUPLEX (1,600 sqft/unit)</p>  <p>Sale Price / Unit: \$584,000</p>	<div style="background-color: #1a3d4d; color: white; padding: 5px; display: inline-block;"> 1 UNIT </div> <p>DETACHED HOME (3,200 sqft/unit)</p>  <p>Sale Price / Unit: \$1,168,000</p>
--	--	--

	Mechanic	Registered Nurse	Chief Executive
			
Annual Income	\$59,480	\$78,990	\$255,770
Detached Home Cost Burden	122%	94%	29%
Duplex Cost Burden	62%	47%	14%
Fourplex Cost Burden	31%	23%	7%

Chapter 4) Testing Zoning Standards (RM6)

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Chapter 4) Testing Zoning Standards (RM6)

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(800 sqft/unit)

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\$292,000

DUPLEX
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Chapter 5) Displacement Risk Assessment

This review includes three components: displacement vulnerability, gentrification and market change, and the built environment. Together, these analyses form a strategy to evaluate proposed Missing Middle Housing appropriateness in different parts of the city.

Displacement Vulnerability: Where might residents be at risk for displacement if middle housing is encouraged through policy changes?

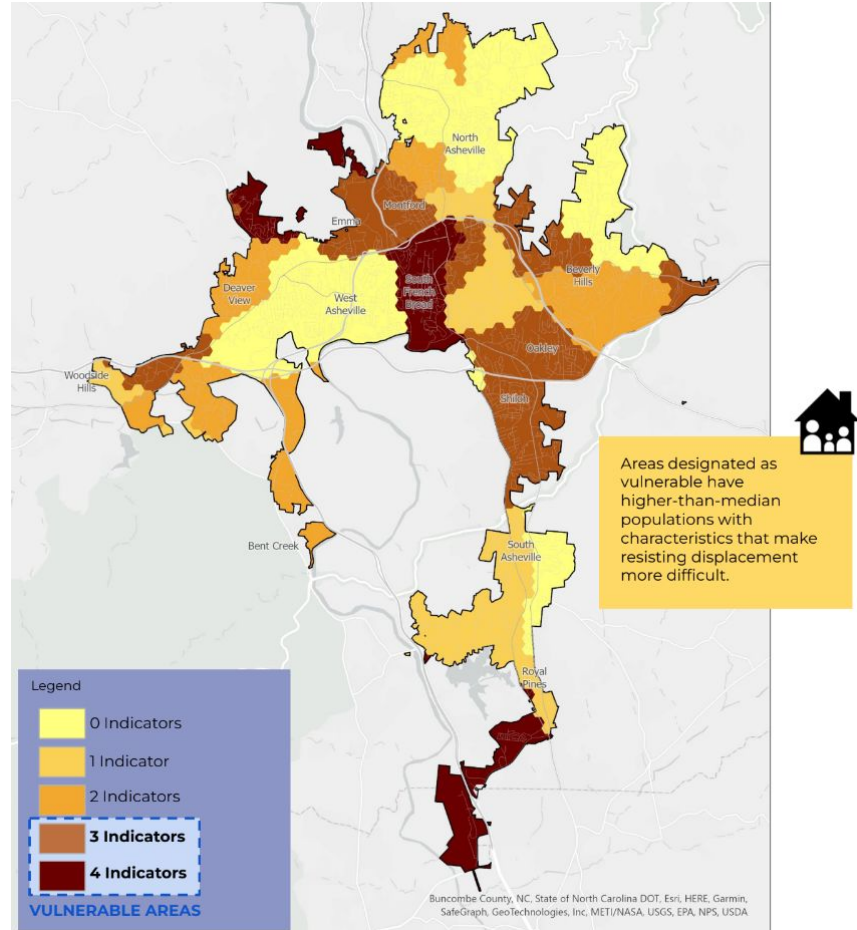
Gentrification and Market Change: Where are market pressures increasing and demographic changes indicative of gentrification happening?

Built Environment: What areas have existing infrastructure or surrounding land uses that are opportunities for middle housing ?

Chapter 5) Displacement Risk Assessment

Displacement Vulnerability Index.

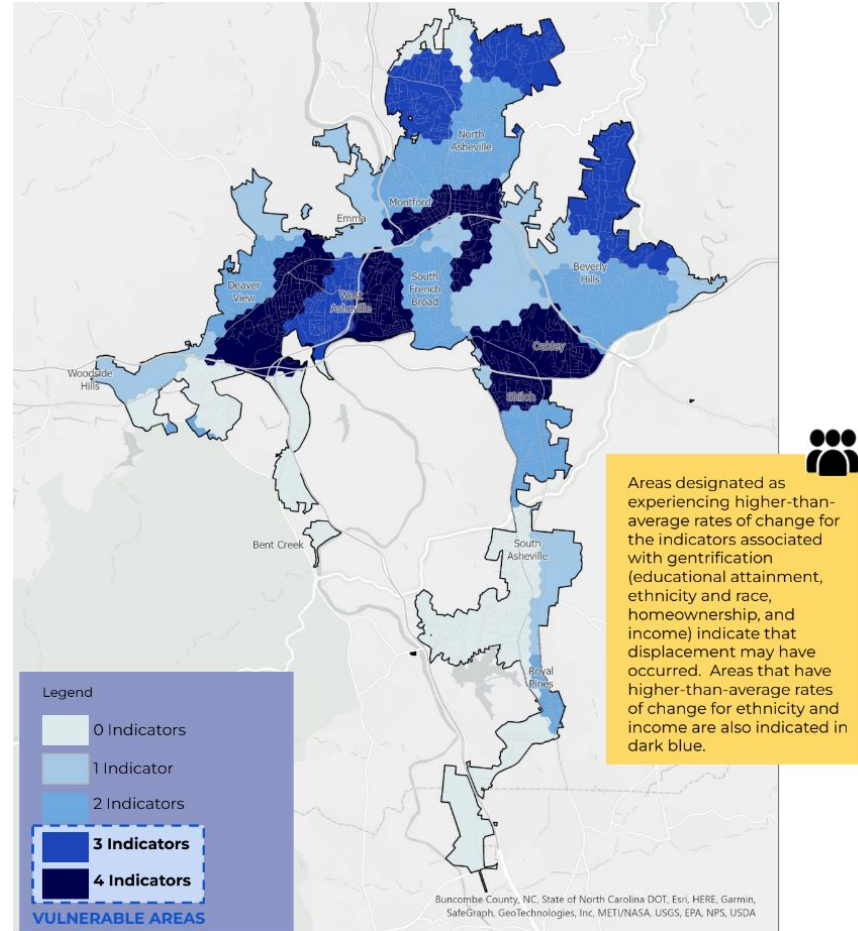
Darker colors represent more vulnerable neighborhoods based upon **educational attainment, housing tenure, race/ethnicity, and household income**



Chapter 5) Displacement Risk Assessment

Gentrification Index.

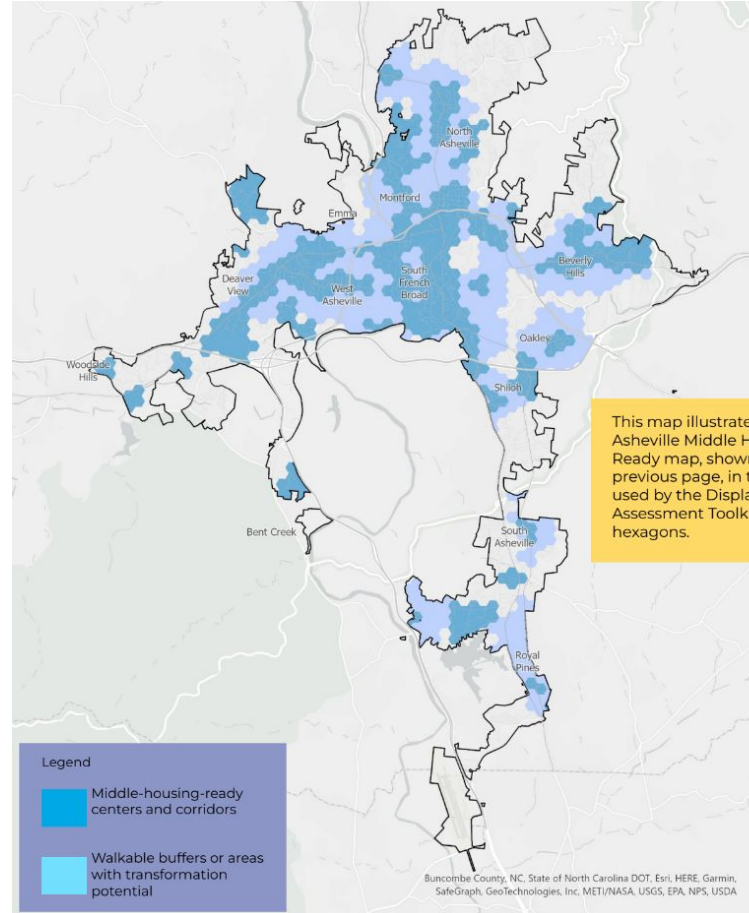
Darker colors representing more gentrification or neighborhood change based upon **changing demographics** as well as changing market conditions (**rents & sales**)



Chapter 5) Displacement Risk Assessment

Middle Housing Readiness. The Built Environment.

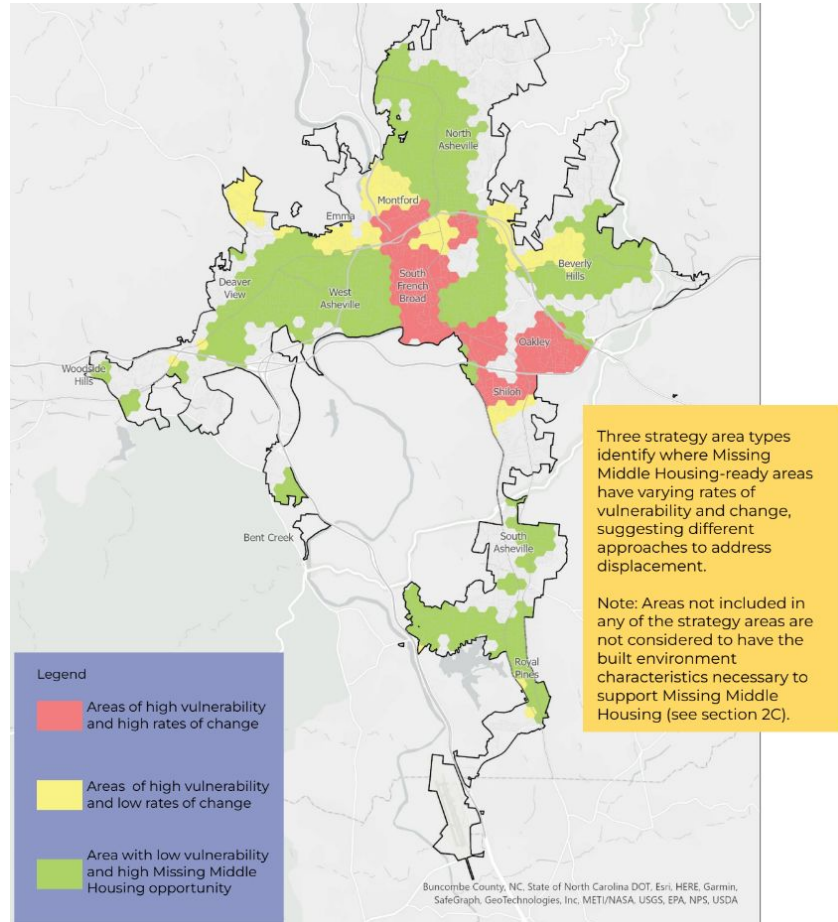
Darker areas are **more walkable** or closer to walkable destinations







Chapter 5) Displacement Risk Assessment

Strategy Map.

This map summarizes the strategy areas when overlapping **all the previous data**



Chapter 6) Displacement Mitigation Strategies

Strategy	Description	Precision	Anti-Displacement Efficacy	Timeframe to Prevent Displacement	Anti-displacement strategy approaches
Housing Rehabilitation Codes 	Housing rehabilitation codes are building codes designed to reduce the costs of renovating and rehabilitating existing buildings, thereby facilitating the continued availability and habitability of older rental housing and owner-occupied homes. This is especially helpful to facilitate conversion into multiplex housing.	Moderate	Low	Short-term	 Producing housing
Manufactured Housing Community Preservation Zone 	Create a manufactured housing park zone and re-zone existing manufactured housing communities to the preservation zone that only allows manufactured housing communities. The purpose is to prohibit the redevelopment of manufactured housing communities into other uses or luxury housing.	High	Not evaluated	Not Evaluated	 Protecting residents

Chapter 7) Recommendations

Summary of Findings:

The study found that the existing regulatory context in Asheville encourages single-family housing significantly more than Missing Middle Housing types. Simply allowing more single-family homes to be built will not move the needle enough to address this housing shortage or increase attainability.

Summary of Recommendations:

- Engage a community conversation to develop a MMH implementation plan
- Allow MMH more broadly, focusing on the most appropriate areas
- Consider the concurrent establishment of anti-displacement strategies
- Align other standards/requirements to permit MMH by right

Chapter 7) Recommendations

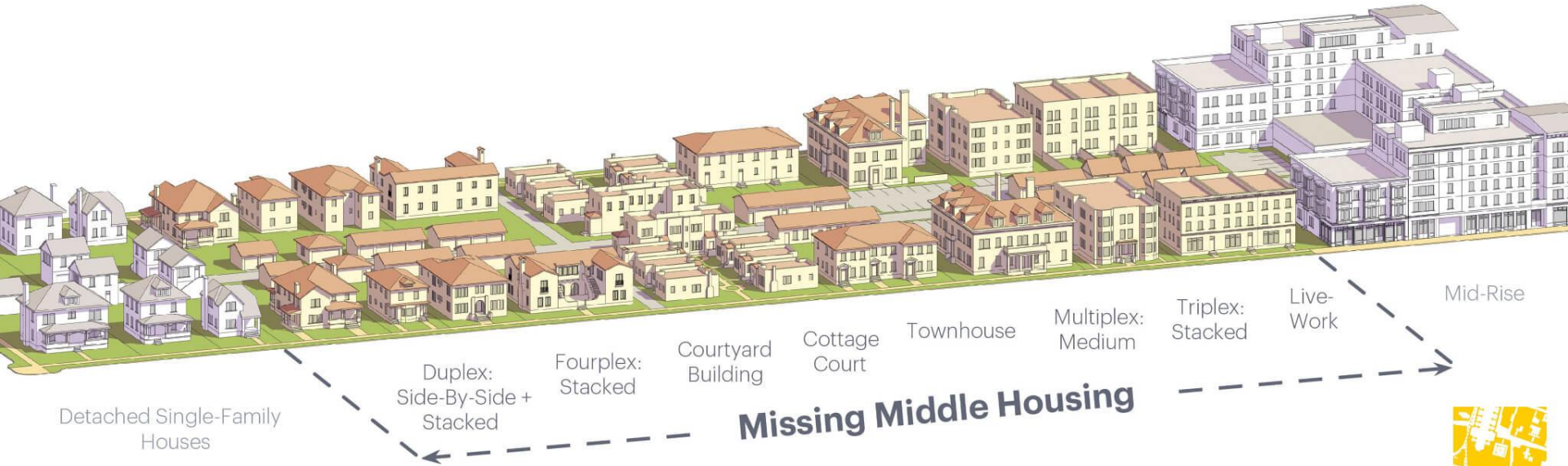
Recommendations

Policy	Zoning	Implementation
Reinforce Walkable Environments	Update the Zoning Standards Instead of Requiring More Process	Establish an In-House Team to Implement MMH Policy
Preserve Existing Neighborhood Character	Implement Objective Zoning Standards as Part of MMH Policy Changes	Establish In-House Team to Implement Displacement Mitigation Strategies
Review and Clarify Next Steps for Corridors with Transformational Potential	Identify Appropriate MMH Types for Different Areas	Review Utility Connection Requirements
Define & Distinguish MMH	Allow Wider Range of Housing Options Through By-Right Review	Support Small Scale Developers
Articulate MMH Goals	Review the Term "Multifamily"	Reduce Soft Costs for MMH Developments
Clarify MMH Typologies	Link Any Required Design Standards with the Base Zoning	Allow Additional Units for Deeper Affordability
Develop a MMH Plan	Refine Building Height Standards	Provide Pre-Approved Building Plans
Ensure MMH is Easy to Implement	Regulate Building Footprint	Propose Pilot Project
Clarify Intended Physical Scale	Differentiate Main Body and Wings	Create a CLT for Attainable Housing
Continue Engagement	Limit Square Footage of Single-Family Houses	
Implement Comprehensive Plan Considerations	Reduce Parking Requirements	
	Update Access Standards and Parking Location	
	Remove or Calibrate Minimum Lot Size Standards	
	Prioritize Lot Width Standards	
	Calibrate Cottage Court Standards	
	Revise Flag Lot Standards	
	Allow ADUs More Broadly	
	Establish Frontage Type Standards that Orient Building to Public Realm	
	Consider Reducing Landscape Buffers	
	Reduce Front-Setbacks Along Corridors	
	Integrate MMH into Steep Slope Standards	
	Establish Right-Sized Private Open Space Standards	

Next Steps

- **Missing Middle Public Outreach & Engagement**
 - Nov 14, 2023: Coalition of Asheville Neighborhoods (CAN)
 - Nov 27, 2023: Neighborhood Advisory Commission (NAC)
 - Dec 5th & 14th, 2023: Virtual Open/Public Presentations
 - Dec 5, 2023: Urban Forestry Commission (UFC)
 - Dec 5, 2023: Legacy Neighborhoods Coalition (LNC)
 - Dec 6, 2023: Planning & Zoning Commission (PZC)
 - Dec 11, 2023: Planning & Economic Development Committee of Council (PED)
 - Dec 12, 2024: Builders Assn of the Blue Ridge Mountains (BABRM)
 - **Dec 13, 2023: Land of Sky Association of Realtors (LOTSAR)**
 - Dec 13, 2023: Historic Resources Commission (HRC)
 - Jan 4, 2024: Affordable Housing Advisory Committee (AHAC)
 - Jan 9, 2024: City Council

Questions & Discussion



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PROJECT PAGE:
www.ashevillenc.gov/missingmiddle