



Regional Housing Initiative

And Long Range Planning Work Program

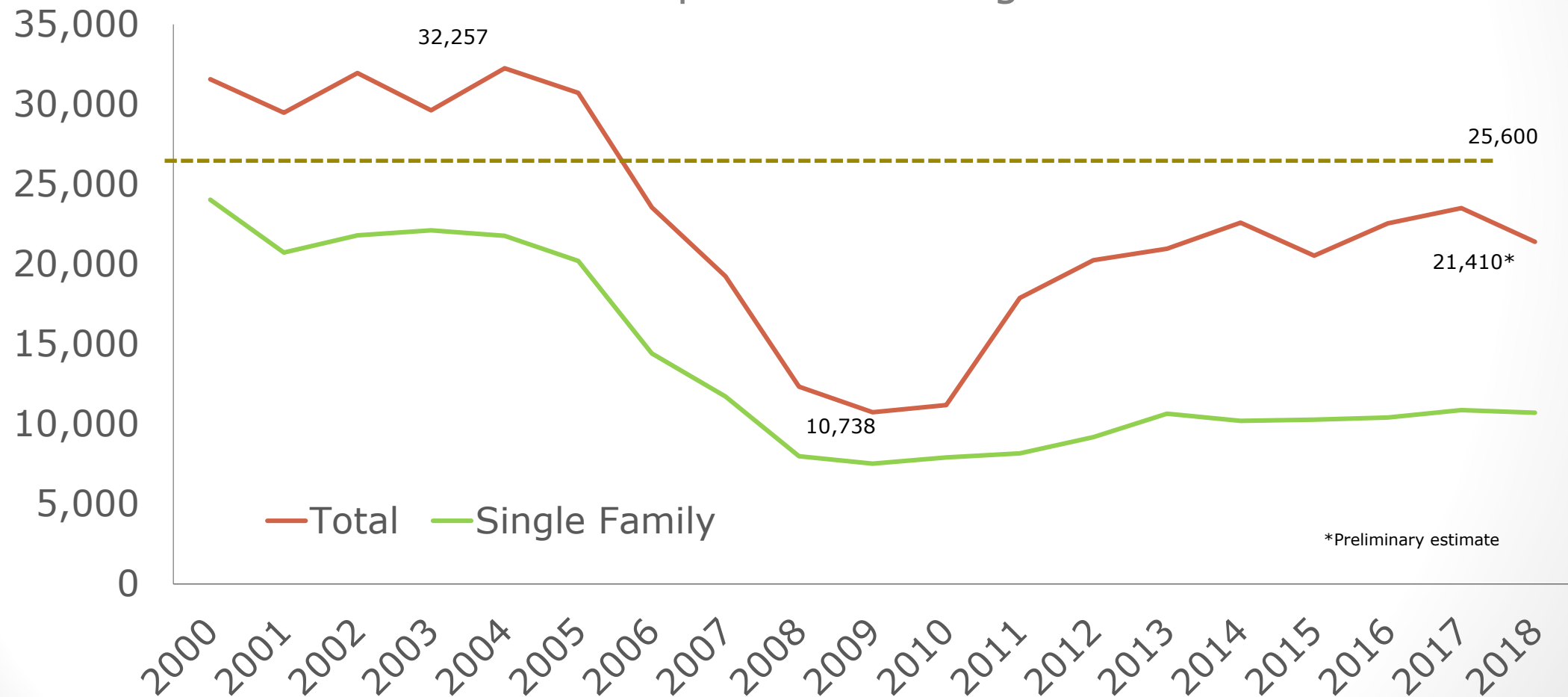
Planning Commission Information Item
September 3, 2019

Regional Housing Initiative

- Forecast housing growth is not enough to supply the workers for forecast jobs, and supply does not meet affordability needs for a range of incomes
- Amazon HQ2 RFP process elevated connection between economic competitiveness and housing affordability among DC area jurisdictions competing
- Assessment led by Council of Governments (amount, accessibility, affordability)
- Housing production is below long-term averages. Much is in the outer suburbs
- Home prices are continuing to outpace incomes
- Existing market affordable housing is being lost

Regional housing production is only 2/3 of pre-recession levels

Housing Construction Permits by Year In Metropolitan Washington



Housing for anticipated job growth

Round 9.1 Forecast of Employment and Households and Calculated "Shortfall"
(Thousands)

	2018 ⁽¹⁾	2020	2025	2030	2035	2040	2045
Forecast Employment (9.1)	3,281	3,361	3,573	3,774	3,947	4,116	4,274
Households "Needed" for Jobs	2,130	2,182	2,320	2,451	2,563	2,673	2,775
Forecast Households (9.1)	2,085	2,133	2,255	2,375	2,477	2,565	2,660
Housing "Shortfall"	45	49	65	76	86	108	115

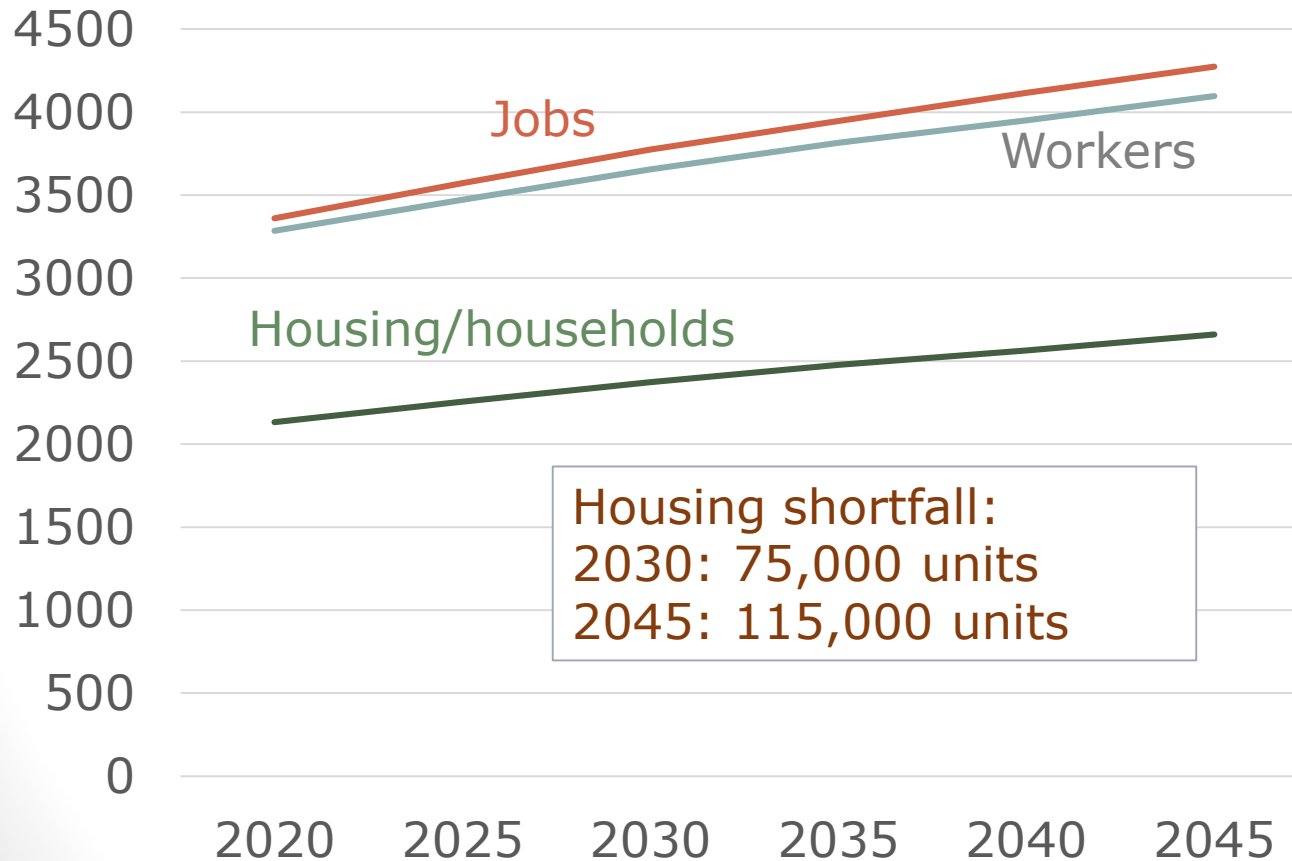
(1) Estimate

(2) Shortfall calculated using "1.54 Jobs Per Household" ratio

Source: MWCOC, Round 9.1 Cooperative Forecasts

Job growth expected to outpace the housing supply for workers

Metro Washington Job, Households, and Worker Forecast



Unemployment is also low

Metro area	3.1%
Northern Virginia	2.4%
Alexandria	2.1%

May 2019

Needed additional housing units by jurisdiction 2020-2030



	A	B	C	D	E	F	G
	ROUND 9.1 COOPERATIVE FORECASTS						
	B - A				D x 75	C + E	A + F
	Total Households Forecast 2020	Total Households Forecast 2030	Household Growth Forecast 2020 to 2030	Jurisdictional Share of Total Regional Household Growth Forecast 2020 to 2030	Additional 75k Households Allocated by Jurisdictional Share of Forecast Household Growth 2020 to 2030	Aspirational 2020 to 2030 Household Growth	Aspirational Goal for Total 2030 Households
District of Columbia	319	363	43	18%	13	57	376
Arlington County	112	124	12	5%	4	15	128
City of Alexandria	76	84	8	3%	3	11	87
Montgomery County	391	422	31	10%	7	38	430
City of Rockville (1)	29	34	5	2%	1	6	35
City of Gaithersburg (1)	26	29	3	1%	1	4	30
Prince George's County	334	355	21	9%	7	28	362
Fairfax County	415	463	49	20%	15	64	479
City of Fairfax	10	12	2	1%	1	3	13
City of Falls Church	6	7	1	0%	0	2	8
Loudoun County	138	158	20	8%	6	26	164
Prince William County	154	177	23	10%	7	30	184
City of Manassas	14	15	1	0%	0	2	16
City of Manassas Park	5	5	0	0%	0	0	5
Charles County	60	73	13	5%	4	17	77
Frederick County	99	115	16	5%	4	20	119
City of Frederick (2)	31	35	4	2%	1	6	37
Central Jurisdictions	507	570	63	26%	20	83	590
Inner Jurisdictions	1,156	1,261	105	43%	30	135	1,291
Outer Jurisdictions	470	543	73	30%	21	94	565
COG / TPB Region	2,133	2,375	242	100%	71	313	2,446

Regional Housing Initiative – Findings

Assessment by COG Planning and Housing Director groups concluded:

- Region's plans already allow sufficient housing, but there are barriers production: regulatory, property constraints, market conditions (construction costs, financing, etc), community pushback, federal funding challenges, and more
- Supply that is affordable to a range of incomes to accommodate future jobs
- Supply by itself not enough to ensure affordability: long term committed affordability must be protected by covenants or restrictions
- There are impediments, from regulatory process to community pushback (NIMBY) to federal funding challenges

*Note: Supplemental housing analyses conducted by GWU Center for Washington Area Studies (growth) and Urban Institute (capacity/affordability) with sponsorship by Greater Washington Partnership

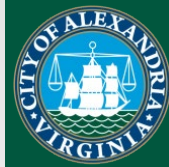


Regional housing initiative – recommendations and targets

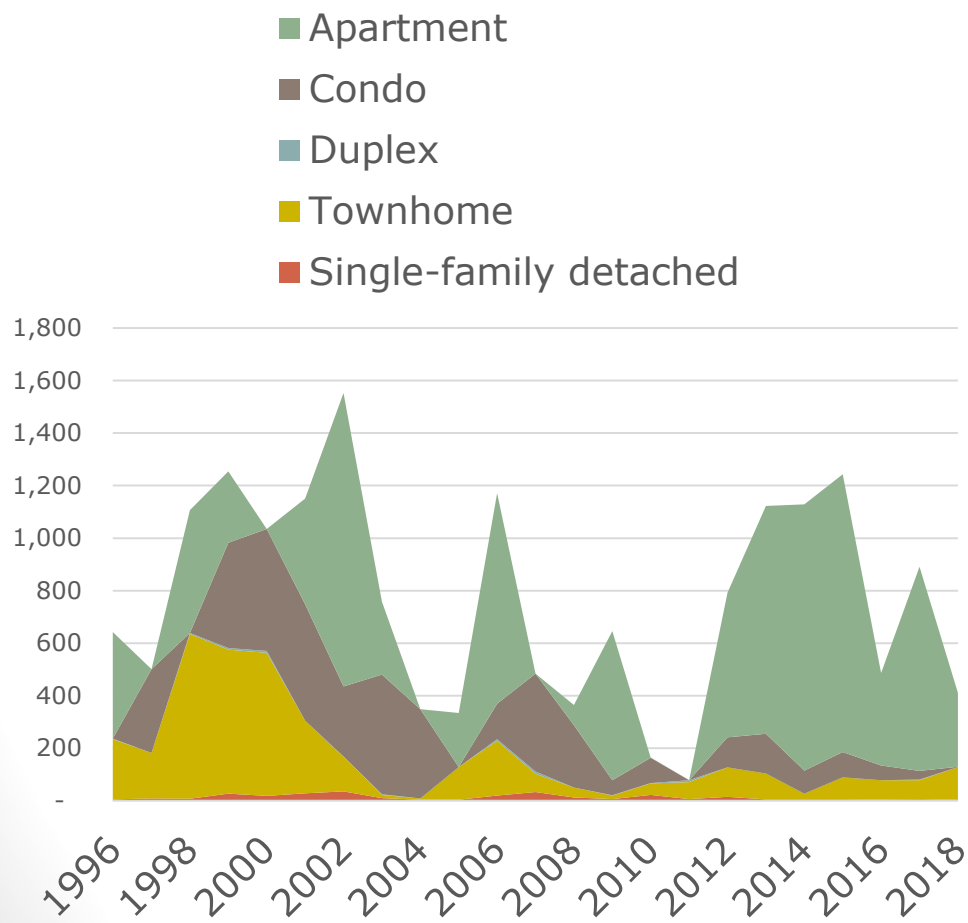
Recommendations to support anticipated regional job growth:

- Additional 75,000 housing units (beyond forecast) needed in region between 2020-2030
- At least 75% of all new housing in activity areas or near high-capacity transit
- At least 75% of new housing affordable to low income households through middle income households
- Establish jurisdictional targets and provide local flexibility regarding how to achieve (resources and need)
- COG to measure and report progress annually
- Endorsed by COG Board at July retreat

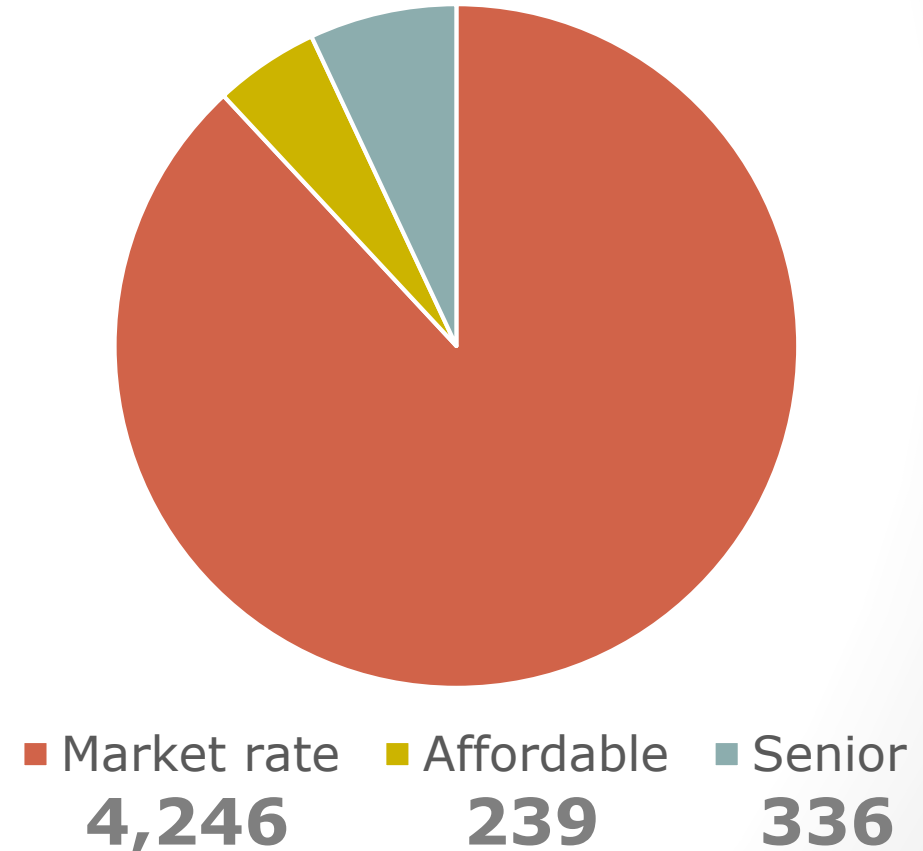
Alexandria's housing production is increasing



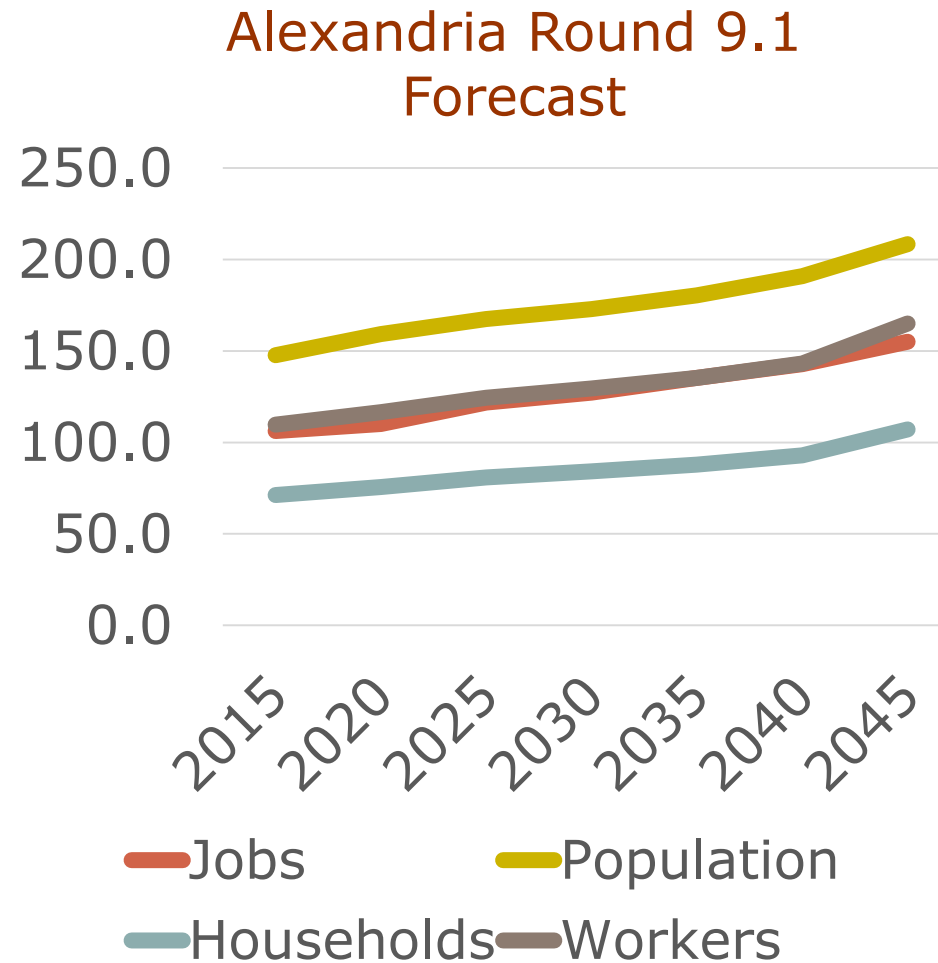
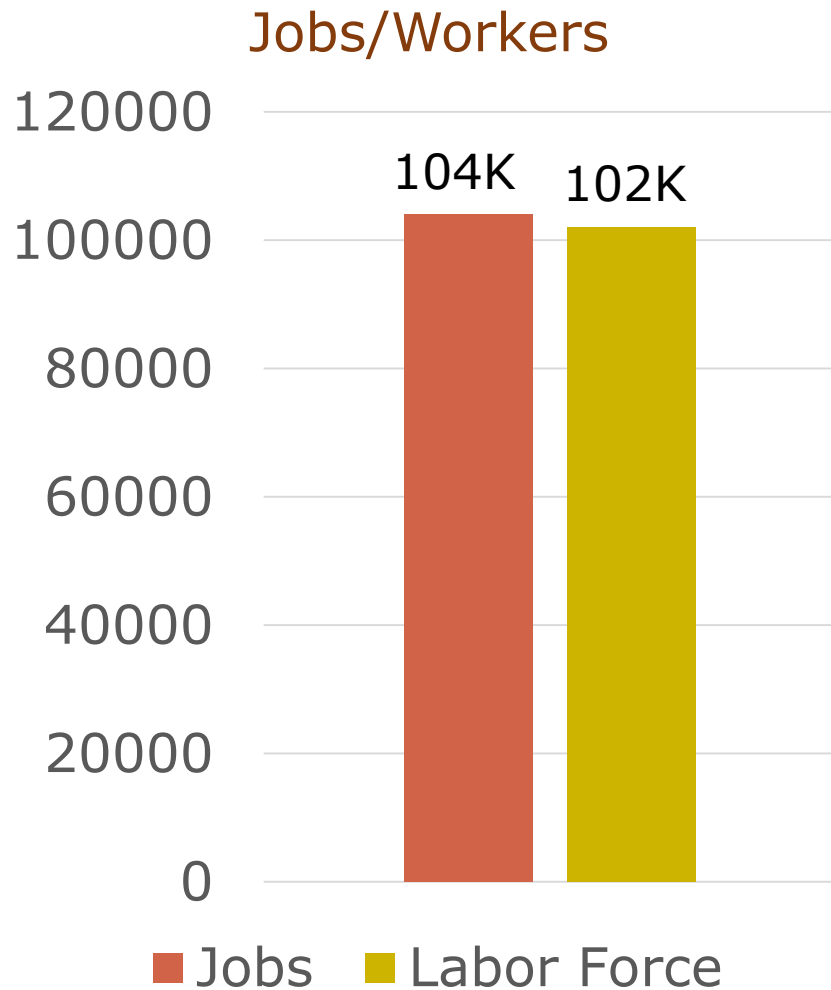
Housing production 2013-2018 average 840 units/year



Housing units under construction or breaking ground in 2019-2020

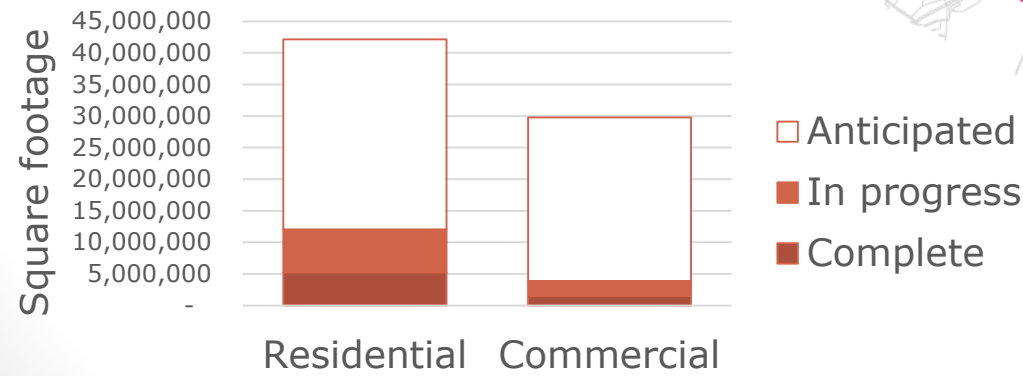
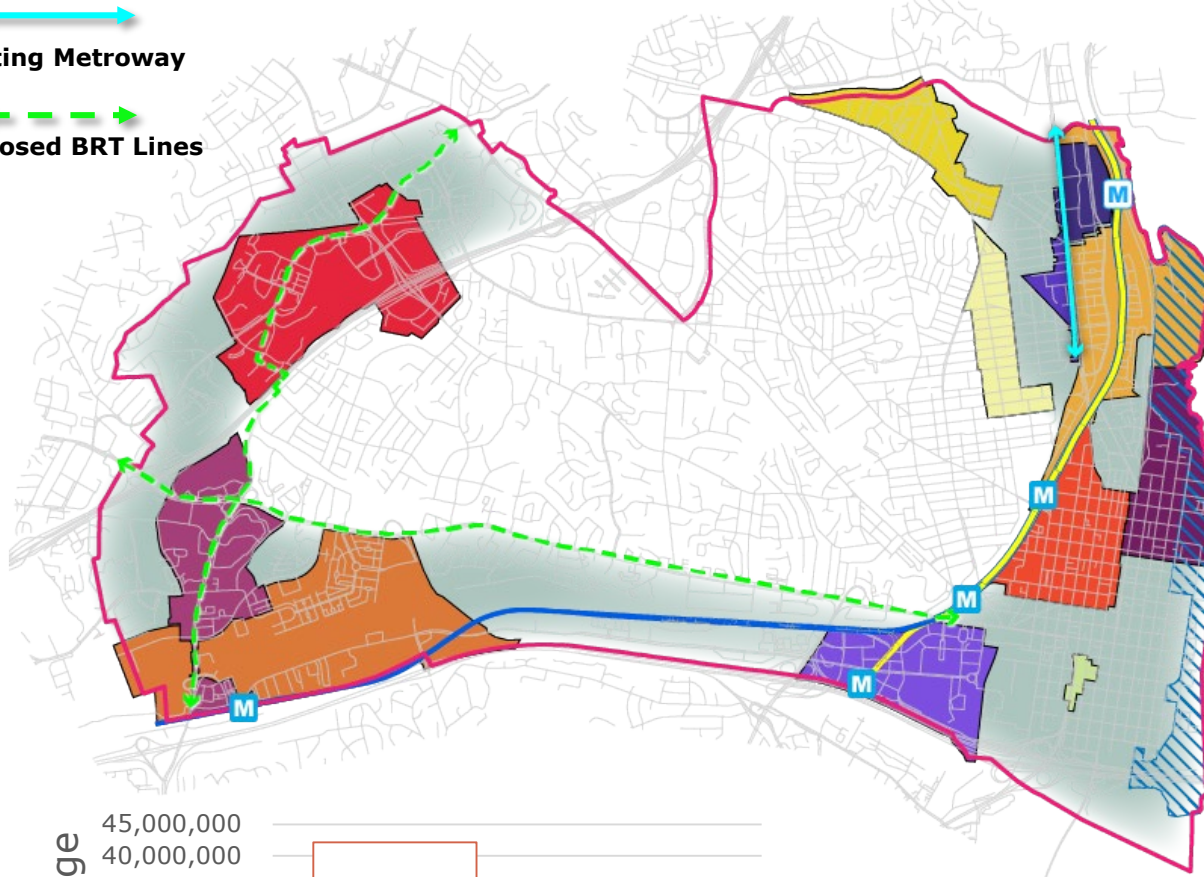


Alexandria's jobs and workers are balanced; so is the forecast



Alexandria's plans allow for more than 40M sf of new housing

Existing Metroway
Proposed BRT Lines

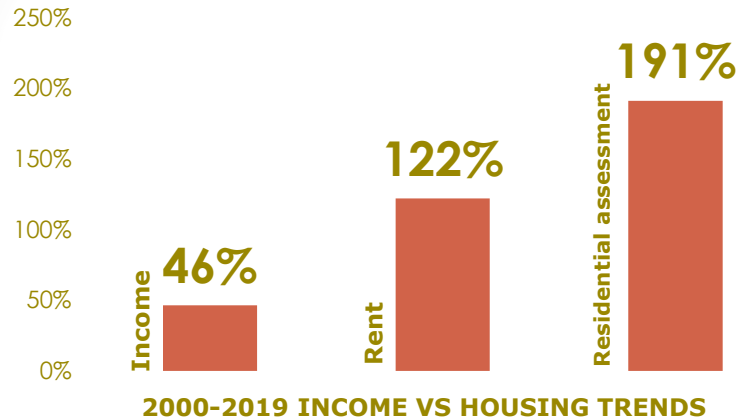


- North Potomac Yard (2017)**
Land Area: 73 ac
Planned Dev.: 7.5M sf
- Old Town North (2017)**
Land Area: 200 ac
Planned Dev.: 6.5M sf
- Oakville Triangle (2015)**
Land Area: 37 ac
Planned Dev.: 2.7M sf
- Eisenhower West (2015)**
Land Area: 621 ac
Planned Dev.: 9.3M sf
- Beauregard (2012)**
Land Area: 237 ac
Planned Dev.: 10.2M sf
- Waterfront (2012)**
Land Area: 357 ac
Planned Dev.: 811k sf
- Landmark/Van Dorn (2009)**
Land Area: 607 ac
Planned Dev.: 12.5M sf

- Braddock (2008)**
Land Area: 237 ac
Planned Dev.: 3.6M sf
- Mount Vernon (2005)**
Land Area: 123 ac
Planned Dev.: 577k sf
- Eisenhower East (2003)**
Land Area: 245 ac
Planned Dev.: 11.8M sf (+7M sf)
- Arlandria (2003)**
Land Area: 151 ac
Planned Dev.: 2.0M sf
- Potomac Yard/Greens (2003)**
Land Area: 382 ac
Planned Dev.: 4.2M sf
- South Patrick Street (Sept. 2018)**
Land Area: 17 ac
Planned Dev.: 918k sf

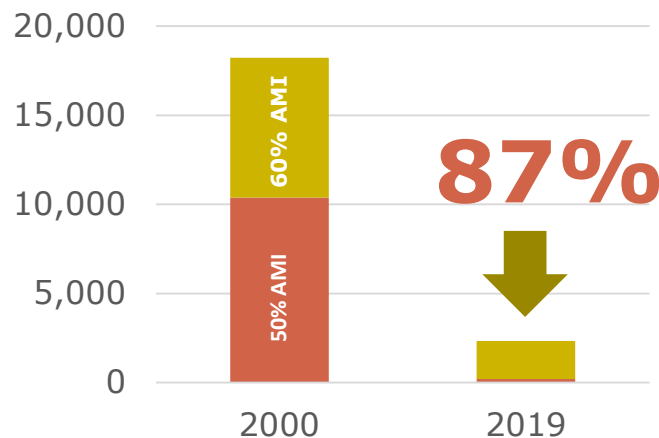
Alexandria's affordable housing challenge is great

Growing gap in income vs housing costs

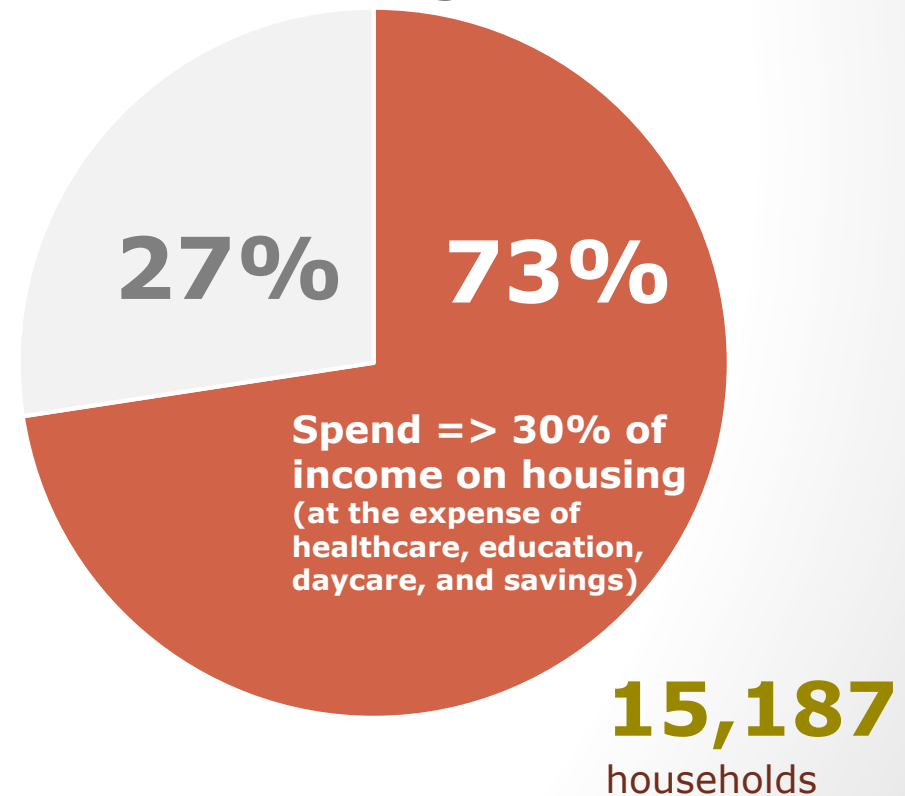


Most low to moderate income Alexandrians (w/incomes up to \$75,000) spend too much on housing

Loss of ~16,000 market-affordable units (2000-2019)



Source: 2013-2017 American Community Survey 5-Year Estimates





Regional Housing Initiative – Meeting Alexandria’s Target

HMP goal of creating new affordability in 2000 units by 2025 is on track

- ~200 units/year
- Some are preservation (not net new)
- City has increased financial resources (e.g., meals tax and pilot rental assistance subsidies to help meet HMP goals)

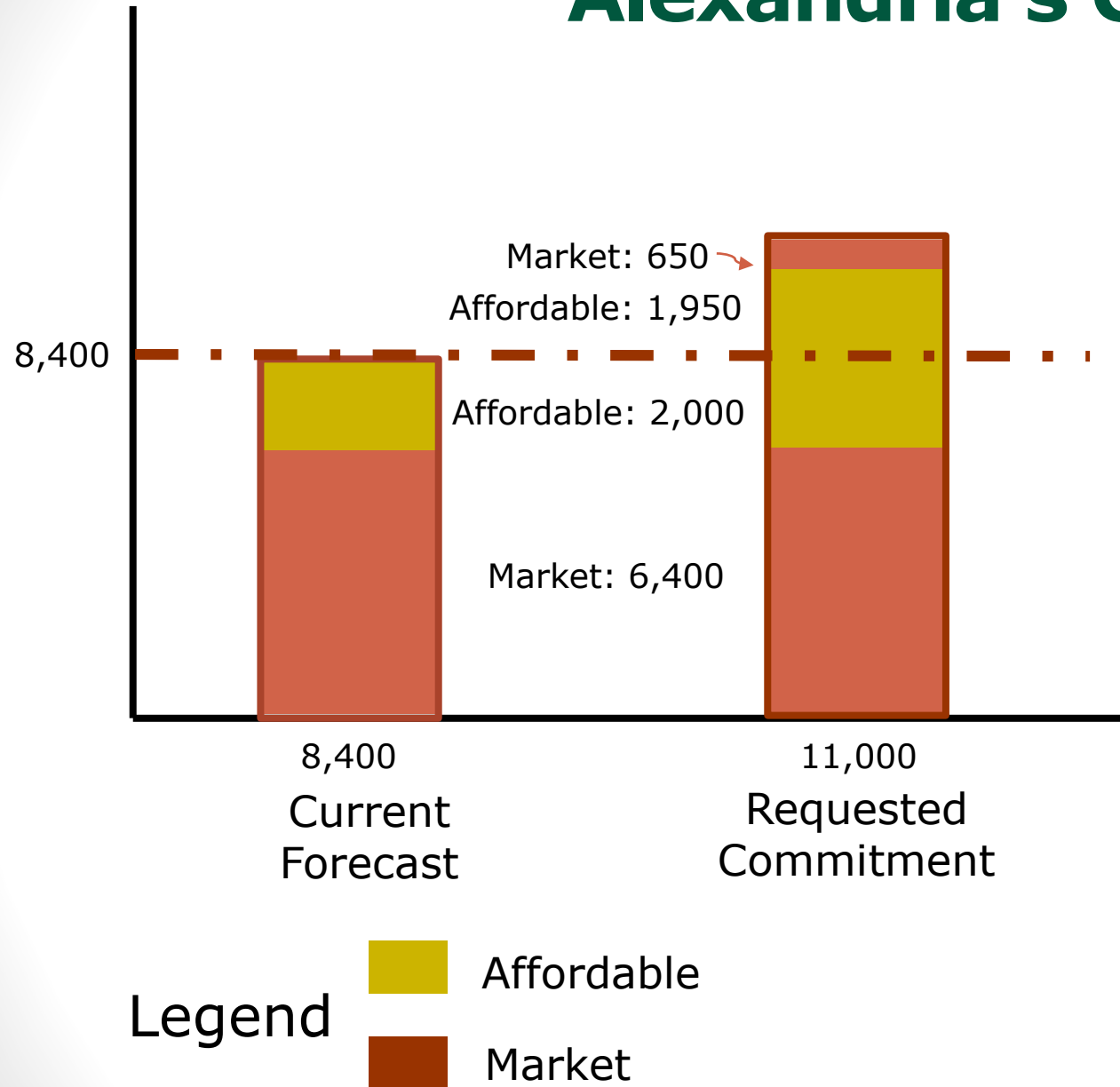
To meet COG jurisdictional goal of 75% net new affordable units (including deeply affordable):

1000 units per HMP

2,950 additional net new affordable units by 2030

MORE: more federal funding, more units through the development process, more support for nonprofit sponsored-affordable housing

Alexandria's Commitment for 2030



Alexandria 2020-2030

Current Forecast: 8,400 housing units

Target: 11,000 housing units

Annual Production last 5 years: 840 units

Annual average increase: 260 units/yr

Affordability target:
 1/3 affordable
 1/3 middle/workforce
 1/3 market rate

Financial Analysis of Developer Contributions

- Conducted for small area plans, citywide policy changes (such as Green Building Policy, upcoming affordable housing policy) and major development initiatives
- Purpose: ensure City policies are Location matters
- Themes:
 - Modest changes in rents/sales values have dramatic impacts
 - Land assembly
 - Catalyst projects in certain areas
 - Existing income producing properties (ex strip shopping center)



Proposed housing work program: elements

- Increase production of all housing, including significantly increasing the production of affordable housing.
- Increase the City's capacity for additional housing of all types
 - Through small area plans
 - Through Accessory Dwelling Units
 - Proposed citywide housing rezoning policy
 - Evaluate group housing (aka co-housing or we-housing)
- Increase the effectiveness of the City's affordable housing tools
 - Evaluate Inclusionary zoning
 - Evaluate limits on use of Density Bonus Program
 - Mixed income assisted living
 - Co-location and public land
 - Strengthening condo communities
 - Financial tools
- Support ARHA redevelopment

Proposed small business zoning work program: elements

- Restaurants – hours and seating
- Outdoor dining – hours and seating
- Private School, Commercial – number of students
- Amusement enterprises
- Outdoor food and crafts markets - number vendors, duration
- Food and beverage production – size of facility
- Accessory uses and co-location of other uses
- Parking reductions – number of required spaces for single family residential projects
- Duration of special use permits before construction