



# Regional Housing Initiatives

and the Need to Increase the Production of All Housing,  
Including Affordable Housing, Over the Next Decade

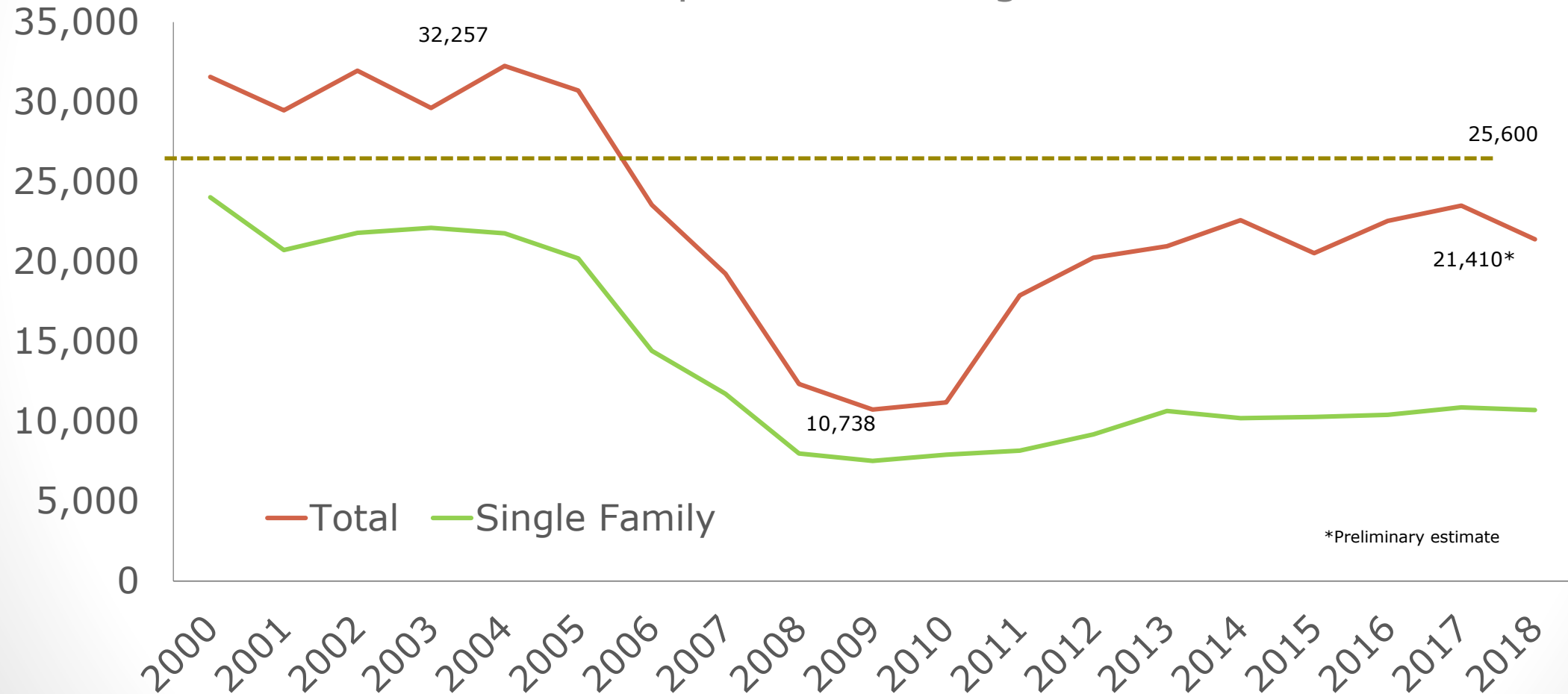
City Council  
September 10, 2019

# 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 the 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 repriced out of the affordable range

# 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 <sup>(1)</sup>	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

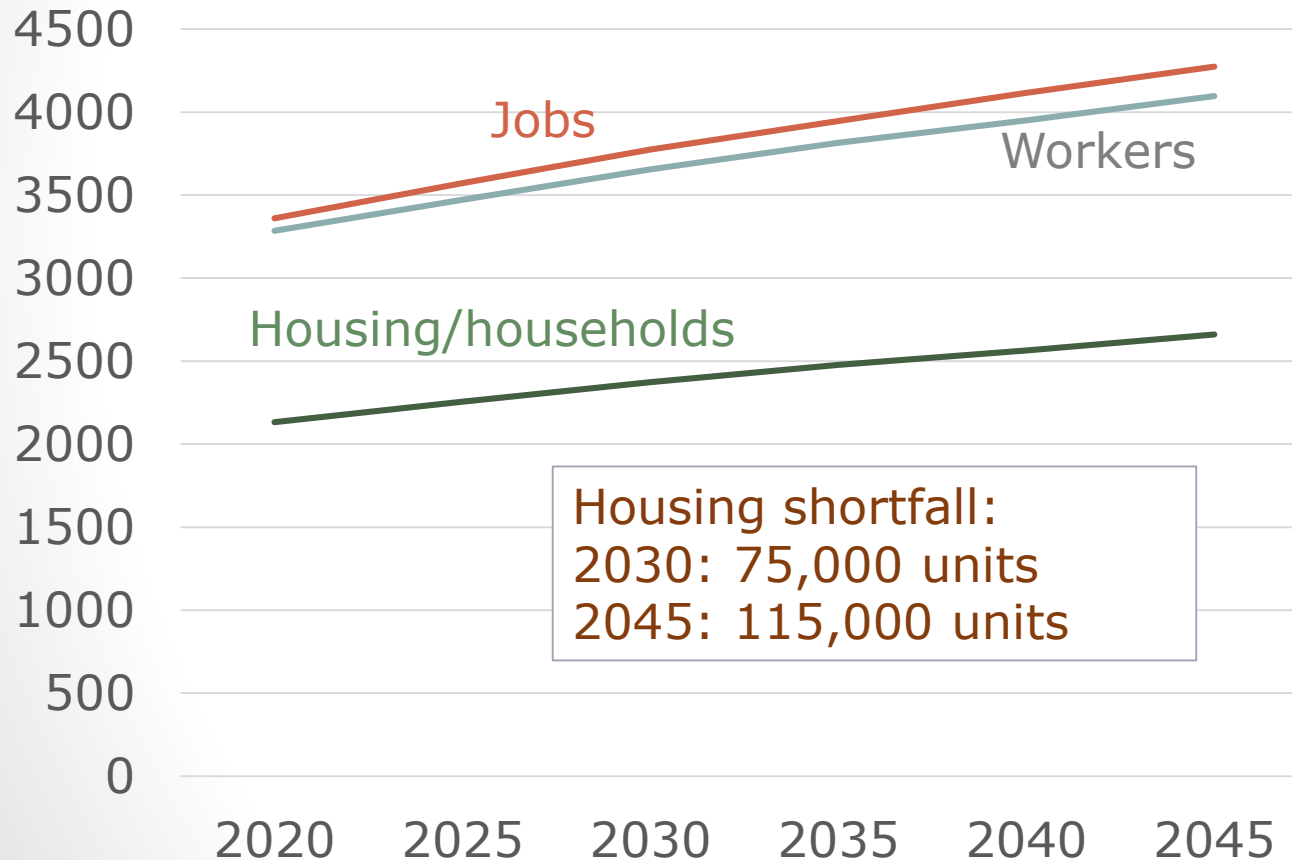
(1) Estimate

(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

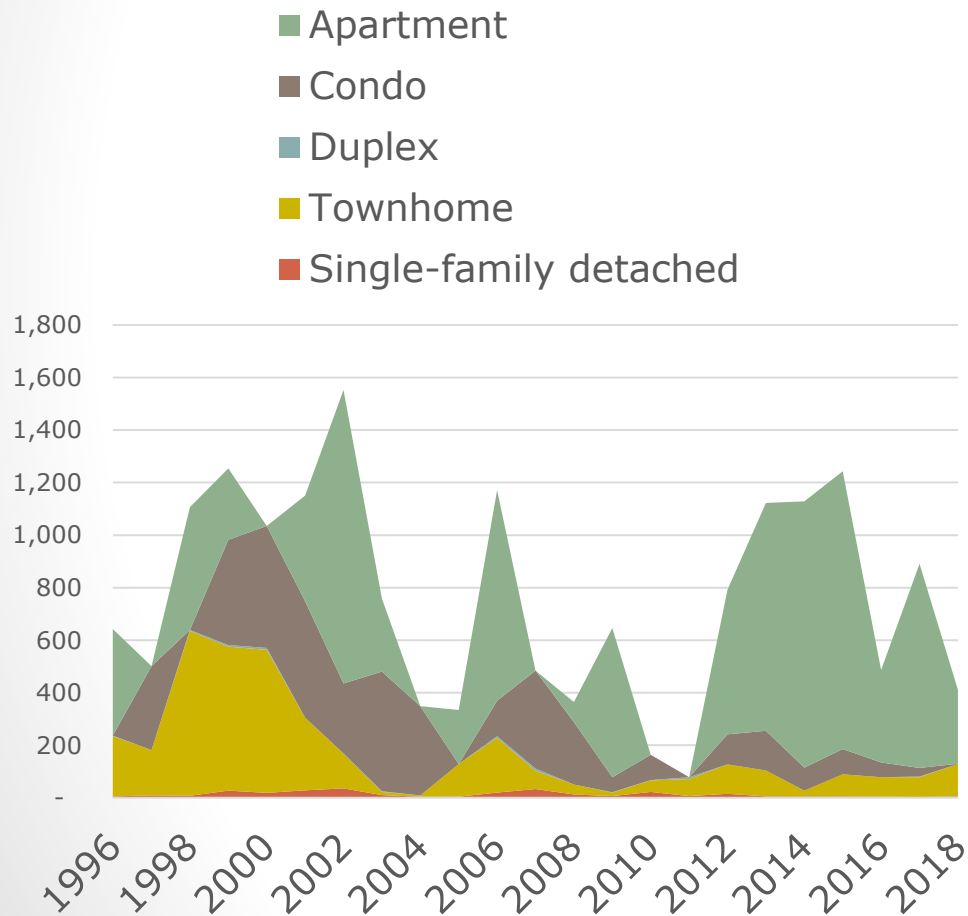
Recommendations to support anticipated regional job growth:

- 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

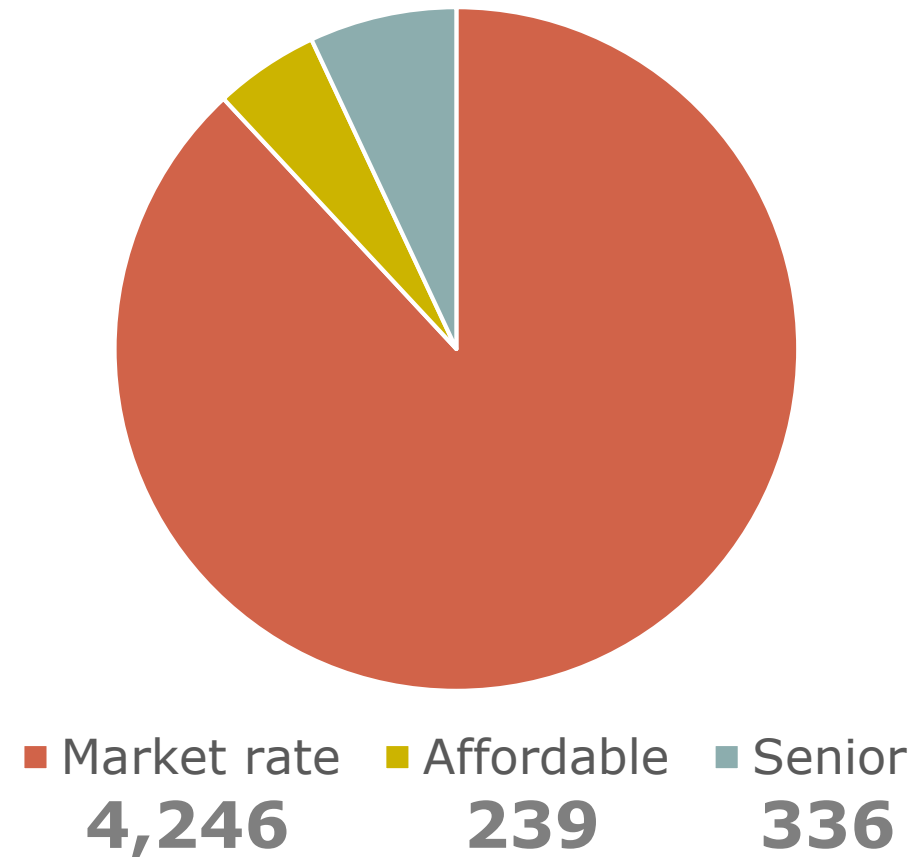


# Alexandria's housing production is increasing

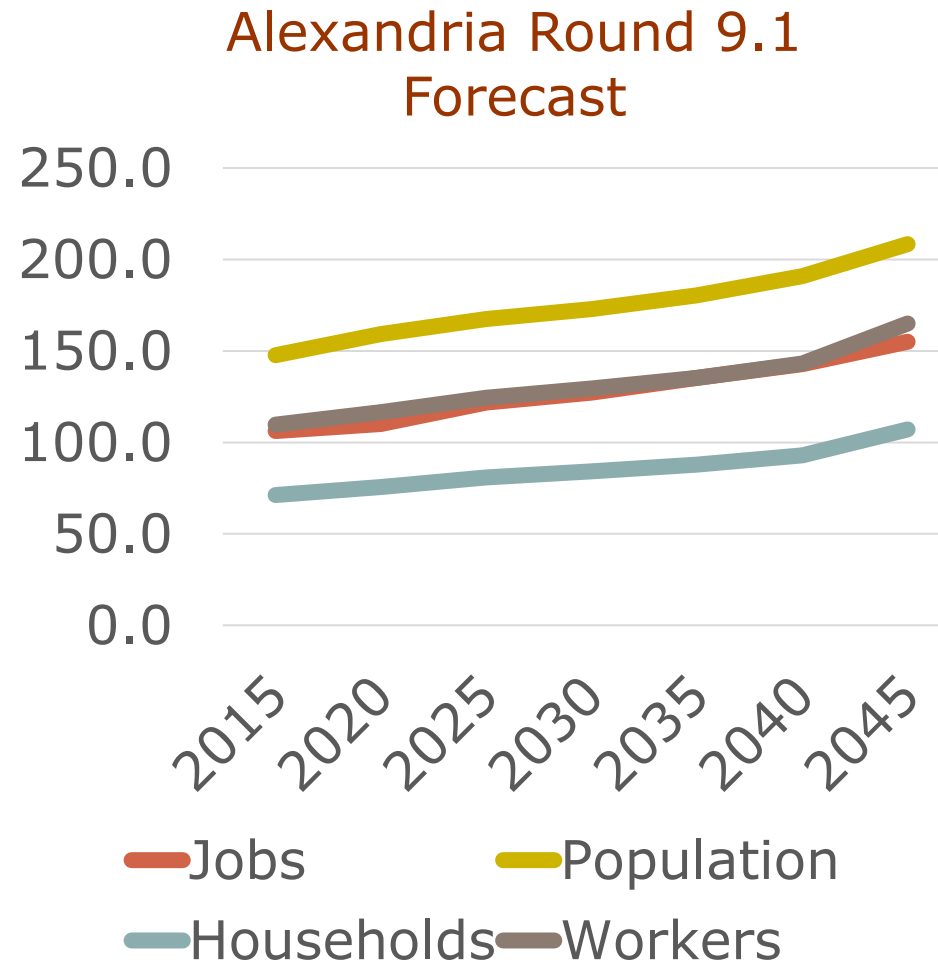
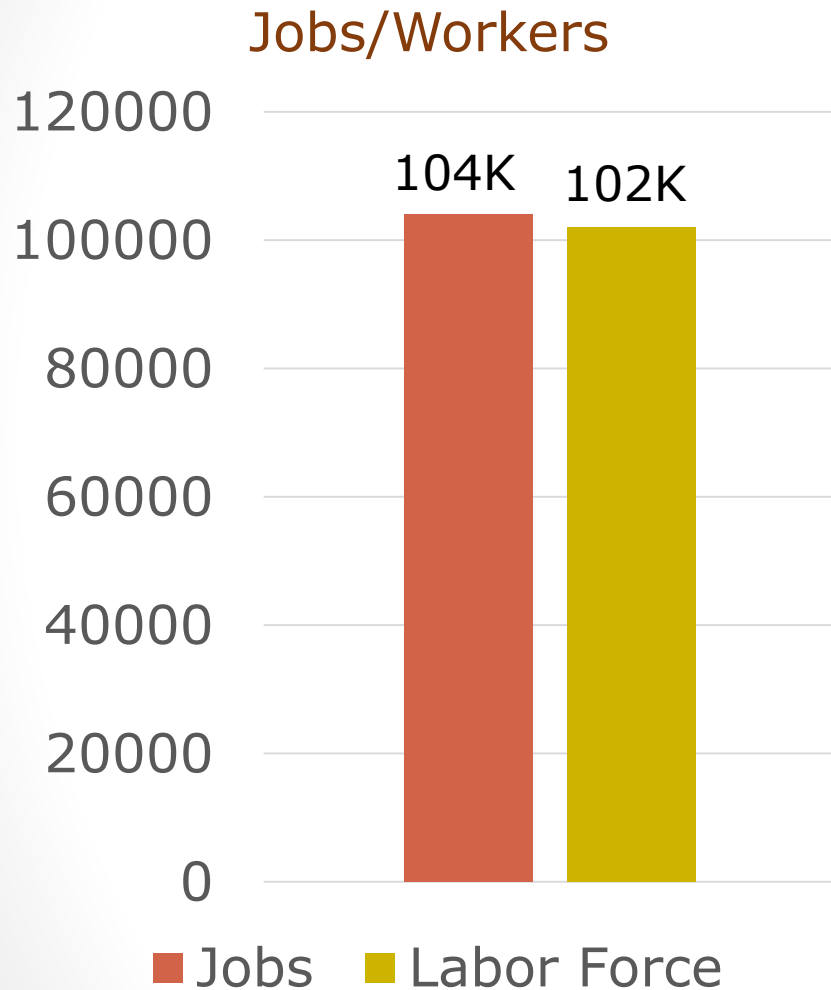
Housing production 2013-2018 average 840 units/year



Housing units under construction or breaking ground in 2019-2020

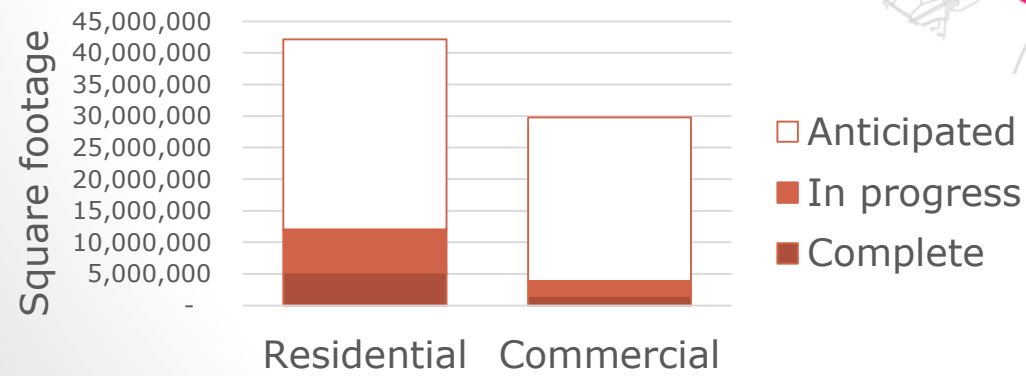
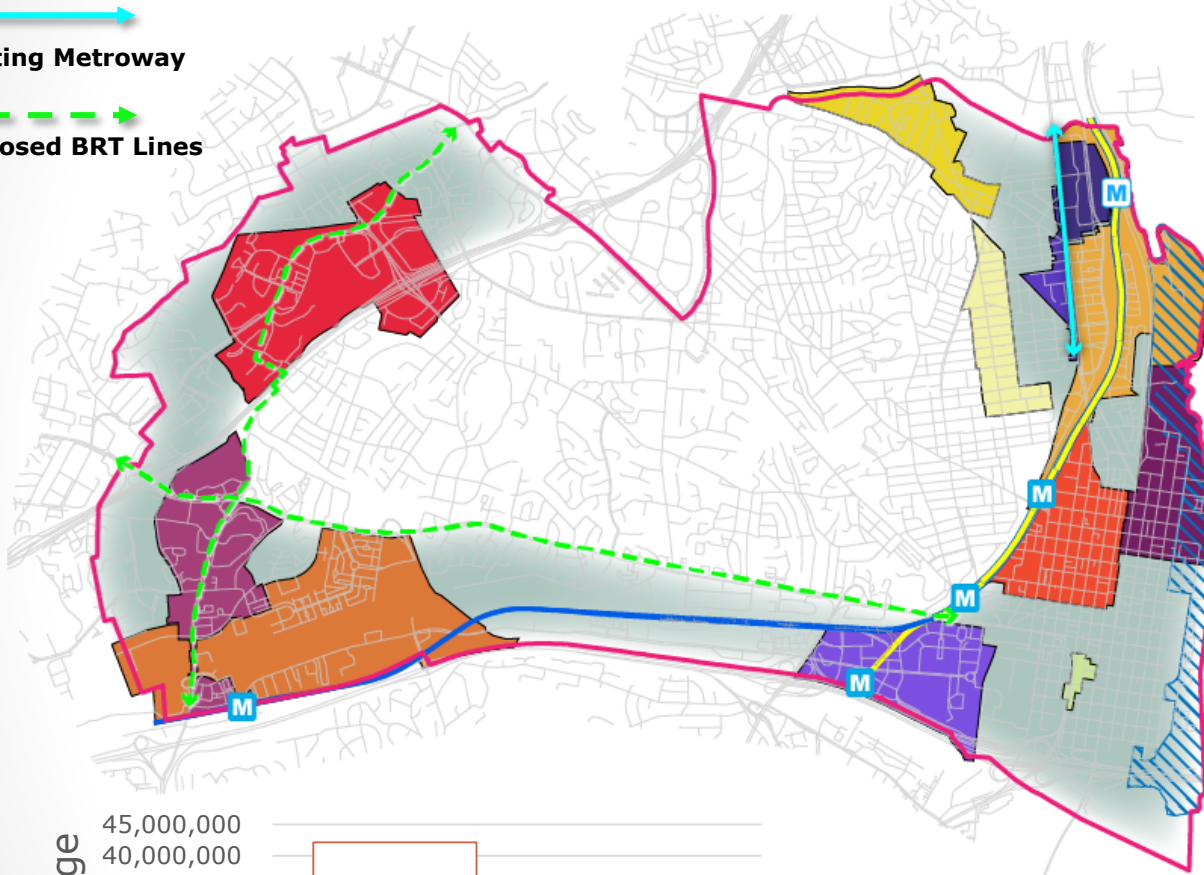


# Alexandria's jobs and workers are balanced; so is the forecast



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

Existing Metroway  
Proposed BRT Lines

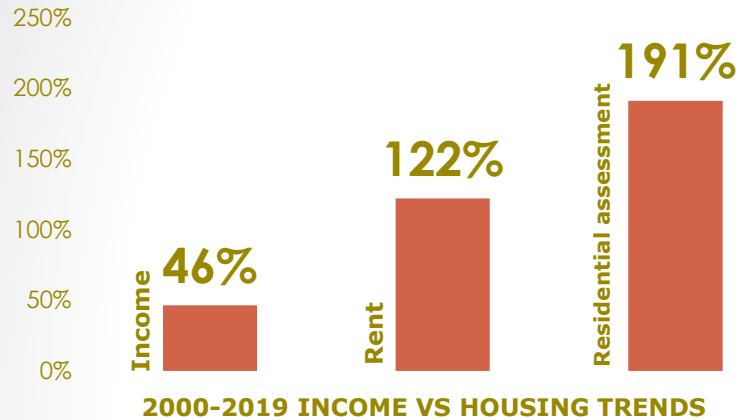


- North Potomac Yard (2017)**  
Land Area: 73 ac  
Planned Dev.: 7.5M sf
- Old Town North (2017)**  
Land Area: 200 ac  
Planned Dev.: 6.5M sf
- Oakville Triangle (2015)**  
Land Area: 37 ac  
Planned Dev.: 2.7M sf
- Eisenhower West (2015)**  
Land Area: 621 ac  
Planned Dev.: 9.3M sf
- Beauregard (2012)**  
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

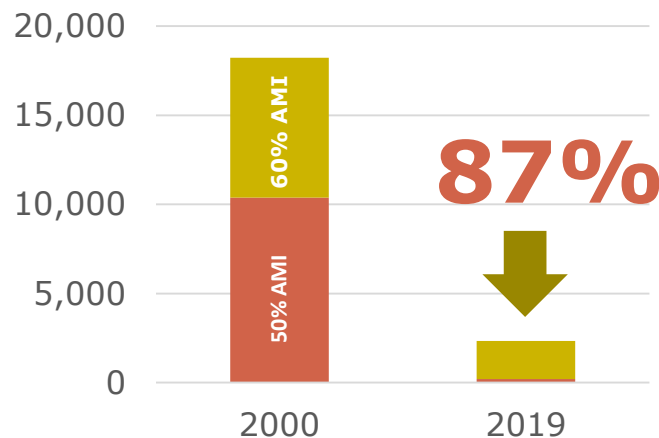
# Alexandria's affordable housing challenge is great

Growing gap in income vs housing costs

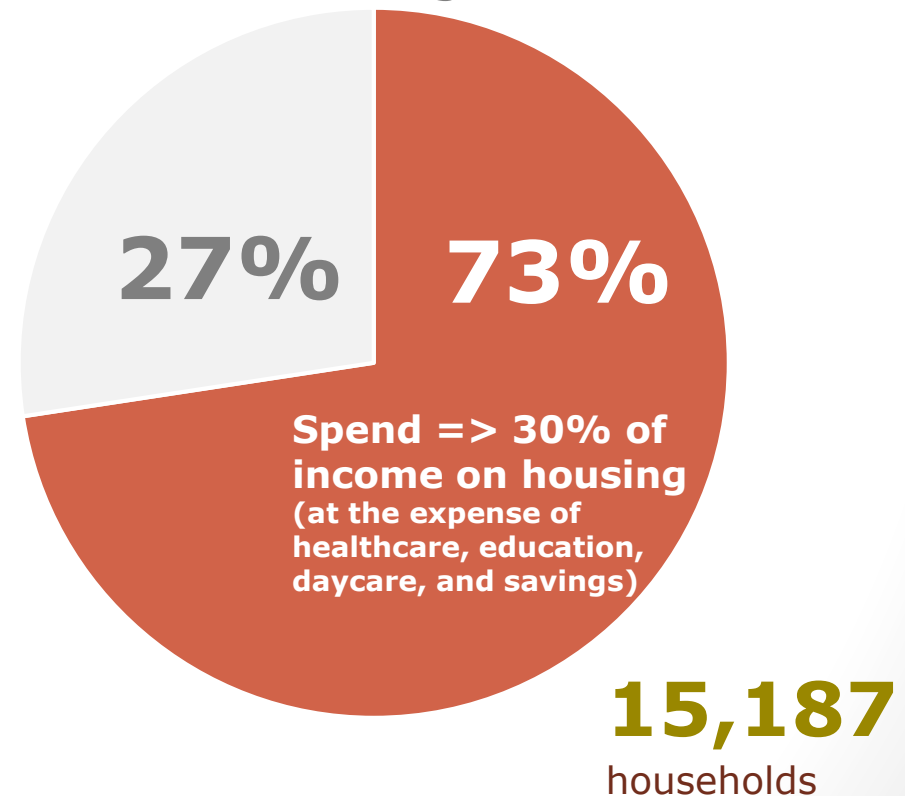


Most low to moderate income Alexandrians (w/incomes up to \$75,000) spend too much on housing

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



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



# Regional Housing Initiative – Meeting the Target for Alexandria

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)

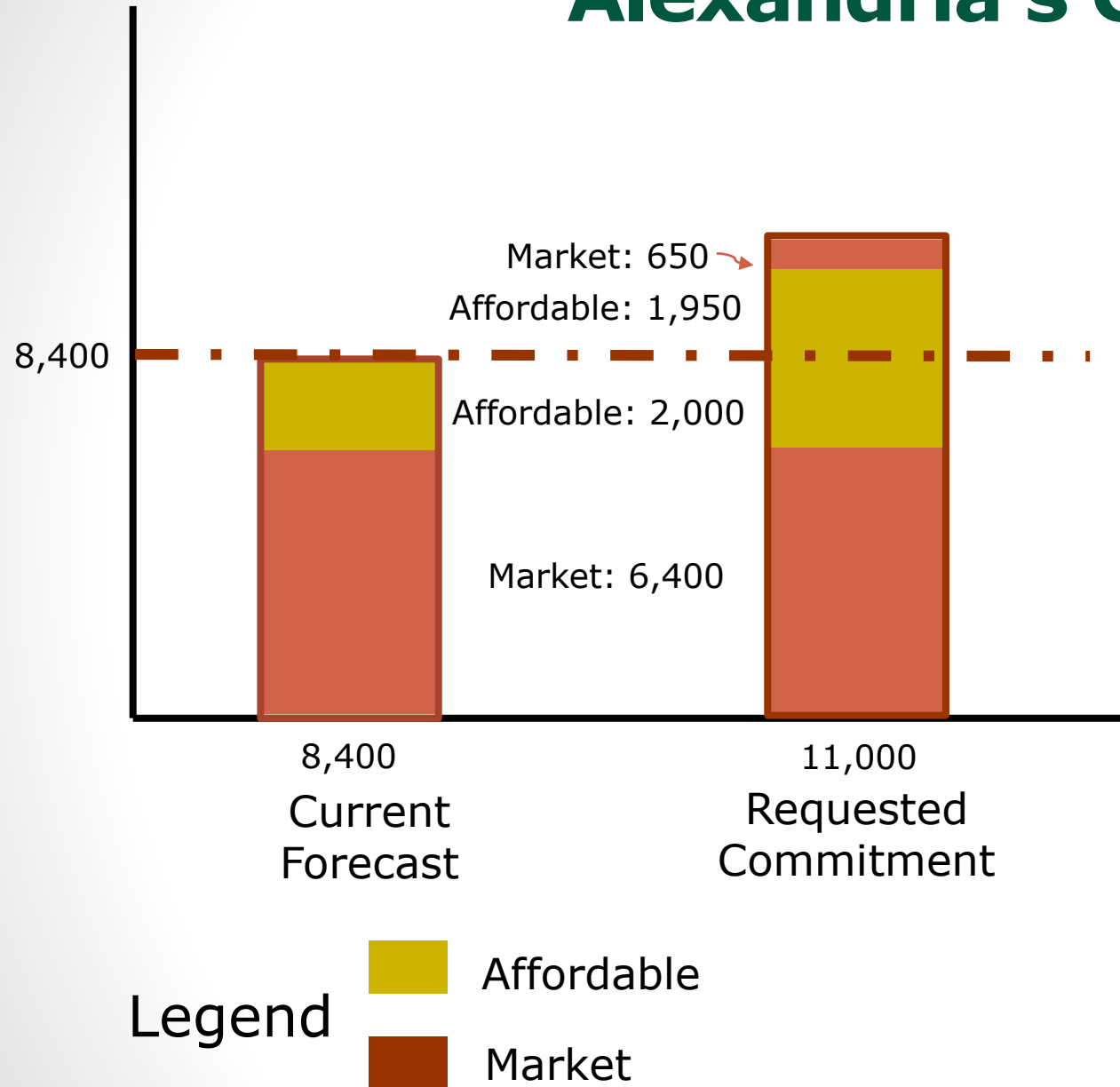
To meet COG jurisdictional goal of 75% net new affordable units (including deeply affordable):

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

## Next Steps

- Identify strategies and tools to achieve the aspirational housing production goals
- Continued planned review of regulatory opportunities and policy options
- Complete analyses and discussions in regard to developer contributions
- Work with stakeholders to identify new tools and opportunities to accelerate the development of sufficient housing at desired price-points
- Continue to support COG's regional efforts to accelerate housing production