



City of Alexandria

301 King St., Room 2400
Alexandria, VA 22314

Legislation Details (With Text)

File #: 19-2333 **Name:** Regional housing initiative
Type: **Status:** Agenda Ready
File created: 7/30/2019 **In control:** City Council Legislative Meeting
On agenda: 9/10/2019 **Final action:**
Title: A Discussion of Regional Housing Initiatives and the Need to Increase the Production of All Housing, Including Affordable Housing, Over the Next Decade.
Sponsors:
Indexes:
Code sections:
Attachments: 1. 19-2333_Presentation

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

City of Alexandria, Virginia

MEMORANDUM

DATE: SEPTEMBER 4, 2019
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:

A Discussion of Regional Housing Initiatives and the Need to Increase the Production of All Housing, Including Affordable Housing, Over the Next Decade.

ISSUE: Regional initiative to increase housing production, with aspirational goals for both market rate and affordable housing over the next decade.

RECOMMENDATION: That the City Council accept the staff report and direct staff to continue to work on strategies which could result in the City working towards meeting the 2030 aspirational goals identified in the COG Regional Housing Initiatives process.

BACKGROUND: In the decade since the 2008 housing-led recession, housing production in the Washington Metropolitan Area has only reached about two-thirds of its pre-recession levels. A year ago, the Metropolitan Washington Council of Governments (COG) Board of Directors, composed of elected officials in the region, recognized that forecast housing production for the next several decades is insufficient to provide enough

housing for workers for forecasted job growth, potentially placing even greater pressure on housing costs and availability and therefore limiting the region's economic competitiveness. The COG Board of Directors directed the region's Housing Directors and Planning Directors to investigate the issue and make recommendations. Overall, if job forecasts are met, there would need to be 75,000 additional housing units produced by 2030 (over current forecasts) to supply sufficient workers for those jobs.

Over the course of the past year, staff from the Office of Housing and the Department of Planning and Zoning have been collaborating with their counterparts across the region to explore both the barriers to, and the opportunities for, increased housing production in the region over the next decade or more. The Planning Directors determined that the region's comprehensive plans, master plans and small area plans already allow additional housing production above the current forecast, but that a number of barriers remain to seeing those planned housing units constructed. The Housing Directors determined that a significant share of new units must be affordable to a range of incomes to match job growth and the anticipated incomes of existing and future worker households.

Through the Metropolitan Washington Council of Governments, the Housing and Planning Directors developed a methodology for setting aspirational goals for individual jurisdictions to meet the region's goal of 75,000 additional units over the decade and goals for the levels of affordability of new units. In Alexandria's case, the production goal would be to increase the pace of residential growth from about 8,400 housing units now forecast over the next decade to about 11,500. The housing affordability goal is that 75% of these 3,100 additional (net new) units be committed as affordable to incomes ranging from very low to workforce levels. This equates to about 310 units per year or about a 50% increase over the targets set in the City's adopted Housing Master Plan.

A presentation on this topic was reviewed with the Planning Commission and the public at the Commission meeting on September 3rd and with the Alexandria Housing Affordability Advisory Committee (AHAAC).

ATTACHMENT: Presentation

STAFF:

Emily A. Baker, Deputy City Manager

Karl W. Moritz, Director, Department of Planning & Zoning

Radhika Mohan, Principal Planner, Department of Planning & Zoning

Helen McIlvaine, Director, Office of Housing

Tamara Jovovic, Housing Program Manager, Office of Housing



Regional Housing Initiatives

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

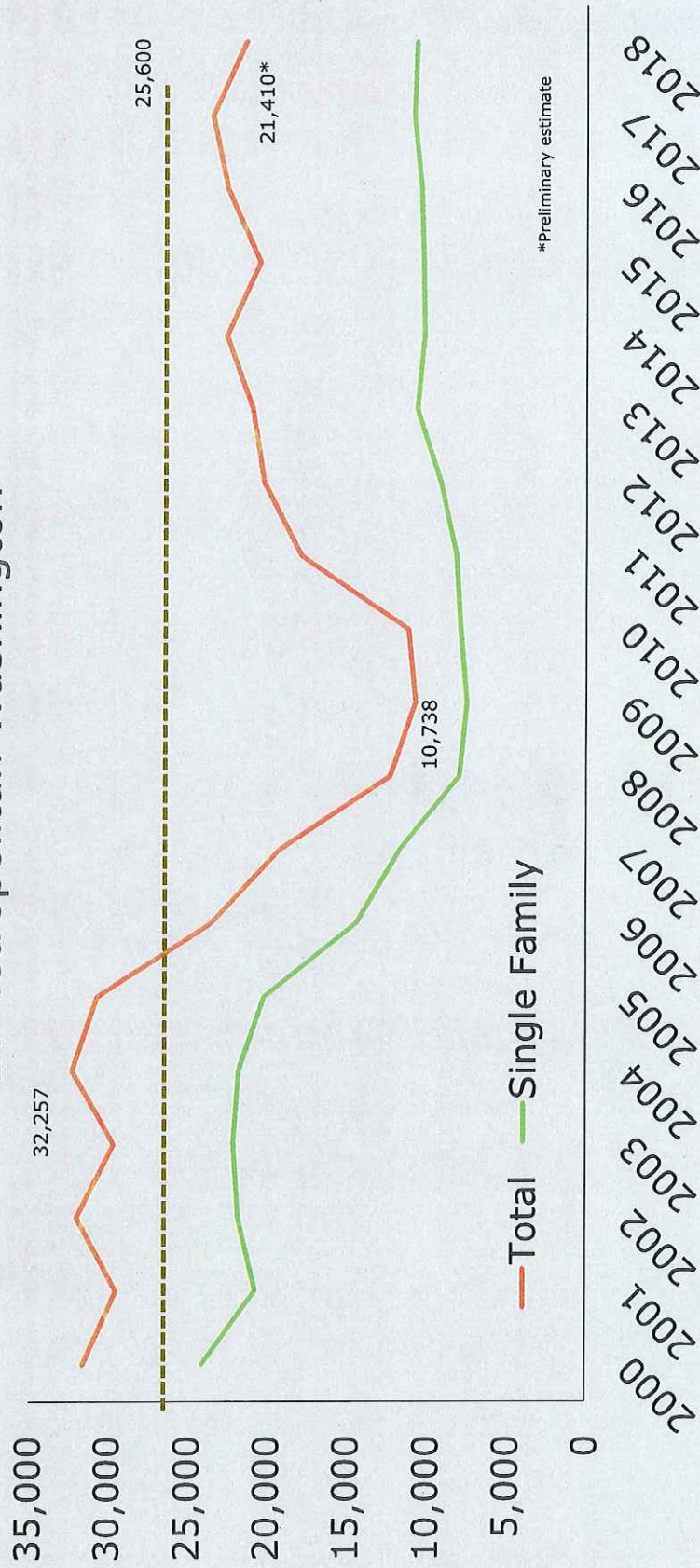
City Council
September 10, 2019

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 ⁽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

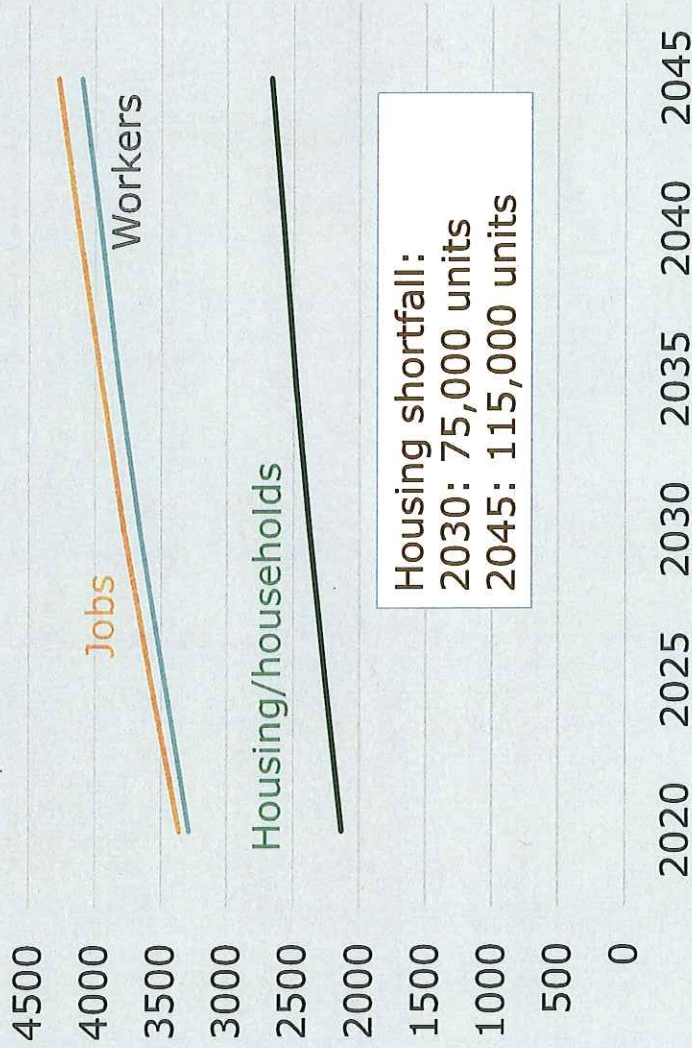
(1) Estimate

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

Source: MWCOG, 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

	ROUND 9.1 COOPERATIVE FORECASTS						G
	A	B	C	D	E	F	
	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 Household Growth 2020 to 2030	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

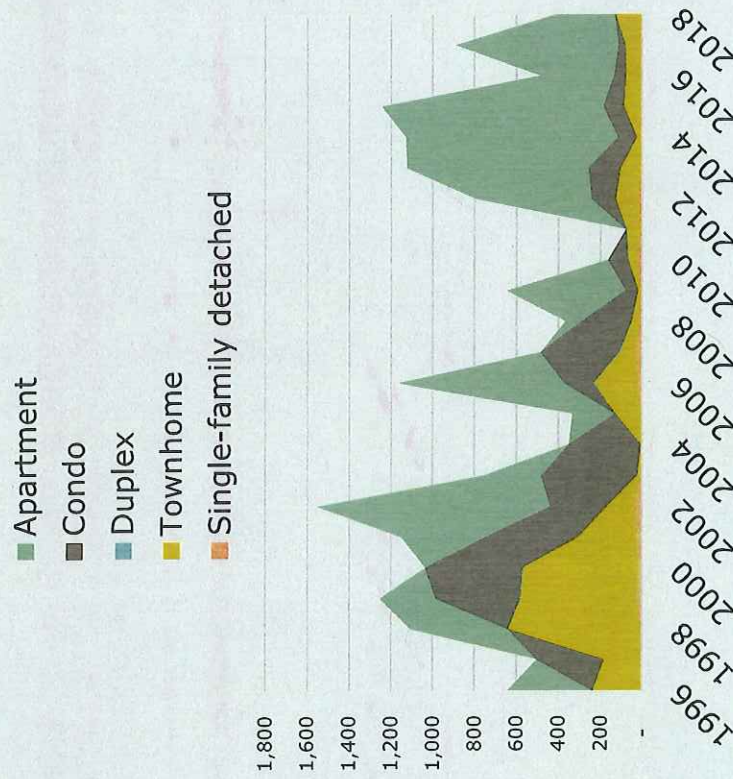
Regional housing initiative – recommendations and targets

Recommendations to support anticipated regional job growth:

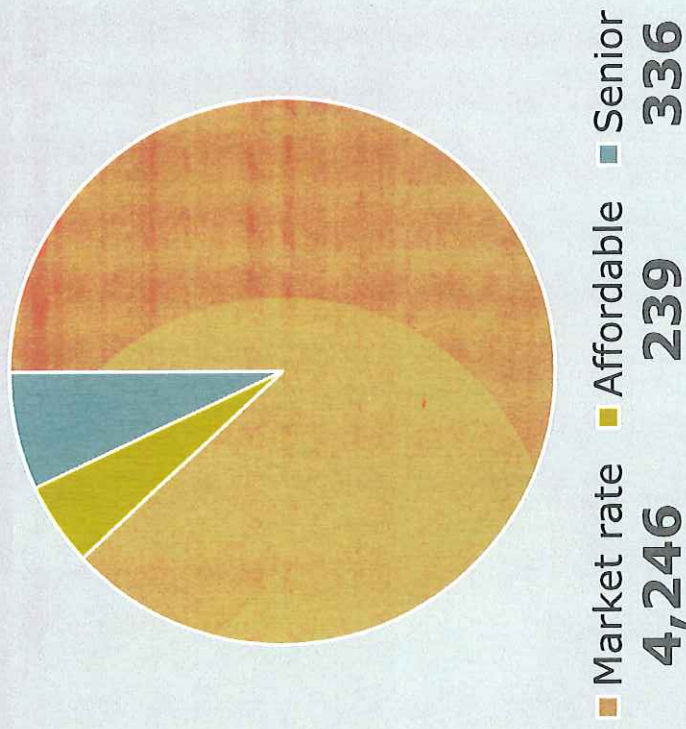
- Additional 75,000 housing units (beyond forecast) needed in region between 2020-2030
- At least 75% of all new housing in activity areas or near high-capacity transit
- At least 75% of new housing affordable to low income households through middle income households
- Establish jurisdictional targets 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

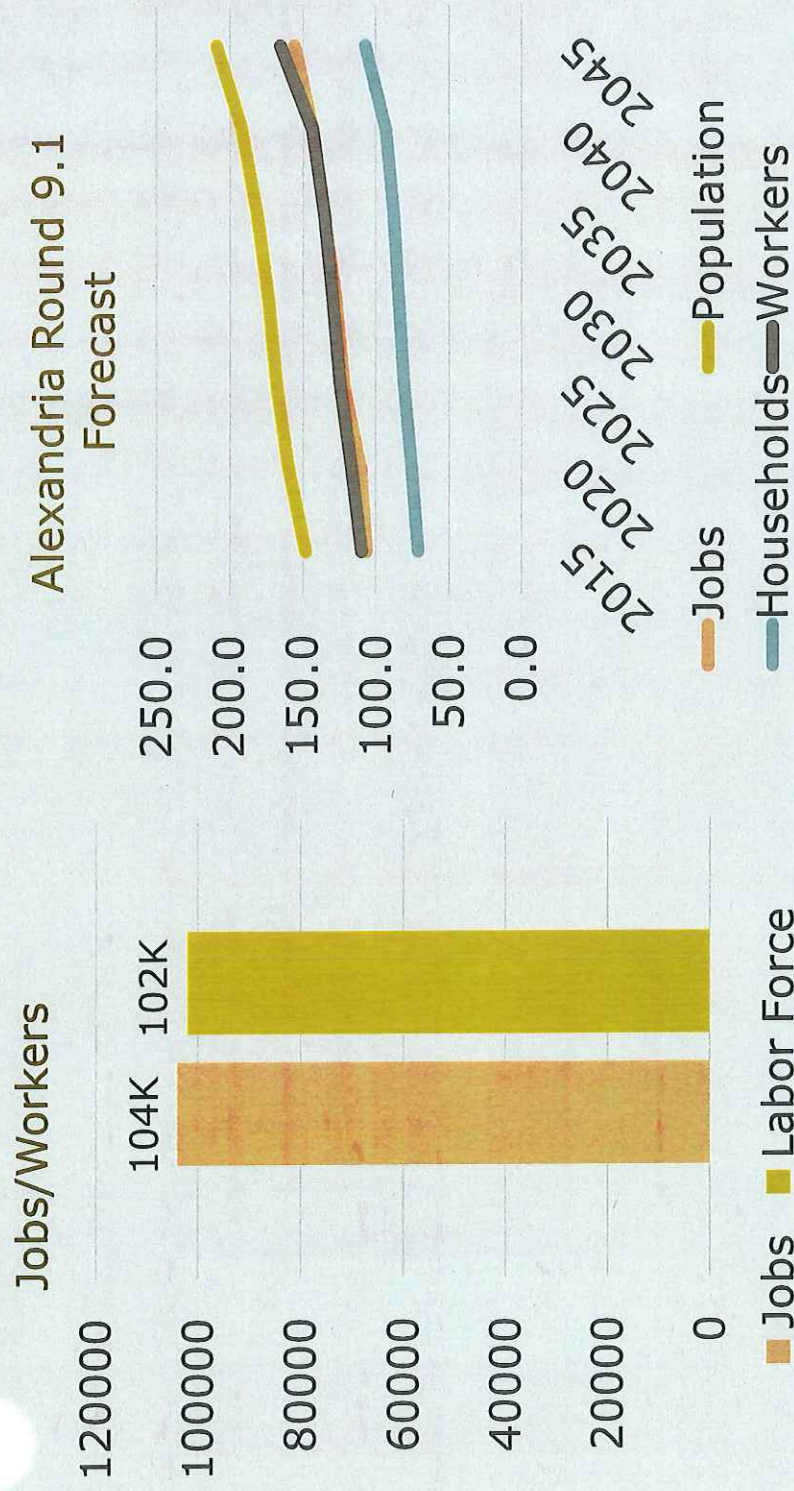
Housing production 2013-2018 average 840 units/year



Housing units under construction or breaking ground in 2019-2020

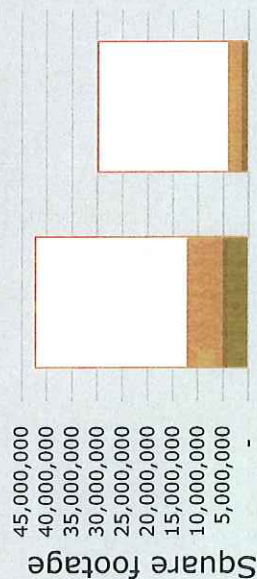
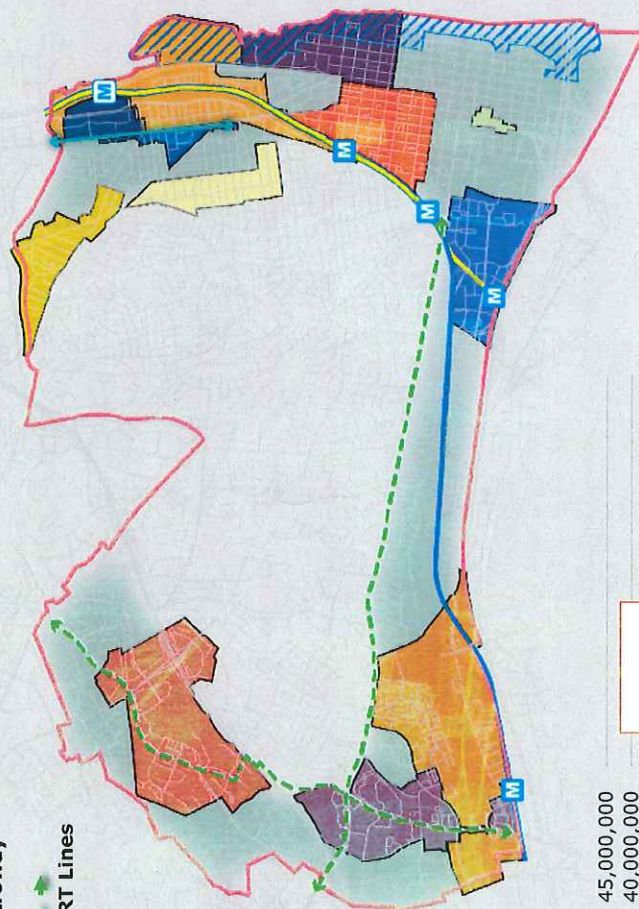


Alexandria's jobs and workers are balanced; so is the forecast



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

Existing Metroway
Proposed BRT Lines

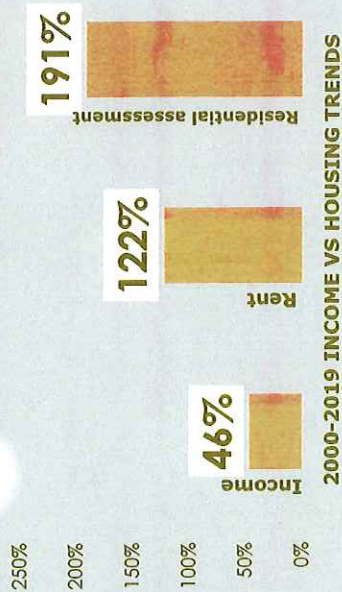


Anticipated
In progress
Complete

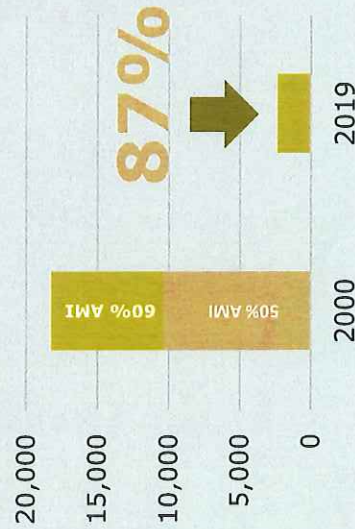
North Potomac Yard (2017) Land Area: 73 ac Planned Dev.: 7.5M sf	Braddock (2008) Land Area: 237 ac Planned Dev.: 3.6M sf
Old Town North (2017) Land Area: 200 ac Planned Dev.: 6.5M sf	Mount Vernon (2005) Land Area: 123 ac Planned Dev.: 577k sf
Oakville Triangle (2015) Land Area: 37 ac Planned Dev.: 2.7M sf	Eisenhower East (2003) Land Area: 245 ac Planned Dev.: 11.8M sf (+7M sf)
Eisenhower West (2015) Land Area: 621 ac Planned Dev.: 9.3M sf	Arlandria (2003) Land Area: 151 ac Planned Dev.: 2.0M sf
Beauregard (2012) Land Area: 237 ac Planned Dev.: 10.2M sf	Potomac Yard/Greens (2003) Land Area: 382 ac Planned Dev.: 4.2M sf
Waterfront (2012) Land Area: 357 ac Planned Dev.: 811k sf	South Patrick Street (Sept. 2018) Land Area: 17 ac Planned Dev.: 918k sf
Landmark/Van Dorn (2009) Land Area: 607 ac Planned Dev.: 12.5M sf	

Alexandria's affordable housing challenge is great

Growing gap in income vs housing costs



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



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



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

15,187 households

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

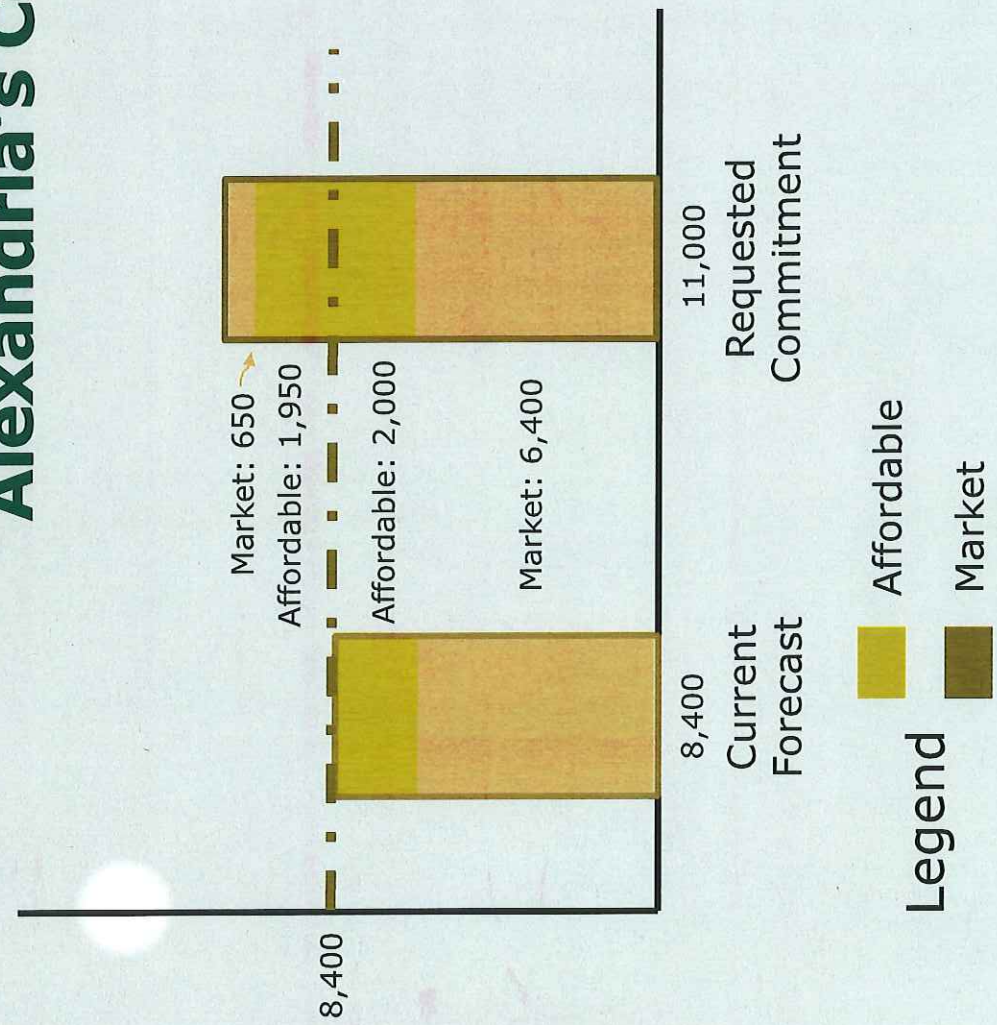
Current Forecast: 8,400 housing units

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