



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 4, 2020

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:

Resolution to Endorse Metropolitan Washington Council of Governments (COG) Targets to Address the Region's Housing Needs.

ISSUE: Endorsement of Resolution R27-2019 of the Metropolitan Washington Council of Governments (COG) Adopting Targets to Address the Region's Housing Needs (Attachment 1).

RECOMMENDATION: That City Council schedule a public hearing on March 14 in regards to the proposed City resolution (Attachment 1) endorsing *COG's Resolution Adopting Targets to Address the Region's Housing Needs* and affirming Alexandria's commitment to meet its allocation of the COG target, and after the public hearing adopt by roll call vote this City resolution.

BACKGROUND: As a result of the 2017 to 2018 Amazon HQ 2 competitive RFP and selection processes (in which several local jurisdictions were short listed for consideration for the new headquarters and its then estimated 50,000 new jobs), the Board of the Metropolitan Washington Council of Governments (COG) directed staff to analyze the level of housing production required for the region to be economically competitive. Specifically, COG staff was asked to review (1) what level of additional production would be necessary to meet the housing needs of the Washington Metropolitan Area's future workforce, including anticipated workers with jobs at various income levels; (2) where the new housing should be located; and (3) what housing types and price points were needed.

With its charge summarized as "Amount, Accessibility and Affordability", COG's analysis, branded the Regional Housing Initiative, actually began before the conclusion of the RFQ process which resulted in National Landing being awarded HQ2 and its 25,000+ new jobs, and Virginia Tech's concurrent decision to locate a STEM-focused graduate program (the Innovation Campus) in Alexandria. However, those successes, including Arlington and Alexandria's approach promoting collaboration and making housing affordability central to its joint Amazon response, not only generated ongoing interest in COG's work, it also attracted a new constellation of business, philanthropy and real estate leaders, as well as national think tanks which contributed

research and other support which enriched COG's analysis, and helped inform key recommendations, strategies and tools.

Mayor Wilson and senior City staff have been actively involved in developing COG's Regional Housing Initiative through leadership roles on the COG Board, the Chief Administrative Officers Committee, the Planning Directors Technical Advisory Committee and the Housing Directors Advisory Committee.

With regard to **Amount**, using COG's 2045 Cooperative Forecast as a starting point to chart the number of units anticipated to be produced throughout the region among its 23 member-jurisdictions, COG identified substantial production shortfalls across the region as well as potential impediments within the land use, development review, funding and community engagement processes that may act as barriers to production that could hinder economic growth.

In recalculating anticipated job growth based on projections of economic activity associated with HQ2, COG adjusted its prior 245,000 unit forecast to include a new housing target that adds 75,000 more housing units (all types/tenures) for a revised overall housing production target of 320,000. Specific jurisdictional allocations to achieve the target were also established based on each member's share of production in the 2045 forecast; however, to better manage anticipated short to mid-term regional economic growth, COG focused on a ten-year period, from 2020 to 2030, rather than the 2045 horizon used in its Forecast. For the ten-year period from 2020 to 2030, Alexandria's additional share of the 320,000 unit housing production is calculated at approximately 11,500 units or 3,000 more than the City had previously forecasted.

Regarding **Accessibility**, building on work from the Planning Directors group, COG's analysis continued to encourage production of locationally-efficient housing in regional activity centers and near transit. At the July 2019 Board retreat, members challenged themselves to improve upon COG's recommendation that 2/3 of the housing produced be transit-oriented to adopt an even more aggressive goal that 75% of the new housing target be locationally-efficient to maximize shared investments in Metrorail and Bus Rapid Transit (BRT) to mitigate sprawl and congestion. For Alexandria with its transit-oriented development plans this 75% accessibility target should not be difficult to achieve.

The COG analysis also revealed critical shortages in the regional housing stock's **Affordability** for current and future workers. Studies developed with sponsorship from the Greater Washington Partnership revealed large gaps in meeting housing affordability needs, exacerbated by affordability "mismatches" resulting from households with incomes that could afford more expensive housing choosing to remain in market affordable units, leaving those in the middle "priced out." Comparing the price points of available housing, including existing committed affordable units, and the incomes of worker households likely to locate here for the new jobs to be created, COG concluded that 75% of the new housing delivered should be available at costs affordable to households at low, moderate, affordable and workforce income level (30% to 80% AMI). For Alexandria, this goal would require that around 2,250 of the 3,000 additional new housing units produced from 2020 to 2030 be affordable to households within this range. While characterized as an aspirational target, achieving this new number of committed units would increase Alexandria's 2013 Housing Master Plan goal of new affordability of 2,000 units by 2025 to 4,250 units by 2030. Given that Alexandria's goal has been to provide about 200 units per year, but often exceeding that annual production goal, this increases the City's committed unit goal to about 325 units per year from 2020 to 2030.

The Future of Housing in Greater Washington (Attachment 2) summarizes the research informing the Regional Housing Initiative and its recommendations which resulted in COG Resolution R27-2019 Adopting Targets to Address the Region's Housing Needs (Attachment 3). The Resolution was unanimously adopted by COG's Board in September 2019. The Resolution was reviewed and informally endorsed by City Council in the Fall (briefings were also provided to the Alexandria Housing Affordability Advisory Committee and the Planning

Commission), and staff work is proceeding on a bundle of housing initiatives to increase production of affordable housing pursuant to a revised work plan approved by City Council in October 2019.

DISCUSSION: So far, two other area jurisdictions, Montgomery County, MD and Washington DC have taken formal actions to adopt COG's targets. Each jurisdiction has discretion in how it will reach its local target. Endorsing the Regional Targets, including Alexandria's allocated share of new housing production, and heightened requirements for committed affordability, will require that all potential land use and regulatory tools to increase production and incent the yield of affordable housing through the development process, be explored and leveraged to the extent feasible. In addition, the City will need to continue financial investments with ARHA and nonprofit housing partners to maximize the production and preservation of affordable and workforce housing, and advocate for continued federal and state support for housing. For Alexandria, the affordable housing goal of units to be produced from 2020 to 2030 will be 3,250 units (1,000 units produced under the Housing Master Plan goal, plus 2,250 units produced under the COG target calculations).

FISCAL IMPACT: To be determined. While Alexandria remains committed to supporting a pipeline of ARHA and nonprofit-sponsored development projects to increase the City's long term committed affordable housing stock, the City will also review all land use and regulatory tools, including a zoning for housing strategy to be presented by staff later this Spring, to mitigate to the degree feasible the amount of increased public financial investment necessary to achieve Alexandria's local target.

ATTACHMENTS:

1. City Council Resolution
2. The Future of Housing in Greater Washington
3. COG Resolution R27-2019

STAFF:

Emily A. Baker, Deputy City Manager
Karl Moritz, Director, Department of Planning and Zoning
Helen McIlvaine, Director, Office of Housing