Housing a Diverse and Inclusive Community

Analysis of Current and Future Housing Needs

August 28, 2014
Goals of the Housing Needs Analysis

• To describe the characteristics of Arlington County’s population
• To analyze demographic, economic, and housing market trends
• To examine current housing affordability in the county
• To better understand the current gap between needs and supply
• To forecast housing demand to 2040
• To evaluate current and future housing needs priorities to serve as a basis for the development of housing goals, objectives and strategies.
PROFILE OF THE ARLINGTON COMMUNITY

Key drivers of community change:
- Millennials
- Older adults
- Whites
- Families with children
- Higher income households
Age

- Under 18: 16%
- 18-24: 8%
- 25-34: 28%
- 35-44: 17%
- 45-54: 12%
- 55-64: 10%
- 65+: 9%

Source: 2012 ACS
Race/Ethnicity

- White: 64%
- Hispanic: 15%
- Asian: 10%
- African American: 9%
- Other/Multi: 2%

Source: 2012 ACS
Married with kids: 19%
Married without kids: 17%
Single parent: 6%
Other family: 3%
Other non-family: 14%
Living alone: 41%

Source: 2012 AC
Household Income

- 120%+ AMI: 51%
- 100-120% AMI: 10%
- 80-100% AMI: 10%
- 60-80% AMI: 9%
- 50-60% AMI: 3%
- 30-50% AMI: 7%
- <30% AMI: 10%

Source: 2012 ACS
Key Drivers of Population Change

- **Millennials (25-to-34 year olds)**
  - +31% (14,978) between ‘00 and ’12
  - Forming careers and families

- **Older adults (55-to-64 year olds)**
  - +49% (7,191) between ‘00 and ’12
  - Retiring

- **Whites**
  - +22% (25,755) between ‘00 and ‘12 while Hispanic population declined by 3% (-1,202)
  - Only jurisdiction in the region that experienced a decline in its Hispanic population
Key Drivers of Population Change (cont.)

• Families with children
  – Married couples with children grew more than 2X faster than all households (21% vs 10%)
  – Millennials, families remaining in Arlington

• Higher income households
  – Households with incomes of $200K+ → up 60%
  – Households with incomes of $60K or less → down 10%
HOUSING MARKET TRENDS

Key housing market characteristics:
- Rising rents and home prices
- Loss of lower-rent housing
- Multi-family construction
Affordable Rental Homes

Source: Arlington County Housing Division
Home Prices

Thousands

$0  $100  $200  $300  $400  $500  $600  $700  $800  $900


Single-Family Detached  Single-Family Attached  Condo

Source: MRIS
Change in Housing Units, 2000-2013

- All housing: 17,574
- Single-family detached: 732
- Single-family attached/townhouse: 716
- Units in multi-family buildings: 16,227

Source: U.S. Census Arlington County Planning Division
HOUSING AFFORDABILITY
Several groups face particular challenges:
- Older renters & homeowners
- Non-white households
- Families with children
- Low income households
- Disabled households
Housing Cost Burden
By Age

Source: 2010-2012 ACS
Older Renters & Homeowners

• The majority of seniors would like to remain in Arlington for the rest of their lives
  – But one-fifth said they think they will have to leave because of housing costs

• Rising rents and condo fees have big impacts
  – Some sacrifice on food or utilities to pay for housing

Sources: Poll of Arlington residents, April-June 2014
Focus group with low-income seniors, June 2014
Housing Cost Burden By Race/Ethnicity

- White: Renters 36%, Owners 20%
- African American: Renters 48%, Owners 46%
- Asian: Renters 38%, Owners 21%
- Hispanic: Renters 57%, Owners 48%

Source: 2010-2012 ACS
Minority Households

• 40% of Hispanic households and 50% of African American households think they will have to leave Arlington
  – 1/5 have already moved out of a residence because of rising rents

• Housing costs are a major issue
  – Small increases in rents can mean sacrificing food, giving up their car or taking in boarders

Sources: Poll of Arlington residents, April-June 2014
Focus group with Spanish speaking immigrants, June 2014
Housing Cost Burden By Household Type

- Married without kids: Renters 26%, Owners 14%
- Married with kids: Renters 42%, Owners 22%
- Single-parent family: Renters 70%, Owners 49%
- Non-family: Renters 41%, Owners 28%

Source: 2010-2012 ACS
Housing Cost Burden By Household Income

86%  70%

41%  41%

20%  32%

4%  11%

Source: 2010-2012 ACS
Low-Income Households

• Three-quarters of households with incomes less than $60,000 think they will be forced out due to rising rents
  – 30% of very low income households (<$30K) have moved because of rent increases

• Rising rents are not the only concerns
  – Displacement when buildings are renovated, and actual or perceived changes to income rules for subsidized units

Sources: Poll of Arlington residents, April-June 2014
Focus group with immigrants and low-income seniors, June-July 2014
Housing Cost Burden By Disability Status

With a disability:
- Renters: 72%
- Owners: 37%

Without a disability:
- Renters: 38%
- Owners: 22%

Source: 2010-2012 ACS
Disabled Households

• 38% would like to remain in their homes for the rest of their lives
  – More than half would require some modification to their homes to allow them to do so

• High and rising rents make it difficult to afford other bills

Sources: Poll of Arlington residents, April-June 2014
Interviews with disabled persons, July 2014
CURRENT DEMAND & SUPPLY

There is currently a substantial gap in Arlington for:

- Low-income renters
- Moderate-income would-be homebuyers
Comparing Renters to Homes with Affordable Rents

Source: 2012 ACS, Arlington County Housing Division
# Affordable and Available Units per 100 Extremely Low-income Households (<30% AMI)

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arlington County</td>
<td>18</td>
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<tr>
<td>District of Columbia</td>
<td>45</td>
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<tr>
<td>City of Alexandria</td>
<td>27</td>
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<tr>
<td>Fairfax County</td>
<td>25</td>
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<tr>
<td>Montgomery County</td>
<td>33</td>
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<tr>
<td>Prince George’s County</td>
<td>25</td>
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</tbody>
</table>

Source: Urban Institute
Homes Valued Under $300,000 by Bedrooms

0/1 Bedrooms: 5,730
2 Bedrooms: 3,151
3+ Bedrooms: 229

Source: Arlington County Real Estate Assessments
FORECASTS OF FUTURE HOUSING DEMAND

Future household growth will include increases in:

- Senior households
- Two- and three-person households
- Households with a disabled person
- Lower- and higher-income households
1990, 2000 and 2010 Population by 5-Year Age Group and Sex

- Share of Cohort by Household Size
- Headship Rate
- Share of Cohort by Disability Status & Headship Rate

2020, 2030 and 2040 Population by 5-Year Age Group and Sex

- Households by Size
- Households by Age of Householder
- Households by Disability Status of Householder

Forecasted Jobs by AMI

- Households by AMI with a worker
- Households by AMI without a worker

Households by AMI
## Household Forecasts

<table>
<thead>
<tr>
<th>Year</th>
<th>Households</th>
<th>Decade Change</th>
<th>Decade Percent Change</th>
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<tbody>
<tr>
<td>2010</td>
<td>98,100</td>
<td>-</td>
<td>-</td>
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<tr>
<td>2020</td>
<td>112,200</td>
<td>14,100</td>
<td>14%</td>
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<tr>
<td>2030</td>
<td>121,400</td>
<td>9,200</td>
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<tr>
<td>2040</td>
<td>128,600</td>
<td>7,200</td>
<td>6%</td>
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<tr>
<td>Cumulative 2010-2040</td>
<td>30,500</td>
<td></td>
<td>31%</td>
</tr>
</tbody>
</table>

Source: GMU/CHP
Household Forecasts, 2010-2040
By Household Size

+10,100 1-person households
+11,800 2-person households
+4,700 3-person households
+3,900 4+-person households

Source: GMU/CHP
Household Forecasts, 2010-2040
By Age (of Household Head)

+8,600 65+ households

+21,900 under 65 households

Source: GMU/CHP
Household Forecasts, 2010-2040
By Disability Status

- Physical: +1,700 households
- Independent Living/Self Care: +150 households
- Cognitive: +150 households
- Multiple: +2,200 households

Source: GMU/CHP
Household Forecasts, 2010-2040
By Household Income

- <60% AMI: 7,100
- 60-80% AMI: 3,100
- 80-100% AMI: 2,500
- 100-120% AMI: 2,400
- 120%+ AMI: 15,400

Source: GMU/CHP
Household Forecasts, 2010-2040
By Tenure

+11,000 owners
+19,500 renters

Source: GMU/CHPP
BALANCING HOUSING NEEDS
Arlington’s Housing Principles

• **Diversity** Housing affordability directly contributes to the community’s diversity by enabling a wide range of households to live in Arlington, especially households with limited means and special needs.

• **Inclusivity** Housing inclusivity supports a caring, welcoming community in which discrimination does not occur, housing opportunities are fair, and no one is homeless.

• **Choice** A range of housing choices should be available throughout our community and affordable to persons of all income levels and needs. Balanced housing choices benefit individuals and the community as a whole.

• **Sustainability** Housing affordability is vital to the community’s sustainability. It impacts the local economy and the natural and built environments. Affordable housing supports diverse jobs and incomes needed to sustain the local economy.
Balancing and Prioritizing Housing Needs

- Low-income (<60% AMI) renters
- Families with children
- Seniors
- Persons with disabilities
- Homeownership for moderate-income households
- Homeless and near homeless
NEXT STEPS

Review needs analysis with Working Group and internally
Share findings from needs analysis with County residents
(September 22 forum)
Develop recommendations for affordable housing programs &
policies
Present at a County Board working session (December)
QUESTIONS? COMMENTS?