

HOUSING A DIVERSE AND  
INCLUSIVE COMMUNITY IN  
ARLINGTON COUNTY: AN ANALYSIS  
OF CURRENT AND FUTURE  
HOUSING NEEDS

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# Executive Summary

Arlington County is conducting a three-year study to create a shared community vision for affordable housing in Arlington and to develop a comprehensive affordable housing strategy. Having a sufficient supply of affordable housing is vital to the economic, social and cultural sustainability of the Arlington community. With this affordable housing study and the development of strategic policies and programs, the County is proactively working to ensure Arlington remains a diverse, inclusive and sustainable community that offers a broad set of housing choices for all its residents. With support from the County Manager, the study will culminate in the development of an affordable housing element of the County's comprehensive plan.

As part of the affordable housing study, this report analyzes current housing conditions and affordability, forecasts future household growth and household characteristics, and discusses the county's greatest housing needs. This needs assessment provides the background necessary to develop a comprehensive affordable housing policy that meets the needs of current and future resident and ensures that Arlington lives up to the principles of diversity, inclusivity, choice and sustainability.

## Key Findings

- The county's population is racially and ethnically diverse, relatively young and relatively high income, and its growing and changing population reflects its character as a mature, urban community. Several populations trends have shaped the growth and changing character of Arlington County over the past 12 years:
  - **Millennials.** Since 2000, the number of Arlington residents between the ages of 25 and 34 increase faster than the overall population. Part of this growth is related to the age structure of the population broadly. But Arlington has been a magnet for young professional workers, particularly in the years following the recent recession.
  - **55-to-64 year olds.** Also a fast-growing group, the increase in the number of 55-to-64 year olds largely reflects the aging of the county's Baby Boom population. The population shift foreshadows the growth ahead in the county's senior population.
  - **Whites.** Arlington became somewhat less racially and ethnically diverse over the past 12 years. In particular, the number of Hispanic residents living in Arlington declined. In no other jurisdiction in the Washington, DC region did this population decline.
  - **Families with children.** There are more families with children in Arlington in 2012 than there were in 2000, which reflects the aging of the large millennial population into marriage and child bearing age. But the trend also is indicative of the increasing likelihood of families remaining in the county after children are born.
  - **Higher income households.** The increase in some high-wage jobs in the region and the fact that Arlington is an attractive place to live has meant that higher income households have moved into the county, while lower-income households have left.

- Arlington’s housing market has been characterized by escalating rents and homes prices. While rents and home prices increased across the region, they increased faster in Arlington and, in general, the county was insulated from the housing market downturn. The number of homes—including both rental and homeownership—affordable to low- and moderate-income households declined precipitously over the past decade. Homes affordable to households earning below 60 percent of area median income took a particular hit, as thousands of market rate affordable rental homes were lost from the county’ housing stock through rent increases, condo conversion, and redevelopment.
- New residential construction has been dominated by multi-family housing. In the years following the recession, much of the new residential construction taking place in the region was in Arlington County and Washington, DC. As a result of the limited supply of land and Arlington’s current land use plan and zoning regulations, as well as in response to demand from new, younger residents, virtually all of the new construction in recent years has been multi-family.
- Affordability has declined dramatically in Arlington over the past 12 years, primarily as a result of surging housing costs but also because of flat or declining incomes among some groups. While finding affordable housing is a challenge for many households, several key populations face particular challenges:
  - **Older renters** have higher cost burdens than households headed by someone under age 65. In addition, low-income senior households on fixed incomes face growing financial stress around rent and condo fee increases. Many seniors want to remain in Arlington County for the rest of their lives but are worried that rising housing costs or difficulty finding housing will force them to leave.
  - **Racial or ethnic minority households** are much more likely than white households to face affordability challenges. In fact, nearly one out of five Hispanic and African American households said they have already moved out of a home in Arlington because they could no longer afford the cost of living there. Many feel certain they will not be able to remain in Arlington over the coming years.
  - **Families with children**, especially single-parent families, face higher cost burdens than other types of households. Many families with children have struggled to find housing in the county that is large enough to meet their families’ needs.
  - Arlington’s **low-income households** face stark choices when it comes to paying for housing. Many low-income households have spent less on food, transportation, utilities and other necessities in order to cover housing costs. Small increases in rents can have a major impact on these families’ budgets.
- Comparing the number of households at different incomes with the amount of housing at different rents and prices can provide a picture of the extent of the current unmet housing needs in the county. Based on this analysis, the county’s rental stock appears to be serving fairly well both families and single-person households who have incomes above 80 percent of area median income. However, the current stock is far below what would be needed to meet the demand of renters—particularly families—with incomes below 80 percent of area median income. On the homeownership side, rising home prices and limited new supply have put homeownership out of reach for all but the highest income households.

- Forecasts of future household growth in Arlington suggest that the county will add 30,500 net new households between 2010 and 2040. Several key findings emerge from the forecasting process:
  - The number of senior households will grow at a rate two and a half times faster than households headed by a person under age 65. This trend is driven by the aging of the baby boom population, the oldest of which turned 68 in 2014.
  - As a result of the changing structure of the Washington, DC labor market, as well as the increase in the number of retirees in the community, there will be significant growth in the number of households with incomes below 60 percent of area median income. However, the overall largest number of new households will be higher income, with incomes above 120% of area median income.
  - While Arlington will continue to attract one- and two-person households, there will be notable increases in the number of family households with three or more people. These households include millennials aging into their childbearing ages, as well as continued growth of the immigrant population.
  - Partially as a result of the aging of the population, the number of households headed by a person with disabilities will increase over the next 30 years. These households include people with a range of disabilities, including physical, cognitive and self-care or independent living difficulties.
  
- Based on this review of current housing needs and anticipated household growth, and given Arlington County’s mission and stated affordable housing principles, the following describes the county’s most pressing current and future housing needs:
  - Rental housing for **low-income (<60% AMI) households**. This group of individuals and families includes many workers who serve the Arlington community and economy, and the jobs they work in will comprise a larger share of the region’s overall employment in the years to come. This group of households faces the most stress associated with rent increases, and the supply of housing that is affordable to this group has declined sharply over the past decade. Without ensuring a sufficient supply of lower cost housing, or providing direct financial assistance, low-income households will find it difficult to live in Arlington and the county will risk diminishing its economic diversity.
  - **Families with children**. Families with children make up a growing segment of the Arlington community. They are also more likely than other types of households to face affordability challenges and to find housing that meets their families’ needs. These families often have children in Arlington County public schools and benefit from the services and amenities available in the county.
  - **Senior households**. The number of senior households will grow substantially over the next two decades. This group will have a variety of needs but many will need new housing options to be able to remain in Arlington or will need assistance—either with physical modifications or financial—to age in place in their homes. Many long-term residents of Arlington will be entering retirement and will desire to remain in their community.

- **Persons with disabilities.** Among the most vulnerable populations in Arlington is low-income people with disabilities. This disabled population will have a variety of housing needs, but critical to being an inclusive community is providing opportunities to this population to live independently and to take advantage of the county's amenities.
- **Homeownership for moderate-income households.** Rising home prices over the past 12 years has made it very difficult for moderate-income households to afford to buy a home in the county. The desire for homeownership remains strong, even among the millennial population. In order for a range of households to have choices with regards to homeownership in the county, there is need for expanded homeownership opportunities for moderate-income households and first-time homebuyers.
- **Homeless and near homeless.** Based on recent counts of the homeless population, there are several hundred individuals and families in Arlington without a place to live. Some of these individuals are chronically homeless, and need intensive supportive services to help with health care issues, substance abuse and other difficulties. As the county grows and prospers in the future, it will be important to ensure that the most vulnerable of the community have a place to live.