# Arlington Community Facilities Study Study Committee Meeting #4 – March 25, 2015

# **Major conclusions:**

- If Arlington is to close the commercial vacancy gap, it needs to engage in aggressive marketing of our Community to compete with other jurisdictions.
- APS population can be reliably predicted by looking at past trends by housing type, but Arlington County needs to refine its analysis, particularly of single family detached homes, which produce most of the students.
- The percentage of school-age children in Arlington who attend public school is also increasing, from about 82% in 1990 and 2000, to 91% in 2010.
- Demographically, the largest increase in households between 2000 and 2013 was a 23.1% increase in 4-person family households, those most likely to have school-aged children.
- The median household income in Arlington has dramatically shifted to wealthier households. The greatest change resulted in 19% of households earning more than \$200,000 per year in 2013 (compared with less than 6% in 2000), while over half of all households earned more than \$100,000 annually (compared to 37% in 2000). The percentage of citizens in the lowest wage categories have been cut in half.
- Most of the wealthy households are north of Lee Highway, with the highest wage earners in the most northern part of the county. There are smaller pockets of households in the \$100,000 \$200,000 range in central Arlington and south of Route 395.

### **Demographic and Economic Challenges – Continued Discussion**

The fourth meeting of the Arlington Community Facilities Study focused on the work of the Economic Sustainability Subcommittee and the Demographics Subcommittee, followed by round-table discussions with Forum members.

Chairman John Milliken reviewed the major conclusions of the first three meetings and announced that the Affordable Housing study is now available online. A second document, the Affordable Housing Implementation Framework, describes existing and potential tools to fulfill the goals and objectives of the Master Plan, including financing, land use and regulatory strategies/services. (See links to the reports at the end of this report.) A meeting to discuss the Affordable Housing issue will be held on Saturday, March 28 from 9:00 a.m. – 12:30 p.m. at Washington-Lee High School.

The report from the Economic Sustainability Subcommittee focused on three issues: maintaining the commercial tax base given significant commercial vacancies and

the changing office market; easing the rules and processes for doing business in Arlington County, and sustaining housing and affordability.

Members of the Economic Sustainability Subcommittee discussed the impact of Federal Government retractions, the impact of the Silver Line Metro to the outer suburbs creating competition for Arlington, and the impact of changes in workplace structures, including an emphasis on collaborative processes, along with the telework and other policies that are reducing workspace for many companies and organizations. Another issue focused on the normal tensions between businesses and neighborhoods and the bureaucratic processes that make it difficult to retain businesses or encourage new businesses to move in. Members of the subcommittee encouraged the group to identify barriers, including the need to simplify permitting.

Comments from Committee members included the need to market Arlington in the aggressive way that Tyson's Corner and other areas are marketing their commercial space. One issue is the age of our buildings and whether they are market affordable. Do we really know what kind of space the market is demanding? Fairfax has cheaper rents and better quality space. Bryant Monroe pointed out that Arlington is at a crossroads. If we can't get the tax base we need to fulfill our needs we'll have a crisis. The County Board will be forced to cut programs or increase homeowner taxes, and the anger this generates in the community will be misdirected.

Others argued for greater efficiency of the resources we have, including the multiple use of school and county buildings. Others noted that affordability is more than housing; transit is also critical. Others argued that strong schools help support housing. Everyone agreed that County residents, in general, are unaware of the impacts of our changing economy and demographics, and we need to do much more outreach, especially among the Millennials (young people 18-35), who are really the next generation charged with solving problems.

Arlington staff provided supplemental data, prompted by discussion in the first three meetings. Lionel White from Arlington Public Schools explained how APS analyzes and projects school population, broken out by housing type. He creates a "generation factor" for each housing type by dividing the number of students by the number of housing units. For example, the greatest number of students live in single family detached homes. This year there are 12,256 students coming from 28,909 single family detached houses. That means that single detached homes have a "generation factor" of 0.42. As Arlington housing stock changes, APS can project, based on current numbers, the probable APS population. Last year this methodology produced very reliable numbers.

But there are some drawbacks. One is that every year there are about 170 tear-downs of old units to make way for much larger houses, and about 300 houses that

increase interior space, by 1,000 square feet on average. These rebuilt or refurbished houses will have the largest number of families with school-aged children. Another is changeover in home ownership as elderly residents downsize by selling their single family homes to young families. Currently we don't have ways to track these changes or their impact on school population. APS relies on Arlington County to provide statistics on housing. But the County is looking at this issue.

White pointed out that this school year saw an extraordinarily large number of students coming in—a 5% increase. This was across the board, one example of which was a 4% increase between 8<sup>th</sup> and 9<sup>th</sup> grade and another 4% increase between 9<sup>th</sup> and 10<sup>th</sup> grade. The first was an indication that kids are transitioning into the APS system from private or home schooling (entering high school). The second example was an indication of new people moving into the County.

Elizabeth Hardy from Arlington County staff discussed demographic breakdowns by family households. The greatest increase in family size (23.1%) between 2000 and 2013 was in 4-person households, those with children. This category grew by 1%, while non-family households actually showed negative growth.

Another issue raised in previous discussions was the actual percentage of children who live in Arlington attending public school. Hardy compared statistics in 1990, 2000 and 2010. In 1990 and 2000, about 82% of school-age children attended public school (the rest going to private schools or being home schooled). But in 2010 that rose to 91%.

The greatest demographic change, however, was in median household income. In 2000 Arlington County was a far more economically diverse community, with the greatest number of households having annual incomes between \$75,000 - \$100,000. In 2000 the distribution was similar to a traditional bell-curve, with fairly even splits between people in the lower wage ranges and those with very high wages. In 2013 that changed dramatically. Today almost 19% of all Arlington households have incomes exceeding \$200,000 (compared to less than 6% in 2000). Over 50% of households have income over \$100,000 (compared to 27% in 2000). The percentage of citizens in income categories less than \$50,000 have decreased by about half.

Where are these wealthy citizens? Those at the highest range live in the far northern section of the County, with all neighborhoods above Lee Highway being in the \$100,000 range or higher. There are also pocket of the \$100,000 - \$200,000 wage earners in central and south Arlington (south of Route 395). Not surprising, the lowest range of wage earners are concentrated in the urban corridors. The highest density housing is also concentrated around Metro Stations and major planning areas, like Columbia Pike.

Materials:

## Agenda:

http://arlingtonva.s3.amazonaws.com/wp-content/uploads/sites/5/2015/03/CFS\_SC4\_Agenda.pdf

## **Opening Remarks:**

http://arlingtonva.s3.amazonaws.com/wp-content/uploads/sites/5/2015/03/CFS\_SC4\_Opening

## **Economic Sustainability Discussion:**

http://arlingtonva.s3.amazonaws.com/wp-content/uploads/sites/5/2015/03/CFS\_SC4\_Economic\_Discussion.pdf

# Demographic Follow-up:

http://arlingtonva.s3.amazonaws.com/wp-content/uploads/sites/5/2015/03/CFS\_SC4\_Demographics\_FollowUp.pdf

# Demographic Comments and Questions:

http://arlingtonva.s3.amazonaws.com/wp-content/uploads/sites/5/2015/03/CFS\_SC4\_Questions\_and\_Responses.pdf

#### Resident Forum comments:

http://arlingtonva.s3.amazonaws.com/wp-content/uploads/sites/5/2015/03/CFS\_SC4\_Feb25TableNotes.pdf

# Draft Affordable Housing Master Plan:

http://arlingtonva.s3.amazonaws.com/wp-content/uploads/sites/15/2015/02/DRAFT-AHMP-2.3.pdf

# Draft Affordable Housing Implementation Framework:

http://arlingtonva.s3.amazonaws.com/wp-content/uploads/sites/15/2015/03/DRAFT-Implementation-Framework-2.1.pdf

### Housing Civic Engagement Plan:

http://arlingtonva.s3.amazonaws.com/wp-content/uploads/sites/15/2015/03/Civic-engagement-plan-FINAL.pdf