



March 27, 2023

Meeting the Region's Future Housing Needs

Alexandria West Plan Community Meeting



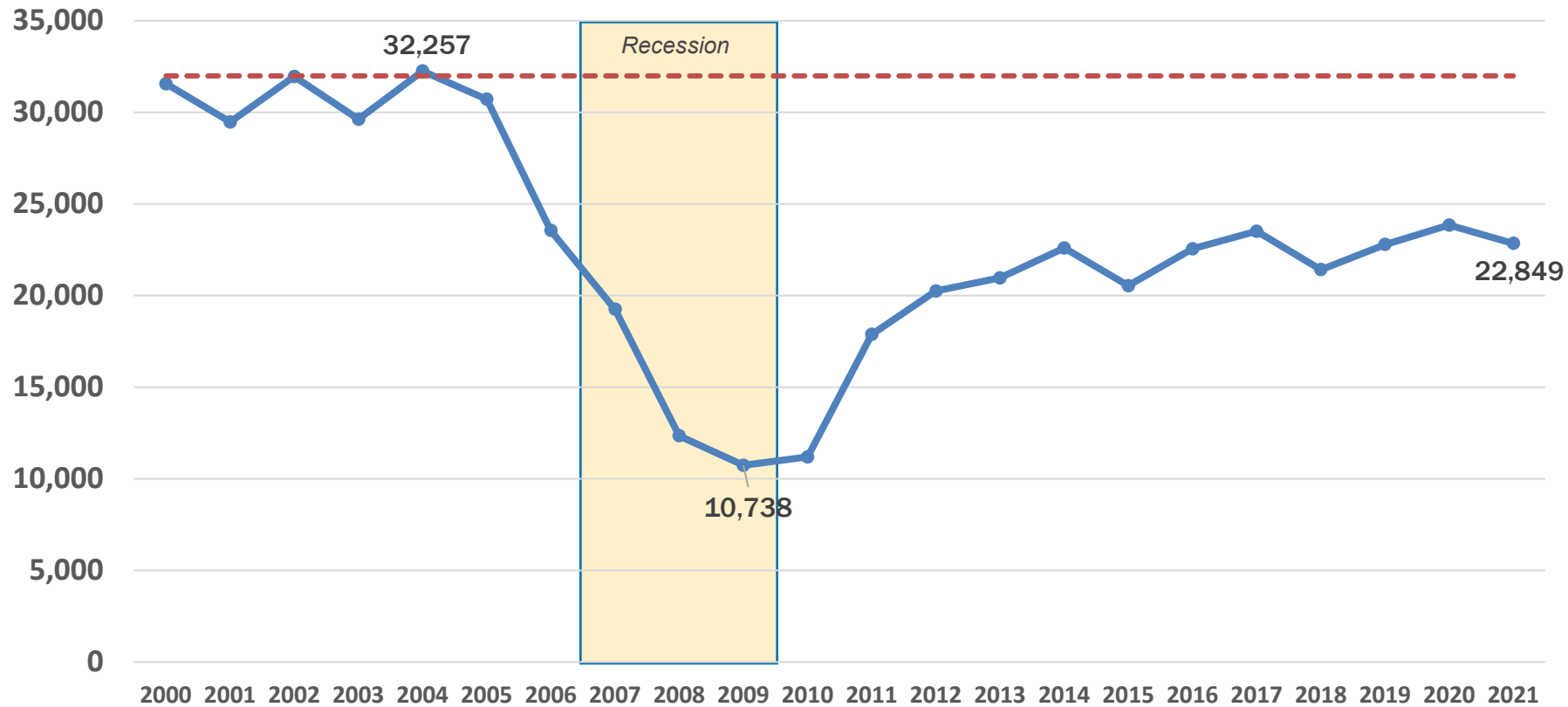
Leah Hendey

Housing matters for city and regional prosperity

- A well-functioning housing market **strengthens regional economies**.
- Employers need a diversity of talent to fill a variety of positions → that workforce needs housing to fit **all household types and affordability levels**.
- **Inaction** on housing affordability challenges **could undermine growth** of the city & region's economy.

Decreased housing production has led to a constrained supply

Total Housing Units Authorized by Building Permits
by Year In Metropolitan Washington



Source: Metropolitan Washington Council of Governments

Many households pay unaffordable housing costs in Greater DC

Percent of AMI	Income range (2022)	Affordable rent range	Occupation examples	Renter households	Share with unaffordable rent
0-30 percent	\$0-\$42,700	\$0-\$1,068	Janitors, childcare workers, nursing assistants	171,000	87%
30-50 percent	\$42,700-\$71,150	\$1,068-1,779	Bus drivers, paramedics, plumbers, firefighters, electricians	113,000	84%
50-80 percent	\$71,150-\$90,000	\$1,779-2,250	Real estate agents, insurance sales agents, surgical assistants, teachers	77,437	63%
80 percent and above	\$90,000 and above	\$2,250 and above	Web developers, pharmacists, lawyers	402,000	16%

Source: US Department of Housing and Urban Development Income Limits and 2021 Occupational Employment and Wage Statistics from the Bureau of Labor Statistics and American Community Survey Microdata 2016-20.

Notes: Affordable rent is assumed to be 30 percent of monthly income. Renter households and the share of those households who are rent-burdened, that is paying more than 30 percent of their monthly income in rent, are shown by AMI categories based on the HUD Income limits for 2020.

In the future, more housing units will be needed in the lowest to middle cost bands

Additional Housing Units Needed by Cost to Accommodate Household Growth from 2015 to 2030 (Urban projections based on MWCOCG Round 9.1 forecast)

Monthly Housing Costs (\$ 2016)

■ Highest: \$3,500+

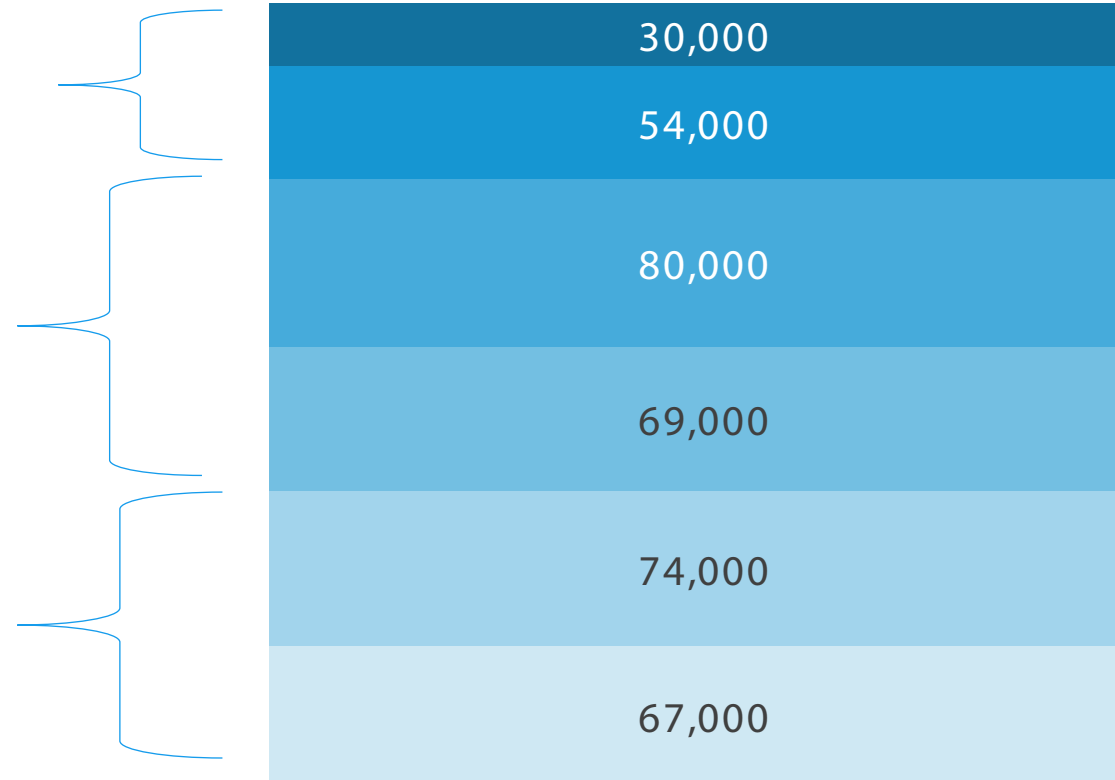
■ High: \$2,500 - 3,499

■ Middle: \$1,800 - 2,499

■ Low-Middle: \$1,300 - 1,799

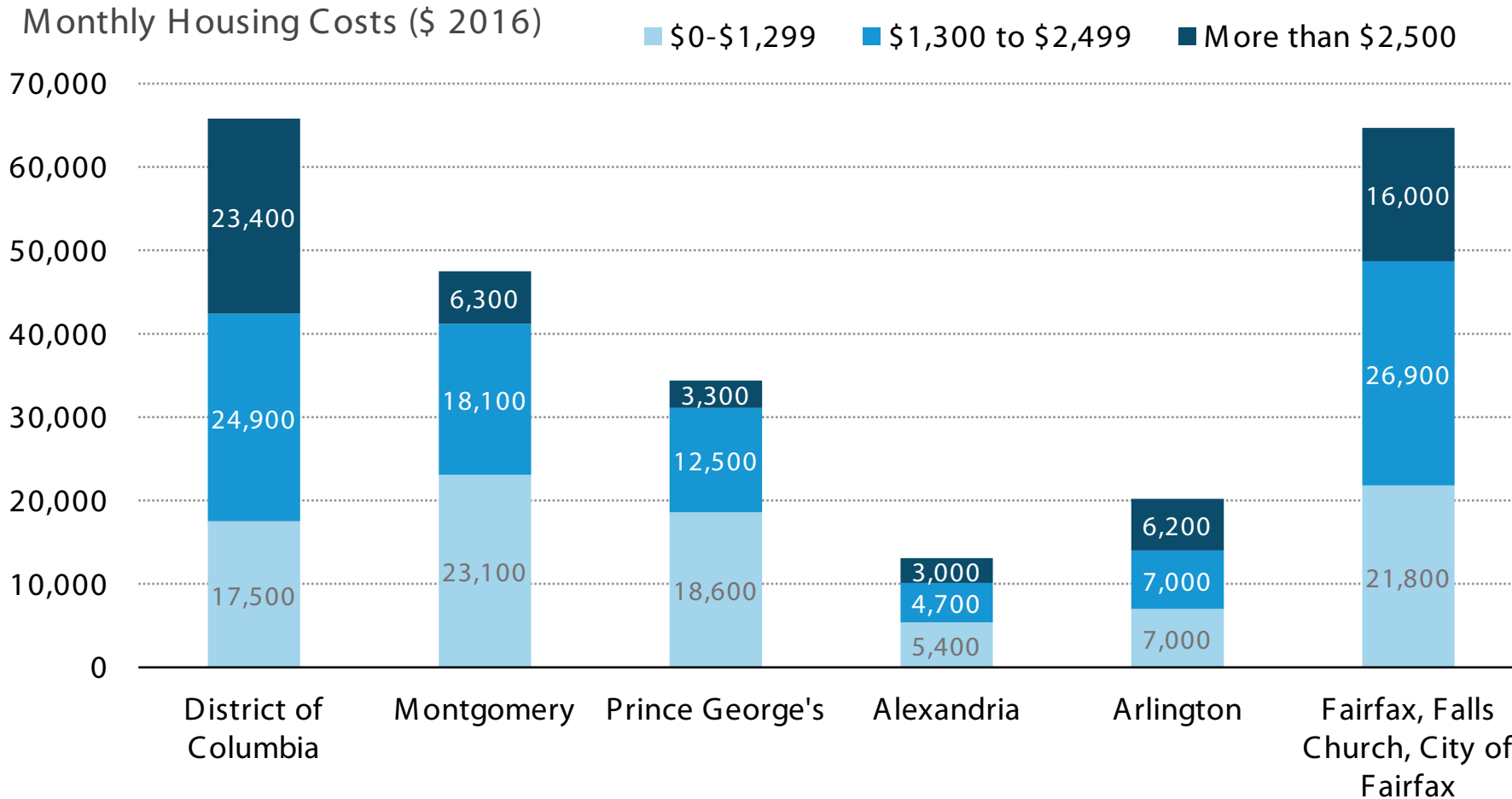
■ Low: \$800 - 1,299

■ Lowest: \$0 - 799



Each jurisdiction needs to increase production

Additional Housing Units Needed by Cost to Accommodate Household Growth from 2015 to 2030 (Urban projections based on MWCOG round 9.1 forecast)



Local jurisdictions can adopt or strengthen evidence-based policy tools tailored to their needs and capacities

- Make targeted investments that **preserve** existing affordable housing, including in opportunity-rich and revitalizing areas.
- Make it easier and more attractive for the private sector to **produce** more housing across the income spectrum, especially in the middle cost range.
- **Protect** both renters and homebuyers from discrimination and displacement.

New affordable units are difficult to produce. Rents are not high enough to cover all costs.

Rental income must cover:

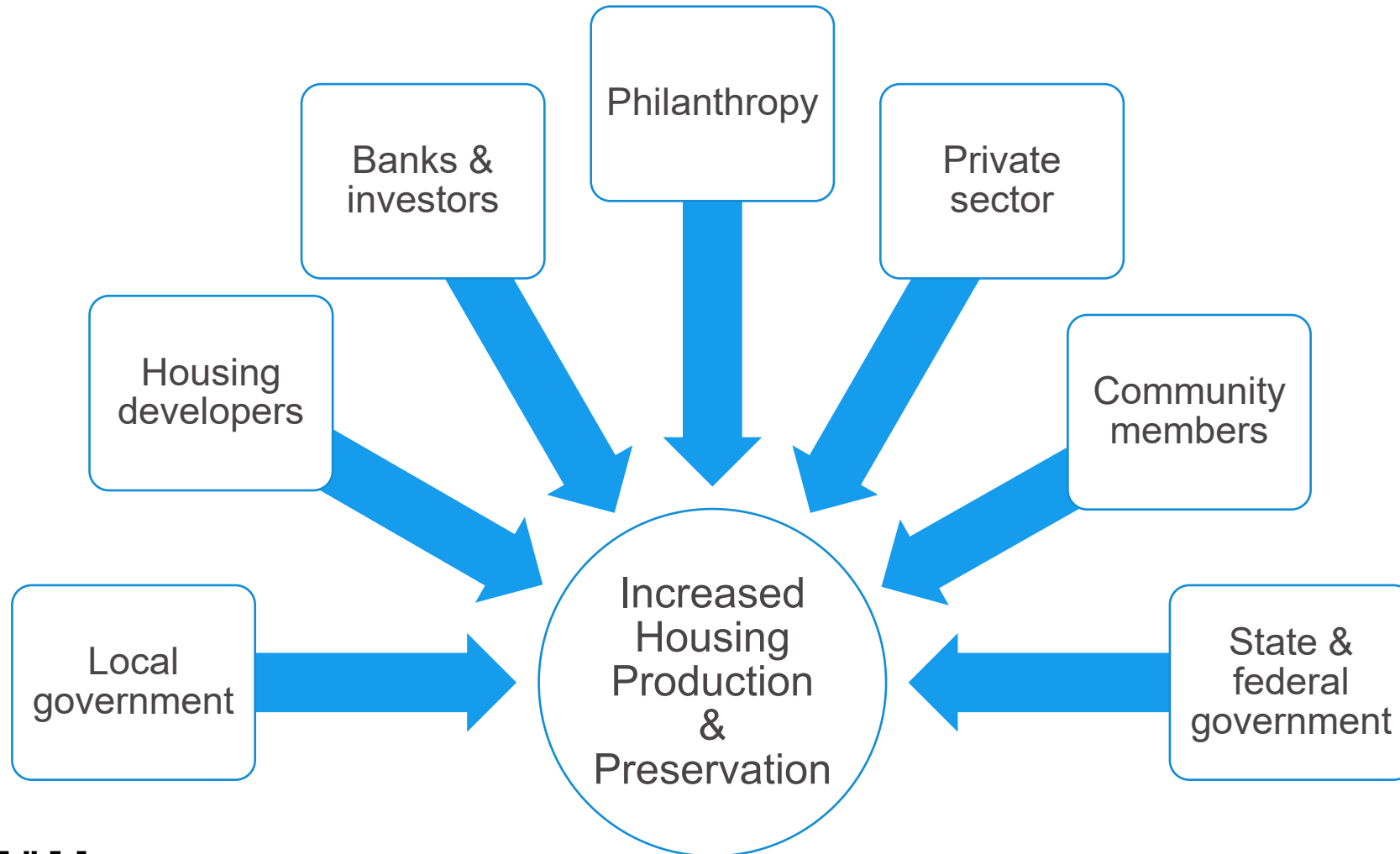
- Costs to acquire land
- Costs to build and finance development
- Costs to maintain property
- Provide return on investment to investors



Increasing funding, changing regulations and government processes can increase affordable housing production

- Reduce project costs
- Increase project revenue
- Adjust land use

Reaching these housing goals requires everyone playing a role and coordinating action



Thank you