

**Arlington Community Facilities Study
Study Committee Meeting #3 – March 11, 2015**

Major conclusions:

- **Arlington’s population is growing dramatically and the economy is improving, but most of the jobs pay lower wages than in the past.**
- **A large number of residents (the Millennials) will want to purchase homes. One expert believes that pent-up demand may force an exit to the outer suburbs.**
- **There is very limited ability to build new single-family detached homes in Arlington. However, a lot of small, older homes are being demolished to make way for larger homes; and many families are making additions (on average 1,000 square feet), most likely to accommodate larger families.**
- **The largest growth in homes is in multi-family units, with 3,800 units built last year. But these units are not producing large numbers of students.**
- **Although single family detached housing only represents 25% of the housing stock of Arlington, the majority of APS students are coming from single family homes, while some are coming from committed affordable units.**
- **By all measures, the numbers of students in future years is expected to expand, beginning at the Kindergarten level and moving up the grade levels. We are close to topping the highest enrollment in the 1960s, in the 25,000 range, and by 2024 APS estimates that the system will surpass 30,000 students.**

Changing Demographics of Arlington County

This meeting of the Arlington Community Facilities Study focused on the changing demographics of Arlington County and how that will affect housing and student numbers in the public schools. Public officials present included State Senator Barbara Favola, Arlington Board Member John Vihstadt, School Board Member Barbara Kanninen and County Manager Barbara Donnellan. John Milliken, Chair of the Committee, outlined the work schedule for the next eight months and urged that participants share the information with others in the community. Most of the Study Committee members were present, along with over 50 members of the Resident Forum. Ginger Brown, the Vice Chair, will oversee a Subcommittee on Economic Sustainability, with its first meeting scheduled on March 16.

Dr. Lisa Sturtevant, Vice President of the National Housing Conference, led with a discussion of national and regional demographics. Her most important points:

- The rate of household formation is rising with an improving economy. The Millennials (25-29 year-olds and 30-34 year-olds) are the most likely to start buying homes.
- Our nation is becoming more racially diverse. By 2020 minority populations (Black, Hispanic, Asian and others) will surpass the numbers of White citizens. Arlington has already achieved minority majority. This is what the Brookings Institute has called “The Diversity Explosion.”
- Longer life expectancies, coupled with the aging baby boomers, will result in dramatic growth in older population over the next three decades—a world-wide phenomenon.

On a regional level, the Metropolitan Washington Area saw a dramatic loss in government jobs from 2011-2014, primarily from agencies not replacing workers as they exited for retirement or other jobs. Federal procurement has also dropped, by over \$8 billion over the last four years. Our area lost jobs during the recession but regained jobs during recovery with one very important difference: the higher-paying jobs we lost were replaced with much lower-paying jobs. The median household income in Arlington dropped by \$1,675 over the last four years, which means that people have less money to spend on housing.

So how does this impact housing? Millennials (those under 35) tend to be the first-time homebuyers. Gen X’ers (those 35-49) tend to move up, and the Baby Boomers (those above 50) are the downsizers. As the economy improves, Millennials may be moving out of their parents’ homes or group quarters and start buying. But their housing options may be limited. Dr. Sturtevant believes that there is “pent-up” housing demand from the recession that may be unleashed in the next couple of years.

Arlington has a large population of Millennials. But where will they buy homes? There is still a natural tendency to want single-family detached homes, and that implies a flight to the suburbs. She noted that the percentage of population of the 25-34 year-olds has steady declined in Arlington, probably indicating a shift to the outer suburbs. Loudoun and Stafford have shown a steady increase in Millennials over the same period (2010-2013).

Gen X’ers on the other hand, are more likely to purchase new construction but their moves are contingent on interest rates and equity they may have built up in their current homes. Interest rates are still low, so that won’t hurt them. But they have less wealth. Of all the age groups, as a whole the Gen X’ers lost more from foreclosures during the recession.

The Baby Boomers, on the other hand, are downsizing and need housing diversity. Most live in the suburbs and many will stay in the region. The greatest number of

Boomer households are in Fairfax & Montgomery counties. The aging Boomers like city amenities.

As Arlington County's population increased, its housing stock did not keep pace. Generally speaking, we need one housing unit for every 2.5 people. Dr. Sturtevant believes the area needs 29,000 new units each year between now and 2019. Single family home construction has not recovered yet from the recession. There is growing demand, but she predicts there will be smaller homes at lower prices. She believes that by 2006, we'll see real movement on housing, with the outer suburbs poised for a rebirth.

Bob Brosnan, Assistant County Manager, outlined the planning challenges ahead. How do forecasts account for bonus density that can be used to meet community needs? Why is school enrollment increasing? Are new multi-family units and committed affordable housing affecting school enrollment? Not every issue will be addressed in this Committee. Arlington is already working on the Affordable Housing Master Plan, expected to be completed this coming July.

Other questions focus on private vs. public school enrollment, the accuracy of population forecasts, and whether Arlington Public Schools has considered purchasing or leasing vacant office space to increase school capacity.

Elizabeth Hardy and Andrew D'huyvetter of Arlington County presented current trends. Ms. Hardy reported that Arlington County now has 216,700 people living in 110,300 housing units. Our population has grown 4.2% since 2010.

Growth in Arlington began in the 1940s after development of the Pentagon and National Airport. In the 1960s the county moved from garden-style apartments to high rises; the 1970's brought apartments and condos. Most of the condo units were converted from apartments and sold. Between 1950-1980 the average household size steady declined, both in owner and renter occupied space. Now the average household has slightly over 2 people. Since 2010 the fastest growing groups in Arlington have been the Millennials (increasing 30%), older people (an increase of 64% for those in the 60-64 age) and toddlers (a rise of 13% for those under 5). In addition, 65% of births in Arlington are to woman who are in their 30s, which is an older profile than in many other areas of the country.

Andrew D'huyvetter discussed housing trends. Single family homes only account for 26% of the housing type in Arlington. Three-fourths of the housing is either multi-family (64%) or single family attached, like duplexes (10%). In the past five years, there have been only 72 additional single family homes built, 148 single family attached, and 3,800 new multi-family units.

Arlington has lost 5,200 market affordable housing units in the last 10 years. A market affordable house is based on a formula: A family of four spending no more than 30% of its income on housing, if that family earns 60% of the Area Median Income (now \$107,000).

Arlington has limited space for new single family homes. So most new homes involve tearing down an existing house and building a new structure, which usually is bigger than the old unit. On average, the county demolishes 103 houses a year and builds 131 houses a year. On average, Arlington adds only 28 new single family homes a year. In addition, a lot of single family homes have applied for additions or alterations. The average addition is 1,000 square feet. Annual additions total over 336,000 square feet. This means that over 300 houses in Arlington are converted to space that can accommodate larger families.

Forecasts indicate that in 2040, the population in Arlington will rise from 222,200 in 2015 to 283,000, a 36% increase. Housing units over the same period will rise from 111,200 to 140,400, a 33% increase. Most of these people will obviously have to move into multi-family dwellings. Past experience indicates that these population forecasts are fairly accurate.

Lionel White, Facility Planner with Arlington Public School, discussed increasing enrollment. His charts indicate that Arlington is returning to the 1960s numbers, when school population topped 25,000. School enrollment steadily declined through the 1970s and stabilized in the 1980s in the 15,000 range. But the 1990s and 2000s saw rising numbers. Finally, beginning in 2005 the numbers have taken off. Most school districts consider a growth in enrollment greater than 2% to be “high growth enrollment.” Last year Arlington had growth of over 5% and this is only getting worse.

Arlington looks at live births to Arlington parents and other factors, like the calculation of the number of students who move from one grade to the next (called cohort progression ratios), as well as the “capture rate” (the percentage of students who stay in Arlington) to determine future growth.

The most surprising statistic indicates that the greatest growth in school enrollment is coming from the single family detached housing, not from multi-family units. In the 2013-14 school year, single family homes sent over 12,000 kids to school, over half of the total.

By 2024 APS estimates that total enrollment will surpass 30,000 students. And this doesn't include all the children in Arlington. This number assumes that 25% of the population will either attend private schools or be home schooled.

John Chadwick from APS gave a presentation on the school board's activities to increase capacity at new and existing schools from 1994 to 2004. The school board reopened a number of schools that had previously been shut down, including Gunston, Claremont, Hoffman-Boston, Campbell (formerly Glencarlyn). New construction included Carlin Springs, Kenmore, Washington-Lee and Wakefield. Other schools received renovations and additions: Taylor, Key, Tuckahoe, Barrett, Drew, Oakridge, Jamestown, Williamsburg, Swanson, Arlington Traditional School, Nottingham, Glebe, Jefferson, Yorktown and Ashlawn.

APS will continue to look at innovative ways to make the current school stock be more efficient. In the meantime, APS is employing 124 trailers (now called "relocatables") for flexibility. Chadwick noted that crowding moves up through each school level, and solutions by school level are not always the same. Future changes will require boundary adjustments throughout the county. We need solutions over the short-term (1-3 years), the intermediate term (3-5 years) and beyond.

Members of the Committee commented on discrepancies between the numbers cited by County staff and APS. The two groups are using different sources for their numbers. Vice Chair Ginger Brown announced that the County has hired a consultant who will be working to reconcile the various numbers so the group will be able to make more accurate comparisons.

Materials:

- **Agenda:**
http://arlingtonva.s3.amazonaws.com/wp-content/uploads/sites/5/2015/03/CFS_SC3_Agenda1.pdf
- **Committee Chair's Opening Remarks:**
http://arlingtonva.s3.amazonaws.com/wp-content/uploads/sites/5/2015/03/CFS_SC3_Opening.pdf
- **Presentation: Regional Economic & Demographic Indicators:**
http://arlingtonva.s3.amazonaws.com/wp-content/uploads/sites/5/2015/03/CFS_SC3_NHC.pdf
- **Presentation: Arlington County Demographics, Housing Supply and Forecast:**
http://arlingtonva.s3.amazonaws.com/wp-content/uploads/sites/5/2015/03/CFS_SC3_County_Forecasts.pdf
- **Presentation: Arlington Public Schools Enrollment and Projections:**
http://arlingtonva.s3.amazonaws.com/wp-content/uploads/sites/5/2015/03/CFS_SC3_APS_Projections.pdf