

# THE FUTURE OF HOUSING IN GREATER WASHINGTON

A Regional Initiative to Create Housing Opportunities, Improve Transportation, and Support Economic Growth

September 2019



Metropolitan Washington  
**Council of Governments**

## **THE FUTURE OF HOUSING IN GREATER WASHINGTON**

Prepared by COG Staff for the COG Board of Directors

September 4, 2019

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The Metropolitan Washington Council of Governments (COG) is an independent, nonprofit association that brings area leaders together to address major regional issues in the District of Columbia, suburban Maryland, and Northern Virginia. COG's membership is comprised of 300 elected officials from 24 local governments, the Maryland and Virginia state legislatures, and U.S. Congress.

### **CREDITS**

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Arlington Square (Dan Reed/Flickr)

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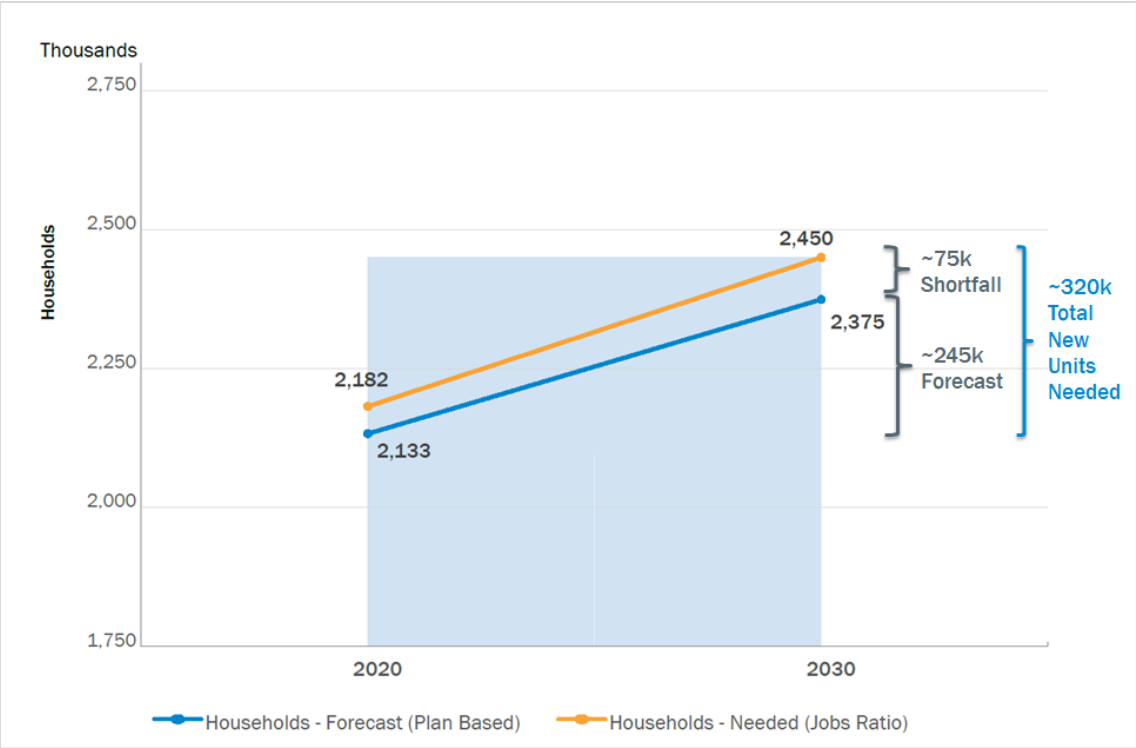
**The region's current unmet housing needs undercut its appeal to new companies and talent, strain the transportation system, and impact the environment and quality of life for residents. The solution is for housing to be preserved and created at a higher rate than has been achieved in the recent past.**

# OVERVIEW

Metropolitan Washington is a dynamic region. With vibrant, diverse communities, sought-after amenities, and burgeoning industries, it is no surprise that families and businesses want to call the area home.

But with continued growth and an increased demand to live here, the region now finds itself in a challenging situation. There is an imbalance between the number of jobs and the amount of housing available to the workforce. This gap is expected to widen without intervention; the region is forecast to add approximately 413,000 new jobs to its employment base between 2020 and 2030, but only approximately 245,000 new housing units over the same period.<sup>1</sup>

## COG Regional Housing Need 2020-2030 (Planned vs. Needed)



Source: COG Cooperative Forecasts

Using a widely accepted metric for “balancing” the number of households and jobs, a Metropolitan Washington Council of Governments (COG) analysis showed the region needs, between 2020 and 2030, more than 75,000 additional households than what is currently anticipated (245,000 households). If the timeframe is stretched from 2020 to 2045, more than 100,000 additional households will be needed beyond the new households anticipated.

<sup>1</sup> COG, Cooperative Forecast, <https://www.mwcog.org/community/planning-areas/cooperative-forecast/>; Actual figures rounded for simplicity.

This housing shortage—or “shortfall”—has created a dynamic where, according to the National Capital Region Transportation Planning Board (TPB) at COG, more than 325,000 workers are commuting to jobs in the region each day from communities located beyond its footprint.

This situation affects the area’s affordability, potentially undercuts its appeal to new companies and talent, strains the transportation system, and impacts the environment and quality of life for the region’s residents. For some, this means not only long commutes to work, but also difficult choices between paying rent or affording other basic necessities such as food or medicine.

A year ago, area officials on the COG Board of Directors passed a resolution acknowledging the region’s housing production challenges and directing COG staff and local government housing and planning directors on COG’s Planning Directors Technical Advisory Committee and Housing Directors Advisory Committee to conduct additional research to address them.

What followed was a deep dive into determining the **Amount** of housing needed to address the shortfall and whether the region could produce it, the ideal location for new housing to optimize and balance its proximity to jobs (**Accessibility**), and the **Affordability** of new units to ensure they are priced appropriately for those who need them. This information gathering, data analysis, and consultation with officials and partners resulted in three regional housing targets for COG member governments to pursue, which were adopted by the COG Board in September 2019:

**Regional Target 1:** **AMOUNT**  
At least 320,000 housing units should be added in the region between 2020 and 2030. This is an additional 75,000 units beyond the units already forecast for this period.

**Regional Target 2:** **ACCESSIBILITY**  
At least 75% of all new housing should be in Activity Centers or near high-capacity transit.

**Regional Target 3:** **AFFORDABILITY**  
At least 75% of new housing should be affordable to low- and middle-income households.

These targets address the region’s housing need from an economic competitiveness and transportation infrastructure standpoint; for example, the TPB estimates that meeting the targets could result in a nearly 20 percent reduction in traffic congestion, if coupled with continued investment in existing transportation infrastructure, supportive land-use policies, among other factors.<sup>2</sup> Reaching the targets would also have broad significance for the future of the region and its residents and their quality of life.

<sup>2</sup> TPB, Long Range Task Force Reports, <https://www.mwcog.org/documents/2017/12/20/long-range-plan-task-force-reports-projects-regional-transportation-priorities-plan-scenario-planning-tpb/>

Local governments are already planning and working to preserve and increase the supply and diversity of affordably-priced homes in their jurisdictions but face a variety of challenges—from community dynamics and market forces, to competing funding priorities and reduced federal resources. It will take a range of tools and innovative policies to meet these targets over the next ten years, including strategic partnerships with the business, non-profit, and philanthropic sectors. No one sector alone can solve the region’s housing challenges.

The region has a record of success when it comes to addressing big challenges together, whether securing dedicated funding for Metro, achieving impressive air quality progress over the last 40 years, or executing planning visions like Activity Centers, a visionary goal in 1998 but a reality today.  
3, 4, 5

There is a renewed energy locally, regionally, at the state level, and from a variety of sectors, to take action to address the country’s and the region’s housing challenges. COG and its members have already taken a critical first step in metropolitan Washington by putting a fine point on the regional need and developing a set of targets for local governments and partners. Together, and through a variety of methods and partnerships, it will be possible to ramp up housing production, and create it in ways that ensure inclusive communities, so that the benefits of economic growth in this dynamic region are shared by all.

**COG Member Governments**



<sup>3</sup> COG, Restoring Metro, <https://www.mwco.org/restoringmetro/>

<sup>4</sup> COG, Air Quality, <https://www.mwco.org/environment/planning-areas/air-quality/>

<sup>5</sup> COG, Activity Centers, <https://www.mwco.org/community/planning-areas/land-use-and-activity-centers/activity-centers/>



Clarksburg (Dan Reed/Flickr)



# HOUSING PRODUCTION IN GREATER WASHINGTON

In order to understand the extent of the region’s unmet housing needs, it is helpful to understand the changing housing landscape from the early 2000s through today. This information is for the COG footprint—which includes the District of Columbia, suburban Maryland, and Northern Virginia.

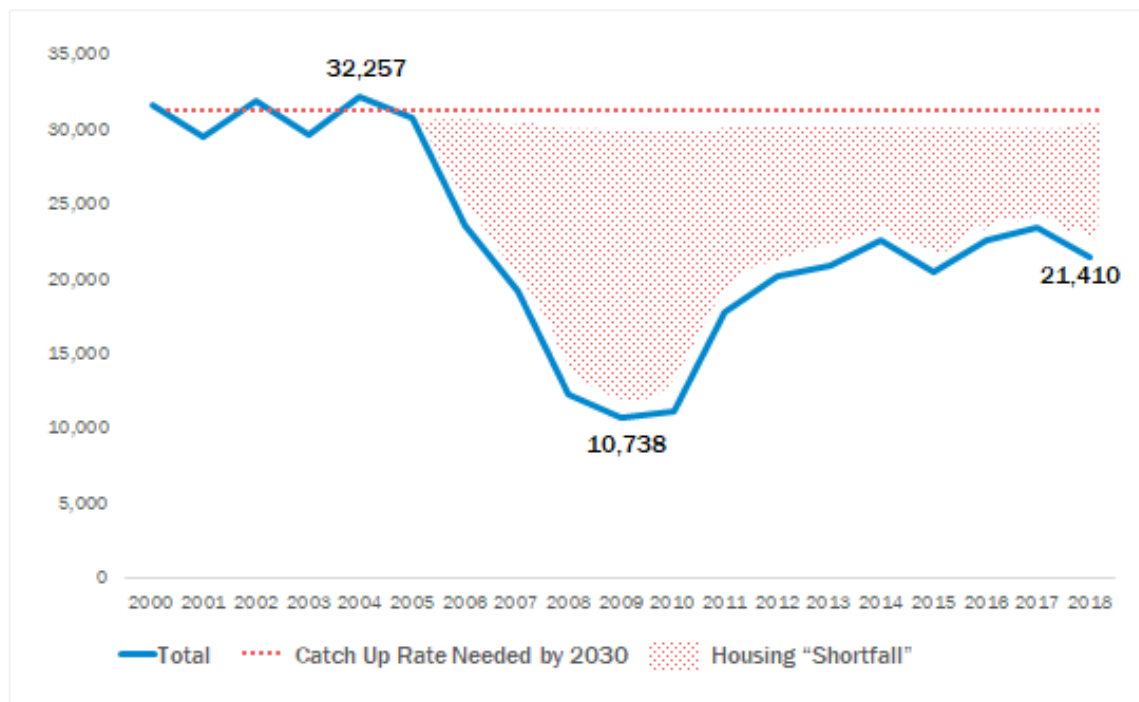
## Recent Production Trends

To address the region’s housing shortfall, housing must be preserved and created at a higher rate than has been achieved in the recent past.

According to a COG analysis of U.S. Census Bureau housing permit data, the region averaged over 25,000 new housing units per year in the 1990s. In the early 2000s, the region produced more than 30,000 units per year, much of that in the form of single-family homes in the outer suburbs, like Loudoun County.<sup>6</sup> When the Great Recession hit the country around 2008, regional production dropped to approximately 10,000 units per year.

Housing production has improved since 2011. In 2018, the region produced just over 21,000 housing units per year. Although this is the right trajectory, this production level is not sufficient to meet the growing need in the region.

**Figure 1: Housing Construction Permits by Year in Metropolitan Washington**



Source: COG Analysis of U.S. Census Bureau C-40 Residential Permit Data

<sup>6</sup> George Washington University, *State of the Capital Region*, [https://cpb-us-e1.wpmucdn.com/blogs.gwu.edu/dist/7/677/files/2019/05/20190507\\_socr\\_2019\\_pages.pdf](https://cpb-us-e1.wpmucdn.com/blogs.gwu.edu/dist/7/677/files/2019/05/20190507_socr_2019_pages.pdf)

## Current Housing Landscape

According to COG’s [Cooperative Forecasts](#), official growth projections that include data provided by area jurisdictions, employment growth currently outpaces housing growth in metropolitan Washington.

The region anticipates its projected 2020 employment of 3.36 million jobs will grow to 3.77 million by 2030—an increase of approximately 413,00 jobs. During this same period, the total number of households would grow from the projected 2020 base of approximately 2.13 million units to 2.38 million—an increase of approximately 245,000 housing units.

This situation—a mismatch between the amount of housing and jobs—affects the area’s affordability, potentially undercuts the region’s appeal to new companies and talent and necessitates commuting into the region for work, straining the transportation system.

The TPB studied this challenge as part of their long-range planning process.<sup>7</sup> In seeking a better balance between growth in jobs and housing, a TPB task force determined a jobs-to-housing ratio of 1.54 could optimize economic competitiveness and improve future transportation system performance.

Using the ratio, COG determined the region needs, by 2030, at least 75,000 additional households beyond those currently anticipated. This is the region’s “housing shortfall,” and it is expected to worsen without intervention.

Overall, the region needs to add 75,000 additional housing units to the 245,000 units already planned, bringing the region’s total net new housing to 320,000 units produced between 2020 and 2030. This means the region needs a sustained annual housing production of at least 32,000 units per year.

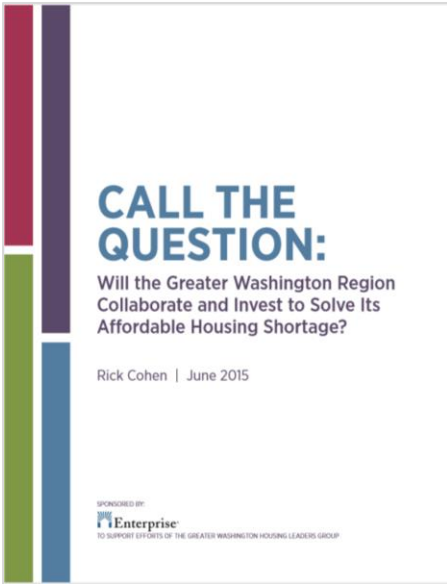
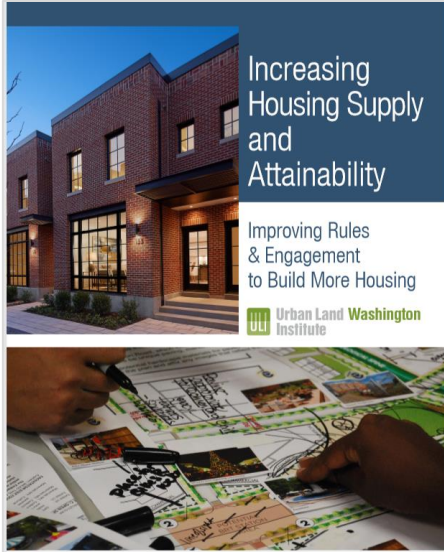
**Figure 2: Forecast of Employment, Households, and Calculated Housing Need**

	2020	2030	2045
Forecast Employment	3,361,000	3,774,000	4,274,000
Forecast Households	2,133,000	2,375,000	2,660,000
Households Needed for Jobs	2,182,000	2,450,000	2,775,000
Housing Shortfall (Approx.)	~49,000	~76,000	~115,000

**By 2030, the region needs at least 75,000 additional households beyond what’s planned.**

Source: COG Round 9.1 Cooperative Forecasts

<sup>7</sup> TPB, Long Range Task Force Reports, <https://www.mwcog.org/documents/2017/12/20/long-range-plan-task-force-reports-projects-regional-transportation-priorities-plan-scenario-planning-tpb/>



In addition to the TPB’s consensus that housing and jobs must be brought closer together to reduce strains on the area transportation system, the region’s housing challenges have also been documented in research by many other leading experts, including the **Urban Institute**, Greater Washington Partnership, George Mason University’s **Center for Regional Analysis**, George Washington University’s **Center for Washington Area Studies**, the **Housing Leaders Group of Greater Washington**, **ULI Washington**, and the **2030 Group**, among others.

Local governments have already started to act. Based on COG’s analysis of the regional need, District of Columbia Mayor Muriel Bowser signed an Order on Housing in spring 2019 that called for the production of 36,000 new housing units in the District by 2025.<sup>8</sup> Prince George’s County completed its first-ever comprehensive housing strategy, *Housing Opportunities for All*, a plan to support and house existing residents and new residents, and build on strategic assets like transit.<sup>9</sup> Fairfax County recently completed its *Communitywide Housing Strategic Plan* and *Housing Arlington* is a direct response to the decision by Amazon to locate its second headquarters in the county.<sup>10,11</sup>

Non-profits, philanthropy, and business are responding, too. For example, the Housing Leaders Group of Greater Washington’s Capital Region Housing Challenge and the Washington Housing Initiative launched by JBG Smith and the Federal City Council are facilitating investment in affordable housing for low- and moderate- income residents.<sup>12,13</sup>

The region’s housing challenges have been documented by many leading experts, including the Urban Land Institute and Housing Leaders Group.

<sup>8</sup> District of Columbia, Mayor Bowser Signs Order to Drive Bold Goal of 36,000 Housing Units by 2025, <https://mayor.dc.gov/release/mayor-bowser-signs-order-drive-bold-goal-36000-housing-units-2025>

<sup>9</sup> Prince George’s County Comprehensive Housing Strategy, *Housing Opportunities for All*, <https://www.princegeorgescountymd.gov/2803/Comprehensive-Housing-Strategy>

<sup>10</sup> Fairfax County Housing and Community Development, *Communitywide Housing Strategic Plan*, <https://www.fairfaxcounty.gov/housing/communitywideplan>

<sup>11</sup> Arlington County, Housing Arlington initiative, <https://housing.arlingtonva.us/housing-arlington/#>

<sup>12</sup> Housing Leaders Group Launches the Capital Region Housing Challenge, <https://www.handhousing.org/hand-housing-leaders-group-launch-the-capital-region-housing-challenge/>

<sup>13</sup> JBG Smith, The Impact Pool, <https://www.jbgsmith.com/about/washington-housing-initiative/impact-pool>



2019 COG Board Officers, Vice Chair Derrick L. Davis, Chair Robert C. White, Jr., and Vice Chair Christian Dorsey

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**“...I can think of no higher regional priority than to ensure a sufficient supply of affordably-priced housing for our current residents as well as the workers we need to fill the new jobs anticipated in the future. I’m looking forward to applying COG’s expertise and connections to thoroughly analyze the issue at the regional level and help us identify solutions that we can implement in our local jurisdictions.”**

- Chair Robert White, Jr. (January 2019)

# COG'S HOUSING INITIATIVE

During an annual leadership retreat in July 2018, COG staff briefed attending members on its analysis of the region's housing challenge, and the need to increase production and preservation efforts to sustain economic growth, ease the strain on the transportation system, and improve quality of life. Members discussed impediments to addressing the current housing needs, as well as tools and strategies that could be employed to achieve long-term goals.

As a result, in September 2018, the COG Board of Directors unanimously passed a resolution directing COG staff and its relevant committees to work together to identify the exact housing need and assess what it would take to ramp up production.<sup>14</sup>

Under the leadership of new officers in January 2019, the COG Board received a workplan for the initiative. The workplan directed COG and its Planning Directors Technical Advisory Committee and Housing Directors Advisory Committee to study three areas of the housing production challenge over the course of the next nine months:

1. **Amount** - How much new housing should be added in the region and what is the region's ability to produce it?
2. **Accessibility** - How much of the additional housing should be located in Activity Centers and near high-capacity transit stations?
3. **Affordability** - At what price points should housing be added to accommodate the type of household growth anticipated?

In April 2019, the COG Board established a Housing Strategy Group to focus on the impediments to addressing the housing need and help guide the initiative forward.<sup>15</sup> The strategy group included representatives from Prince George's County, Montgomery County, the District of Columbia, Fairfax County, and the City of Alexandria.

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<sup>14</sup> COG Certified Resolution R33-2018, <https://www.mwcog.org/documents/2018/09/12/certified-resolution-r33-2018--housing-needs/>

<sup>15</sup> COG Certified Resolution R12-2019, Housing Strategy Group, <https://www.mwcog.org/documents/2019/04/10/certified-resolution-r12-2019--housing-strategy-group/>

# ADDRESSING UNMET NEEDS: SETTING REGIONAL HOUSING TARGETS

Under the direction of the COG Board of Directors, local housing and planning directors and COG staff spent a year studying what it would take to increase the area’s housing supply to accommodate the region’s growing workforce. Their findings have been distilled into three regional aspirational housing targets focused on the Amount, Accessibility, and Affordability of additional units. The three targets were adopted by the COG Board of Directors in September 2019.

**Regional Target 1:**

**AMOUNT**  
At least 320,000 housing units should be added in the region between 2020 and 2030. This is an additional 75,000 units beyond the units already forecast for this period.

**Regional Target 2:**

**ACCESSIBILITY**  
At least 75% of all new housing should be in Activity Centers or near high-capacity transit.

**Regional Target 3:**

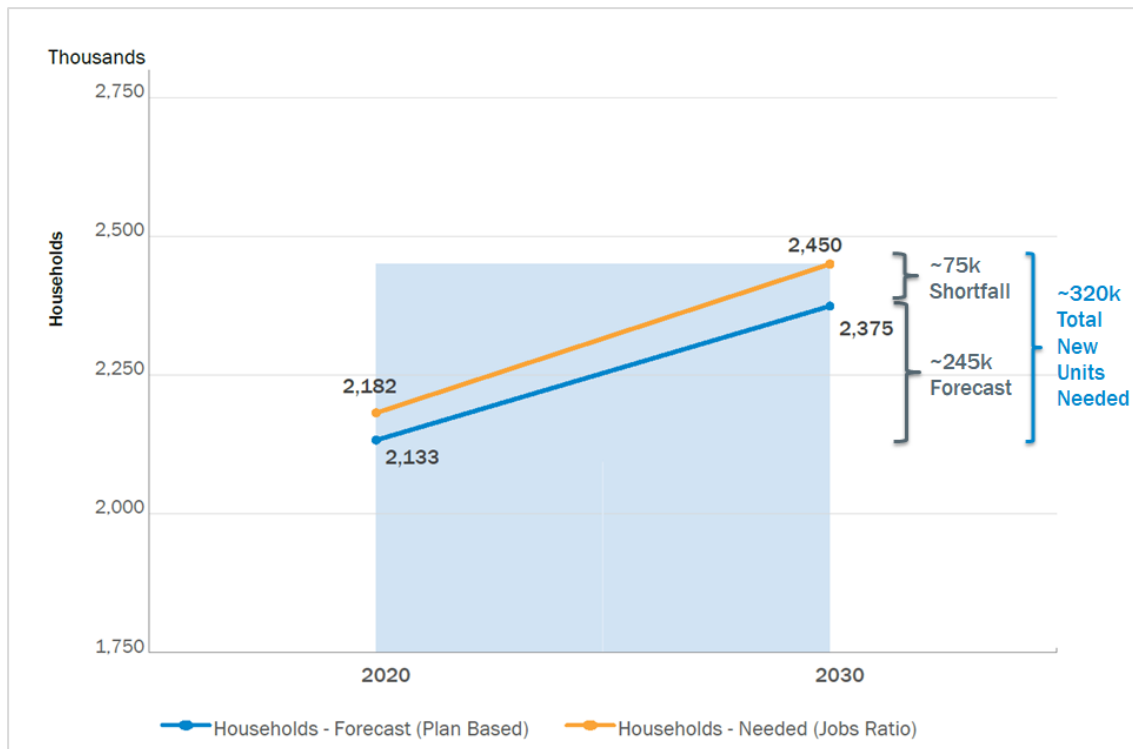
**AFFORDABILITY**  
At least 75% of new housing should be affordable to low- and middle- income households.

## Regional Target 1: Amount

**AT LEAST 320,000 HOUSING UNITS SHOULD BE ADDED IN THE REGION BETWEEN 2020 AND 2030. THIS IS AN ADDITIONAL 75,000 UNITS BEYOND THE UNITS ALREADY FORECAST FOR THIS PERIOD.**

This 320,000-unit production target is for the timeframe of 2020–2030. It includes both the 245,000 new households currently forecast by local governments and COG for this period, in addition to the 75,000 extra units needed to address the regional shortfall and house workers for anticipated new jobs.<sup>16</sup>

**Figure 3: COG Regional Housing Need 2020-2030 (Planned vs. Needed)**



Source: COG Cooperative Forecasts

As part of its long-range planning process, the TPB at COG determined that a ratio of 1.54 jobs per household would be sufficient to boost the region’s economic competitiveness and reduce strain on the transportation system by bringing the number of households more in balance with the number of jobs.<sup>17</sup> This ratio was used to calculate the regional shortfall (see page 6). Currently, the region averages 1.64 jobs per household.

<sup>16</sup> COG, *Growth Trends: Cooperative Forecasting in Metropolitan Washington*, <https://www.mwcog.org/documents/2018/10/17/growth-trends-cooperative-forecasting-in-metropolitan-washington-cooperative-forecast-growth-development/>

<sup>17</sup> TPB, *An Assessment of Regional Initiatives for the National Capital Region*, <https://www.mwcog.org/documents/2017/12/20/long-range-plan-task-force-reports-projects-regional-transportation-priorities-plan-scenario-planning-tpb/>

## Amount: Findings

- Is there capacity for an additional 100,000 households beyond what's currently forecast within the region's existing comprehensive plans?
  - YES, comprehensive plans have enough capacity to address increased housing production
  - However, zoning and comprehensive plan changes may still be necessary for jurisdictions
  - And, supply alone doesn't address the region's current and future housing affordability needs



Metropolitan Washington  
Council of Governments

Addressing the Region's Capacity for Additional Housing  
February 13, 2019

**“On the District government side, we’ve had a big push from the Mayor who’s acknowledged the challenges we have locally and as a region...and has challenged us to think bigger and differently...building on a lot of the work that has happened in these [COG] committees.”**

**- COG Planning Directors Committee Co-Chair and District of Columbia Office of Planning Director Andrew Trueblood (February 2019)**

Slide from the February 2019 presentation by COG Planning and Housing Directors Committees to the COG Board of Directors.

During the February 2019 COG Board of Directors meeting, the COG Planning Directors Technical Advisory Committee and Housing Directors Committee confirmed on behalf of the region’s housing and planning directors that existing local comprehensive plans could indeed accommodate this additional necessary capacity.<sup>18</sup>

As part of the initiative, COG staff and the planning directors also studied ways to allocate the 75,000 additional households needed across the region’s jurisdictions. For example, they determined each jurisdiction could contribute a portion of the additional households needed based on its share (percentage) of forecast household growth between 2020 and 2030. Although this is not included in the regional targets at this time, the jurisdictions are identifying the local actions needed to produce more housing in priority locations, as well as the partners who must be part of the solution.

<sup>18</sup> COG, *Addressing Region's Capacity for Additional Housing Presentation*, <https://www.mwcog.org/events/2019/2/6/cog-board-of-directors/>



## Regional Target 2: Accessibility

### AT LEAST 75 PERCENT OF ALL NEW HOUSING SHOULD BE IN ACTIVITY CENTERS OR NEAR HIGH-CAPACITY TRANSIT

The idea of concentrating growth in specific locations called **Activity Centers** has been endorsed, promoted, and implemented by area leaders in places throughout the region for almost 20 years. There are currently 141 designated Activity Centers in the COG region, and they occupy about nine percent of the region's land.

In 2010, as part of its **Region Forward Vision**, the COG Board endorsed a goal to accommodate 50 percent of projected new housing in Activity Centers.<sup>19</sup> An analysis of jurisdictions' current growth trends revealed that this goal is already being exceeded; the most recent COG analysis found 64 percent of projected new housing through 2030 will be located in Activity Centers.

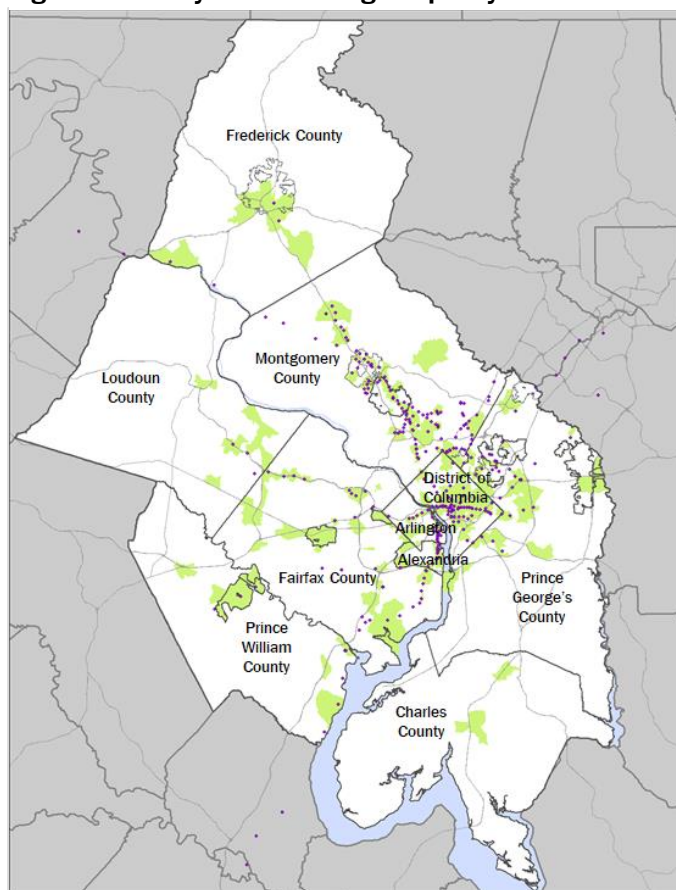
As part of its **Visualize 2045** long-range transportation plan approved in 2018, the TPB identified a regional network of 297 high-capacity transit stations, including many outside of Activity Centers, that could also be potential locations for additional growth.

As a result, COG analysis found that 68 percent of new housing is anticipated in Activity Centers and high capacity transit stations through 2030, paving the way for planning and housing directors to propose a more ambitious goal for locating additional new housing.

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**In 2010, the COG Board endorsed a goal to accommodate 50 percent of projected new housing in these Activity Centers. An analysis of current growth trends revealed that the region already exceeded this goal.**

**Figure 4: Activity Centers & High-Capacity Transit**

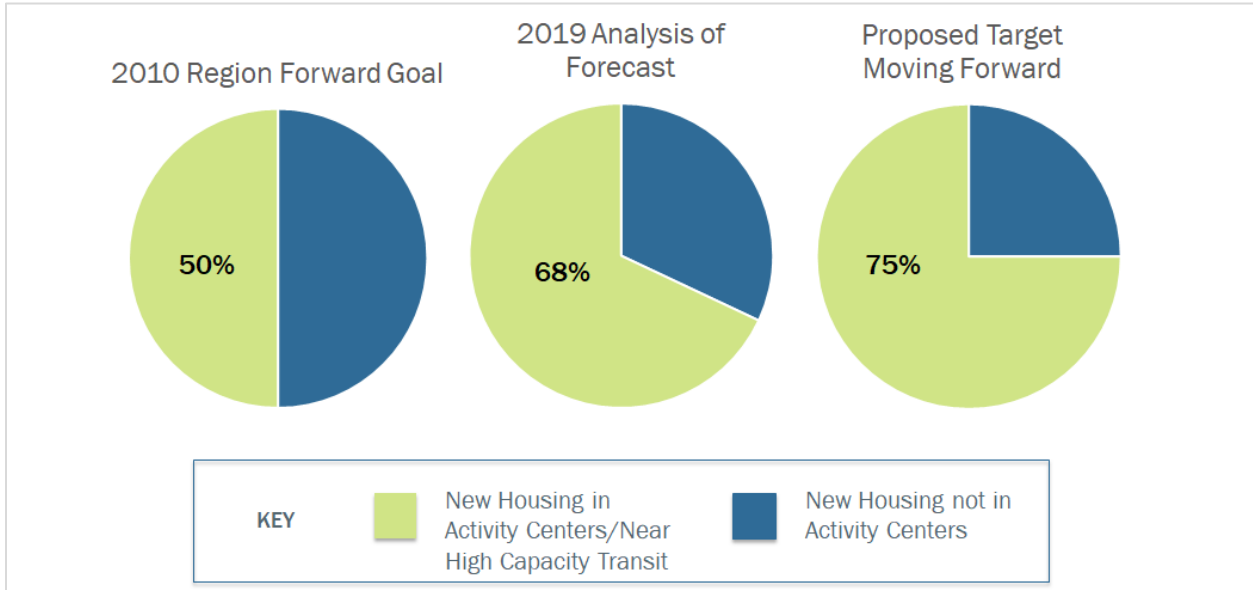


Source: COG. The green areas denote the region's 141 Activity Centers, and purple dots denote the location of high-capacity transit stations, to include 90 Metro stations, 39 commuter rail stations, 21 light rail stations, 120 BRT stations, and 19 streetcar stations.

<sup>19</sup> COG, Region Forward Targets, <https://www.mwcog.org/community/planning-areas/regional-planning/region-forward/targets/>

Based on data provided by member jurisdictions' planning departments, it was confirmed at the April 2019 COG Board of Directors meeting that these areas indeed have the capacity to accommodate all the additional housing the region needs to meet the goal in Target 1 of 75,000 units.<sup>20</sup> Therefore, COG staff recommended a regional target of 75 percent of all new housing in Activity Centers or near high-capacity transit.<sup>21</sup>

**Figure 5: Region's Progress Toward Housing Growth in Activity Centers**



Source: COG

<sup>20</sup> COG, *Addressing Accessibility of Region's Housing Presentation*, <https://www.mwcog.org/events/2019/4/10/cog-board-of-directors/>

<sup>21</sup> See Appendix C.

## Regional Target 3: Affordability

### AT LEAST 75 PERCENT OF NEW HOUSING SHOULD BE AFFORDABLE TO LOW- AND MIDDLE-INCOME HOUSEHOLDS

As the region considers the amount and location of new housing needed to align with future growth, local leaders must also ensure it is priced appropriately for those who will need it. When housing is affordable, residents can build savings, invest in health care, education, childcare, and more.

In a presentation to the COG Board of Directors in June 2019, the Urban Institute revealed that many area households are “housing cost-burdened,” meaning a family spends more than 30 percent of its income on housing. Those in the lowest to middle household income brackets are most burdened.<sup>22</sup> Occupations in these bands might include service workers, nursing attendants, paramedics, security guards, firefighters, and graphic designers, among others.

Currently, too few housing units are affordable for these households, and the situation is getting worse. According to the Urban Institute, in the recent past the region’s low-cost housing stock—or units that cost \$0 - \$1,299 per month—totaled 540,000 units.<sup>23</sup> Further, the region lost more than 13,000 units in these low-cost bands each year between 2010 and 2017. If the region continued to lose low cost housing at this rate between 2020 and 2030, a quarter of the stock in this cost band would be eliminated, affecting more than 365,000 people.<sup>24</sup>

**Figure 6: Amount of Low Cost Housing Stock Potentially Lost (2020 - 2030)**



Currently, too few housing units are affordable for low- and middle-income households, and the situation is getting worse.

Source: COG portrayal of Urban Institute findings

<sup>22</sup> Up to 150% of Area Median Income (AMI) or approximately monthly housing costs up to \$2,500 to define “low and middle income” households as described in the Urban Institute’s *Meeting the Washington Region’s Future Housing Needs: A Framework for Regional Deliberations*.

<sup>23</sup> Urban Institute, *Meeting the Washington Region’s Future Housing Needs*.

<sup>24</sup> Assumes 2.5 to 3 people per new household per COG estimate of regional average household size.

The story is the same in many of the region’s jurisdictions. For example, the City of Alexandria reports that its low cost, market-affordable (non-subsidized) rental housing declined by 88 percent from 2000-2018.<sup>25</sup>

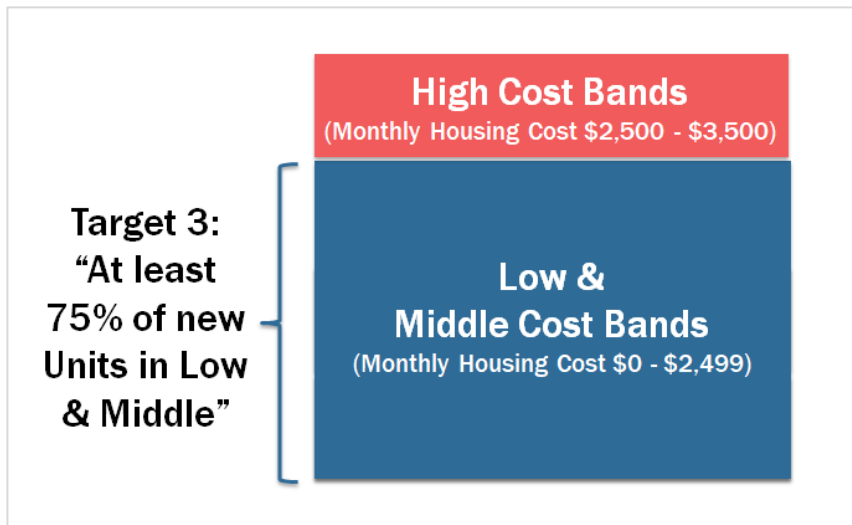
“This dramatic loss in housing affordability reflects the gap between the growth in housing costs versus the growth in wages, as well as the strong demand for housing in the region,” reads the city’s analysis.

To remedy this situation, the Urban Institute’s *Meeting the Washington Region’s Future Housing Needs* sponsored by the Greater Washington Partnership, calls for a better mix of housing across cost bands. The framework recommends that about 38 percent of new units are priced in the lowest cost bands (housing costs of \$0-\$1,299 per month), about 40 percent priced in middle cost bands (\$1,300-\$2,499 per month), and about 22 percent in the highest cost bands (\$2,500-\$3,500 per month).

“Ideally, every jurisdiction would provide sufficient housing across cost bands to meet the needs of current and future residents,” says the Urban Institute report. “Mismatches in any single jurisdiction can add costs for households, impede productivity through extended commutes, and reduce equitable access to public goods and services. A healthy regional housing market offers opportunities for households to find a reasonable place to live in a community that fits their needs.”

Local governments are already building affordability into their housing plans and efforts. For example, Mayor Bowser’s plan in the District of Columbia, calls for 36,000 new housing units, a third of them affordable to lower income residents, by 2025.

**Figure 7: COG Affordability Target’s Allocation of New Housing Across Cost Bands**

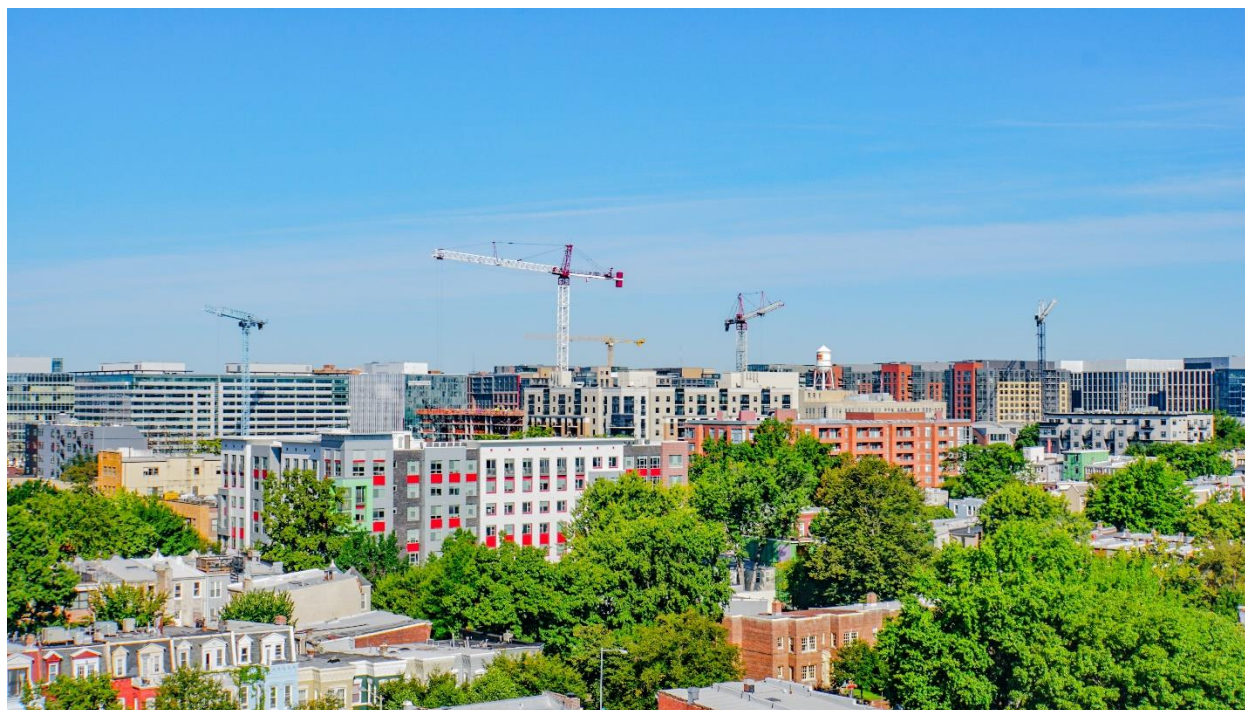


To form a regional target on affordability, COG staff and the planning and housing directors weighed these local-level affordability targets and the Urban Institute’s report and consulted with officials from across the region. The resulting target—where at least 75 percent of new housing is affordable to low and middle-income households—is considered compatible with these efforts and would be a significant regional achievement.

Source: COG portrayal of Urban Institute findings

<sup>25</sup> City of Alexandria, *Market Affordable 2018 Update*, <https://www.alexandriava.gov/uploadedFiles/housing/info/2018MarketAffordableUpdate.pdf>

## CONCLUSION



H Street NE in the District of Columbia (Ted Eytan/Flickr)

There is a growing consensus that the current housing landscape—where supply is low, costs are high, and even more growth is projected—is affecting many families throughout the region and in regions across the country.

Metropolitan Washington residents are especially feeling the strain. The Urban Institute estimates that more than half a million of the region’s households are “housing cost-burdened,” meaning those families spend more than 30 percent of their income on housing.<sup>26</sup> COG models estimate that more than 325,000 people commute daily into the region for work from outside the region, signaling that families are having to move further and further from the region’s core and their jobs in search of an affordable home and lifestyle. Models show these types of trips increasing by 24 percent by 2045, placing even more demand on transportation infrastructure, with implications for quality of life and the local environment.

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**The region’s elected, business, and non-profit leaders are mobilizing to create a sufficient supply of affordably priced housing for area families while also ensuring their children can live and work here in the future.**

The region’s elected, business, and non-profit leaders are mobilizing to create a sufficient supply of affordably priced housing for area families while also ensuring the workforce of the future—people like their children—can live and work here. Housing is increasingly becoming a key factor in the region’s ability to attract and retain talent and businesses.

A year ago, COG released an analysis that helped the region better understand its unmet housing needs.

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<sup>26</sup> Urban Institute, *Meeting the Washington Region’s Future Housing Needs*, forthcoming.

Between 2020 and 2030, the region needs to produce at least 75,000 additional units beyond what is already anticipated. Between 2020 and 2045, that number grows to more than 100,000 additional units.

The COG Board of Directors reacted to this shortfall by calling on the region’s planning and housing directors to help determine whether there was capacity in local plans to accommodate additional housing, and if so, where new housing should be located and how it should be priced to make the biggest impact.

Over the last year, through information-gathering, data analysis, and consultation with elected officials and partners, COG staff and area planning and housing directors worked collaboratively to create three regional housing targets, which were adopted by the COG Board in September 2019.

**Regional Target 1:** **AMOUNT**  
At least 320,000 housing units should be added in the region between 2020 and 2030. This is an additional 75,000 units beyond the units already forecast for this period.

**Regional Target 2:** **ACCESSIBILITY**  
At least 75% of all new housing should be in Activity Centers or near high-capacity transit.

**Regional Target 3:** **AFFORDABILITY**  
At least 75% of new housing should be affordable to low- and middle-income households.

If achieved, these targets will address the region’s housing need from an economic competitiveness and transportation infrastructure standpoint and will also have broad significance for the future of the region and its residents and their quality of life.

COG recognizes that local government efforts to preserve and increase their supply of affordably-priced homes will vary from jurisdiction to jurisdiction. For example, zoning policies allowing

**COG recognizes that the local government efforts to preserve and increase housing supply will vary from jurisdiction to jurisdiction. Cumulatively, these individual policies contribute to progress toward the region’s shared housing production goals.**

residents to build accessory dwelling units (ADU) on their properties are a tool being used in Montgomery County, Arlington County, and the District of Columbia.<sup>27</sup> Inclusionary zoning policies, widely used throughout the region, ensure that residents of all incomes have opportunities to live in desirable neighborhoods, with access to jobs, transit, and high-performing schools.

Transit-oriented development is also a key strategy to achieve the COG Board’s regional housing targets.

<sup>27</sup> Hans Riemer, *Council Approves Zoning Change for Accessory Dwelling Units*, <https://councilmemberriemer.com/category/accessory-dwelling-units>

Opportunities to create new housing options on underdeveloped land around some of Metro's stations as well as along new transit lines like Metro's Silver Line in Virginia and the Purple Line in Maryland supports shared goals to meet future housing needs without further straining the transportation system. Cumulatively, these policies contribute to the region's progress toward its shared housing production goals.

COG also acknowledges that no sector alone can solve the region's housing challenges. The region can only meet its housing goals through strategic partnerships with other key stakeholders in business, non-profits, and philanthropy.

For example, this year the Housing Leaders Group of Greater Washington launched its Capital Region Housing Challenge to secure \$1 billion in investments for housing affordability by 2020, \$500 million in new private capital and \$500 million in new public funds.<sup>28</sup> One component of the Washington Housing Initiative launched by JBG Smith and the Federal City Council is an Impact Pool, which facilitates investment in low cost loans for developing and acquiring affordable workforce housing.<sup>29</sup>

There is no question that impediments like community dynamics, market forces, or lack of critical public infrastructure can hinder progress on housing production. COG will continue to work alongside its members and partners to identify housing tools and policies that ensure preservation of existing housing and production of new affordably priced units and housing incentives that could benefit from private sector support and resources.

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**The time for solutions is now. The region should continue to create and preserve housing at a higher rate than has been achieved in the recent past so the benefits of economic growth are shared by all.**

The time for solutions to address the region's unmet housing needs is *now*. COG's analysis revealed that the region's housing shortfall and the harmful ripple effects it causes will only worsen without intervention.

In a July 2019 *Washington Business Journal* article, COG Executive Director Chuck Bean described another reason for action: there is energy and appetite for working on housing locally, regionally, and nationally by a range of sectors.<sup>30</sup>

"Things change – sometimes incrementally, sometimes it's a big leap forward," said Bean. "It's a big challenge, that's the downside. The upside is that with the energy coming out of the jurisdictions and out of the developers and out of nonprofits and advocates, the hope is that the region is going to use its mojo on Metro funding and on HQ2 and apply it to housing."

The region should continue to create and preserve housing at a higher rate than has been achieved in the recent past to close the gap and provide adequate housing options in places that ensure inclusive communities, so the benefits of economic growth are shared by all.

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<sup>28</sup> Housing Leaders Group Launches the Capital Region Housing Challenge, <https://www.handhousing.org/hand-housing-leaders-group-launch-the-capital-region-housing-challenge/>

<sup>29</sup> JBG Smith, The Impact Pool, <https://www.jbgsmith.com/about/washington-housing-initiative/impact-pool>

<sup>30</sup> Washington Business Journal, The Housing Disconnect, <https://www.bizjournals.com/washington/news/2019/07/12/the-housing-disconnect-how-builders-and.html>

# APPENDIX

<b>APPENDIX A: RESOLUTION DIRECTING COG TO FURTHER EXPLORE ADDRESSING THE REGION'S HOUSING NEEDS</b>	<b>21</b>
<b>APPENDIX B: HOUSING THE REGION'S WORKFORCE: JURISDICTIONAL CAPACITY ANALYSIS (MEMO)</b>	<b>23</b>
<b>APPENDIX C: CALCULATING REGIONAL TARGET 2 (ACCESSIBILITY)</b>	<b>27</b>



METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS  
777 NORTH CAPITOL STREET, NE  
WASHINGTON, DC 20002

**RESOLUTION DIRECTING COG TO FURTHER EXPLORE ADDRESSING THE REGION'S HOUSING NEEDS**

**WHEREAS**, the Metropolitan Washington Council of Governments (COG) is comprised of the 24 jurisdictions of the National Capital Region's local governments and their governing officials, plus area members of the Maryland and Virginia legislatures and the U.S. Senate and House of Representatives, and COG provides a focus for action on issues of regional concern; and

**WHEREAS**, the Transportation Planning Board Chairman briefed the COG Board in April 2018 on the endorsed initiatives of the Long-Range Plan Task Force (LRPTF) that were found to have the most potential to significantly improve the performance of the region's transportation system compared to current plans and programs, including the need for additional housing in the region; and

**WHEREAS**, at the COG Leadership Retreat in July 2018 the Board engaged in discussions on the region's current housing production challenges, housing affordability, and the potential need for additional housing in the future to support likely new job growth; and

**WHEREAS**, retreat participants generally agreed that housing production is a regional challenge that needs to be addressed to ensure that the growth of jobs does not continue to outpace the growth of housing.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS THAT:**

The board supports additional research to address the increasing demand for housing in the region and directs the Executive Director, or his designee, to work with the following committees and boards on the below next steps:

- a. Direct the Planning Directors Technical Advisory Committee (PDTAC), and the Housing Directors Advisory Committee (HDAC), to assess the region's ability to accommodate the estimated need for slightly more than 100,000 housing units beyond those currently anticipated in the Cooperative Forecasts with a focus on affordable and work force housing regionally.
- b. Building on the adopted Region Forward goals and targets, the PDTAC should examine the optimal incentives for adding additional housing, with an emphasis on preservation and production within the Regional Activity Centers and around high capacity transit stations and work to update future Cooperative Forecasts as needed.
- c. Direct that the PDTAC and HDAC work with the Region Forward Coalition, and key regional business, civic, and philanthropic organizations to assess ways to assist local governments with meeting the enhanced housing production targets while ensuring that future growth creates truly inclusive communities.

- d. The PDTAC should also include an assessment of factors or impediments to adding more housing units such as lack of critical public infrastructure (transportation, schools, water and sewer).
- e. Reaffirm the work underway within PDTAC to identify current local government planning efforts that support the initiatives of the TPB Long-Range Plan Task Force.

**I HEREBY CERTIFY THAT the foregoing resolution was adopted by the COG Board of Directors on September 12, 2018.**

**Laura Ambrosio  
COG Communications Specialist**

## MEMORANDUM

**TO:** COG Board of Directors  
**FROM:** Paul DesJardin, COG Director of Community Planning and Services  
**SUBJECT:** Housing the Region's Workforce: Jurisdictional Capacity Analysis  
**DATE:** February 6, 2019

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## BACKGROUND

Since the September 2018 COG Board meeting, the COG Planning Directors and Housing Directors Committees have met monthly to discuss the opportunities and challenges to producing an additional 100,000 homes by 2045 to balance job and household growth.

At the January 2019 board meeting, staff presented a proposed work plan to determine how to meet the goal through careful analysis of three key questions:

- **Amount:** Does capacity exist under current comprehensive plans and zoning to accommodate housing production levels beyond what is shown in the current Cooperative Forecasts?
- **Accessibility:** Can these additional homes be located within Activity Centers and High-Capacity Transit Station areas?
- **Affordability:** What are the appropriate price points and typologies to meet the current and future workers' needs?

This memorandum summarizes the results of that initial assessment and details next steps in the process.

## MEETING OUR HOUSING GOALS

The COG Board established the Cooperative Forecasting Program to develop a consistent set of local and regional growth projections based upon a common set of economic assumptions. The Cooperative Forecasts are the official growth projections of each participating jurisdiction and are the planning inputs for transportation and other regional capital improvement decisions. The forecasts are guided by an economic model that represents the maximum amount of employment, population, and household growth that the region is likely to experience given a range of national and regional economic and demographic assumptions. Those assumptions include the likely mix of future jobs by industry sector, and population and housing growth.

Local planning departments generally prepare their housing and household forecasts in short-term (5 to 10-year horizon) and longer-term (15 or more years) periods. Short-term household projections are based upon current permitting and development activity. COG staff summarized the recent trends in housing permitting during the September board meeting, during which the regional housing shortfall trend was noted.

Planning staffs develop longer-term forecasts (15 to 30 years) based upon local comprehensive plans and zoning, as well as assumptions regarding local land use policies, infrastructure investments, and demographic changes. Planners use these economic and policy assumptions to estimate the likely market and development responses for the timing and location of future residential growth.

During their meetings throughout 2018, the Planning Directors presented their current work program and planning priorities, particularly as they related to the challenges of balancing growth, housing location and affordability, and transportation investments. As shown in the excerpted slides below, nearly all jurisdictions are engaged in updates to their comprehensive and small-area plans or engaging in broad-based visioning efforts.

## What Have We Learned

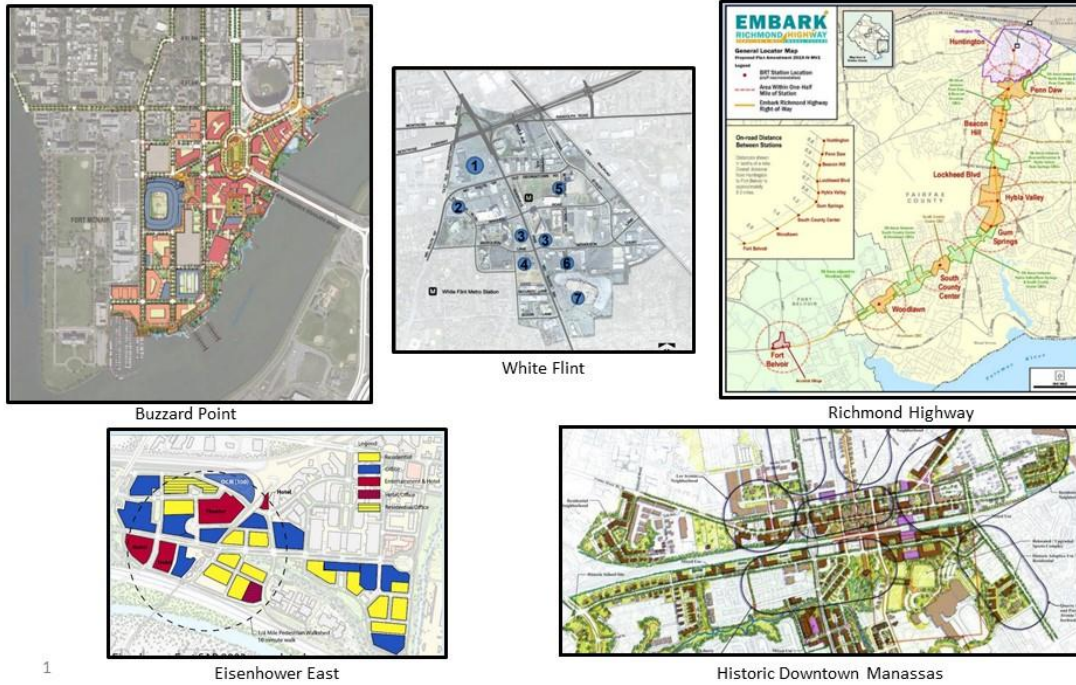
### Multiple jurisdictions are currently working on their Comprehensive Plans



A common goal within each initiative is focusing development in priority places such as Activity Centers to accommodate growth and capitalize on new and existing transit investments such as the Silver Line, the Purple Line, Richmond Highway, and many planned BRT routes. The Round 9.1 Cooperative Forecasts indicate that the 2.1 million households in the COG region today are expected to grow to nearly 2.8 million by 2045. More significantly, the forecasts confirm the success of these many local planning initiatives with more than 64 percent of new housing now anticipated to be located within Activity Centers compared to the adopted target of 50 percent called for in Region Forward.

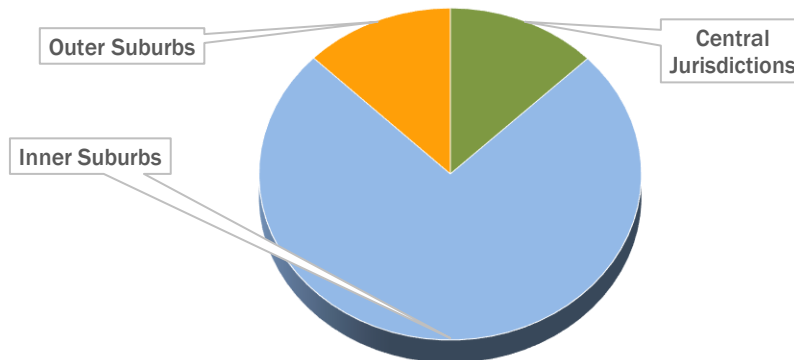
# What Have We Learned

## The region is planning for Redevelopment



Building on these briefings, at their December and January meetings, the Planning Directors Committee reported on their initial assessments of their jurisdictions' ability to accommodate additional housing beyond what is assumed in their current Cooperative Forecasts. The results of this initial assessment confirm that the region can accommodate – within existing comprehensive plans and zoning – the additional 100,000 units called for in the board directive. The chart below shows the relative distribution of the Planning Directors' initial assessment.

**Initial Assessment:  
Subregional Shares of +100,000 Additional Housing  
Units Beyond Current Forecasts**



## **NEXT STEPS**

The next phase of the housing analysis will include the task of estimating the amount (or share) of the additional housing growth which could be accommodated within Activity Centers and High-Capacity Transit Station Areas as well as the specific challenges (public and private) to developing more housing in those priority places.

Review of those impediments will guide consideration of solutions to these challenges and strategies to alter the region's current trajectory to improve, not exacerbate, housing affordability, transportation system performance, and ensure thriving, inclusive communities for all of the region's residents.

## Calculating Regional Target 2 (Accessibility)

How did COG come up with a goal of 75% of all new housing in Activity Centers (AC) or near high capacity transit (HCT)?

- 141 Activity Centers were designated as places ideal for growth by the COG Board. These occupy about 9% of the region’s land.
- In 2010, officials at COG set a Region Forward Vision goal to accommodate 50% of projected new housing in Activity Centers.
- As jurisdictions’ comprehensive plans have evolved the 2010 Region Forward goal has been exceeded; **the most recent COG analysis of the (Round 9.1) Cooperative Forecasts found 64% of projected new housing anticipated in Activity Centers.**
- As part of its Visualize 2045 long-range transportation plan in 2018, the TPB identified a regional network of 297 high-capacity transit stations, including many outside of Activity Centers, that could be potential locations for additional growth.
- As a result, a recent COG analysis found projected new housing anticipated in Activity Centers *and* high capacity transit stations at 68%.
- In 2019, based on data provided by member jurisdictions’ planning departments, COG planners determined these areas can accommodate the additional housing the region needs (75,000 units from Target 1).

### Regional Housing Target 2 By the Numbers

In the next 10 years 68% of the 245,000 forecast new units will be in AC and around HCT.	$68\% \times 245,000 = 167,000$
Planning directors determined capacity does exist to add 75,000 more housing units in AC and around HCT. (Target 1)	$100\% \times 75,000 = 75,000$
Total housing units in next 10 years possible in AC and around HCT.	$167,000 + 75,000 = 242,000$
Total units in the next 10 years in AC and around HCT as a proportion of all new housing units by 2030.	$242,000 / 320,000 = 75\%$



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