Attachment 1

# PEOPLE, HOUSING AND JOBS

*Demographics Chapter of the City's Comprehensive Plan*

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# People, Housing and Jobs: Why Demographics Matter for the City of Falls Church's Comprehensive Plan

The City of Falls Church is a community of nearly 14,000 residents and 12,000 jobs occupying 2.1 square miles in the heart of Northern Virginia. Understanding how the population and employment base in the City has evolved and will continue to change is necessary so that the community can effectively plan for the future and achieve its vision as a "welcoming and inclusive community" and a "leader in education, environmental sustainability, multi-modal transportation, and vibrant economic development."

Demographics involves more than just data. Analyzing demographic trends and forecasts helps form the framework for understanding how different parts of the community are interrelated. For example, knowing how the demographic characteristics of residents have changed is important for knowing the types of services and amenities that are needed in the City. Assessing the relationship between new residential development and new retail and commercial development is critical for meeting economic development goals. And evaluating changing housing needs is an important consideration for ensuring that the City of Falls Church pursues inclusive housing policies.

**Figure 1:** Skateboarders at West End Park, Falls Church

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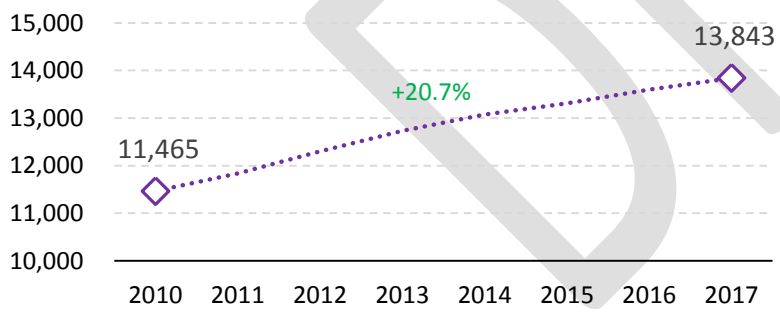
# Demographic Trends

The demographic landscape of the City of Falls Church is changing. Part of these demographic changes reflect broader macro demographic trends in the country and the rest of the Northern Virginia region. There are also trends that distinguish the Little City from its neighbors. Demographic changes in the City will have important implications for future population growth, as well as for local policies related to housing, public services and facilities, and economic development.

The City of Falls Church is a great place to live and the data illustrates the desirability of the community. According to the U.S. Census Bureau's latest population estimates, the City's population increased by 20.7 percent between 2010 and 2017, or about 3.0 percent annually. A closer look at this population growth reveals evolving trends in the types of households moving to the City, the jobs in the Falls Church economy, and shifts in the City's housing stock.

**Figure 2:** Population, Falls Church




Source: U.S. Census Bureau

## Key Trends

- **The number of single-person households is on the rise in the City** and represents 1 out of every 3 Falls Church households.
- **The number of households with children has declined** in recent years. Despite fewer households with children, **the number of school-age children has increased**. This trend is being driven by larger families; specifically, homeowner households with 3+ children.
- **The City's population is aging**, with 1 out of 4 Falls Church residents age 55+. The number of older adults will continue to increase as the youngest baby-boomers enter this age range.
- **Households with incomes between $50,000-$100,000 has surged** in recent years, driven primarily by an increase in single-person households.
- **There are now more multifamily units than single-family detached units**, which was not the case 5 years ago. Single-family detached homes remain a large segment of the City's housing stock, but the share of multifamily units has been rising fast in recent years.
- **Many Falls Church residents have jobs in high-paying industries.** Nearly half of all employed Falls Church residents work in the Public Administration or Business and Professional Services sectors which tend to have above-average wages.
- **Many of the jobs located in Falls Church are in lower-paying industries.** About 1 out of every 4 jobs located in Falls Church are in retail and hospitality-related sectors.

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## Population Trends

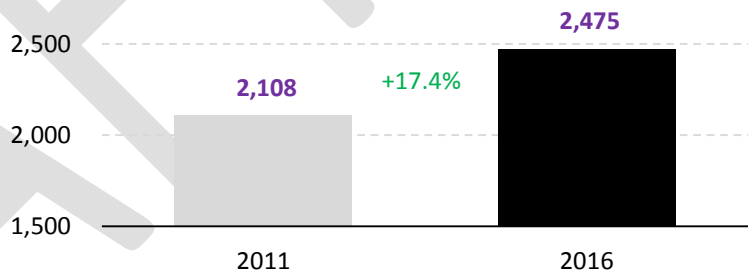
This section examines three key population segments of City residents: Millennials (age 25 to 34), school-age children (age 5 to 17) and older adults (age 55+).

**Millennials (age 25 to 34):** The young adult population is a growing share of the City's population. There were approximately 1,740 people between the ages of 25 and 34 living in Falls Church in 2016. The number of Falls Church residents in this age group has increased by about 9.7% over 5 years. The growth rate of the young adult population in Falls Church is similar to other inside-the-Beltway communities such as Arlington and West Falls Church, which had increases in the young adult population of 10.1% and 9.2%, respectively, during the same 5-year time period. Overall, the Northern Virginia region* experienced a 6.2% increase in this age segment between 2011 and 2016.

**School-age children (age 5 to 17):** The number of school-age children in the City is increasing, but the growth rate has been slower than in other nearby communities. There were approximately 2,475 school-age children (age 5 to 17) living in Falls Church in 2016, which is 17.4% more than 2011. Similar trends are occurring throughout Northern Virginia but there has been faster growth just outside the City limits in Seven Corners (+48.4%), Idylwood (+21.3%), and Arlington (+22.5%).

The data suggest that the growth in school-age children in Falls Church over recent years has been driven by a subset of families that are having more children than in the past. The average household size in the City went from 2.46 in 2011 to 2.56 in 2016 and this increase was driven by homeowners, with an average household size increasing from 2.65 in 2011 to 2.93 in 2016. The average size of renter households actually declined during this same time period, going from 2.15 to 2.0. Between 2011 and 2016 the number of households with 3 or more children grew by 20.4%, primarily among homeowners, while the number of households with 1 or 2 children declined by 9.8%. Thus, while the number of children has increased in the City, the overall number of households with children has declined over time.

**Figure 3:** Population Age 5 to 17, Falls Church




Source: U.S. Census Bureau, 5-Year American Community Survey

**Older adults (age 55+):** About 1 out of 4 Falls Church residents are age 55 and older which is similar to the regional share. As Baby Boomers age, the older adult population is forecasted to grow substantially over the coming years. In 2016, there were approximately 3,481 people age 55 or older living in Falls Church, an increase of 23.5% over 2011. Similar growth is occurring throughout the region particularly in areas immediately adjacent to Falls Church such as Idylwood (+31.1%) and Seven Corners (+27.1%). The Northern Virginia region as a whole had an increase of over 91,000 residents age 55+ between 2011 and 2016.

*All references to Northern Virginia in this chapter include the cities of Falls Church, Fairfax, Alexandria, Manassas and Manassas Park; and the counties of Arlington, Fairfax, Loudoun and Prince William

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## Household Trends

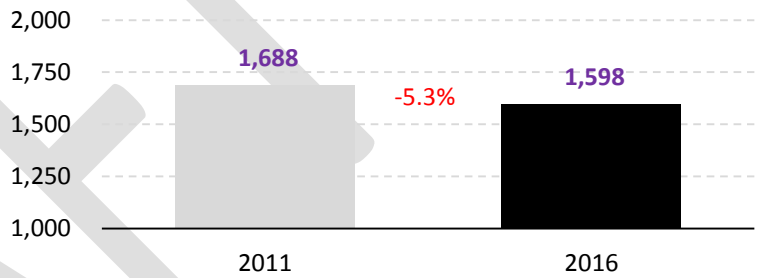
This section assesses how the household composition in the City of Falls Church has changed and evaluates the types of households that have primarily driven growth in the City in recent years. This section concludes with a review of the mix of housing units in the City.

**Households with children:** There were 5,301 households in the City in 2016, 10.3% more than 2011. As the number of households in the City has increased, the household composition has also changed. The overall number of households with children in the City declined by 5.3% between 2011 and 2016, reflecting the sharpest drop in Northern Virginia. Communities directly adjacent to Falls Church, by contrast, are experiencing an increase in in the number of households with children. Seven Corners had the largest spike in the region with 45.5% more households with children than 5 years ago. Arlington County and the Idylwood neighborhood also had relatively steep growth in the number of households with children, rising 19.5% and 11.7% respectively.

As noted in the Population Trends section, Falls Church has seen an increase in school-age children, yet the number of households with children has declined. The data reflect a pattern of some households—namely single-family homeowners—having more children. Between 2011 and 2016 in Falls Church there the was an increase in households with 3 or more children (20.4%), but a decline in households with 1 or 2 children (-9.8%).

During this same time period the City had an 18.7% increase in the number of households without children. Based on these trends, the household growth in the City of Falls Church has been driven not by households with children, but rather childless households, including couples and singles.

**Figure 4:** Households with Children, Falls Church




Source: U.S. Census Bureau, 5-Year American Community Survey

**Living alone:** Approximately 1 out of every 3 households in the City is someone living alone. The number of people living alone has increased significantly in Falls Church. There are 20.8% more households of people living alone than 5 years ago, which was the fastest increase in the region. Regionwide about 1 out of 4 households are people living alone.

Of those living alone in Falls Church, more than two-thirds are under the age of 65 (68.4%). Similar age compositions of single-person households exist in adjacent Seven Corners and West Falls Church. The growth in people living alone in Falls Church reflects both a diversifying housing stock in the City, delayed household formation within the Millennial generation and an aging of the Baby Boomer population.

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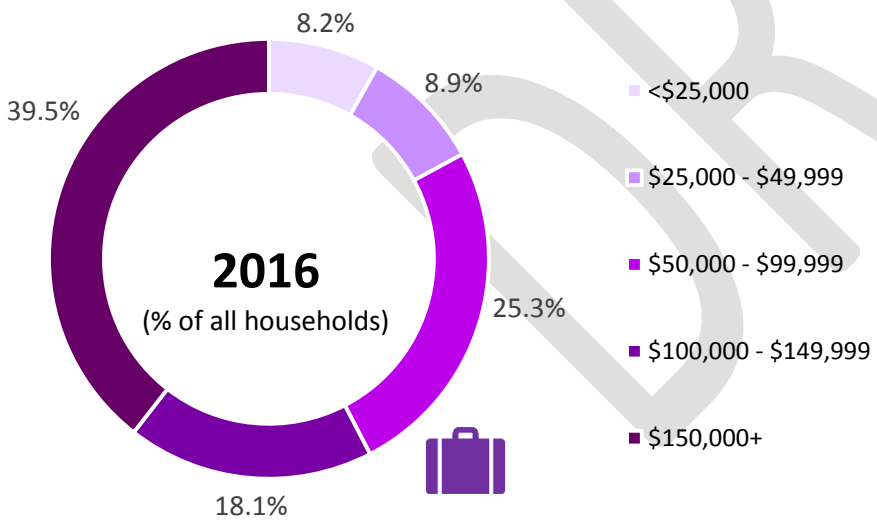
**Household income:** Falls Church has seen a surge in households that have incomes between $50,000 and $100,000. Approximately 1 out of every 4 household in the City of Falls Church has a household income between $50,000 and $100,000. Of the City's 5,301 households, approximately 1,340 are in this income range, reflecting a 44.4% increase over 5 years ago.

Falls Church is the only community in the region to have an increase in the number of households in this income range, and most neighboring communities have had a decline. The increase in middle-income households is likely due to the rise in one-person households, rather than family households, as this income range is in line with a typical wage for Professional and Business Service jobs in the DC area. More than 1 in 4 Falls Church residents who work are employed in this sector.

**Figure 5:** Proportion of Households by Annual Income Range
Falls Church, 2016

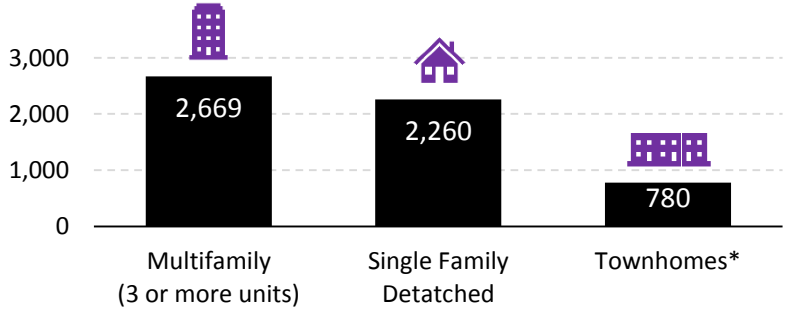



Source: U.S. Census Bureau, 5-Year American Community Survey

The City of Falls Church remains one of the highest-income areas in the Northern Virginia region. Approximately 4 out of every 10 households in the City has an annual income of $150,000 or more. In the Northern Virginia region, McLean has the highest proportion in this income range with 6 out of 10 households having incomes of $150,000 or more annually.

**Housing unit types:** Falls Church has seen an increase in the stock of multifamily housing, specifically studios and 1-bedroom units. Over the past 5 years, Falls Church has had a 15.5% increase in multifamily housing units (defined as 3 or more units in a building), which is the fastest increase in Northern Virginia. Arlington and Alexandria, which also have a large stock of multifamily housing, had increases of 8.8% and 9.0%, respectively, during the same time period. Single-family detached housing remains a large segment of the City's housing stock, but as of 2016 the data suggests there are now more multifamily units than single-family detached units in the City. New housing units in the City of Falls Church are also smaller than older units. Nearly 1 out of every 3 housing units in the City are studios and 1-bedroom units (30.4%). Over the past 5 years, the stock of studios and 1-bedroom units in the City has jumped 33.1%.

**Figure 6:** Housing Units by Type, Falls Church, 2016




Source: U.S. Census Bureau, 5-Year American Community Survey
*Includes Duplexes and Other (RV, mobile home, boat, etc.)

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## Employment Trends

This section describes the characteristics of resident workers (i.e. City of Falls Church residents who are employed) and at-place workers (i.e. jobs located in the City of Falls Church).

**Types of jobs:** There are two job sectors that employ nearly half of all Falls Church employed residents. About 50% of Falls Church resident workers are employed in either the Public Administration or Professional and Business Services Sectors. The other half work in a variety of sectors primarily Education Services, Health Care, and Information, Finance, Insurance, and Real Estate services sectors. Less than 1% of Falls Church resident workers are in the Armed Forces. The median annual wage of employed Falls Church residents is $67,684.

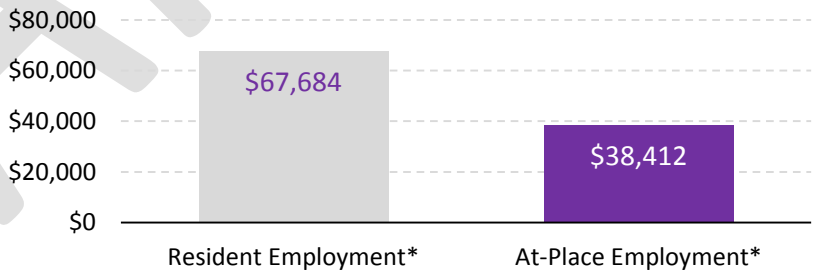
About 1 out of every 4 jobs located in Falls Church are in retail and hospitality-related sectors. Approximately 25.7% of all jobs in Falls Church are in the Retail Trade or Arts, Entertainment, and Accommodation/Food Services sectors. Another quarter (23.2%) of jobs located in the City are Education and Health Care sector jobs. Compared to the overall Northern Virginia region, the Falls Church economy is disproportionately concentrated in Retail Trade and Education and Health Care sector jobs. Jobs in these resident-serving sectors tend to have lower wages than jobs in the Professional and Business services and in most other sectors. The median annual wage of Falls Church jobs is $38,412, notably lower than the wages of employed residents.

**Figure 7:** Resident and At-Place Jobs, Select Industry Sectors, 2016

| Industry | Falls Church Residents | Jobs Located in Falls Church "At-Place" Jobs |
|---|---|---|
| Professional and Business Services | 26.9% | 17.1% |
| Public Administration | 22.2% | 4.2% |
| Educational Services and Health Care | 14.5% | 23.2% |
| Information/Finance/Real Estate | 9.9% | 7.1% |
| Retail Trade | 6.2% | 15.3% |
| Arts/Entertainment/Hospitality | 5.6% | 10.4% |
| Other Services* | 7.6% | 9.0% |

Source: U.S. Census Bureau, 5-Year American Community Survey
*Includes personal services and associations.

**Figure 8:** Median Annual Earnings, Falls Church, 2016




Source: U.S. Census Bureau, 5-Year American Community Survey

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## Forecasts

Forecasts of housing units, households, population and employment for in the City were prepared for the 2015 through 2045 time period. The purpose of developing these forecasts is to provide information to help City staff, elected officials and citizens plan for future growth in the City. In particular, these forecasts will help guide community conversations around the implications of growth on key issues for the City.

## Methodology

Forecasts were developed based on projections of net new development in the City and assumptions about trends in vacancy rates, average household sizes and commercial space per employee (i.e. "development-based projections".) This development-based method historically has been used by the City of Falls Church to produce forecasts for the Metropolitan Washington Council of Governments (MWCOG) cooperative forecasting process. There are other methods for forecasting population, household and job growth in the City, and results from alternative methods are compared with the development-based approach.

The City's growth and change is happening in the context of broader economic and demographic change in Northern Virginia and the Washington DC region. As a relatively small community in a large regional economy and housing market, the City will be impacted by changes in job growth, transportation investments and housing demand which are outside of local control. These macro trends, along with the factors unique to the City, will be key drivers of future population, household and job growth. Planning efforts will reflect these trends in order to best ensure that the City meets its vision.

## Development-Based Projections

**Population:** In 2015, there were an estimated 13,312 residents of the City of Falls Church. The development-based projections indicate that the number of Falls Church residents will be 14,808 in 2020 and will increase to 20,549 by 2045. This reflects an average annual growth rate of 1.6%.

**Households:** There were an estimated 5,384 total households in the City of Falls Church in 2015, with a projected 5,908 households in 2020. By 2045, these projections suggest that there will be 9,311 households in Falls Church in 2045. Therefore, between 2020 and 2045, the household growth rate is expected to be 2.3%, on average. The faster growth in household indicates an increase in smaller household sizes.

**Employment:** The number of jobs in Falls Church is expected to increase from 11,615 in 2015 to 11,798 in 2020. Between 2020 and 2045, the number of jobs is projected to grow to 19,652. The City of Falls Church is expected to experiencing jobs growing at an average annual rate of 2.7% between 2020 and 2045.

These forecasts are driven by approved residential and commercial development in the City, as well as the expected timing of delivery of new projects.

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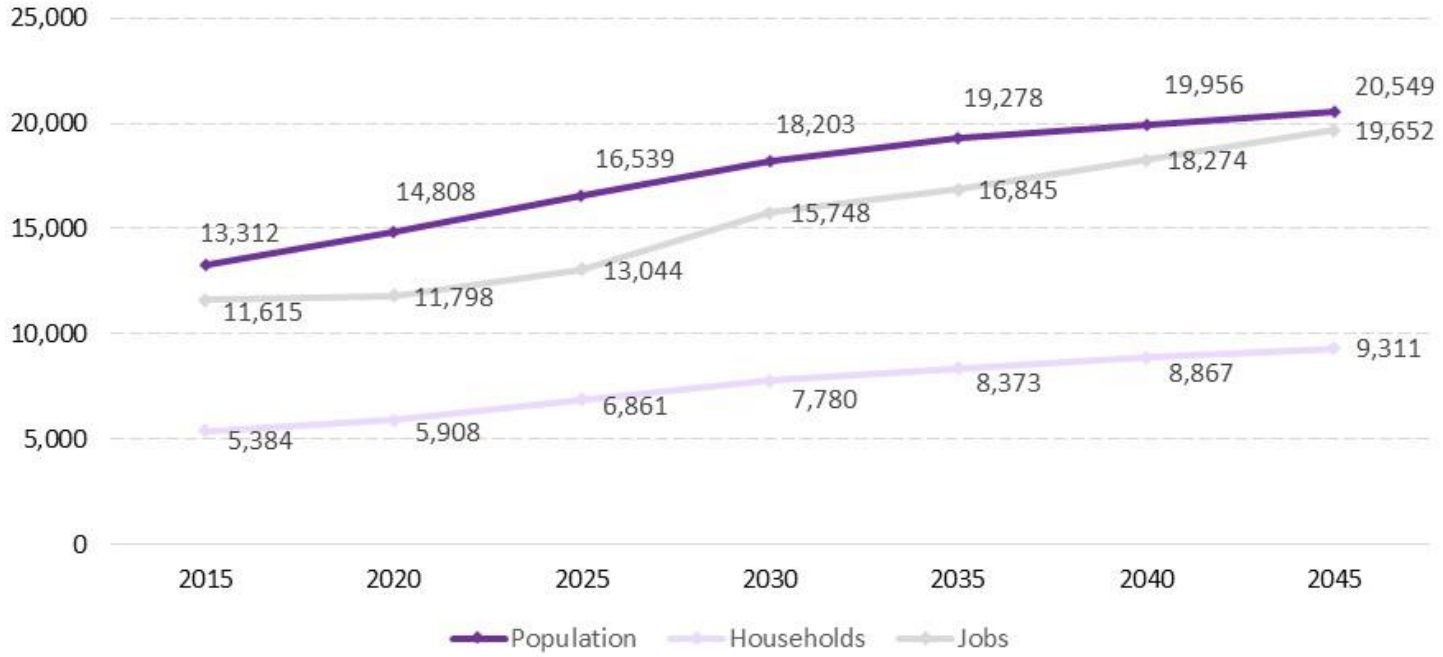
**Figure 9:** Development-Based Forecasts, Falls Church
2015 - 2045




## Comparisons with Other Forecasts

The **Weldon Cooper Center** at the University of Virginia produces population forecasts for all local jurisdictions in the Commonwealth of Virginia. In addition, the Weldon Cooper Center prepares school enrollment projections for the City of Falls Church Public Schools. These population projections are based on the Hamilton-Perry method which looks at long-term demographic trends and benchmarks local growth to state-level growth.

The forecasts from the Weldon Cooper Center are similar to the development-based forecasts. The Weldon Cooper Center forecasts that the population of the City of Falls Church will reach 21,629 by

2045 (compared to 20,549 from the development-based projections.)

The **Metropolitan Washington Council of Governments (MWCOG)** has produced forecasts of regional household growth needed to accommodate future regional job growth. Data from **George Mason University (GMU)** was used to supplement those MWCOG household forecasts to account for new household growth associated with Amazon HQ2. Assuming that the City of Falls Church supports its share of regional household growth, these projections put the total number of households in Falls Church at 9,881 in 2045. By comparison, the development-based forecasts are 9,311 in 2045.

## Key Takeaways from Demographics Analysis

As the population has grown and the economy has evolved, the demographic composition of the City's residents and characteristics of the housing stock and job market have also changed. Key takeaways from the demographic analysis and forecasts include the following:

**Increasing numbers of households without children:** Although the number of school-age children in the City has increased over the last five years, the total number of households with children has decreased. The City's population and economic growth in recent years has been primarily driven by people living alone and renters without children.

**Figure 10:** Weldon Cooper Center and Development-Based Population Forecasts, Falls Church, 2020-2045

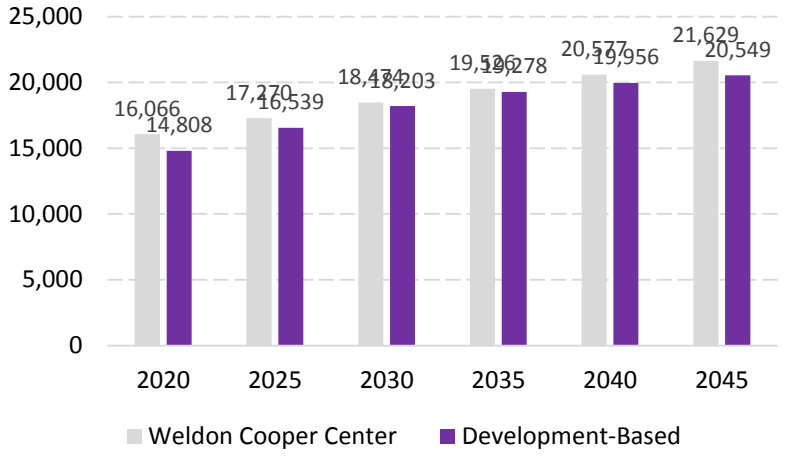
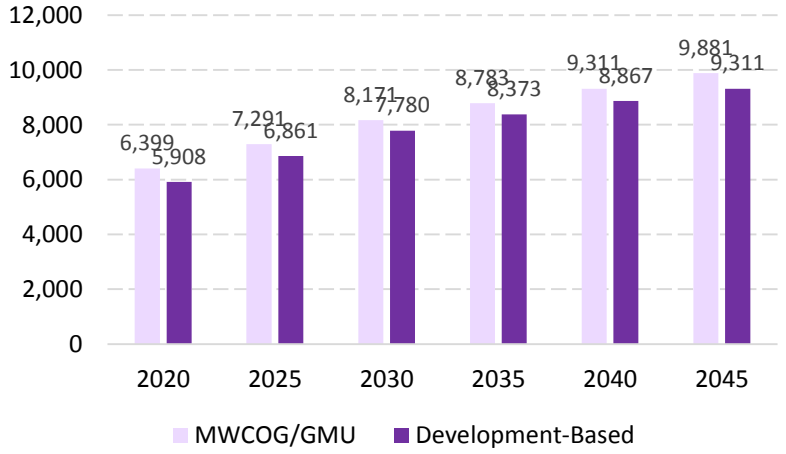



**Figure 11:** MWCOG/GMU and Development-Based Household Forecasts, Falls Church, 2020-2045




**Multifamily and rental housing:** The City's changing housing stock is reflected in the change in the household composition. Growth in the number of multifamily units, and specifically the number of

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studio and one-bedroom units, is the reason that childless households have been a key driver of growth in the City. New multifamily and rental housing has helped shaped the development of the City.

**Aging population:** The 55 and older age cohort is the largest in the City and it continues to grow rapidly. As Baby Boomers continue to age into this range, this trend is likely to continue in the years to come, both locally and beyond. This has implications for the types of housing and types of jobs that will be needed in the future to support Falls Church residents who are interested in aging in place.

**Jobs and workforce:** The City has a disproportionately high share of jobs in resident-serving industries including Retail Trade and Education and Health Services. City residents, however, are much more likely to be employed in Public Administration or Professional/Technical Services jobs.

**Figure 12:** The Spectrum

**Future growth:** The City of Falls Church is projected to experience steady population and job growth over the next 25 years. The number of households is expected to grow at a faster rate than the population, reflecting smaller household sizes. By 2045, the number of jobs in the City of Falls Church will approximately equal the number of residents, a balance not seen in other communities of Falls Church's size. This balance between residents and jobs presents the City will opportunities to diversify its tax base, expand services and sustain the high-quality of life enjoyed by residents and workers.

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# Connections & Strategies

Demographics should not be thought of simply as data, but rather as information for planning and decision-making. The demographic characteristics, trends and forecasts presented in this chapter are designed to inform future planning efforts for the City of Falls Church.

The Vision for the City of Falls Church includes a commitment to building an inclusive and sustainable community. The following paragraphs explore topics of general community interest and suggest ways to inform those conversations with demographic projections.

## Housing Supply and Growth Management

As described in the trends and forecasts earlier, demand for housing in the city is influenced by regional economic trends. Based on a regional assessment of housing needs, which includes added housing demand as a result of Amazon HQ2 locating in Crystal City, it is expected that the City of Falls Church would need to add 3,482 net new households between 2020 and 2045 to meet its share of expected housing demand. According to the development-based forecasts, the City of Falls Church is expected to add 3,403 new net households between 2020 and 2045.

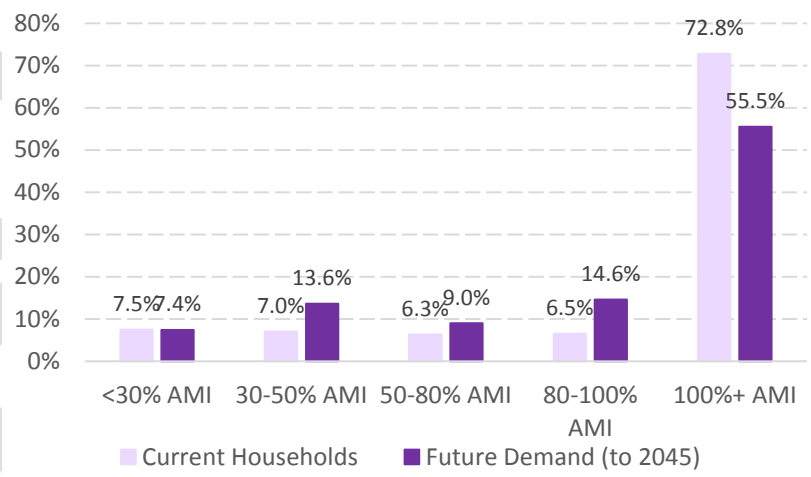
***Strategy**: Continue to utilize the Comprehensive Plan and Zoning Ordinance as growth management tools, guiding development to the most appropriate areas of the City.*

## Housing Affordability

Nearly three-quarters of current households in the City of Falls Church have incomes at or above the median for the Washington DC region, only 55 percent of future housing needs in the City will be for households in this higher-income range.

***Strategy**: Continue to utilize policy tools to support affordability needs for a range of household incomes, sizes, and ages.*

**Figure 13:** Income Distribution, Current Households and Future Need, Falls Church




Source: GMU, LSA Planning

## Public Facilities

Growth in the population and employment base in the City of Falls Church often means increased demand for public facilities, including schools, libraries, community centers and parks. It is important to keep in mind that different demographic groups use public facilities differently. For example, new multifamily projects in the City have been associated with comparatively few new school children. New

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(i.e. post-2014) mixed-use apartment buildings have a "pupil attraction rate" of between 0.104 and 0.190 students per new unit. By comparison, older low-rise apartments tended to have higher pupil attraction rates (between 0.30 and 0.458 children per unit). Existing single-family homes generate more school children on a per-unit basis. Between 2014 and 2018, the number of school children in single-family homes increased by 77 while the number of single-family homes increased by just 15.

***Strategy:*** *Continue to assess projected public facility impacts and needs based using segmented household characteristics (e.g. housing tenure, number of bedrooms, etc.)*

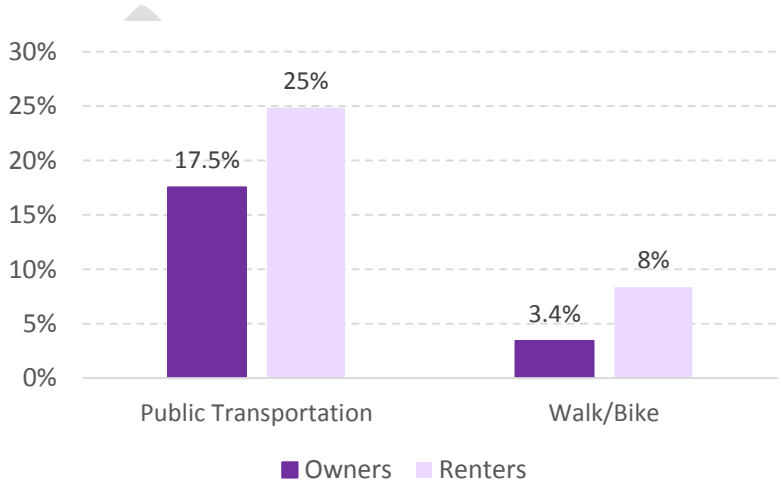
***Strategy:*** *When designing public facilities, plan for both the needs of the current population and the anticipated needs of future populations throughout the useful life of the investment.*

## Transportation

Population and employment can generate increased transportation demand. That demand can take different forms – demand for automobile parking, more sidewalk connections, more transit service, etc. Transportation demand varies across households. Falls Church residents who are renters or who living in multifamily, mixed-use developments are significantly less likely to have more than one car per household, and are significantly more likely to walk/bike or take public transportation, than are homeowners.

***Strategy:*** *Assess transportation impacts based on segmented household characteristics and the availability of multiple transportation options (e.g. access to transit).*

**Figure 14:** Mode of Commute by Housing Tenure
Falls Church, 2017




Source: U.S. Census Bureau, 5-Year American Community Survey

## Changing Conditions

Demographic shifts can have dramatic impacts on communities. For example, the recent increase in demand for close-in living combined with the aging and retirement of the baby boomer generation has led to increased demand (and costs) for housing inside the Capital Beltway and a turnover in the existing housing stock from "empty nesters" to growing families.

***Strategy****: Monitor and participate in demographic forecasting exercises conducted by MWCOG Cooperative Forecasting, the Weldon Cooper Center, George Mason University, and the Virginia Employment Commission (VEC).*

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***Strategy:*** *Update the City's demographic projections at least once every five years to maintain up-to-date baseline data to inform development decisions and initiatives.*

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