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LOUDOUN COUNTY'S METRORAIL-RELATED HOUSING NEEDS

EXECUTIVE SUMMARY

The choices Loudoun County makes in its Metrorail (Silver Line) station area planning will have major impacts on its residents and those who work in the County—including on traffic congestion, development sprawl, housing costs, and overall quality of life. Those choices also will affect people who live and work elsewhere in Northern Virginia, Washington, DC, and suburban Maryland.

Participants in the public planning workshops concerning land use near the future Metrorail stations indicated generally that they want urban-scale development around those stations, The "Community Workshop Scenario" that the participants generated calls for a great amount of housing to accompany the intensive commercial development (office, retail, etc.) that Loudoun County hopes will locate in those station areas.

That community approach is well-founded. Currently, many thousands of workers (such as business owners and employees, professionals, service and retail employees) commute to jobs near those future stations, and there are very few housing units in that area. Unless Loudoun County changes its policies to permit much more housing relative to jobs there, the expected commercial buildup will compound many challenges for Loudoun residents, such as:

- longer commuting times on more congested highways;
- more money spent on motor fuel, car and road maintenance, as a result;
- unduly sprawling development (bulldozing, paving over, and building in rural areas such as those in western Loudoun County, degrading those environments);
- higher housing prices, due to the inadequate housing supply for people who work in Loudoun;
- hyperinflation and occasional, rapid deflation in housing prices, such as the cycle that led to the severe, recent recession and national financial crisis of 2007-2009;
- residents reduced to poverty or perhaps even homelessness, due to excessive housing prices and transportation expenses—which together consume more than half of many Loudoun families' incomes; and

- lost economic development and after-hours vitality in the station areas, because most of workers' income and leisure time is spent near where they live, rather than near where they work.

Most of the problems just mentioned will increase for many non-residents as well—including those who commute to Loudoun from elsewhere in Northern Virginia and the rest of the Washington region. Residents of those other jurisdictions often pay excessive amounts of their income for housing, due to government policies in jurisdictions such as Loudoun, which do not permit the necessary amount of housing development.

It turns out there is little or no financial advantage to the County by suppressing the supply of housing that is needed in the station areas. Further, 90% of the participants in the public planning workshop in May said they would accept increased taxes and fees as necessary to achieve the transit-oriented development they want near Metrorail. Any net costs incurred by the County as a result of permitting jobs-housing balance in those areas would be minor, compared with the massive increases in net tax revenue associated with the anticipated commercial buildup.

The history of commercial growth outward from central cities in the United States over the last century shows that business tends to move toward where its target workforce lives. If Loudoun doesn't house its workforce (including private- and public-sector workers), many of the businesses it seeks eventually may move beyond Loudoun toward where the workers live. And recent trends show that workers with a choice are moving to more affordable areas now, rather than to high-paying areas.

Loudoun's housing costs already take a relatively high share of workers' incomes. Many common occupations in Loudoun do not pay enough for the workers to afford Loudoun housing. Most of Loudoun's workers commute from elsewhere. A high percentage of Loudoun's housing units are much farther than necessary from Loudoun's employment hubs.

Because Loudoun has one of the highest median household incomes of any county in the United States (the wealthiest nation in the history of the world), it appears that if Loudoun cannot afford to house its workforce, no place on Earth can. That would be a patent absurdity. Loudoun needs a policy that allows those who work in the County reasonable opportunities to live in the County, reasonably close to where they work.

This memo will discuss Loudoun's overall housing affordability challenges, its specific housing challenges regarding its future Metrorail areas, the effects that the current planning scenarios would have if adopted, and fiscal concerns about new housing.*

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* Certain footnotes in the original version have been revised to add hyperlinks to sources available online, and to make clerical corrections.

DISCUSSION OUTLINE

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LOUDOUN'S OVERALL HOUSING AFFORDABILITY CHALLENGES

Loudoun's housing costs are relatively high, even for Northern Virginia

"Loudoun County's for sale residential market outperformed the Metropolitan Washington residential market in 2014 with higher than average home prices."[1] As for rental housing, the relative undersupply in the County compared to the region "has caused the average monthly rent to steadily increase."[2]

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[1] HR&A Advisors and Kimley-Horn, *Market Analysis and Best Practices Study: Final Report* ("HR&A Team Study"), p. 2-21 (Sept. 9, 2015) (Loudoun County Board of Supervisors, *Item—Silver Line CPAM Committee of the Whole* (Sept. 16, 2015); posted at: http://www.loudoun.gov/index.aspx?NID=3200).

[2] *Id.*, p. 2-22.

> From 2000 - 2013 rental housing in Loudoun County constituted 22% of the total housing stock which is 14 percentage points lower than the Washington MSA's percent of 36% of the housing units. . . . [F]rom 2000 to 2013 the average monthly rent increased by 73% going from $954 to $1,654 dollars per month. In addition, rental units in Loudoun County are 15% more expensive than the average monthly rent per unit in the Washington, MSA with average rents of $1,654 per unit, per month compared to the MSA's average rent of $1,439 per unit, per month.[3]

The average wage earned by people who rent housing in the County ($17.40 per hour) is a good bit lower than in Northern Virginia as a whole ($22.33).[4] Loudoun's average renter wage is notably lower than in nearby Fairfax County ($25.69), Manassas City ($18.49), and Manassas Park ($21.01).

Thus, the affordable monthly rent (30% of household income) for the average Loudoun renter household is $905.[5] At the minimum wage ($7.25), a renter household would need to work about 156 hours a week (3.9 fulltime jobs) to afford a two-bedroom apartment in Loudoun at HUD's fair market rent.

In Ashburn, which will have a Metrorail Station, a three-person renter household (again including two children under age 18), with one car and an annual household income of $50,000, would spend $26,064 of it on average, for housing and transportation combined. *Id.* That is more than half the household income. Everything else must come out of the rest—such as food, clothing, health care, taxes, and other needful expenses for home, school, and work.

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[3] *Id.*, p. 2-22., citing American Community Survey, U.S. Census Bureau, *Selected Housing Characteristics, 2009-2013 American Community Survey 5-Year Estimates.* Stakeholders interviewed by the HR&A Team indicated there is strong demand for additional rental housing, especially for younger professionals and couples in the County. (HR&A Team Study, p. 2-22)

[4] National Low Income Housing Coalition (NLIHC), *Out of Reach 2015 ("OOR 2015"),* pp. 228-232; posted at: http://nlihc.org/oor) (based on U.S. Census Bureau figures). Northern Virginia, for those purposes, includes as far south as Spotsylvania County and as far West as Clarke County. *See, e.g.*, HUD, *FY 2015 list of counties (and New England towns) identified by state and metropolitan area*, http://www.huduser.org/portal/datasets/mtsp/mtsp15/area_definitions.PDF.

[5] The average renter wage in Loudoun ($17.40) amounts to about $35,000 annually. A three-person Loudoun renter household, including two children under age 18, with one car and an annual income of $35,000 would spend $22,800 of it on average, for housing and transportation combined. That amounts to 65% of the household's income. (HUD-DOT, *Location Affordability Index Tool: Loudoun County, Virginia*, posted at http://www.locationaffordability.info/lai.aspx (last accessed August 25, 2015))

Many occupations in Loudoun do not pay enough to afford the housing

Of the 20 growth occupations in Loudoun County, nine have an average annual salary well below that considered necessary to afford a two-bedroom apartment there ($58,320). Those occupations include dental assistants, medical and clinical lab technicians, medical secretaries, and ophthalmic medical technicians.[6]

The average weekly wage for numerous other major job categories in Loudoun falls short of that required for housing affordability. Included are local and state government employees (generally), retail workers, transportation and warehousing workers, administrative and support personnel, hotel and food service workers.[7]

Most of Loudoun's workers commute from other jurisdictions

Many more Loudoun workers commute from elsewhere than live in Loudoun. If housing opportunities in Loudoun for such workers were available and affordable, most of those workers surely would prefer to live in Loudoun.

As of 2012, about 178,000 Loudoun residents held jobs. Only about 55,000 of them worked in the County. More than 87,000 people who worked in Loudoun commuted from outside the County.[8]

So, more than 60% of Loudoun's workforce commuted from elsewhere. Four of the 10 jurisdictions from which most workers commuted to Loudoun are outside Virginia (Frederick, Montgomery, and Prince George's Counties, MD, and Jefferson County, W. VA).[9]

HOUSING CHALLENGES IN LOUDOUN'S METRORAIL AREAS

Metrorail areas have many thousands of jobs but very few housing units

Loudoun County is studying at least two Metrorail-related areas of eastern Loudoun:

1) The *Metrorail Service District (MSD)*—a/k/a Metro Tax District, Silver Line Tax District, and Silver Line CPAM area—which includes Dulles Airport (IAD), much of the land north of it to Waxpool Road and west of Route 28, as far as the

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[6] (Va. Employment Commission, *Community Profile: Loudoun County*, p. 32 (as updated to Aug. 13, 2015); posted at: http://virginialmi.com/report_center/community_profiles/5104000107.pdf).

[7] *Id.*, p. 26.

[8] *Id.*, p. 10.

[9] The 10 jurisdictions together accounted for less than 60,000 of Loudoun's 87,000+ in-commuters—about 2/3 of the total. (Fairfax County led with more than 28,000; Prince William County was second with almost 10,000. No other Virginia jurisdiction had more than 3,000 commuters to Loudoun. *Id.* at 11.

Ashburn Station area—and land south of that station, to and across Old Ox Road.[10]

2) The *Scenario Planning Study Area (SPSA)*, a much smaller area, consisting of certain parcels of land close to the two future Metrorail stations (Loudoun Gateway and Ashburn (Rt. 772)), and certain other parcels between those stations.[11]

In the MSD in 2010 (the baseline year for the MSD Study), there were 35,594 jobs and 220 housing units. [12] Thus, there were 162 jobs per housing unit (a "jobs-housing ratio" of 162:1). Less than 1% of the workers in the MSD could find housing within its bounds at that time, even in theory. (See discussion of A Key Issue—Improving Jobs-Housing Ratios, below.)

In the SPSA in 2015 (the baseline year for that study), there are an estimated 6,114 jobs,[13] and only 124 housing units (all multi-family) for Loudoun residents. Thus, the current jobs-housing ratio in the SPSA is about 49:1—about 33 jobs for every housing unit.[14]

Scenario Planning Study Area (SPSA) includes only a fraction of the transit-oriented development (TOD) areas around the Metrorail station areas

The County has invited public participation in planning development scenarios for the SPSA. However, that area does not include most of the land that is key to transit-oriented

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[10] *See, e.g.*, Loudoun County Dept. of Planning, *ULI Washington Technical Assistance Panel Briefing Book* ("TAP Briefing Book"), p. 4 and Figures 8, 9 (April 2014); posted at: http://www.loudoun.gov/DocumentCenter/View/102366.

[11] *See, e.g.*, Stantec Consulting Group, *Loudoun County Land Use Scenario Planning Study, Board of Supervisors Presentation, Sept. 16, 2015,* ("Stantec 09/16/2015"), p. 38; posted at: http://silverlinescenarioplanning.com/wp-content/uploads/2015/05/LCSPS-BOS-Presentation-FINAL-REVISED.pdf.

[12] TAP Briefing Book, pp. 31, 33.

[13] The jobs figure is merely a rough estimate, based on the total square footage of nonresidential development in the SPSA in 2015 (the baseline year (BYT)) in each general category, divided by the number of square feet per worker in each category under Loudoun County's guidelines--as EHI interprets them. *See, e.g.*, Stantec 09/16/2015, p. 20; Loudoun County, *2013 Fiscal Impact Committee Guidelines*, p. 20, Table 1 ("Employees per 1,000 sq. ft." for each Nonresidential Component); posted at: http://www.loudoun.gov/DocumentCenter/View/103040.

The nonresidential categories are retail (RET), office (OFF), data center (DATA), industrial (IND), and other (OTR). We estimate that the total square footage of nonresidential development in the SPSA in 2015—2,122,823 square feet—converts to 6,114 jobs, so that the average square-footage per worker is 347 square feet under Loudoun's guidelines.

[14] There are 271 hotel rooms in the SPSA, but hotel development should not be considered as housing for Loudoun workers. *See, e.g.*, HR&A Team Study, p. 2-24 (hotel market is for "overnight visitors to Loudoun County, . . . primarily business travelers with a small but growing leisure visitor market.")

development (TOD) around the Metrorail stations. TOD focuses on the area within a half-mile from a transit station.[15]

Very little of the land within a half-mile of the Ashburn Station is within the SPSA. The County already has approved rezoning of most of the land within the TOD area for predominantly commercial development. A list of the major approved projects within a half-mile of that station and the Loudoun Gateway Station is attached. Those projects would produce an estimated, combined total of 48,518 jobs and 9,403 housing units at full buildout. Thus, less than one-third of the new workers could be housed there, even in theory.

Most of the land within a half-mile of the Loudoun Gateway Station is within the borders of Dulles Airport (as is the station itself), so Loudoun County does not regulate the use of that land. Some land within a half-mile north of that station is subject to County regulation. The County has designated that land as a Transit-oriented Employment Center (TREC), and it does not permit residential development there.

The TREC lies within a flight path of Dulles Airport (IAD), and most of it also is off-limits to residential development under the County's noise abatement regulations, because it generates a day/night average noise level of 65 decibels ("LDN 65"). [16] Some land north of the TREC to Waxpool Road also is within that LDN 65 residential restriction, as well as some land west of the station.

Metrorail Service District borders on other huge employment areas with little or no residential development

Other major developments that border on the MSD, and whose predominantly commercial development has been approved by the County, include the following:

- *Dulles Airport (IAD)* generates more than 19,000 jobs on-site (including about 16,000 fulltime jobs)[17] and contains no housing.

- *Route 28 Corridor:* The County's approved plan for the corridor (March 2011) aims basically to produce "Class A office space and other employment-generating uses."[18] No residential development is permitted in its office cluster areas. Within the corridor's mixed-use centers, a very restricted amount of new housing may be

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[15] TAP Briefing Book, p. 22.

[16] TAP Briefing Book, p. 23,

[17] Metropolitan Washington Airports Authority (MWAA), *2012 Economic Impact Study: Technical Report*, p. 5; posted at: http://www.flydulles.com/sites/default/files/2012_economic_impact_study.pdf.

[18] TAP Briefing Book, p. 20.

allowed, The resulting jobs-housing ratios in that corridor would be *severely* imbalanced. [19]

- *Dulles World Center:* 81 acres just north of the Dulles Airport Access Road and east of Route 28, adjacent to the Fairfax County line, has been rezoned and contemplates building 4.1 million square feet of nonresidential development along with only 1,265 residential units.

Eastern Loudoun has been planned and zoned for predominantly commercial development. It needs much more housing to reduce traffic, sprawl, housing cost increases, and many other problems.

A KEY ISSUE—IMPROVING JOBS-HOUSING RATIOS

The generally recommended target standard for a community is one housing unit for every 1.5 jobs, according to a recent American Planning Association (APA) advisory.[20] A 1.5:1 jobs-housing ratio is roughly comparable to a 1:1 ratio of jobs to workers living in the community. The APA Report also states:

> The notion of balancing jobs and housing goes well beyond trying to attain numerical equality. Ideally, the jobs available in a community should match the labor force skills, and housing should be available at prices, sizes, and locations suited to workers who wish to live in the area.[21]

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[19] Loudoun County Dep't of Planning, *Route 28 Corridor Plan, CPAM 2009-0001*, p. 14 (Adopted by Board of Supervisors, March 15, 2011); posted at: http://www.loudoun.gov/DocumentCenter/Home/View/1478. But other lodgings, consisting of "destination, full-service hotels proposed south of Sterling Boulevard may exceed the recommended 10% Commercial Retail and Services and lower FAR's may be allowed." (*Id*.)

The maximum square-footage permitted for residential in the mixed-use centers is 25% of total development, whereas office development is to absorb between 55% and 70% of total development. (*Id*., p. 18) Within the corridor's mixed-use centers: "New residential uses shall be contingent on the prior or concurrent construction of office uses[.]" (*Route 28 Corridor Plan*, p. 14)

An average multi-family housing unit is at least 1000 square feet, and the average number of workers is about 1.5 per unit. By contrast, at least 3-4 employees typically work in 1000 square feet of office space. Thus, allowing almost three times as many square feet for office development as for residential development creates an enormous imbalance of jobs over housing units. And of course, no housing is permitted in the "office cluster" areas in the Route 28 corridor—creating an even more enormous imbalance there.

[20] APA Advisory Service Report 516, *Jobs-Housing Balance*, p. 4 (2003), available through: https://www.planning.org/store/product/?ProductCode=BOOK_P516.

[21] APA Report, p. 4. Loudoun County employment hubs generally have Type 1 *quantitative* imbalances ("the area is job-rich and needs more housing for low-wage workers"). APA Report, p. 5. A Type 1 imbalance is "probably most likely to occur in suburban job centers. The provision of affordable housing within or close to the job center is needed to address this imbalance." *Id.*

The APA Report clearly sees it as appropriate to balance jobs and housing in individual communities or commuter-sheds.[22] Thus, the Metrorail Service District would be an appropriate "community" or commuter-shed in which to balance jobs with housing. Even the SPSA would an appropriate "community" for that purpose, if it took into account the entire TOD areas around the Metrorail stations.

As mentioned, unless Loudoun permits many more housing units relative to job growth in the SPSA and MSD, Loudoun residents will experience adverse consequences such as:

- much longer commuting times on more congested highways;
- much more money spent on motor fuel, car and road maintenance;
- much more sprawl (bulldozing, paving over, and building in rural areas such as those in western Loudoun County, degrading those environments);
- higher housing prices, due to the inadequate housing supply for Loudoun's workforce reasonably close to its employment hubs;
- more hyperinflation and occasional, rapid deflation in the housing market, such as the cycle that led to the severe, recent recession and national financial crisis of 2007-2009;
- more residents reduced to poverty or perhaps even homelessness, due to excessive housing prices and transportation expenses—which often consume over half of a Loudoun family's income; and
- much lost economic development and after-hours vitality in the station areas, because most of workers' income and leisure time is spent where they live, not where they work.

Also as mentioned, most of those problems will increase for many non-residents as well—including those who commute to Loudoun from elsewhere in Northern Virginia and the rest of the Washington region. Residents of those other jurisdictions often pay excessive amounts of their income for housing costs, due to exclusionary housing policies in jurisdictions such as Loudoun.[23]

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[22] The APA Report assesses the adequacy of jobs-housing ratios within numerous "communities" that are much smaller than a county such as Loudoun. For example, the report states that suburban "edge cities" bring together "a mix of activities at a scale somewhere between central cities and low-density suburbs." They are major employment hubs and entertainment nodes and "are also supposed to be self-contained, allowing people to live, work, and consume in the same place . . . ." (APA Report, p. 7)

Places such as Tysons Corner, Reston, and Herndon in Northern Fairfax County fit the definition of edge cities—particularly as those Activity Centers are being planned. "Edge city" clearly refers to a much more compact area than a large county like Loudoun. The APA report notes, however, that there was as yet no generally accepted definition of the appropriate areas within which to assess jobs-housing balance.

[23] Stantec rated the highest jobs-housing ratio among the scenarios—the *Trend Development Scenario* (22.05 jobs per household by 2040)—as being preferable to the lowest (the *Community Workshop Scenario* ratio of 1.96 jobs per household by 2040). The two other scenarios both produced 2.35 jobs per household by 2040. Stantec 09/16/2015, p. 48. The basis for Stantec's rating apparently is the Supervisors' previously expressed goal of maximizing employment as

Planning for commercial growth without enough suitable nearby housing is not smart. For example:

- Rush-hour traffic is reduced if more workers live close enough to Metrorail or to their jobs to walk to them, rather than drive in from another area.
- Open space in the rest of the County can be preserved more easily, and urban sprawl minimized, if Metrorail areas provide ample housing opportunities for those who work there or commute by Metrorail.
- Excluding the workforce from living in the County ultimately would be self-defeating for the County financially. *See* discussion below of "Fiscal Concerns about New Housing").

Numerous recent studies show that workers now are moving predominantly toward more affordable areas, rather than high-paying areas.

1. One major study shows that rising housing prices in high-opportunity areas have substantially reduced Americans' traditional movement to those areas from other states.[24]
2. A leading housing economist has documented the adverse effects on the national economy of the population trend away from the most productive states and metros and toward states with more affordable housing.[25]
3. A recent book documents that, although most of the growth in productivity and wages in the United States has come from rich Coastal metro areas—such as San Francisco (*e.g.*, Silicon Valley), Boston, and New York City—more people have moved away from these flourishing areas in recent years than have moved to them.[26]
4. A recent survey shows that numerous states with the most upwardly mobile cities are seeing net emigration to other states.[27]

Balancing jobs with housing in commercial centers is consistent with current trend toward mixed-use development. "Recent trends in office development have seen

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opposed to housing. That goal is at odds with the planning principles set forth in the APA report on jobs-housing balance.

[24] Peter Ganong and Daniel Shoag, *Why Has Regional Income Convergence in the U.S. Declined?* (Jan. 2015) (posted at http://scholar.harvard.edu/files/shoag/files/ganongshoagjan2015.pdf).

[25] Edward L. Glaeser, *Houston, New York Has a Problem*, City Journal, Summer 2008, at 62, 67; posted at: http://www.city-journal.org/2008/18_3_houston.html.

[26] Ryan Avent, *The Gated City* (2011). *See generally, e.g.*, David Schleicher, *City Unplanning*, 122 Yale Law Journal 1670, 1693-94 (2013); posted at: http://www.yalelawjournal.org/article/city-unplanning.

[27] Derek Thompson, *Stuck: Why Americans Stopped Moving to the Richest States*, TheAtlantic.Com, Jan. 10, 2014; posted at: http://www.theatlantic.com/business/archive/2014/01/stuck-why-americans-stopped-moving-to-the-richest-states/282969/.

changing preferences towards mixed "live-work" communities with office adjacent to residential uses."[28]

> The growing preference for mixed-use walkable developments has led to the proliferation of "Town Center" lifestyle destinations, which are heavy on retail, entertainment and residential uses in eastern Loudoun County. Given the weak office market conditions, sometimes residential, retail, and entertainment components are built first and office is added later.[29]

One of the founding goals of nearby Reston, VA, was "that the people be able to live and work in the same community." In planning for its three Metrorail station areas, Reston included enough new housing to absorb as many workers as were anticipated to come to work there as part of a massive commercial expansion.

Fairfax County's transportation analysis of different planning scenarios determined that there would be less peak-hour congestion if there were more housing, rather than if predominantly office/commercial development were planned. [30] The County ultimately adopted the local planning task force's approach, which includes even more new housing (22,140 new units) than assumed by that transportation analysis, so as to actually balance the tremendous number of new workers (a bit more than 30,000) who are expected in the projected nonresidential developments in the station areas. [31]

RECENT STUDIES OF METRORAIL-AREA HOUSING MARKET

The Loudoun County government has commissioned numerous studies to aid it in deciding the development issues surrounding the Metrorail stations. Important studies,

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[28] HR&A Team Study, p. 4-17.

[29] .HR&A Team Study, p. 2-12.

[30] Fairfax County did extensive traffic analyses regarding different development scenarios for the three Reston Metrorail station areas (Wiehle Ave., Reston Town Center, and the south side of the Reston West/Herndon station). Its Department of Transportation (FCDOT) calculated that if the number of total housing units increased from about 22,600 to 24,600, and the amount of planned nonresidential development decreased 13% to more nearly balance that number of new workers with housing units, traffic loads and patterns would improve substantially.

See, e.g., Fairfax County Department of Transportation (FCDOT), *Dulles Corridor Special Study Transportation Results*, pp. 11, 24 (April 8, 2013); posted at: http://www.fairfaxcounty.gov/dpz/projects/reston/documents_reference/04-08-2013_presentation_transportation_analysis.pdf (comparison of less-balanced Scenario E with more-balanced Scenario G, which was the basis for the final, approved plan; FCDOT estimated that average peak period intersection delays during the afternoon rush hour ("PM peak period") were projected to decrease 14% at the major ("Gateway") intersections, and 8% overall at intersections in the study area, between Scenarios E and G).

[31] Fairfax County Dept. of Planning and Zoning, *Reston Transit Station Areas, Comprehensive Plan Text*, p. 23 (Adopted by Fairfax County Board of Supervisors, February 11, 2014) (Metrorail station areas are planned for total of 27,900 housing units); posted at: http://www.fairfaxcounty.gov/dpz/projects/reston/plantext/adopted_plan_text-reston_tsas.pdf. .

including certain ones not commissioned by the County, are identified in the HR&A Team Study, pp. 5-25 to 5-30. The most recent studies that substantially address housing are the 2014 ULI report and the 2015 HR&A Team Study. We will discuss them below.

2014 ULI report

Loudoun County commissioned the Urban Land Institute to produce a Technical Assistance Panel (TAP) Report about how to achieve the County's development goals related to its future Silver Line stations.[32] ULI "advised that the County reconsider its plans for major office space development around these two stations." It explained that current market trends are inconsistent with such planning. Demand for office space is shrinking.[33]

Another major message from ULI to the Board is: "Do Not Fear Multi-Family Housing." Addressing concerns that multi-family housing would cause a drain on Loudoun's budget by adding greatly to school enrollment, ULI explains:

> There is a myth that building multi-family housing in walkable urban places will result in overwhelming the public schools with children. This myth is particularly a concern regarding rental multi-family housing. The experience in Arlington County is exactly the opposite of this mythical fear. . . . Communities with walkable urban places have found that the cost of residential services can be offset with the revenue generated by retail and restaurant uses. A monoculture of residential or commercial uses cannot serve the entire community, and will fail to attract the ever-desirable 18-35 "millennial" demographic . . . . [34]

"Since housing represents about 60 percent of the square footage in real estate, the Panel emphasized that there should be ample allowance for residential development – both rental and for-sale – at the station areas."[35]

Among the examples of current trends, ULI mentioned the redevelopment plans for Metrorail station areas in Clarendon, Tysons Corner, and Reston Town Center in Northern Virginia, and White Flint in suburban Montgomery County (MD). Clarendon—perhaps the most popular of Arlington's Metrorail station areas—has enough residential

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[32] ULI Washington, *Harvesting the Value of Metrorail in Loudoun County, Virginia*, May 2014 ("ULI Report"); posted at: http://www.loudoun.gov/DocumentCenter/View/107409. The County's intent was to "to determine if the County's Revised General Plan provides a planned land use that strikes a desired and beneficial balance between the following four criteria:

- prompt realization of tax revenues to support future Metrorail operations;
- maximizing future employment generation;
- achieving the desired land use pattern; and
- minimizing demands on the County's transportation infrastructure." (ULI Report, p. 6)

[33] *Id.*, p. 13.

[34] ULI Report, p. 19.

[35] ULI Report, p. 20.

development to balance the number of workers there. The other examples (Tysons Corner, Reston Town Center, and White Flint), will be redeveloped with vastly more housing, comparison to the number of new jobs, than has been done to date.

2015 HR&A Team Study

Loudoun County retained HR&A Advisors and Kimley-Horn ("the HR&A Team")[36] in 2014 to conduct a market analysis and best practices study to guide the land use recommendations around Loudoun County's future Metrorail station areas. The purpose of the market analysis was "to provide an outlook for non-residential development."[37]

The HR&A Team Study gives five key recommendations. The first three focus on the Loudoun Gateway Station area, where residential development generally is not permitted by the County due to airport noise constraints. Key Recommendation #4 focuses on the Ashburn Station area. It recommends that the County continue to pursue commercial office development there, although very little office development has occurred recently, because offices will complement the residential and retail uses that are currently being developed near that station.[38]

Key Recommendation #5 is that the County allow certain temporary, interim uses of some station area land (such as surface parking and big box retail) to "create jobs, and generate tax revenues while preserving opportunities for the higher-density commercial development envisioned in the longer term."[39] However, that recommendation should not be interpreted to allow interim uses where housing is necessary to avoid exclusionary results.

Among the HR&A Team's notable findings:

- "Residential development is outperforming other development at the Ashburn Station with new multi-family development with a vacancy of 1.1% compared to an office vacancy of 46.6% and retail vacancy of 7.9%." (HR&A Team Study, p. 4-18)[40]

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[36] HR&A is a real estate, economic development, and public policy consulting firm. Kimley-Horn is a transportation and land-use planning firm, with expertise in airport development and operations. HR&A Advisors and Kimley-Horn, *Market Analysis and Best Practices Study: Final Report*, p. i ("HR&A Team Study") (Loudoun County Board of Supervisors, *Item—Silver Line CPAM Committee of the Whole* (Sept. 16, 2015); posted at: http://www.loudoun.gov/index.aspx?NID=3200).

[37] *Id*.

[38] HR&A Team Study, p. xii.

[39] *Id*.

[40] "Within a half-mile of the Ashburn Station there is 169,099 square feet of office with a 46.6% vacancy rate, leaving 78,777 square feet of vacant office. . . . Multi-family development around Ashburn Station is performing well with a low vacancy of 1.1% among the current 651 units and rents have increased from a starting rent of $1,450 to their current average asking rent of $1,550 since opening." (*Id.*, p. 2-11)

- "Market conditions along the Silver Line are similar to those in Loudoun County. New station areas along the Silver Line have high office vacancy rates above 19%, are seeing increasing amounts of multi-family development designed to capture rail proximity, and strong retail demand with vacancy under 1%." *Id.*, p. 2-33.

- "With a regional oversupply of office use, very new little office development is occurring." *Id.*, p. 2-34

- "The current multi-family vacancy rate of 5% in Loudoun County and a multi-family vacancy rate of 1.1% in the Ashburn Station Area, immediately surrounding the proposed station stop, suggest market demand for additional multi-family housing product." *Id.*, pp. 2-22 to 2-23) (The County assumes an average vacancy rate for new multi-family housing units of between 5.6% and 7%. (2013 Fiscal Impact Guidelines, p. 24))

- "With an eye towards improving market conditions, the County may consider allowing even more multi-family development to encourage construction of additional multi-family units at the Ashburn Station." (HR&A Team Study, p. 2-23)

- "According to local stakeholders, private development in Loudoun County has yet to deliver new residential development at the full higher densities allowed in the County's zoning code. . . . Local developer interviews also indicated a preference to construct lower density developments in order to obtain approvals from the Board of Supervisors. Current development trends in Loudoun County have favored the development townhouses and single-family units. Of the new residential units in 2013, 52% were townhouses (single-family attached), 36% were single-family detached and 12% were multifamily." (*Id.*, p. 2-21)

PLANNING SCENARIOS FOR METRORAIL AREAS

The SPSA process has produced four development scenarios to date.[41] Each envisions a different mix of residential and nonresidential development in the SPSA. Three of the scenarios were developed by Loudoun County staff and its consultants (Stantec Consulting Group) following the first public workshop, on May 28, 2015. To summarize those three:

- The *Trend Scenario* projects current development patterns into the future. If it were adopted, there would be 9,024 jobs and 618 housing units in the SPSA in 2040. The resulting jobs-housing ratio would be 14.6:1—almost 10 jobs for every housing unit. Further, there would be no housing units built after that time under

[41] *See, e.g.*, Stantec Consulting Group, *Loudoun County Land Use Scenario Planning Study, Board of Supervisors Presentation, Sept. 16, 2015* ("Stantec 09/16/2015").

that scenario, so at full build-out the jobs-housing ratio would rise again to more than 49:1.

- The *Compact Scenario* envisions the greatest amount of development of the three, both residential and nonresidential. By 2040, there would be 12,593 jobs and 9,052 housing units (almost all "urban multifamily attached" (UMFA))—producing a much better jobs-housing ratio of 1.39:1. At full build-out, however, additional nonresidential development would yield an ultimate jobs-housing ratio of about 2.6:1 (about 32,496 total jobs—mostly office jobs—and 12,511 housing units (almost all UMFA)).

- The *Housing Choices Scenario* would result in an even lower jobs-housing ratio of 1.01:1 by 2040 (8,257 jobs and 8,203 housing units (mostly multi-family attached (MFA)). However, no further housing units would be built after that point, whereas the number of jobs would increase to 20,933 at full buildout—an increase of almost 13,000, or more than 150% over 2040. The resulting jobs-housing ratio would be 2.55:1.

At the second public workshop, on August 26, 2015, attendees were given the opportunity to develop their own scenario—the Community Workshop Scenario.

- The *Community Workshop Scenario* would result in much more potential housing and jobs than the others. By 2040, there would be 12,593 jobs and 9,052 housing units (almost all "urban multifamily attached" (UMFA))—the same numbers as for the *Compact Scenario*, producing a jobs-housing ratio of 1.39:1. However, at full buildout much more development, both residential and nonresidential, would be produced—about 42,279 total jobs and 22,441 housing units (almost all UMFA)). The jobs-housing ratio at full buildout would be about 1.88:1.

Effect of planning scenarios on Metrorail Service District

Even the *Community Workshop Scenario* would only partially correct the major imbalance of jobs over housing units in the MSD, unless a huge amount of housing was added outside the SPSA. As mentioned, in the baseline year (2010) there were 35,594 jobs and 220 housing units in the MSD. The *Community Workshop Scenario* would result in 42,279 jobs in the SPSA, in addition to the 29,480 baseline jobs in the rest of the MSD, for a grand total of 71,759 jobs at full buildout.

Adding the baseline 98 housing units outside the SPSA to the 22,441 envisioned inside it at full buildout yields a total of about 22,539 housing units in the MSD at full buildout. Thus, even the *Community Workshop Scenario* would result in a jobs-housing ratio of 3.18:1 in the MSD, if all the offices and other nonresidential development were built. A maximum of about 33,800 workers could live in the MSD if there were 22,539 housing units (assuming that the average housing unit would house 1.5 workers).

Thus, an absolute minimum of 37,950 workers would have to commute to the MSD from elsewhere. And probably many more than that would be commuting, because many of the housing units in the MSD would be occupied by people who work elsewhere and commute by Metrorail.

Effect of planning scenarios on rest of County

An imbalance in the MSD creates problems for the rest of the County. Loudoun's housing units are distributed fairly evenly among its eight election districts, with an average a little above 14,000 per district.[42] However, apparently 80% or more of Loudoun's 145,100 jobs were concentrated in the five Eastern districts (Algonkian, Ashburn, Broad Run, Dulles, and Sterling).[43] An even greater percentage of the County's job growth between now and 2040 is projected to be in those Eastern districts. See MWCOG, Round 8.3 Graphic posted at: http://va-loudouncounty.civicplus.com/DocumentCenter/Home/View/86352.

Increasing the ratio of jobs to housing units in the MSD would only aggravate the upward spiral of Loudoun's housing prices. (For example, as mentioned, the average monthly rent in the County increased by 73% between 2000 and 2013 (from $954 to $1,654 dollars per month).

FISCAL CONCERNS ABOUT NEW HOUSING

"Land use has long been a sticking point with Loudoun's residents and the Board of Supervisors, who have been chastised by some groups for being against new residential." (Anna Harris, *New study shows Loudoun homes do, on average, earn their keep,* Loudoun Times-Mirror, July 1, 2015 ("T-M, 7/1/15")) The supervisors' approach is largely due to concerns about increased public expenditures on account of new

[42] Those districts vary from a little under 13,000 housing units (Sterling) to 15,093 housing units (Blue Ridge), per the U.S. Census Bureau's *American Community Survey 5-Year Estimates for 2009-1*3 (Table B25001, American Fact Finder, available through http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml).

[43] The estimate of 145,100 employees in 2010 is from the Metropolitan Washington Council of Governments (MWCOG), *Round 8.3 Cooperative Forecasts; Process and Review*, 11 (April 4, 2014) (Summary of Intermediate Employment Forecasts); posted at: https://www.mwcog.org/uploads/committee-documents/Z11ZWFdf20140328152156.pdf.

The percentage of Loudoun jobs that are in the five Eastern Districts were estimated based on Census Bureau data on employment by zip codes (which are somewhat higher, apparently because they count each part-time worker separately). U.S. Census Bureau, *2010 ZIP Code Business Patterns* (Table CB1000CZ1, American Fact Finder) (there were roughly 166,000 paid employees in Loudoun zip codes in 2010, including at least 134,407 employees in the five Eastern districts). We have found no indication on the Loudoun County government website of how many people work in the different areas of the County.

residents—such as for added school rooms and teachers, police, fire, and other public employees and facilities.[44]

However, it does not make good financial (fiscal) sense for Loudoun's government to continue opposing new, privately-financed housing for the workers it seeks to attract—especially housing in large, multi-family buildings close to its major employment hubs. For example, as explained below:

1. There would be relatively little (if any) *net* increase in County spending above the increases in County revenue due to the new residents, when all taxes and other forms of revenue attributable to new residents are considered.
2. Any net increase in County spending would be quite small, compared to the increased local tax revenue that will be collected from the Loudoun businesses in which new residents will work.
3. The high and rising cost of housing in the County, due to exclusionary housing policies, impact taxpayers financially like a tax increase.
4. Exclusionary housing policies will cost the County a lot of economic development (and tax revenue), because workers spend most of their paychecks where they live, not where they work.
5. Exclusionary housing policies will make the County's business base vulnerable, because many businesses continue to move closer to where their workers (and customers) live.
6. An overwhelming majority of the 75 people who attended the public meeting in May about Metrorail-area development planning indicated they would be willing to pay more for schools, roads, and other infrastructure, as needed to permit TOD development in the Metrorail areas, including a great deal of new housing.
7. As mentioned, Loudoun has one of the highest per-capita incomes of any county in the United States, the wealthiest nation in the world; if Loudoun cannot afford to house its workforce, it appears no place on earth can afford to permit enough residences to house their workforce—which would be an utterly absurd situation.
8. A government policy that interferes with the ability of lower-income people who work in Loudoun to live there is actually unlawful.

Specifics about those points follow.

[44] Thus: "In recent years, [Loudoun's] elected leaders have focused on adding data centers and office buildings to grow the tax base without creating additional need for school seats and other services."(Jonathan O'Connell, *Why one number has homebuilders furious with Loudoun County*, Wash. Post, July 5, 2015 ("O'Connell, WaPo, 7/5/15"))

1. **There would be relatively little (if any) *net* increase in County spending, above the increases in County revenue due to the new residents, when all taxes and forms of revenue attributable to new residents are considered.**

Loudoun County's Economic Development Commission (EDC) in 2011 concluded that new housing costs the County $1.62 in increased services for every dollar received in residential taxes. Loudoun Board Chairman Scott K. York noted that "since I've been on the board of supervisors most of the folks have been using the $1.60 figure." (York was first elected in 1995.)[45]

However, a recent study by a major consulting firm (RCLCO) that previously did an extensive market and fiscal impact analysis for Loudoun County of Metrorail's extension to the County, indicates that EDC's $1.62 figure is off-base. RCLCO's study indicates that new housing in the county breaks even, fiscally speaking.[46] The County's most recent market analysts (the HR&A Team) reach a similar conclusion. "The value of higher-density housing at the Ashburn Station may offset the County's cost of services for additional residents."[47]

Christopher B. Leinberger, a professor at the George Washington University School of Business, a non-resident Senior Fellow at the Brookings Institution—and once a co-owner of RCLCO—believes that the critical take-away for Loudoun leaders is all types of housing are not the same.

> Single-family homes in locations that always require driving are likely to create economic losses — partly from the added traffic congestion, Leinberger said — while densely built housing in walkable areas near the county's planned Metro stations can create real estate value the county can then tax.[48]

The *Community Workshop Scenario* generates the most potential tax revenue ($103 million) and Metro Tax District revenue ($8.2 million) by 2040 of the four scenarios. It also generates as much potential *net* revenue ($50.2 million) as any of those scenarios, by 2040.[49]

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[45] O'Connell, WaPo, 7/5/15.

[46] Anna Harris, *New study shows Loudoun homes do, on average, earn their keep*, Loudoun Times-Mirror (July 1, 2015) (discussing RCLCO, *The Cost of Housing in Loudoun County* (May 12, 2015) ("RCLCO 2015"); posted at: http://www.loudounchamber.org/downloads/Cost%20of%20Housing%20in%20Loudoun%20County.pdf) The value of both single-family and multi-family units built in 2014 exceeded the values necessary for them to "pay their way" in taxes. RCLCO 2015, pp. 4-5 (no multi-family rental apartments were built in 2014).

[47] HR&A Team Study, p. 4-8.

[48] Jonathan O'Connell, *Why one number has homebuilders furious with Loudoun County*, Wash. Post, July 5, 2015 ("WaPo, 7/5/15")

[49] Stantec 09/16/2015, p. 45.

See also, e.g., Housing Virginia, *The Effects of Housing on the Local Economy* 5 (2011), posted at www.housingvirginia.org (common assumption that "new housing is a drag on local budgets" is wrong; comprehensive look at all local taxes that new housing stimulate shows the opposite). [50]

2. **Any net increase in County spending would be quite small, compared to the increased local tax revenue that will be collected from the Loudoun businesses in which new residents will work.**

Loudoun clearly would come out well ahead financially, with all the new commercial activity it envisions, even if it permits enough suitable new housing in the County for all the new workers. RCLCO's conclusion that commercial development in Loudoun costs 44 cents for every dollar it adds to County revenue is only a little higher than the 2011 EDC report (38 cents in expense per dollar of revenue).

3. **The high and rising cost of housing in the County, due to its exclusionary housing policies, impact residents financially like a tax increase.**

As mentioned, the average monthly rent in Loudoun increased by 73% from 2000 to 2013, from $954 to $1,654 per month. Rental units in the County are 15% more expensive than the average monthly rent per unit in the Washington MSA. Loudoun's for-sale residential market saw higher than average home prices for the Metropolitan Washington area in 2014. Loudoun residents pay a substantial price for the County's exclusionary zoning and other housing policies, in the form of high and rising housing costs.

4. **Exclusionary housing policies will cost the County a lot of economic development (and tax revenue), because workers spend most of their paychecks where they live, not where they work.**

George Mason University Prof. Stephen Fuller recently explained the loss of economic development in the Washington region generally, due to its growing dependency on workers who live outside the region. "By 2030 the Washington metropolitan area's growing dependency on non-local residents to fill its increasing demand for labor is projected to cost its economy 8.75 percent of its gross regional product."[51]

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[50] That observation is nothing new. *See, e.g.,* Richard F. Babcock, *The Zoning Game* 42 (U. Wisconsin Press, 1966) (classic work on zoning states that residences "are popularly believed to add less to the tax base than the cost of municipal services they create, a myth which has been exposed by Ruth Mace in the book she edited, *Municipal Cost-Revenue Research in the United States* [(U.N.C. Press 1961)].")

[51] Stephen S. Fuller, Ph.D., *The Future of the Washington Metropolitan Area Economy*, p. 3 (April 2010) (George Mason University CRA Report); posted at: http://cra.gmu.edu/pdfs/researach_reports/2030_group_reports/The_Future_of_the_Washington_Metropolitan_Area_Economy_Alternative_Growth_Scenarios_and_Their_Regional_Implications.pdf.

The lost economic activity is due to workers taking their wages and salaries to where they live, and paying for retail and consumer services and business activities there instead of where they work. Similarly, Loudoun loses a great deal of (taxable) economic activity because a high percentage of people who work there live outside the County (about 60%).

5. **Exclusionary housing policies will make the County's business base vulnerable, because many businesses continue to move closer to where their workers (and customers) live.**

As mentioned, the history of commercial growth in the United States over the last century shows that many businesses tend to move toward where their target workers (and customers) live. If Loudoun's workforce doesn't live there, many Loudoun businesses eventually will consider moving out of Loudoun, toward where their workforce (and customers) live.

6. **An overwhelming majority of the 75 people who attended the public meeting in May about Metrorail-area development planning indicated they would be willing to pay more for schools, roads, and other infrastructure, as needed to permit TOD development in the Metrorail areas, including a great deal of new housing.**

On May 28, Loudoun County held its first planning workshop designed for public participation regarding its future Metrorail areas. Overwhelmingly, the workshop participants favored high-density, mixed-use development as the desired land use pattern for the study area. For example, roughly 90 percent of the 75 participants said that they strongly agree with the following statement: "I think the study area should have one or more walkable, mixed-use centers, similar to Reston or One Loudoun." (Emphasis added)

Also, roughly 90 percent of the workshop participants said they would be willing to see more development in the Metrorail areas even *if it means that the County has to pay more for schools, roads, and other infrastructure.* Participants identified photographs of walkable, urban, mixed-use development as being the most desirable form of development. The overall sentiment from meetings with "stakeholders" (landowners and developers) the following day was similar.

7. **As mentioned, Loudoun has one of the highest median household incomes of any county in the United States, the wealthiest nation in the world; if Loudoun cannot afford to house its workforce, it appears no place on earth can afford to let their workforce live within their jurisdiction—which would be an utterly absurd situation**.

Board of Supervisors Chair Scott York recently noted the oft-quoted statistic that Loudoun is home to the highest per-capita household income in the nation.[52] If Loudoun

[52] Trevor Baratko, *Three weighty issues in the Loudoun chairperson race*, Loudoun Times-Mirror, Oct. 28, 2015. Entering 2014, Loudoun's median household income ($118,650) was second-

can’t afford to house its workforce, apparently no jurisdiction could afford to its own workforce—a patently absurd proposition.

8. A government policy that interferes with the ability of lower-income people who work in Loudoun to live there is actually unlawful.

Government policies that interfere with suitable housing opportunities in the jurisdiction for lower-income people who work there constitute unlawful exclusionary housing policies. The earliest appellate decision we have found, in any state, condemning exclusionary zoning was issued by the Virginia Supreme Court—regarding Fairfax County. *Board of Sup’rs of Fairfax Cty. v. Carper*, 200 Va. 653, 107 S.E.2d 390 (1959).

In *Carper,* the Court invalidated an attempt by the Fairfax Board of Supervisors to change Fairfax County’s zoning with “the practical effect” of preventing “people in the *low income bracket* from living in the western area and forcing them into the eastern area.” 390 S.E.2d at 396 (emphasis added). The Court found that the Board’s action was “unreasonable and arbitrary and that it bears no relation to the health, safety, morals, or general welfare of the owners or residents of the area so zoned.” *Id.* at 396-97.

More recently, the Virginia Supreme Court amplified its holding in *Carper,* in overturning another exclusionary zoning provision by Fairfax County:

> Another discriminatory effect, although perhaps unintended, of the Board's zoning policies was to elevate the cost of building sites and housing and thus tend to exclude from portions of Fairfax County those persons who do not have the “substantial means” to “afford to move into the County.” Zoning action with similar exclusionary effect was held impermissible in [*Carper*].

Board of Sup'rs of Fairfax County v. Williams, 216 Va. 49, 60 (1975).[53]

CONCLUSIONS

The people who participated in the public workshops regarding Loudoun County’s Scenario Planning Study indicated overwhelmingly that they want urban-scale development near Metrorail. The *Community Workshop Scenario* generated as part of the public workshops calls for a great amount of housing (more than 22,000 units—all multi-

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highest of any county in America. (Tom Van Riper, *America's Richest Counties 2014*, Forbes.com, Apr. 1, 2014)

[53] Often, such discriminatory effects have a disproportionately large impact on members of minority groups. The U.S. Supreme Court recently determined that housing policies with such impacts on minorities generally violate the federal Fair Housing Act. *Texas Dept. of Housing and Community Affairs v. Inclusive Communities Project (ICP)*, 192 L. Ed. 2d 514 (No. 13–1371, June 25, 2015).

family) to accompany the intensive commercial development (office, retail, etc.) that Loudoun County hopes will locate in those station areas.

That community approach is well-founded. Currently, many thousands of workers (such as business owners and employees, professionals, service and retail employees) commute to jobs near those future stations, and there are very few housing units in that area (as of 2010, there were 35,594 jobs and 220 housing units in the Metrorail Service District).

Unless Loudoun County changes its policies to permit much more housing relative to jobs there, the expected commercial buildup will compound many challenges for Loudoun residents. Among them are traffic congestion, urban sprawl (pressures on Loudoun's remaining open space west of the Metrorail areas), higher housing prices, and lost economic development within the County, to name just a few. Most of those problems will increase for many non-residents as well—including those who commute to Loudoun from elsewhere in Northern Virginia and the rest of the Washington region.

Loudoun already has widespread housing affordability challenges. Housing costs in the County are relatively high, even for Northern Virginia. Many common occupations do not pay enough to afford housing in Loudoun, and most people who work in Loudoun commute from elsewhere—including many from far-flung jurisdictions in other states. If housing opportunities in Loudoun were available and affordable for those workers, most of those workers surely would prefer to live in Loudoun.

Loudoun's future Metrorail areas have many thousands of jobs but very few housing units. The generally recommended target standard for a community is one housing unit for every 1.5 jobs—according to a recent American Planning Association (APA) advisory. However, in the Metrorail Service District, as of 2010, there was an astronomical ratio of 162 jobs per housing unit. That area would be an appropriate "community" or commuter-shed in which to balance jobs with housing.

Residential development is outperforming other development at the Ashburn Station by far, with new multi-family development with a virtually nonexistent vacancy rate of 1.1%, compared to a huge office vacancy rate of 46.6%, and a retail vacancy rate of 7.9%.

Although the *Community Workshop Scenario* is the most realistic about housing needs, it still would result in a jobs-housing ratio of 3.18:1 in the MSD (assuming that all the offices and other nonresidential development is built). Thus, most of the workers there would have to commute from elsewhere—at least 37,950 workers, and probably many thousands more.

That's because many units predictably will be sought by people who work outside the MSD—especially people who work east of Loudoun, anywhere near a Metrorail station. The County should permit a major increase in the amount of housing in other major commercial areas of Eastern Loudoun, to reduce the traffic, sprawl, housing price spirals, and many other adverse consequences.

It does not make good financial (fiscal) sense for Loudoun's government to continue opposing new, privately-financed housing for the workers it seeks to attract—especially housing in large, multi-family buildings close to its major employment hubs. For example:

1. There would be relatively little (if any) net increase in County spending, above the increases in County revenue due to the new residents, when all relevant taxes and other forms of revenue attributable to new residents are considered.
2. Any net increase in County spending would be quite small, compared to the increased local tax revenue that will be collected from the Loudoun businesses in which new residents will work; and
3. The high and rising cost of housing in the County, due to exclusionary housing policies, impact taxpayers financially, like a tax increase.

Loudoun has one of the highest per-capita incomes of any county in the United States—the wealthiest nation in the (history of the) world. If Loudoun cannot afford to allow its workforce to live in the County, no place on earth could afford to allow its workforce (or Loudoun's) to live within its borders—which would be an absolute absurdity.

It is time for Loudoun County to take a major step in the direction of allowing the people who work in the County to find housing there that they can afford—as close to their jobs as feasible. It should support a development plan for the Metrorail areas with *at least as* much housing as the *Community Workshop Scenario.* That scenario, generated by the public participants in the planning process, deserves weight by a government of the people, by the people, and for the people.

ATTACHMENT: Development already approved in Metrorail TOD areas

Ashburn Station area

The following parcels already have had their development projects approved by the County and thus are not within the SPSA. They constitute roughly 90% of the potential transit-oriented development area (land within one-half mile of the station).

- *Moorefield Village* owns the first half-mile on roughly the west side of Ashburn Station. Moorefield Village was granted rezoning in 2002 for up to 9.75 million square feet of commercial space and 6,000 housing units. (TAP Briefing Book, p. 12) Based on existing development patterns within the SPSA, we estimate that 9.75 million square feet of commercial space would accommodate roughly 28,000 workers.[54]

- *Loudoun Station* is authorized to build 1.9 million square feet of commercial space (which we estimate would generate roughly 5,476 workers) and 1,514 housing units, on the northeast side of Ashburn Station. (TAP Briefing Book, p. 13)

- *Digital Loudoun* is approved for four data centers, which would have no residential component. (Id.) Data centers also employ relatively few workers (an estimated 3,700 square feet per worker). They seem out of place so close to Metrorail, precluding much residential and other commercial activity there. We understand that data center owners actually would prefer that those structures be farther away from transit stations. already have had their plans for predominantly commercial plans approved for their large parcels there. Also, roughly 80% (?) of the land within a half-mile on the eastern side of that station is already planned.

- *Dulles Parkway Center II*: Its large parcel in the southeast sector of the TOD area already has a County-approved plan for 600,000 square feet of office and retail development and 624 multi-family residential units.

Loudoun Gateway Station area

- *West Dulles Station* is a 28-acre tract in the northern section of the TREC that already has been rezoned for up to 485,760 square feet of flex-industrial and office uses, as well as 1,895 parking spaces. So far, however, it is undeveloped.

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[54] Our estimate is based on the current distribution of square-footage in the SPSA among office, retail, data center, industrial, and other forms of commercial development.