

April 29, 2019

Members of the Board of Supervisors
Loudoun County, Virginia
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Leesburg, VA 20175

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RE: Draft Comprehensive Plan 2019—Comments on housing issues

Dear Board Members:

As President of the Equitable Housing Institute (EHI), I offer the following comments on some significant housing-related issues discussed during last week's public hearings. (I also am a member of the County's Housing Advisory Board. However, the views expressed below are those of my organization and do not necessarily represent the views of that Board.)

1. Protecting residents from adverse side-effects of needed growth

Loudoun residents should be protected from adverse side-effects of the County's needed growth to the maximum extent feasible, consistent with good planning. That will ease the inevitable growing pains that flow from Loudoun County's acceptance of Metrorail stations in 2012.

Permitting enough housing near the new jobs is part of the solution. We recommend, that:

- Growth should not occur where the necessary infrastructure (road improvements, electricity, water and sewer, public safety and health facilities, etc.) is not yet in place despite reasonably diligent efforts to create it. Key infrastructure also includes ample housing near new office and commercial developments, in order to limit the traffic that otherwise would congest the roads, such as long-distance commuter traffic. So, permits should be attainable for ample housing in those locations.
- Loss of open space should be avoided in areas not needed for growth. Concentrating housing development near employment hubs and transit sites promotes maximum retention of open space, as does keeping growth generally out of the Rural Policy Area;

- Enough time should be allowed, before the Plan is finalized, for a reasonable resolution of the many other substantial concerns expressed by residents. For example, Loudoun’s young people should get maximum protection from disruptions such as having to switch schools unnecessarily. Of course, Loudoun’s youth also should be spared from the disruption of being unable to return to the County to live, after they finish their schooling, due to excessive housing costs and deficient housing supply.¹

2. New housing actually can ease traffic congestion, sprawl, and loss of open space

When people live close to their jobs, shopping and/or transit, they don’t need to drive as much or as far. Vehicle miles traveled (VMT) naturally go down, as a result.² A key planning strategy to achieve that is jobs-housing balance—which involves permitting enough housing units near jobs, so that as many of those jobholders as possible can live nearby in that community, thus reducing pressure on the area’s roads.³

Studies show what common sense indicates—that permitting sufficient housing near jobs promotes less traffic congestion than would be generated without that housing.⁴ One illustration is nearby Reston’s recent planning for Metrorail. The county and state transportation departments found that permitting enough housing near jobs, to absorb as many workers as Reston planned for, would produce less rush-hour congestion than if job growth exceeded the capacity of new housing to absorb it.⁵

Environmental concerns strongly favor permitting more people to live close to their jobs, too. Doing so logically would reduce the amount of residential development pressure on open space in outlying areas than would otherwise exist. Shopping and residents’

¹ Several residents raised concerns at the public hearings that the extensive growth envisioned might drain the County’s tax coffers, and that residents’ taxes might have to be raised. However, the many studies done by the County’s Dept. of Management and Budget, and by the region’s leading economic analysts, GMU’s Center for Regional Analysis, put those concerns to rest. That growth would produce a tremendous amount of net revenue for the County’s tax coffers.

² APA Advisory Service Report 516, *Jobs-Housing Balance*, p. 14 (2003), available through: https://www.planning.org/store/product/?ProductCode=BOOK_P516.

³ See APA Advisory Service Report 516, *op cit*.

⁴ See, e.g., George Mason University (GMU) Center for Regional Analysis (CRA), *Housing the Region’s Future Workforce, 2012-2032*, p. 23 (Dec. 2013) (any attempt “to build out of the region’s traffic problems is untenable. Allowing land use and zoning changes that permit the construction of more housing near jobs, which will require less commuting, is a critical implication of these housing demand forecasts.”)

⁵ See, e.g., County of Fairfax, *Dulles Corridor Special Study Transportation Results*, pp.9, 11, 24 (April 8, 2013).

services tend to locate near people’s homes and jobs, which further increases the importance of locating homes near jobs.

Permitting enough housing near the new jobs in the County certainly would reduce the tremendous number of workers who otherwise would clog the County’s roads on their long-distance commutes from places such as West Virginia, Maryland, Pennsylvania, and a host of Virginia jurisdictions.

3. New housing results in better, overall housing affordability, generally speaking

Most new housing tends to be of high-end, expensive types. However, it is axiomatic that the closer the total supply of housing approaches the demand, the less upward pressure there is on housing prices, overall. As new housing comes on the market, the price of older housing (much of it lacking updated features), tends to decline.

Added housing clearly has made some of Loudoun’s homes more affordable to low- and moderate-income workers. For example, the County has used its authority to negotiate proffers by home builders, to have them include some Affordable Dwelling Units (ADUs) in large, recent, market-rate, residential developments. Those units are kept affordable to low- and moderate-income residents.

4. Loudoun’s official growth forecasts (its “RGP-based forecasts”) indicate it will aggravate the region’s huge housing shortfall more than any other county

Loudoun’s official, RGP-based growth forecasts—the ones used by the Metropolitan Washington Council of Governments in its current regional forecasting—indicate that Loudoun would have the lowest percentage of housing growth, compared to job growth, of any county in the region, for 2015 to 2040.

Loudoun’s RGP-based forecast is for 110,700 new jobs (66% job growth)—in the County by 2040—apparently an unconstrained, market growth forecast.⁶ By contrast, Loudoun’s official housing forecast (which is constrained by current zoning restrictions, etc.) is for 45,800 new housing units (38% housing growth) during that period.⁷

That RGP-based growth ratio would make Loudoun responsible for about 24 percent of the entire region’s housing shortfall between now and 2040—and Loudoun would be the biggest contributor to that housing shortfall among area counties.⁸ About 26,000 of

⁶ MWCOG, *Summary of Intermediate Employment Forecasts, Final Round 9.1 Cooperative Forecasts*, Summary Tables (adopted Oct. 10, 2018) (“MWCOG Round 9.1 Tables”) (277,800 total jobs forecast by 2040, versus 167,100 existing jobs in 2015 (the baseline year)).

⁷ MWCOG Round 9.1 Tables, *op cit.* (167,000 total households by 2040, versus 121,100 existing housing units in 2015).

⁸ MWCOG, *op cit.* See also MWCOG Memorandum, *Meeting the Region’s Current and Future Housing Needs*, p. 2 (Sept. 12, 2018) ((Memo from Executive Director of MWCOG to Council’s

its future workers would be added to those who have to commute to work in the County from outside, simply due to that shortfall. If the other COG jurisdictions followed Loudoun's example, there would be about 157,300 fewer housing units in the region in 2040 than those jurisdictions currently forecast!⁹

5. Consequences if Loudoun's official growth forecasts are fulfilled

The adverse effects of the growth pattern forecast by the County would include:

- more traffic congestion and time Loudoun resident spend commuting to and from work;
- more sprawl, loss of open space, and other environmental problems in the County, such as more pressure to develop the thousands of "by-right" homes in the RPA;

Board of Directors, showing region-wide shortfall of 108,000 housing units from now to 2040, based on official growth forecasts submitted by MWCOG's 24 area jurisdictions, including Loudoun County).

MWCOG's analysis was made using a "widely accepted economic metric for 'balancing' the number of households and jobs"—a ratio of 1.54 jobs per household). Based on that ratio, Loudoun's projected 45,800 new housing units would accommodate 70,532 of Loudoun's new workers, leaving 40,168 of those workers (constituting more than 26,000 households) without the benefit of such housing in Loudoun County.

Thus, Loudoun's share of the housing shortfall would be about 24% of the total regional shortfall by 2040. (Loudoun is forecast to have less than 7 percent of the region's jobs by that time, although its share of the region's jobs is increasing.) If Loudoun adopted a somewhat less aggressive approach to job growth, compared to housing growth, its overall, jobs-housing growth ratio might improve substantially, along with its traffic and environmental challenges.

The January 2018 Kimley-Horn Market Analysis discussed in DPZ's initial presentation to the Board on April 3, 2019, uses a somewhat different housing demand data set, and it concludes that Loudoun would have an even greater share of the region's housing shortfall to 2040—approximately 28%. DPZ, *Loudoun 2040 Comprehensive Plan*, p. 2 (memorandum re: Loudoun County Board of Supervisors Work Session of April 3, 2019).

⁹ If housing in COG region overall grew at the rate Loudoun forecasts—2.41 jobs per household (110,700 new jobs and 45,800 new households)—there would be only about 396,350 new households regionwide between 2015 and 2040, instead of COG's overall forecast of 553,700 new households. COG's employment forecast is for 955,200 new jobs in the region by 2040.

Even with the forecast of 553,700 new households by that time, the region would be growing at an unbalanced rate of 1.73 jobs per housing unit during that period. By contrast, as of 2015, the COG region's overall jobs-housing ratio was 1.57:1—close to the 1.54:1 ratio used by COG to determine properly balanced number of households and jobs in a community. See MWCOG, *Summary of Intermediate Employment Forecasts, Final Round 9.1 Cooperative Forecasts*, Summary Tables (adopted Oct. 10, 2018). See also MWCOG Memorandum, *Meeting the Region's Current and Future Housing Needs*, p. 2 (Sept. 12, 2018), *op cit*.

- more inflation in housing prices, which already choke off the ability of so many of Loudoun’s own children to live in the County after they finish their schooling;
- less County tax revenue and after-hours vitality in office and retail areas—because people who work in Loudoun but live in other jurisdictions spend most of their earnings near where they live.

Such unbalanced growth also predictably would increase the number of Loudoun residents living in poverty, and perhaps even homelessness.

6. What is Loudoun’s “fair share” of the region’s housing supply?

Loudoun’s basic responsibility is to permit enough suitable housing to exist for *its own people—including its expanding workforce* (which contributes so much to the County’s prosperity), as well as those who already live in the County.

In our view, Loudoun cannot be expected to solve the housing problems of other jurisdictions; nor can other jurisdictions be expected to solve Loudoun’s housing problems. Every jurisdiction in the region seemingly has enough land to develop, or at least to redevelop at increased density, so as to meet the housing needs of its people.

Housing opportunities in the jurisdiction in which a person lives or works are actually required under Virginia law. For example, a county Board of Supervisors’ zoning policies that resulted in elevating the cost of building sites to a level that tended to exclude from portions of the County those persons who do not have the “substantial means” to “afford to move into the County” were declared unlawfully exclusionary by the Virginia Supreme Court.¹⁰

7. I feel Loudoun’s pain concerning development pressures

The undersigned grew up on five acres inside the Beltway, in the 1950’s and 1960’s. I did not understand or appreciate the rapid inflation in housing prices and intense home-building pressures that arose there in the 1970’s. I felt that selling our beautiful, green acres, and having them broken up into the one-acre parcels permitted by the zoning, would be a shame.

However, then I began learning about the widespread hyperinflation in housing prices and costs in the area, and about the major shortage of housing for people who were not near the top of the economic ladder. I began to realize that price increases are closely

¹⁰ *Board of Sup’rs of Fairfax County v. Williams*, 216 Va. 49, 60 (1975). *Williams* and similar Virginia decisions relied on *Fairfax County Board of Sup’rs of Fairfax Cty. v. Carper*, 200 Va. 653, 107 S.E.2d 390 (1959) (County’s zoning that had “the practical effect” of preventing “people in the low income bracket from living in the western area and forcing them into the eastern area” was declared invalid as “exclusionary zoning.” 390 S.E.2d at 396 (emphasis added)).

related to the fact that the demand for suitable housing, reasonably near employment hubs, far outstripped supply in our region.

It still does. Hopefully, with enough understanding of the important land use issues—such as environmental protection, quality of life, housing needs, and traffic problems—ways can be found to meet the various needs of Loudoun County’s residents, workers, and environment for the future.

Thank you very much for your attention, and for your hard work on challenging land use planning issues over the years.

Sincerely yours,

Thomas A. Loftus
President