

Loudoun County Board of Supervisors, Public Hearing Session, 6/8/09

Good evening, Mr. Chairman and members of the Board of Supervisors. My name is Beckwith Bolle, a REALTOR® with Carter Braxton Real Estate Co. in Leesburg and Chairman of the Dulles Area Association of REALTORS® Government Affairs Committee. Thank you for this opportunity to comment on the proposed Capital Intensity Factor (CIF) levels for 2009-2010 that raise the amount of money the county seeks from developers to pay for the impact of new homes.

As you may know, the proposed CIF levels are among the highest in Virginia. For example, the levels sought in the Ashburn, Potomac and the Sterling planning areas from developers are up from \$47,846 to \$59,470 for single-family detached homes, from \$30,575 to \$40,385 for single-family attached homes and from \$18,904 to \$23,785 for multifamily homes.

DAAR is very concerned about the surge in these overall development costs and unintended consequences related to higher housing costs, decreased housing quality, adverse impact on the commercial business sector, suburban sprawl and increased public service costs.

The combination of increased CIF levels and housing pressure created by a projected increase in population will send future housing prices through the roof - especially for the county's workforce essential for growing the commercial tax base. As you may know, developers may account for an increase in the CIF levels by moving to a high-end, high

cost housing product that better allows the cost of the fee to be passed along to the purchaser. In turn this will diminish the number of low-moderate income homes created and adversely impact the county's ability to attract key commercial sector businesses reliant upon employees that need affordable housing in a location close to work. Further, the County will also face challenges attracting and retaining county school teachers, paid firefighters and sheriff deputies necessary to provide adequate public services.

Higher CIF levels will also have an effect on housing quality. If developers see the fees cut too much into their profit margins, housing quality may decrease to offset this effect.

Finally, increasing CIF levels makes by right development more attractive since these fees are not required leading to further suburban sprawl and increased infrastructure and public services costs for government.

Thank you for the opportunity to comment on the proposed CIF levels. As REALTORS®, if we were only concerned about the present we would support these increases. After all, an increase in house prices leads to an increase in our incomes. However, if people cannot afford to buy houses because we have allowed the prices to be driven out of reach, our communities in which we work will be jeopardized as well as strong local economy necessary for our future prosperity.