

DRAFT OPEN LETTER

18 May 2010

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Dear Steve:

Our paths have not crossed in some time. Your report “The Future of the Washington Metropolitan Area Economy” released on 8 April 2010 and your ‘Commentary’ published in *Capital Business* on 10 May 2010 suggests that it is time to touch base.

**JOBS / HOUSING IMBALANCE**

A recurring theme of your academic work and consulting efforts for as long as we can remember has been the negative impact of a Jobs / Housing ImBalance in the National Capital SubRegion. This area is variously known as the Washington Metropolitan Area, the Washington dominated portion of the Washington - Baltimore Consolidated Metropolitan Area, ‘Greater Washington,’ ‘the State of Potomac,’ the Wash COG service area plus surrounding municipal jurisdictions – or as it is termed in the 10 May 2010 *Capital Business* ‘Commentary’ – ‘The Washington metropolitan area’ – no capitals).

**The POTENTIAL of a Job / Housing ImBalance in the National Capital SubRegion that you identify in your 8 April report and cite in the 10 May ‘Commentary’ is far more important today than any previously projected Jobs / Housing ImBalance.**

That is the reason for this letter.

Action to avoid the POTENTIAL of the Jobs / Housing ImBalance which you have projected is critically important to the economic well-being of every citizen, Household, Enterprise, Agency and Institution in the National Capital SubRegion. You underscore the reasons for this fact in your 10 May ‘Commentary.’

**THE SHAPE OF THE FUTURE**

The National Capital SubRegion – by whatever name – is today profoundly different than it was just three years ago. And it will never again be ‘the way it was’ in the periodic Boom periods during in the past five decades.

As you know the projections of growth in Jobs and residents in the Greater Washington Area (aka, The National Capital SubRegion) by you, by Wash COG and by others have been quite accurate in past decades. That ‘accuracy’ has, however, depended on the continual expansion of what might be called ‘Ever-Greater Washington.’ The pell-mell radial expansion has been driven by forces examined in *The Shape of the Future*. The geographic expansion has resulted in dysfunctional settlement patterns and large areas of vacant and underutilized land. Much of this vacant and underutilized land lies well inside the logical location of the Clear Edge around the Core of the National Capital SubRegion.

**Going forward, the critical issue will be insuring that there are functional locations for future Urban activities IF the projected Jobs – and the concomitant demand for shelter – become a reality.**

A critical factor in Projected Jobs becoming reality will be Affordable and Accessible Housing Affordable near the Jobs. In addition, Affordable and Accessible Housing will be needed for those who will fill the jobs of those who retire over the next two decades. This is critical since the dwellings the retirees now occupy – if they are Accessible – are NOT yet Affordable.

**The Jobs / Housing ImBalance cannot be side-stepped in the future as it has in the past by continually expanding the Urbanized area in the National Capital SubRegion.**

The finite limit on global resources – reflected, for example, in rising energy costs as well as other indicators – mean that it will not be possible to work in the National Capital SubRegion (aka, Washington Metropolitan Area, etc.) and live ‘somewhere else’ even if citizens apply Telework and other tactics.

**The potential Jobs / Housing ImBalance identified in your 8 April report will NOT just result in longer commutes. This has been the result over the recent decades.**

In the Fundamentally Transformed SubRegional, Regional, MegaRegional, continental and global economic context, the Potential Jobs and the Potential Job Holders will locate inside the Clear Edge or they will migrate to OTHER SubRegions, New Urban Regions or MegaRegions. The alternative is that the Potential for these new Jobs will not materialize as you suggest in your 10 May ‘Commentary.’

Living outside Radius = 30 Miles from the Centroid and working in the Core of the National Capital SubRegion – much less in the Zentrum of the SubRegion – will continue to grow more and more costly. The scatteration of Households by Unit and in Dooryard-, Cluster- and Neighborhood-scale enclaves will continue to grow less attractive from many other perspectives as well. A fair allocation of all locations-variable costs will accelerate this trend. This fair allocation of costs is an inevitable result of tightening economic conditions.

‘Drive-until-you-qualify’ – including driving into ‘another’ SubRegion – is an idea that is no longer viable. In the 20 year span you examine in the 8 April report, inter-SubRegional

commuting will grow to be completely out of reach of the vast majority of workers, especially those in the lower half of the Ziggurat who have been forced into long commutes in the past.

As “Same House-Same Builder-Different Location” comparisons clearly demonstrate it has been those at the bottom of the economic Ziggurat who have been relegated to dysfunctional locations from a Jobs / Housing Balance perspective.

The Housing Plus Transportation (H + T) Index by Center for Neighborhood Technology documents this reality. It is important to note that the interpretation of this data as it applies to the outer Radius Bands of the SubRegion by some is very misleading.

The high cost of energy is exacerbated by a vast over-build of ‘Wrong Size House / Wrong Location.’ This is evident from Radial Analysis of foreclosures and underwater mortgages.

## **WHERE NEW JOBS WILL END UP**

New Jobs upon which to base economic prosperity in future decades will agglomerate in attractive and functional New Urban Regions if they are generated anywhere. Attractive Regions will be those that provide functional and sustainable human settlement patterns. As evidenced by recent economic trends, these Regions will provide locations for Jobs AND Affordable and Accessible Housing as well as Services / Recreation / Amenity. They will provide Affordable and Accessible Housing IN CLOSE PROXIMITY to Jobs for workers of all skill levels.

**In the future, Affordable and Accessible housing in the National Capital SubRegion MUST exist in close proximity to Jobs / Services / Recreation / Amenity. Otherwise the most desirable Jobs and the most qualified potential Job holders will relocate to Regions that provide functional settlement patterns. Central to attracting a qualified work force will require attention to the parameters for meeting the needs of ‘the creative class.’**

The alternative is that the Potential to create new economic activity will evaporate. The Potential for new Jobs will evaporate just as relatively inexpensive and comfortable air travel has evaporated. That was then, this is now.

**The shape of the future will be a result of physics and economics, not of policy or political ideology.**

## **COMPLICATING FACTORS**

There are a number of factors that will complicate the evolution of effective SubRegional and Regional strategies.

Some question the scale of the Job growth Potential in the current nation-state, continental and global context but that is NOT the critical issue. In order for the Projected Jobs to evolve in the

National Capital SubRegion there must be places for those Jobs to locate AND places for Affordable and Accessible Housing as well as Services / Recreation and Amenity to support those workers.

Using the term ‘worker’ in the last paragraph underscores the importance of ‘workforce’ housing as opposed to the past emphasis on ‘home ownership’ and promoting a Household’s primary residence as ‘investment.’

There will be a need for a place for workers to live AND that place must be Affordable and Accessible. In most cases, that means the Housing must be closer to the Jobs than is now the case for the current Job holders. This also applies to those who are attracted Potential new Jobs and for those who will replace retirees but who cannot afford the housing that is now available.

Increasing pressure to limit immigration will focus pressure on housing for those in the lower half of the Ziggurat. This housing must be near Jobs rather than relying on distant cheap labor enclaves. The cheap labor enclaves have moved farther and farther from the Centroid in past decades. The location of these enclaves can be identified by mapping the locations of low-end foreclosures in the past three years.

In your 8 April report you identified two million workers who will retire over the next 20 years. This cohort poses both an opportunity and a challenge. Recent surveys indicate many would like to stay in the Region after they retire. The majority would prefer to ‘retire in place.’ However, they may not be able to do that for a range of economic reasons.

There is a vast over build of Single Household Detached Dwellings. Many of over-sized dwellings are the product of the Wrong Size House / Wrong Location epidemic that resulted from the 90s and 00s booms and the myth that buying more house than one needs was a ‘good investment.’

Many of the Wrong Size / Wrong Location dwellings are owned by near-future retirees. Finding ways to more efficiently exchange dwellings and transfer equity in dwellings could help move those who believe they need a larger house to meet their Household demands without building more too-big dwellings. Accessory dwellings, granny flats and granny pods could also help meet the need for flexible shelter for older citizens.

Many have more house than they ‘need’ but often those houses are NOT in the right place to meet the needs of future Job holders. Subdivision recycling, parcel consolidation and equity transfer strategies will be needed to implement flexible strategies.

One of the underlying barriers to achieving a Jobs / Housing Balance strategy has been the result of not clearly identifying the parameters of the ‘real Region’ and its components. Even more important is the failure to quantify the land necessary to provide dwellings of a size that the workforce can afford.

That is why SYNERGY has worked for 20 years to articulate the parameters and boundaries of the New Urban Region as well as the SubRegions, Communities, Community components and

most recently MegaRegions. This work has resulted in the evolution of a robust Vocabulary and the articulation of a comprehensive Conceptual Framework with which to understand human settlement patterns. In addition, SYNERGY has developed Regional Metrics and applied Radial Analysis to quantify land requirements in a way which citizens can understand.

Finally, differences between your projections and those of Wash COG need to be reconciled. The self-employed, part-time and contract workers need to be factored into the Regional and SubRegional Strategies.

## **THE CRITICAL REALITY**

The overarching concern your study raises is that if SubRegional and Regional cooperation and coordination does not make a rapid 180 degree reversal to provide the opportunity for a Jobs / Housing BALANCE in the Core of the SubRegion, many Jobs will NEVER be created.

The employment base will atrophy and contribute to SubRegional and Regional deflation. If Jobs and potential Job holders cannot migrate to other Regions it will contribute to MegaRegional, continental and global deflation and depression.

## **A SILVER LINING**

There is a potential 'win-win' scenario for the National Capital SubRegion as well as the Washington-Baltimore New Urban Region and its residents IF enough citizens grasp reality very soon.

**There is more than enough vacant and underutilized land within the Clear Edge around the Core of the National Capital SubRegion to meet the demand for all the Jobs and Houses you project as well as space for the Services, Recreation and Amenity to serve these new Urban activities.**

If the OPPORTUNITY for evolving functional patterns and densities of Urban land uses exists, then the POTENTIAL for substantial economic activity will exist. Without locational opportunities, there will be no chance for achieving the SubRegion's Potential and evolving Balance in the Communities that make up the National Capital SubRegion.

## **FACTS**

The availability of vacant and underutilized land for new Jobs / Houses / Services / Recreation / and Amenity was made crystal clear nearly a decade ago in "Blueprint for a Better Region." This reality and the centrality of the vast majority of key jobs can be confirmed through Radial Analysis of the June 2002 Wash COG study "Metropolitan Washington Regional Activity Centers." This very important, broad-based initiative was sidetracked by political pressure and dog-in-the-manger municipalism (sometimes called anti-Regionalism).

It is fortunate that the concept of Activity Centers was rescued and there is an ongoing effort to coordinate the evolution of these Activity Centers with the Potential growth of Jobs and Housing in the next round of COG projections and the 2010 Census. To achieve this Potential there must be reality-based Quantification of Activity Center capacity and a rational allocation of economic activity to achieve Balance.

## **THE WAY FORWARD**

What is missing from the tool box necessary to evolve functional human settlement patterns that will accommodate Potential Job growth and support prosperous, happy and safe residents?

1. A robust Vocabulary with which to articulate >
2. A comprehensive Conceptual Framework which will allow citizens and their leaders to >
3. Apply science based metrics to Quantify settlement patterns so that it is possible to evolve >
4. A broad based citizen consensus which supports >
5. A Balance of Jobs / Housing / Services / Recreation / Amenity in every Community in the National Capital SubRegion.

There a number of specific tools such as “Next Higher Component RePlanning / ReZoning” that can implement a SubRegional Sketch Plan base on the METRO armature and the Activity Centers.

Some decentralization of Jobs will be desirable. However, decentralization will ONLY be useful if the new relocations contribute to creation of Balance at the Alpha Village- and Alpha Community-scales. This is true for BOTH Balanced Communities inside the Clear Edges around the Cores of SubRegions and for Disaggregated-But-Balanced Communities outside the Clear Edges around the SubRegional Cores. This process is the exact opposite of the BRAC relocation process which lacked the five tools listed above.

It will be possible for a small number of workers to live within walking distance of an intra-Regional (inter-SubRegional) shared-vehicle system (e.g. commuter rail) station. But an ImBalance of ‘commuters’ will result in dysfunction in the ‘residence Communities.’

**The ONLY REAL HELP that can be provided to ‘commuters’ from OUTSIDE the Core of New Urban Regions (and the Cores of major SubRegions such as the National Capital SubRegion) is to help them become non-commuters.**

## A PLACE TO START

The vacant and underutilized land that must be made ready for Urban land uses in order to void a Jobs / Housing ImBalance includes land within 0.5 miles of existing and planned METRO station platforms.

Some Business-As-Usual supporters and geographic expansion advocates like to pretend that there is not enough capacity in the METRO system to serve functional station-area settlement patterns. That is because of the failure to evolve Balanced settlement patterns in the METRO station areas. This lack of Balance is why most of the METRO trains leave most of the METRO stations most of the time ESSENTIALLY EMPTY while at the same time there is peak hour / peak direction crowding and congestion on the METRO system.

There has also been a failure to evolve shared-vehicle systems to supplement and support the METRO system. SYNERGY has advocated Transformations to achieve system-wide Balance since the mid 80s as documented in the earliest versions of “It is Time to Fundamentally Rethink METRO and Mobility in the National Capital SubRegion” recently updated in *TRILO-G*.

**The bottom line is that there must be system-wide Balance of shared-vehicle system capacity with the travel demand generated by the settlement pattern – especially the settlement pattern in the station-areas.**

## BEYOND AUTONOMOBILES

Perhaps most important, citizens must come to understand that in the future, *Large, Private* vehicles cannot be the MAIN or even the MOST IMPORTANT component of the Mobility and Access system serving ANY large New Urban Region for the reasons spelled out in PART FOUR of *TRILO-G*.

Every large Urban agglomeration on the planet has gotten MORE congested when new facilities are built to bring additional *Large, Private* vehicles inside Clear Edges. In every case the Mobility and Access of the average and the median traveler (based on income / cost, time and distance) has gotten worse. In the US of A, the Core of every large New Urban Region has brown more congested as documented by the Texas Transportation Institutes Annual Mobility Analysis. Those Regions that built more lane miles of Roadway to accommodate *Large, Private* vehicles grew more congested than those that relied on more sustainable strategies.

**Those who suffer the most loss of Mobility and Access by increasing the use of *Large, Private* vehicles (aka, Automobiles) are those in the bottom half of the Ziggurat.**

In addition, the per square foot values of built environment document that more functional settlement patterns not dominated by Automobiles are heavily favored by the market.

It is especially tragic that many try to perpetuate the Myth of Automobility in a Region where

federal Agencies have already provided most of the basic infrastructure needed for a functional alternative.

## **AN OVERARCHING REALITY**

The first three decades of EMRs professional career our work focused on the interests of Enterprises. During the last two decades the efforts have been dedicated to developing the Vocabulary, Conceptual Frameworks, metrics to Quantify settlement patterns.

In working with Institutions and with governance practitioners it is clear that, no matter how much the 'leaders' agree with the need for Fundamental Transformations based on these tools, it requires a Critical Mass of citizens who support them.

**In a democracy, the only way to achieve a sustainable trajectory is to build a consensus among a Critical Mass of citizens. The key to evolving that consensus is citizen education that makes it clear that the individual and collective best interest of citizens is Fundamental Transformations of settlement pattern, governance structure and economic systems.**

Among the leaders of the group that sponsored your 8 April report are the leaders of the National Capital SubRegions premier educational Institutions. They must articulate an educational process to achieve a Critical Mass of citizen support.

## **SUMMARY**

A Business-As-Usual expansion of what is called 'Greater Washington' that relies on Automobiles for Mobility and Access will not accommodate Affordable and Accessible Housing near Jobs. Thus it will not support the Potential of Job growth.

As noted in OUT OF THE OILY SLIME, the leadership of the National Capital SubRegions has wasted a decade since a consensus was reached on a promising path to a sustainable future.

**The same powerful economic, social and physical forces that cause dysfunctional human settlement patterns work to perpetuate those settlement patterns.**

As noted above, in a democracy, the only way to achieve a sustainable trajectory is to build a consensus among a Critical Mass of citizens. The leaders of the National Capital SubRegions premier educational Institutions must articulate an educational process to achieve a Critical Mass of citizen support.

One element is to evolve functional Regional governance as called for by "Regional Leadership and Governance for the National Capital Region" which was also presented on 8 April.

The chief obstacle to achieving a sustainable strategy is to convince a working majority of the citizens of all the municipal jurisdictions in the National Capital SubRegion that they need to support Fundamental Transformation to a functional SubRegional and Regional governance structure.

Good luck in that important work.

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