

# Examining the Influence of Forms of Local Government on Development in Virginia

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# **Executive Summary**

Development may lead to positive impacts on residents, businesses, and overall prosperity in a locality. Considering the challenges surrounding housing affordability and economic growth, it is important to examine factors that may impede or facilitate easier development.

This report offers a comprehensive examination into the potential impact that the form of local government may have in the context of development. The research shows that while there are local government forms that may attract and facilitate more development in localities, ease of development may ultimately hinge on community politics and local administrative leadership. Concentrating responsibility into a single administrative head with increased authority may result in a more stable and efficient government, like the County Manager Form in Henrico and the County Manager Plan structure in Arlington. Localities in charge of managing their own roads may possess an advantage as local control and integrated decision making over transportation and land use may improve the quality and efficiency of development projects.

While several Virginia counties have considered adopting an optional form of government or obtaining charters to increase autonomy, those counties concluded the benefits were minimal compared to the time and effort required to institute that change. The optional county forms of government in Virginia are structurally similar to the traditional form, despite the increased discretion, both forms of government encounter similar obstacles and trends. The largest factors impacting ease of development in Virginia localities are not structural. The willingness of developers to risk investment and successful completion of projects hinges predominantly on the community attitude towards density. Ultimately, the political climate of the residents and tone of locality officials is the most influential factor determining the feasibility and ease of development.

# Forms and Powers of Local Government: Counties, Towns, and Cities

#### I. Counties

#### **Traditional Forms of Government**

The Traditional Form of county government, also called County Commission Form, is the predominant form of local government in the Commonwealth. A Board of Supervisors manages staff directly or through an optional county administrator to assist in administrative work.

This form of government is the most influential because the majority of localities operate under this structure.

#### **Optional Forms of Government**

The 1932 General Assembly Passed the Optional Forms Act (<u>§ 15.2-300</u>), authorizing counties to adopt alternative forms of government with more centralized administrative responsibilities.

1. County Board Form (<u>§§15.2-400 - 15.32-418</u>)

The County Board form of government is similar to the traditional form, but instead requires the appointment of a County Administrator, which is optional under the traditional form. Carroll, Russell, and Scott Counties use this form of government.

#### 2. County Executive Form (<u>§§15.2-500 – 15.2-542</u>)

The County Executive form of government was designed to help rapidly developing counties adopt a style of governing better suited to their needs. The Board of Supervisors is required to appoint a County Executive, who has increased authority compared to a County Administrator. The County Executive is responsible for vetting and recommending department heads, but still cannot directly hire or fire staff (<u>§15.2-512</u>). Albemarle became the first county in Virginia to adopt the County Executive form of government followed only by Prince William County.

#### 3. County Manager Form (<u>§§15.2-600 – 15.2-642</u>)

The County Manager form of government is similar to the County Executive. The role of the County Manager has stronger administrative authority than the role of the County Executive; the elected supervisors have more control over revenue and spending compared to other forms (§§ 15.2-617 – 15.2-620). The administrative responsibilities are centralized in the County Manager role, which may allow for more efficient operations (§ 15.2-614). The County Manager can hire/fire agency heads without the Board of Supervisors' approval (§§ 15.2-612 – 15.2-613). This form is used only in Henrico County.

#### 4. County Manager Plan (<u>§§15.2-700 – 15.2-750</u>)

The County Manager plan is similar to the Count Manager form. Under the County Manager Plan, the County Manager is the administrative head of the county. The County Manager Plan was designed for small, densely populated counties with at least 500 people per mile. Only Arlington County uses this government structure.

#### 5. Urban County Executive Form (<u>§15.2-800 – 15.2-858</u>)

This form is similar to the County Executive model but is designed to serve areas with a population exceeding 90,000. The Chairman of the Board of Supervisors is elected atlarge, and the Board appoints a County Executive who is responsible for the administration of all county affairs. Only Fairfax County operates under this form of governance.

#### 6. County Charter Form (<u>§§ 15.2-200 – 15.2-209</u>)

Since the 1985 Uniform Charter Powers Act, counties have had the option to seek a county charter to operate like a city with enhanced flexibility to respond to specific local needs. It allows a county to customize its government structure and define the authority and responsibilities to fit local requirements. Chesterfield, James City, and Roanoke County sought and received county charters between 1986 and 1993, but other counties have not attempted this change.

# Comparison of Forms of County Government and Features That May Impact Development

Form of County Government	Counties with Form	Chief Officer with Increased Admin Powers	Authority over Road Construction and Maintenance	Code of Virginia
Traditional	83 Majority of Counties	×	×	§§ 15.2-100 -15.2-111
County Board	4 Scott, Carroll, Grayson, Russell	×	×	§§ 15.2-400 - 15.2-418
County Executive	2 Prince William, Albemarle	×	×	§§ 15.2-500 - 15.2-542
County Manager	1 Henrico	~	~	§§ 15.2-600 - 15.2-642
County Manager Plan	1 Arlington	~	~	§§ 15.2-700 - 15.2-750
Urban County Executive	1 Fairfax	×	×	§§ 15.2-800 - 15.2-858
County Charter	3 Roanoke, James City, Chesterfield	Can vary	Can vary	§§ 15.2-200 - 15.2-209

#### II. Towns

While towns in Virginia exist within counties, towns are granted "uniform charter powers" in the Code of Virginia (<u>§ 15.2-204</u>). While Virginia's towns vary widely, they all elect a town council that acts as the governing body. Larger towns tend to operate with the Council-Manager form and have professional managers and extensive services. Small towns, some with just a few hundred people, may use a 'mayor-council' form of government to address a limited set of concerns. Mayor-Council forms give the mayor considerable administrative power.

#### III. Cities

Virginia's cites have governments that are independent from counties and are also granted "uniform charter powers" in the Code of Virginia (<u>§ 15.2-204</u>). It is common for the state legislature to amend individual city and town charters after specific requests by local governments.

Most Virginia cities use the "council-manager," form of government and have an elected city council as the governing body with a mayor elected by voters or a city council to preside over council meetings and represent the city. The administration of the city is the responsibility of the city manager, not the mayor.

The City of Richmond is the only city in Virginia operating under the Strong Mayor Form of government. The Strong Mayor Form requires an elected mayor who is also administratively responsible for the regular activities of governance.

Powers and functions granted to cities, but not performed by most counties, include:

- Broader authority in levying taxes and borrowing money and responsibility for raising more of their revenue than counties; and
- Responsibility for maintaining their own road systems without the need to engage with the Virginia Department of Transportation (VDOT) when making most decisions on infrastructure like stoplights and stop signs.

# Locality Land Use Jurisdiction

Zoning is the largest determining factor in the relative difficulty of development. Counties and municipalities have the power to plan and control land use. The local ordinances must be consistent with state law, but they are the law of the land.

Counties, cities, and towns have clear authority over local land use and local requirements vary by each locality. If a property is located within the corporate limits of a town, the town has the authority to issue the requested zoning permits ( $\S$  15.2-2281). Every locality that enacts a zoning ordinance is required to establish a Board of Zoning Appeals (BZA) ( $\S$  15.2-2308). The territory within a locality's jurisdiction is classified into zoning districts to regulate land use and development.

Virginia is largely comprised of counties and has fewer municipalities. This results in considerable development in the unincorporated counties under the constraints of county zoning. Zoning decisions are often politically contentious.

# **Differences in Structures Potentially Impacting Development**

#### I. Transportation and Land Use Coordination

Transportation and land use are inextricably related and the relationship may directly impact development outcomes. Virginia's system of state control over most local roads and local control over land use decisions leads to significant challenges.

Most county roads are maintained by VDOT, but Virginia's cities and many towns maintain their own road systems ( $\frac{15.2-2000 - 15.2030}{15.2-2000 - 15.2030}$ ). VDOT operates the third largest state-maintained highway system in the country at over 57,867 miles. This massive undertaking may lead to budgeting restrictions and project delays that impact development and maintenance.

This locality control may offer an advantage when facilitating development. Apart from two counties which maintain their own roads with VDOT funds, Arlington (§ 15.2-710) and Henrico (§15.2-625), no county has direct financial or operational responsibility for its secondary roads. Cities and towns maintain a separate system of streets within their boundaries.

Successful transportation and land use coordination is more difficult in counties with a split between local government and VDOT due to the lack of a single point of accountability (<u>Policy</u> <u>Options for Secondary Road Construction and Management in the Commonwealth of Virginia,</u> <u>2011</u>). These factors may lead to poor development outcomes and project delays while unified control may encourage successful development with faster timelines.

Unified control allows local governments to work directly with a developer to integrate decision making about site plans, sidewalks, traffic control, curbs, lighting, pedestrian access, and more. Unified control may also lead to expedited project development as VDOT requires additional review into the decisions of localities and developers. Arlington County cited unified control as a contributing factor to attracting development (Policy Options for Secondary Road Construction and Management in the Commonwealth of Virginia). Despite many good faith efforts, coordination between VDOT and counties, excluding Arlington and Henrico, may be challenging.

Arlington County is empowered by its County Manager Plan form of government to control most of its roads and streets (<u>§ 15.2-710</u>). In a 2011 study commissioned by VDOT, the County stated that control over both land use and transportation has benefited its ability to achieve desired outcomes through integrated decision making and a faster administrative process. Arlington County's Transportation Division Director stated that the County can move projects from scoping to completion in two years as compared to the five years when working with VDOT (Policy Options for Secondary Road Construction and Management in the Commonwealth of Virginia, 2011). Arlington took over Columbia Pike, a state road, from VDOT because Arlington officials felt unified authority was essential to their extensive redevelopment plans (Arlington gains more control over Columbia Pike, 2017).

In Richmond, the Diamond redevelopment project aims to connect a new neighborhood to Richmond's Scott's Addition Community across the high-traffic Arthur Ash Boulevard. A county director stressed that land-use planning "paved the way" for this large-scale development project, suggesting a beneficial coordination between roads and land-use (Exceeding Expectations, 2022).

While control over transportation and road systems offers advantages, it is important to note that only a few urban counties have significant in-house road expertise, and instituting full road programs would require substantial resources and expertise. Fairfax County considered seeking conversion to a city to have greater control over the County's road policy, but ultimately decided the time and effort it required to become a city and institute this program outweighed the potential positive outcomes.

In 2010, Fairfax County considered and ultimately rejected the idea of converting to a City to allow greater autonomy. The Board of Supervisors at the time believed it would help the County gain control over its road network and expressed frustrations with VDOT's delays and diminishing maintenance funds. Then, Fairfax would have greater authority to raise taxes and fees to pay for road maintenance and operations, instead of negotiating with state officials. Fairfax also explored the possibility of assuming authority over roads in 1990, but ultimately rejected the idea in both 1990 and 2010. The report also examines the potential conversion of Fairfax into a city but concluded the costs of the change outweigh the advantages (Alternatives For Improving Roadway Services in Fairfax County, 2011).

#### II. Board of Supervisors and Chief Administrative Officer Authority

A local government structure where a chief officer has the authority to implement a plan may attract more developers to a locality and lead to better outcomes.

The County Manager form of government led developers to invest in the redevelopment of Regency Mall in Henrico County - a huge mixed-use zoning project. Thalhimer Realty Partners Inc. asserted the group would not have risked investment in the property if it had to worry about the politics and turnover of the board of supervisors affecting long-term projects.

When administrative power is not concentrated into a chief officer role, it increases the likelihood that partisan elections and shifting politics among Board of Supervisors will impact locality governance. Frequent shifts in leadership may prevent developers from investing in a locality because the investment becomes too risky. When these appointed managers are more empowered to make managerial decisions, those decisions are largely insulated from politics and desired outcomes are less prone to frequent shifts (<u>Evaluating the Influence of the County</u> Manager Form of Government on County Conflict, 2000).

Henrico's ambitious GreenCity mixed-use development project will include retail spaces, offices, and housing. When developers of the failed Navy Hill proposal in Richmond approached Henrico's County Manager about GreenCity, Henrico said they were determined to remove the risk factor for the project to appeal to both the Board of Supervisors and developers. The Henrico Board of Supervisors unanimously approved the project (<u>Henrico's Moon Shot, 2021</u>).

### III. Ability to Annex

Annexation as a device to grow a city began to decline in the 1950s, when counties began converting to cities to avoid having portions of their territories annexed by neighboring cities. Annexation is now either impossible or incredibly difficult, depending on the structure of the county. Consequently, it is not currently a significant factor in land development or economic growth. The most significant process in zoning and development is identifying developable land areas. These outcomes vary widely by locality and are largely determined by the residents' and officials' desire for increased development.

While the distinctions between counties and independent cities may offer some advantages, they have lost considerable significance since the adoption of the 1971 Virginia Constitution. Only three counties have used the 1985 Uniform Charter Powers Act to seek a county charter specifying special authorities (<u>Charters, 2023</u>). This may indicate a lack of desire for the increased discretion the change would offer.

A 1990 Loudoun County Blue Ribbon Committee on County Government and a 2021 County study considered shifting to one of the optional forms of county governments permitted by the Code of Virginia but ultimately saw no need to modify the county's structure away from the traditional form. Loudon County concluded the material changes would not offer significant enough differences to current operations aside from roadway responsibilities (Form of Government Overview, 2021).

# **Biggest Factors Easing Development May Not Be Structural**

# I. Impact of Local Residents' Development Desire on Land Use

While some structures of local government encourage more development than others, the most recognized and commonly cited factor in development is the desire of the residents and officials. In some localities, fear and political influence may lead to community opposition to development, obstacles in zoning permitting processes, and decreased interest from developers.

It is widely acknowledged that there are greater zoning constraints in the more affluent and fastergrowing communities. Even in areas zoned for higher-density or mixed-use purposes, development is often stopped or prolonged by other regulatory instruments, procedural delays, and community opposition. If local policies for subdivisions are especially strict, it may be difficult to meet infrastructure availability and cost requirements in areas where home prices are much lower than in high growth areas. Oftentimes opposition to development and zoning changes are driven by a community's desire to preserve lifestyles rather than economic factors. For example, opposition towards multifamily development may be more common in rural areas where concerns about traffic, noise, and property values are compounded by the fact that multifamily housing is a much less common and often stigmatized housing type. These jurisdictions tend to have higher incomes, higher housing prices, lower densities, and fewer multifamily housing units than their neighboring jurisdictions (Zoning as a Barrier to Multifamily Housing Development, 2007).

In Fairfax, Loudoun, and Prince William Counties, the Board of Supervisor election campaigns have been largely based on growth management issues. Local officials are often reactive to citizen complaints and incumbents have been voted out of office because they were either too supportive or too restrictive of growth.

In some affluent communities, opposition to denser development stems from fear that multifamily housing will drive down the value of existing single-family homes. The American Planning Association cited Loudoun County as an example of a community that holds this attitude (Zoning as a Barrier to Multifamily Housing Development, 2007).

Developments may face additional obstacles when community members have negative association with apartment complexes. In one Chesterfield County neighborhood, the mention of Department of Housing and Urban Development (HUD) financing on a project sign drew 300 concerned residents to a community meeting (HUD Sign Stirs Angst In Salisbury Community, 2018). In Powhatan, a proposal to build 235 apartments was met with considerable outcry with residents critical of public housing.

A more positive attitude towards density encourages developers to invest in a community's development.

# **II.** Quality of Administrative Leadership

The experience, skillset, tone, and overall quality of the administrative leadership within a county is a large determinant of successful development outcomes. The ability to successfully navigate the politics of different members, residents, and stakeholders may position a locality for a much greater chance of favorable development outcomes.

In most cases, the city council is not involved in day-to-day personnel matters. That responsibility falls on the chief administrative officer and their leadership methods, demonstrating the crucial need for effective professional management.

The focused effort of leadership in the greater Richmond Region—Hanover, Henrico and Chesterfield Counties—to secure new investments led to \$2 billion in economic investment in a single year.

The region outpaced the economic development of the past two decades in 2022, bringing more than \$2 billion in investment to the region (<u>Exceeding Expectations, 2022</u>).

# Conclusion

Development may positively impact localities by stimulating economic growth, expanding affordable housing options, and improving quality of life for residents in the Commonwealth. Some forms of local government in Virginia may have structures more conducive to development and encouraging private investment. A strong county manager may create an environment where developers are more willing to undertake projects and invest in a community's long-term success. The ability to control the roads might benefit locality land-use goals and lead to higher quality, cohesively planned projects.

Prevailing political sentiments and attitudes have a profound impact on the feasibility and progress of development initiatives. While supportive government structures and policies may ease development, the ultimate outcomes are contingent on the wishes of the residents, the culture of a locality, and the competency of local leadership.

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