



## Clearing Up The Impact Fee Confusion

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BROOKSVILLE - A \$20 million pot of state housing assistance money would be available to Hernando County as soon as it can show proof it will adhere to the requirements of the program, which includes reducing impact fees 25 percent.

"We want to get the money on the street as soon as possible," said Cecka Rose Greene, communications director for the Florida Housing Finance Corp. (FHFC).

On June 11, Gov. Crist signed into law an appropriations act that sets aside \$20 million in nonrecurring funds for the next fiscal year - beginning July 1 - for a 12-month period.

But at a meeting Tuesday, county commissioners said they didn't have enough information to make a decision.

To clarify the matter, Hernando Today obtained information from the Florida Housing Finance Corporation (FHFC) that spells out exactly what Hernando County needs to do to get its share of the \$20 million appropriated from the State Housing Trust Fund for homeownership assistance.

The whole point of the bill is to stimulate new home construction and make housing more affordable, Greene said.

To that end, the state act seeks to persuade local governments to reduce their impact fees or eliminate them on "owner-occupied dwellings entirely for homeownership purposes."

In nontech language, the bill is strictly for residential homes.

"It would be for someone who is purchasing the home to reside there, not as an investor property or a rental property, Greene said.

That answers the question of whether the act refers to residential-only or a mix of residential and commercial - a distinction that was not made at Tuesday's meeting.

Also, the question of eligibility came up Tuesday. What exactly does Hernando County have to do to get its share of the \$20 million?

Greene said there are two options:

- Hernando County must have imposed no impact fees. Again, not an option here.
- Reduce impact fees by at least 25 percent on residential construction for at least 18 months, subsequent to July 1. That is the option being pushed by local builders, Realtors and business people. And right now, they are seeking only to reduce fees for single-family housing, not commercial.

Hernando Today has also learned that if commissioners vote to reduce impact fees, that action could go into effect immediately, as soon as the county's public hearing requirements for ordinance adoptions are satisfied.

The 90-day requirement would not apply, according to Keith Hetrick, chief counsel for the Florida Home Builders Association. Charlotte County is the only county so far that has qualified for the fund money. Rep. Gary Aubuchon, R-Cape Coral, sponsored a bill that led to the rollback of impact fees in that county to 1998 levels.

Aubuchon, along with supporters of the impact fee reduction here, argue that reducing impact fees will spur new home construction and allow more homeowners to enter the market in this sluggish economy.

That lowered impact fees on single-family homes from about \$8,000 to \$2,000, said Jeff Ruggieri, director of growth management for Charlotte County.

So has the fee rollback been successful in Charlotte County?

"It's tough to say," Ruggieri said, noting that residential permits went from a low of about 20 permits per month and have since leveled off to around 40.

But when Charlotte County commissioners voted to lower commercial impact fees one month after residential, Ruggieri said he noticed an immediate spike in small business construction.

"I know for a fact that there have been many projects that have started specifically because of the rollback," he said.

Ruggieri said it took some intense renegotiating of developers' agreements - especially dealing with transportation improvements to projects - to make up for the lost impact fee revenue.

Suzanne Graham, past president of the Charlotte-Desoto Building Industry Association, agreed that the roll back in residential fees didn't work out as hoped.

But what's the alternative, she asked?

If it helps get a few more houses built and helps alleviate the affordable housing problem, she would suggest commissioners here take the leap and approve the 25 percent reduction.

"Oh heck, yes," Graham said. "Anything to stimulate the economy."

For example, the property taxes on a vacant lot in Charlotte County are about \$600 a year, Graham said.

"Put a house on it, and once you build it, it's an improved lot and your property taxes are \$5,000 a year," she said. "What is going to put more money into county coffers?"

Because of the rollback, Charlotte County homeowners are paying \$8,000 to \$10,000 less on a home, she said.

"That's huge right now," she said.

Developers are saving \$50,000 or more on commercial projects, she said.

"The bottom line is, even though it was a good intent, the economy is so bad that I don't think it's going to help the residential," she said.

But, she added, any kind of help given to homeowners right now "is definitely a start."

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