

Commissioners reject plan to reduce impact fees 25%

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BROOKSVILLE — Hernando County commissioners on Tuesday unanimously approved a program to stimulate the local economy, just not the one being pushed by local builders, real estate leaders and business owners.

After more than three hours of debate, the board voted 4-1 against a proposal to cut the county's impact fees 25 percent to access a one-time-only state pool of affordable housing money. Only Commissioner Dave Russell favored the impact fee reduction.

Instead, the board went with a proposal by Commissioner Jeff Stabins to aggressively market a fix-up program that uses state funds to improve low-income housing.

Stabins also wants to push programs for first-time home buyers and to develop incentives to lure new businesses and industries.

Representatives of the Hernando County Builders Association, the Hernando County Association of Realtors and the Greater Hernando County Chamber of Commerce all urged the commission to cut impact fees by 25 percent for the next 18 months.

That would have meant Hernando could have qualified for a piece of a state fund of \$20-million for affordable housing programs, but would have cost the county more than \$3-million in impact fee revenues.

Consultant Kirk Sorenson said that future tax revenue from new construction would offset that hit. Without the reduction, he said, "The great American dream of home ownership may become unreachable."

Stabins questioned how lowering impact fees would help sell the huge inventory of houses already up for sale. Sorenson said it would take years to use up the existing inventory.

Commission Chairman Chris Kingsley asked if Sorenson was saying the current impact fees are inappropriate. "The impact fee structure is antiquated," Sorenson said, noting that it was based on a growth rate that doesn't exist anymore.

Lowering impact fees, "is a stimulus," said builder Ernest Ramirez. He said that if his business got just one contract from it, 25 to 30 employees would be needed to follow the project through, including county workers.

Builders didn't want to have to take the lead on pushing an economic stimulus, builders association president Dudley Hampton Jr., told the commission. But he saw the idea as a way "to help prime the pump of Hernando County's economic engine."

Brooksville resident Richard Ross pointed out that Hernando's impact fees are lower than other areas and he still wanted to see some other kind of economic stimulus to get the housing market moving.

"There are more 'for sale' signs out there than political signs and that's ridiculous," he said.

Stabins noted that the county already has access to \$20-million in other state accounts for affordable housing, yet only eight Hernando residents applied for it last year.

Representatives of SunTrust reported to the commission about their available programs. Stabins said the county should work with the bank to help them loan that money and get homes purchased. The cost in lost impact fees, he said, is "zero."

"Then we wouldn't pit the taxpayers of this county who are not in the real estate industry against those that are. That is the unfortunate situation the Legislature has put us in today," he said.

The commissioners agreed to begin to identify and invite the owners of some of the county's most substandard housing to learn about the state dollars available for the no-interest loans of up to \$35,000 per home, the program Stabins calls the Housing Enhancement Loan Program.

He also urged builders to sign up for the program so their workers could be put back to work.

The county's business development director, Mike McHugh, was also asked to bring specific business incentives to a future meeting and begin researching a way to offer existing incentives to a larger range of potential new businesses.

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