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Impact fee cut has not meant building boom in Hernando, numbers show

By Barbara Behrendt, Times Staff Writer

Commercial and residential building permits have actually decreased between 2009 and 2010.

BROOKSVILLE - In the 10 months since Hernando County dropped its residential and commercial impact fees back to 2001 levels, the hoped-for building boom has not materialized.

From December 2009 through September 2010, the number of commercial and residential building permits actually fell from the same period the previous year, dropping from 208 to 179. Single-family home permits saw a modest increase, from 105 to 134.

Impact fees are the fees paid to a government to fund the new infrastructure required as a community grows. Those dollars pay for everything from parks and roads to libraries and other public buildings.

The commission's actions last year cut in half the total of impact fees paid to the county. For a single family home, the fee dropped from \$9,200 to \$4,800.

On Tuesday, the County Commission is expected to discuss whether to allow the impact fee reduction to end on Nov. 30 as scheduled or extend it.

Hernando County builders say extend it.

Even though the overall permit numbers dropped because of a steep slide in commercial permits, "When you look at those, you're looking at a direct reflection of the economy," Dudley Hampton of BJH Construction said Friday.

"There's an inability for commercial to get going because unless you have an inflow of capital it's awfully difficult to get financing when you have such a sluggish economy," Hampton said.

"On the residential side, it could be that we have 20 more homes than we could have had," he said, noting that the house he is building currently for a man in Deland might well be one of those. The buyer had wanted to return to this area but waited until the time was right and the impact fee reduction was part of that consideration, Hampton said.

"The results on the residential side have been more positive and if you could continue it another year, that would sure help," he said. "It certainly has put some people to work."

Commissioners are willing to talk about an extension.

"I think it would be bad timing to allow a sunset this early in the game," said Commissioner Dave Russell. "We're just now starting to see that we have some positive numbers."

The upswing in single-family homes is encouraging, he said. "I would hate to stifle that growth."

As for the drop in commercial permits, Russell said that was expected. "The demise of commercial followed the demise of the residential housing industry. That's not unusual," he said.

Commissioner Jeff Stabins said he was also willing to consider extending the lower impact fees. Last year before voting for the fees, he calculated how many more homes would be needed to add to the tax base to produce property taxes to offset the lost impact fees.

His calculation was three more homes per month, or 36 total homes. There were 29 more homes in the 10 months counted than the same previous 10-month period and that put the county in the break-even position, he said.

"I don't have a problem going either way with this," Stabins said. "It's not harming the taxpayer if they (the other commissioners) want to continue."

County calculations show that in the last 10 months, the county collected \$895,675 in impact fees compared with \$3,452,367 in the previous year for the same months.

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By the numbers

105 Single-family home permits from December 2008 to September 2009.

134 Single-family home permits from December 2009 to September 2010.

7 Multifamily home permits from December 2008 to September 2009.

0 Multifamily home permits from December 2009 to September 2010.

11 Mobile home permits from December 2008 to September 2009.

15 Mobile home permits from December 2009 to September 2010.

73 Commercial structure permits from December 2008 to September 2009.

20 Commercial structure permits from December 2009 to September 2010.

12 Commercial additions/alterations from December 2008 to September 2009.

10 Commercial additions/alterations from December 2009 to September 2010.

208 Total permits from December 2008 to September 2009.

179 Total permits from December 2009 to September 2010.

Source: Hernando County Land Services

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