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Builders gasp at county's proposed impact fee

By I.M. Stackel

Friday, January 19, 2007

Collier County builders have a simple response to the county's proposal to charge new construction a fee to pay for affordable housing: Let's talk.

A lack of affordable housing in Collier County is putting a crunch on families' budgets and leaving employers in the lurch for everybody from teachers to waiters.

Copies of the proposed Collier County Affordable-Workforce Housing Mitigation Fee ordinance were distributed Tuesday night by Community Development and Environmental Services Director Joe Schmitt. By Wednesday, Collier developers were gasping.

The so-called "linkage" fee would equal what the county is currently charging for all impact fees combined, according to a statement the Collier Building Industry Association released Thursday.

A 124-page affordable housing report attached to the proposed ordinance suggests residential construction fees ranging from 75 cents to \$1.88 per square foot, with commercial construction charges stretching from \$32.82 to \$48.86 per square foot.

That means a new retailer building a 5,000-square-foot clothing shop in Collier County would pay an additional \$244,300 in impact fees.

Impact fees are one-time charges on new construction intended to make growth pay for growth. The revenues pay for parks, police, libraries and schools, among other services.

The money generated by the new fee would help county officials pay for programs "designed to stimulate, promote and provide additional affordable workforce housing in the county," states the county-issued report.

Should commissioners approve it, the new fees would take effect Oct. 1, 2008. Collier County commissioners will vote to accept or reject the fee schedule at their Feb. 13 meeting.

CBIA called on its members to attend a 9 a.m. meeting Jan. 29 at the North Collier Regional Park, where county experts will discuss the proposed fee. The county's Affordable Housing Commission and CDES staffers set the meeting earlier this month.

"While we applaud the county's effort to find solutions to this critical issue, a regulatory solution is not the answer. Our public sector partners need to focus on incentive-based approaches that allow the private sector to most effectively produce the housing we need for our community," the CBIA said in its statement Thursday.

The building industry association cites the Collier County Housing Stimulus Program introduced by the Economic Development Council of Collier County. Programs like those will "have the highest potential to turn into actual homes (being built) at attainable price ranges," the release states.

"In contrast, a linkage fee program puts government squarely in the middle of collecting money and then responsible for managing those funds and constructing homes — something that must and should be left to the private sector," the CBIA release states.

The extra charges will have a negative effect on high-wage creation, according to the CBIA.

"Collier County is already the most expensive place to do business in Florida. Any additional costs will further hinder our ability to attract and retain businesses, especially small and mid-sized businesses and those companies that are EDC's targets for diversifying the economy," the CBIA release states.

According to the county's report, the construction industry created 5,423 new jobs in Collier County between 2001 and 2005 — or 30 percent of all new jobs created during that time.

After that, the largest job growth sector for the same period was accommodation and food services, which created 3,401 new jobs or 19.2 percent of all new jobs.

According to the report, Collier had an average of 129,308 workers, with an annual average wage of \$41,797 in 2006, an increase from \$38,179 in 2005. The Collier County Homeowner Survey was released as an attachment to the proposed construction fee ordinance. The survey was conducted in July and August.

The term "affordable work force housing" means a dwelling unit offered for rent or sale to those earning moderate incomes. The monthly rent or mortgage payments — which should include taxes, insurance and utilities — should not exceed 30 percent of the earned median adjusted gross annual income of one household.

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