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Impact fee riles commercial developers

Montgomery County mulls surcharge to help make housing more affordable

by Sonny Goldreich | Special to The Gazette

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Commercial developers are gearing up for a fight over a proposed affordable housing impact fee float Montgomery County task force last week, even though it's not clear if County Executive Isiah Legget recommendation, which was included in a report that he commissioned.

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That's because Leggett (D) failed to mention the new development tax when he detailed and enthusiastic presentation of the task force recommendations during housing conference. The absence of the impact fee from Leggett's comments do he has taken a position on the matter, said his spokesman, Patrick Lacefield.

''At this point, the county executive is taking the task force report as a menu of ''He's not signaling disapproval or approval of anything."

But the omission has commercial building interests wondering where Leggett sta of the impact fee, which would be assessed only on commercial developments.

''Whatever he decides to do, once it's out there, there is always the possibility th member could say, 'Well, if the county executive isn't going to do this, I will introduce it,'" said Mere president of public policy for the Greater Washington Commercial Association of Realtors.

She warned that the county risks curbing commercial development if builders face new up-front costs hurdle to turning a profit.

''Montgomery County already has issues with commercial developers having trouble working here," ''Whatever the numbers are, the fee will get passed down, but it's at the beginning of the process and might say, 'I don't want to deal with it at all.'"

During his speech announcing the task force findings at the Affordable Housin Montgomery County session on April 4, Leggett gave a broad endorsement of called for implementing plans to promote increased density, create mixed-use z parking requirements and encourage workforce housing for county employees.

The recommendations would create affordable housing incentives through tem abatement of property taxes, transfer taxes and recordation fees for county emp homes in the county.

‘‘As a community, we have been quick to endorse the promotion of environme incentives,” Leggett said. ‘‘We need to be as active and forceful in pursuing th that affordable housing presents for our economy and our neighborhoods.”

That’s a goal that the Apartment and Office Building Association of Metropoli supports, but not by making commercial development more expensive, said Sh group’s senior vice president of governmental affairs, who sat in on some task

‘‘We disagree with the premise that shifting responsibility for affordable housi preservation of affordable housing to the commercial sector is necessary becau creates a need for housing,” he said. ‘‘The commercial sector is creating value that didn’t exist before. The county is benefiting from increased tax assessmen benefiting from the creation of new jobs and payroll taxes. The county is bene school and transportation impact fees.”

Pharr noted that the California affordable impact fees that the task force cited a residential development, yet the panel took the opposite position for Montgom added that commercial developers would not find an impact fee so galling if it broadly based and included residential development, which the task force cons early deliberations last year.

‘‘We would look more closely at that and have less reflexive objection to it,” P then why not broaden it further to include all taxpayers?”

Weisl said that the task force fixed on imposing fees on commercial developers to avoid a fight with h who were the main targets of higher school and transportation impact fees imposed under the new cou infrastructure policy.

‘‘It became a question of where the deep pockets are and who got hit by the impact fees that took effe said.

KB Homes pulls out ofmid-Atlantic, other areas

One of the nation’s largest new home builders has decided to pull out of the entire mid-Atlantic region

Charles County because of poor market performance.

KB Home officials said the move will help it hold onto cash reserves and ride out the housing crash.

The company's decision came only about a week after the end of the company's first quarter Feb. 29, a $267 million operating loss for excess housing inventory and terminated 53 percent of new home co according to KB's public earnings statement released recently. In the Washington metropolitan region employees will be displaced until new positions are found for them in other parts of the country, said Stephenson, a KB Home spokeswoman.

''We evaluated market performance in the area and we had to make the decision to focus on areas tha grow our business and profits, given the current conditions in the real estate market," Stephenson said our employees and homebuyers on March 6 that we made the difficult decision not to invest in additio in the area and to make a gradual transition out of the market."

The Los Angeles-based builder has five communities in the mid-Atlantic area under construction in W Accokeek, Gaithersburg, Upper Marlboro, Leesburg, Va., and Alexandria Va.

Staff writer Kayleigh Kulp contributed to this report.

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