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## **Proffer Shuffle**

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After years of battling local government's efforts to impose impact fees on new homes as a way to offset the high cost of providing schools, parks, fire stations and other public infrastructure in fast-growing communities, the state's home-building lobby is shuffling to a new tune.

A bill advancing in the General Assembly would ban proffers-the negotiated contributions developers make to help offset the increases governmental costs associated with higher densities approved through rezonings-and instead authorize localities to impose impact fees, up to a state-mandated cap.

The problem is that the statewide homebuilding industry's assessment of a fair impact fee bears little resemblance to the on-the-ground needs in Loudoun. Under the county's adopted proffer guidelines, each new single-family detached home is expected to offset documented capital costs totaling some \$47,000. The state impact fee would be capped at \$8,000. Passage of such legislation would result in folks moving to new developments with few services available or higher taxes being assessed on existing residents to make sure services are provided to the newcomers.

Rather than battle over the true fair share cost of new homes, there is a middle ground that protects the interests of both the developers worried about being gouged by local governments and the longtime residents worried about being saddled with more debt and taxes. An adequate public facilities ordinance, if authorized by the General Assembly, would require local governments to adopt and fund a capital construction program to accommodate anticipated growth needs. The pace of new development would be linked to the buildout of those public facilities. Developers wishing to advance projects more quickly could pay up front to put the required facilities in place. Properly implemented, an APFO protects the builders and the public while ensuring the services expected by new residents are available when they arrive.

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