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Impact Fee Moratorium Proposed

By MICHAEL D. BATES

Hernando Today

County Commissioner Jim Adkins is proposing a short-term moratorium on impact fees to jumpstart the economy and put builders back to work.

Eliminating the fee for six months to a year would spur people sitting on the homebuying fence, Adkins said.

That in turn would create needed jobs for contractors and sub-contractors and the construction trades, he added.

Adkins, who made the request at Tuesday's county commission meeting, said he was prompted by January's 12.4 percent unemployment rate for Hernando County.

He said six other counties in Florida have already enacted short-term moratoriums, including Putnam, Brevard, Wakulla, Bradford, Desoto and Nassau counties.

Because it was not formally on the agenda and more information is needed, commissioners chose to hold off discussion.

County Attorney Garth Coller said Friday he contacted the Florida Association of Counties to gather more information and will report back at the March 24 meeting.

The matter was about to be punted over to a standing committee for continued debate, an idea Adkins opposed.

"My concern is we're pumping too much through these committees when we need to act on things," Adkins said.

Developers of subdivisions or homes pay impact fees imposed by the county that help pay for services and facilities.

Adkins said he realizes the primary task is to remove the inventory of foreclosures in the county, which stood at 562 filings for the first two months of 2009.

But Adkins said that will be taken care of through the Neighborhood Stabilization Program (NSP), a \$4.3 million pot of federal money earmarked for Hernando County to acquire, renovate and sell foreclosed and abandoned properties.

"We are taking care of foreclosed homes on (NSP) stimulus money," Adkins said.

Adkins said his impact fee moratorium would supplement that program "a sort of two-pronged approach to revitalizing the local economy.

"I'd be willing to do a one-year (moratorium) and do a six-month review to see what's happening," Adkins said.

At least one resident at Tuesday's meeting objected to Adkins' idea.

Dick Ross said he opposes any reduction in impact fees because they would compromise public services, including schools and the sheriff's department.

"It makes no sense to cut impact fees," Ross said. "I suggest that any action by this board be spent on

something that can help us realistically without cutting into everything else."

County Administrator David Hamilton said enacting a moratorium would not be difficult "the commissioners could do it any time after the requisite public hearings.

Hamilton said the subject of impact fees has come up regularly through the years and is one reason why the issue was referred recently to his newly formed leadership team.

That team was charged with several policy issues, one of which was a possible revision to the county's impact fee ordinance.

As yet, the team has not tackled the issue, he said.

Calling impact fees an "important, complex issue," he plans to return to the board with more information on Adkins' proposal.

Any rate tweaking would have a direct bearing on current budget calibrations, Hamilton said.

Last year, county commissioners considered but rejected a state plan that would have set aside \$20 million in non-recurring funds for a 12-month period and provide down payment assistance to first-time homebuyers.

To qualify, Hernando County would have had to reduce impact fees by at least 25 percent for at least 18 months.

Instead, the board opted to go with a plan proposed by Commissioner Jeff Stabins called the Housing Enhancement Loan Program.

Designed to put builders to work, HELP provides zero-percent loans available through the already-existing State Housing Initiatives Program (SHIP). Funds are to be used for renovation of existing homes "excluding mobile homes.

The idea behind HELP is to provide work for local builders.

Several restrictions apply and, to date, 25 applications have been accepted, said Housing Authority Executive Director Donnie Singer.

Of those 25 applications, two homes have been renovated, five applications have been approved and are out for bid and the remaining 18 are being processed, Singer said.

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IMPACT FEE FACTS

In Hernando County, impact fees are \$9,027 for a single-family detached home and \$6,343 for a single-family attached home. That doesn't include the applicable fire district fee, which varies depending on location.

Those fees have remained unchanged since July 2005.