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Impact Fee Suspension Won't Solve Housing Woes

Hernando Today

The issue: Moratorium on county impact fees. Our opinion: It won't help the housing market.

We tried to convince Hernando County commissioners last summer to cut impact fees by 25 percent to become eligible for a \$20 million pool of state funding for first-time homebuyers.

It would have helped reduce the number of empty houses sitting on the market while giving younger folks a better opportunity to buy their first home. Heck, it might have even led to the construction of a few new homes and put some people back to work.

It was a common-sense approach to help fix the county's topsy-turvy housing woes.

Instead, commissioners voted it down, giving us instead the "HELP" program - a bogus "economic stimulus package" devised by County Commissioner Jeff Stabins. HELP, or Housing Enhancement Loan Program, turned out to be nothing more than an existing housing renovation program that served few low-income residents' needs in the past and continues to do so today. Seven months since its so-called debut, HELP has been a dismal failure, "stimulating" a total of two minor housing renovations and five application approvals.

So much for economic stimulation.

With unemployment hitting record highs of 12.4 percent in January, a housing market that is on life support, foreclosures booming and bankruptcies skyrocketing, the overall economic picture in Hernando County has worsened. County officials are grasping at straws to find ways to improve the economic climate.

One of those latest "straws" is County Commissioner Jim Adkins' proposal to enact a moratorium on impact fees. Adkins believes it will resuscitate the home building market and help put Hernando Countians back to work.

While we appreciate the effort, it's too little, too late. We think it's a bad idea because it simply won't do what Adkins would like it to do - jumpstart the housing construction industry.

Adkins' proposal to cancel impact fees for up to a year would do little more than add more empty homes to the county's growing vacant home inventory. It would also strip the county of what little impact fee revenue the county might get from commercial construction and other housing projects already in the works.

It won't do anything to reduce the number of homes already clogging the market and would give builders

of new homes an unfair advantage over existing homes on which impact fees were paid. Many builders still in business have more than enough inventory homes to sell.

Hernando County's housing woes won't improve until the inventory is significantly reduced. A moratorium on impact fees could have the opposite effect.

Job creation outside the housing industry - particularly in manufacturing - is where the county needs to invest most. How about some outside-the-box ideas to attract more manufacturing jobs to Hernando? How about taking measures to help ensure our existing industries make it through these tough economic times?

That's the basket where county officials need to be putting their eggs.

County officials also need to do more to ensure that county government is running as effectively and efficiently as possible and that it is seen as a friend to the business community instead of an obstacle. Whatever commissioners can do to reduce expenses and taxes will do much to keep money in businesses and taxpayers' pockets where it can better sustain the local economy and households.

The economic troubles in Hernando County are simply too big for county government to fix, especially by spending more money.

As much as we favor measures that would give more confidence in the housing construction market in Hernando County, suspending impact fees isn't the answer.