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Politics

Homebuilders want to overhaul system of payments for more subdivision units

Dan Genz, The Examiner

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WASHINGTON -

Virginia homebuilders are pushing the General Assembly to overhaul the cash payment system for each new home in a subdivision for a new system of impact fees for transportation, schools and safety investment.

After fighting such an overhaul for years, homebuilders argue the current system of so-called cash proffers has driven the cost of homebuilding higher, especially with Prince William County's failed proposal last year to raise its rate 35 percent to \$51,113 per home.

The most expensive cash payments, which developers say must be passed on to homeowners, would be replaced under the homebuilders proposal with much less expensive fees.

"Most of the jurisdictions in Virginia are now adopting proffers, and they have gotten out of hand," said Louis Genuario Jr., an Alexandria member of the Virginia Homebuilders Association.

The proposal would require the new impact fees be used to improve infrastructure in the community affected by the new development and would have annual caps to limit the growth from year to year, said Jim Williams, vice president for the Northern Virginia Building Industry Association.

"We want revenues that are more timely, more current, more definitive," Williams added, emphasizing they shouldn't be able to climb more than \$13,000 in a single year.

The total cost of the proposed impact fee per home has not yet been disclosed, but it is expected to be well below the current cash proffer cost of \$37,900 in Prince William County.

Builders said proffer fees at Prince William County's proposed \$51,113 level would have increased a new homebuyer's mortgage payment by \$300 per month from a home without a proffer fee.

Prince William County Chairman Corey Stewart fought against the initiative, saying that even the proposed proffer increase requests would not have fully reimbursed the county for the costs associated with the county's growth.

"If we didn't have proffered developments, if we don't have cash contributions, it would be irresponsible for the county to approve any residential development whatsoever," Stewart said.

Supervisor Wally Covington, who sponsored the county moratorium on new home development requests in 2006 to slow development, said state funding for new road, school and safety improvements relies too heavily on property taxes, creating problems for county governments and homebuilders.

Gov. Tim Kaine supports the notion of impact fees but will have to review the details of the proposal before making any judgments, spokesman Gordon Hickey said.

Adding up

The amount some Northern Virginia counties require builders to pay for each new house:

» Prince William:

\$37,719

» Prince William proposed:

\$51,113

» Loudoun:

\$47,000

» Stafford:

\$38,151

» Spotsylvania:

\$35,295

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