



Atlantic Beach rejects Habitat For Humanity's request for break on impact fees

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By [Drew Dixon](#)

ATLANTIC BEACH - In a stark sign of the tough economic times, the City Commission denied Beaches Habitat for Humanity's request for reduced impact and utility fees for construction of low-income housing.

The nonprofit housing organization that builds homes for needy families said a reduction in the fees would help families moving into the dwellings by lowering construction costs. The fees are charged to builders to cover the "impact" construction has on a community.

Beaches Habitat Executive Director Ralph Marcello sent a letter in May to Atlantic Beach City Manager Jim Hanson requesting a fee reduction for the organization's project to build 18 homes in Atlantic Beach and the Mayport area. Marcello suggested charging Habitat fees at the rate imposed before December 2008, when the charges were last increased.

The commission voted unanimously June 14 to reject the request.

A staff report provided to the commission by city Utility Director Donna Kaluzniak stated the current fees for water and sewer development charges cost \$5,190 for a new dwelling. That's up about \$3,000 from the \$2,065 levied before the city raised rates two years ago.

Kaluzniak said based on the Habitat plan to build 18 new homes, the reduction in fees would cost the city \$56,250 in lost revenues.

With property tax increases implemented last year and staff hiring freezes put into effect to cover decreasing revenues from falling property values, Commissioner Paul Parsons said he can't rationalize giving Habitat a special exception.

"I don't see how we can justify giving anyone a break on impact fees," said Parsons.

Commissioner Carolyn Woods agreed and said despite Habitat being a "wonderful organization," providing fee breaks can't be considered.

"We would all love to be able to say yes," said Woods. "The economic reality is we can't."

Marcello said Friday he understands the commission's reluctance to reduce impact fees, even for a nonprofit group. But he said he wishes he would have been informed that the issue was on the agenda for the commission to discuss.

"Habitat President Dale Wappes and I would have been there," Marcello said. "I'm not sure it would have changed the result or not."

But still, Marcello said he could have at least explained how Habitat is the last holdout providing significant affordable housing at the Beaches.

"We're providing simple affordable housing in the city," he said. "The more they charge, the less affordable it becomes."

Habitat eases low-income families into new homes with no-interest loans and mortgage assistance. Those families also help with the construction of the homes and much of the building is also done by volunteers through various business, civic and religious organizations.

Mayor Mike Borno worried if the city gave an impact-fee exception to Habitat, other builders would seek reductions.

"We don't want to set a precedent," Borno said.

Habitat has built about 200 homes east of the Intracoastal Waterway. Marcello said with increasing costs and few breaks from local governments, there could be an end to new Habitat buildings at the Beaches.

"Over the last 10 years, our cost to build a home has risen from \$40,000 to about \$115,000," Marcello said. "There's going to come a time when there's just no way we're going to be able to build affordable housing at the Beaches."

Marcello stressed Habitat wasn't seeking favoritism from Atlantic Beach, he just wanted acknowledgement of the organization's contribution to the community.

"Having the city reducing our impact fees because of what we do for the community, to me, is not favoritism," said Marcello. "It is realizing what the service that we are doing in cleaning up some of the poorer areas."

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Links:

[1] <http://jacksonville.com/sites/default/files/editorial/images/images/mdControlled/cms/2010/06/23/657191989.jpg>

[2] <http://maps.google.com?q=30.371343-81.432247> (Florida A1A and Mayport Road, Atlantic Beach, FL, , us)

[3] http://maps.yahoo.com/maps_result?addr=Florida A1A and Mayport Road&csz=Atlantic Beach, FL&country=us