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Some developers say they were blindsided by impact-fee hikes

By Charlotte Libov

Escalating impact fees on housing construction will shoot elevated prices even higher, but while some developers express concern, others say at least some increases are justified.

County commissioners last week raised park and police impact fees so that construction that adds occupancy will bring 60%, 80% and 100% higher fees over three years. Meanwhile, developers are also looking over their shoulders at an upcoming rise in school impact fees.

Tim Weller, vice president of development for Metropolitan Miami, a multitower mixed-use center rising downtown, said impact fees are placing an undue burden on developers who "felt they had their costs under control."

"In normal circumstances, normal impact fees are part of your development costs, and you budget for them," he said. "What has made this difficult is that they were unexpected fees for projects already under development."

"There is an increasing concern that local governments are using impact fees as a kind of crypto tax. It's that type of tax in my book, and it's unfair to the new homebuyers who are being priced out of the market," said Truly Burton, Miami-Dade government affairs director for the Builders Association of South Florida.

"We are in a real affordable-housing crisis, so we're concerned about anything that increases the price of a home," she said. "The builder passes it on to the homebuyer. We are really making the homebuyer's case, because we pass it on, but in the meantime, people in the moderate and middle classes are having a harder and harder time buying shelter. That's why we fight for reasonable fees and to make sure that the homeowner doesn't pay twice."

Association president Lani Kahn Drody also said she's concerned about the impact of rising fees on already-pinched homebuyers.

"We are certainly supportive to contributing development's fair share as long as there is a full cost accounting of how the money is being used and will have a positive impact on the community," she said, "but it needs to be an appropriate amount, and we need to make sure its being spent appropriately and not going into a general fund."

Ms. Kahn Drody, executive vice president of Lowell Homes, said association members are less concerned about the park fee because there is a hearing on how those funds are spent but more concerned about the school board, which will meet with county commissioners on impact fees in March.

"There are discussions about increasing the school fee and, when that comes up, we will have to keep in mind how it affects affordability," she said.

However, Jim Sayih, head of the Developer and Builders Alliance, said that among his members, "the consensus is just that its part of doing business and that it's not really out of control yet.

"The best example is community policing. This is one of the things that the impact fees will go for, and it's money well-spent," he said. "The Police Athletic League, for instance, is a good investment in today's youth. The way our members look at it, you pay now or you pay later."

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