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Study real costs of growth before imposing impact fees

It is generally reported that commercial and industrial developments pay their way, whereas residential development adds more to municipal costs than to revenues and then must be subsidized by existing residents.

In fast-growing regions, smart-growth advocates often use these arguments to build support for smart-growth policies: limits on the amount and kind of development that can be built, minimum lot sizing, lengthy procedural and planning delays, geographical restrictions and impact fees, as well as other requirements.

Many of these concerns are groundless, but both sides of the argument often use incomplete and invalid research findings. What is needed is a comprehensive study related to the growth areas of South Carolina that will measure all aspects of growth and its financial impact.

In the meantime, some literature and research have found that residential growth can pay for itself or even more than its fair share. However, smart growth — or high-density housing — may not.

A study of development in Alachua County, Fla., by the University of Florida’s Bureau of Economic and Business Research refutes the common belief that growth doesn’t pay its fair share. One of the study’s authors, Jim Dewey, stated, “We estimate that the typical new household pays more than its share of infrastructure costs by $3,114.”

While the intention of our local government is to reduce sprawl, there are several consequences from this political control. One of the greatest is higher housing prices.

Those most affected are the middle- and low-income families seeking home ownership. These policies may keep entire segments of the population excluded from home ownership, which is the first step to prosperity.

Accountability should be the underlying theme with any impact fee. Achieving fairness in impact fees is highly unlikely and therefore should only be considered as a last resort — not the first.

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