

**03/21/08****Affordable housing bill strikes at impact fees**

TALLAHASSEE -- Charlotte County's temporary impact-fee rollback played a role in setting the terms of an affordable housing bill that cleared the House Committee on Economic Development on Thursday.

The bill sets aside \$75 million in affordable housing assistance through the Florida Housing Finance Corp. But to qualify for a share of the pot, local governments have to reduce their impact fees at least 25 percent for 18 months. And they have to do it within 12 months of the law taking effect on July 1.

That's the complicated option. Localities can also qualify if they're charging no impact fees at all or at least grant a blanket waiver for homes purchased under an assistance program.

The Charlotte County Commission in October approved a one-year rollback in residential impact fees to the 1998 level, believing it would help spur a sluggish construction economy.

"In all seriousness, I was completely impressed by the actions of Charlotte County in reducing impact fees," said the bill's sponsor, Rep. Gary Aubuchon, R-Cape Coral. "And once I came up with this idea, I did some research about how much Charlotte reduced impact fees, I made sure the bill should be written to reward Charlotte in particular."

Aubuchon, a first-term representative, owns homebuilding and real estate brokerage businesses in Cape Coral. He chairs the Charlotte County legislative delegation, although the Charlotte County portion of his district is limited to Boca Grande.

"Of the two counties that I represent, Charlotte County understood the need to create economic activity by lowering impact fees. Lee County went through the same exercise and chose not to," Aubuchon said.

Impact fees are positively hated by the real estate and construction industry. Builders contend that impact fees are nothing more than a tax by another name. Rather than a charge against builders, profits, impact fees are just one more cost factor that gets passed on to buyers. Accordingly, rising impact fees have played a significant role in making Florida homes less affordable, builders say.

The government view is that new housing creates a demand for additional public services. Rather than increasing property taxes for all homeowners, impact fees put the onus on the new residents who are creating the additional demand.

Aubuchon had been tinkering with ideas for his affordable housing bill, HB 699, for several months prior to the start of the legislative session March 4. Many of the provisions of the original bill were technical adjustments to existing affordable housing programs, such as down-payment assistance. For example, the bill clarifies what classes of manufactured housing are eligible -- basically, anything built to 1994 or later building codes, but only as long as the homeowner also owns the lot underneath it.

Adding the \$75 million pot for communities bold enough to roll back their impact fees was actually a last-minute inspiration, Aubuchon admitted. He had just enough time to float the idea past the House leadership before presenting the bill Thursday morning.

In fact, Aubuchon said that committee staff members were finally able to e-mail him a revised edition of his bill at 2 a.m. Thursday. By 4 a.m. he was satisfied that everything was in shape for a 9 a.m.

presentation, which was rewarded by a unanimous bipartisan vote of nine representatives.

"What is so important at this time of economic constraint is to get the maximum return on any investment," Aubuchon said. "I thought if we counted not on mandates but on incentives to pave the way -- as Charlotte County has -- we could pull the state out of the economic doldrums faster than if we sat on our haunches and did nothing."

So, where's the \$75 million going to come from during a year when the general fund is supposed to be down at least \$3 billion from 2007, as a result of the statewide economic slowdown?

Rep. Mike Grant, R-Port Charlotte, voted for the affordable housing bill in the Economic Development committee and will be helping push it through the appropriations process. Grant noted that the \$75 million figure is in line with Gov. Charlie Crist's announced goals for affordable housing programs.

So, finding this money should be a fairly high priority, tight budget or not.

"That's what we're hoping for and that's what we're going to be discussing," Grant said.

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