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Development fee would make housing affordable

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By the Editorial Board

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The mortgage crisis has dealt a major blow to the Sunshine State's real estate market, affecting everyone in the process.

Second only to Nevada, Florida had more than 2 percent of its households entering some stage of foreclosure last year, with a total of 279,325 filings. That's more than double the number reported in 2006.

And 2008 doesn't look much better.

When the full impact of the property-tax amendment hits, local governments everywhere will have to tighten their budgets.

Gainesville alone stands to lose an estimated \$3.1 million.

As the number of foreclosures continues to climb around the country and city services start to disappear, affordable housing options everywhere will only follow in the downward spiral for home buyers and renters alike.

You know it's bad when teachers, police officers and firefighters can't afford a place to live.

So when Orlando Mayor Buddy Dyer proposed charging developers a new fee to raise money for affordable housing Tuesday, he came up with a reasonable solution that will help those residents expected to be hit the hardest - low-income families.

The so-called "linkage fee" would be simple and straightforward.

Developers of shopping centers, office buildings, restaurants and other commercial projects interested in building in Orlando would have to pay the fee depending on the size of their project when they apply for a building permit.

The city would create a fund for the revenue earned and use it to bring down the cost of building homes

for low-income buyers.

The city council still has to approve the fee, but if it passes it would be only the second city in the state to have it.

Winter Park, which adopted the progressive idea 18 years ago, has used the extra \$600,000 in annual revenue to buy lots for Habitat for Humanity and to help build mixed-income apartments.

Sounds like something the city of Gainesville could use right about now.

With all the development projects going up around town - like the \$13 million Hampton Inn downtown - this seems like something that would help balance out the range of housing options in Gainesville.

It simply doesn't make sense to have residents who live just blocks away from these pricey projects face the tough choice between buying groceries or paying their rising rents.

Cambridge, Mass., another college town similar in size to Gainesville, started adopting linkage fees back in 1988 and has collected \$750,000 since then.

Critics may say that imposing a fee on developers would undo all the work the city has done to provide incentives to attract developers to the city.

Some would also argue that the fee would be enough to send developers elsewhere, causing the city to lose money from much-needed tax revenues. But we say if adopting these fees can create a stronger economy more able to supply a diverse, productive workforce with employees who can actually afford to live where they work, how can that not attract growth?

And since close to 25 percent of the city's children are living below the poverty line, we think it's about time the city considered one of the poorest with a large public university looks at options that have proven to be successful.

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