



Bad Info Skewed Impact Fee Debate

By [Jim Konkoly](#) of Highlands Today

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SEBRING — "The first casualty when war comes is truth," U.S. Sen. Hiram Johnson said in 1918, as the United States entered World War I.

In a similar vein, Jack Richie said it has been hard to separate fact from fiction, and to distinguish between half truths and misleading statistics, during the recent debate over suspending impact fees.

Richie made those comments, without pointing any fingers, on Friday as he chaired the emergency meeting of the Highlands County Citizens Advisory Committee on Impact Fees.

For example, Realtors are struggling to sell a glut of more than 4,000 homes on the market in Highlands County, right? People have been quoted saying that.

However, just over half that number of homes are up for sale, probably between 2,300 to 2,400, according to real estate broker Chip Boring.

And construction of new housing has ground to a virtual halt, right?

Not quite. More than 900 new housing-unit building permits were taken out in 2007, when the economic downturn began and quickly grew into a full-blown financial storm.

At Friday's meeting of the citizens advisory committee on impact fees, county Commissioner Guy Maxcy's proposal to suspend impact fees for six months to encourage new-home building died.

First, the 11-member citizens committee voted 9-2 against the idea. Maxcy then quickly dropped it, calling it "a bad idea" in a good-intentioned attempt to jump start the stalled local economy.

Beyond the committee's and Maxcy's decisions, Richie said, what's important about the issue is that "a lot of bad information and half truths" were put out during the past several weeks, both by people supporting and denouncing Maxcy's proposal.

Richie said "misinformation" has to be corrected for two reasons. First, solutions for a problem can't be found if people have wrong information about the problem. And second, he said, some of the recent "misinformation" surrounding the impact fee debate "makes a whole lot of good people look bad."

But, Richie said, getting accurate numbers, and numbers that are significant, will take some work because there can be several different ways to get statistics on the same question, and that can be confusing.

For example, how bad is the slow down in housing construction?

Rick Helms, the assistant county administrator, told the committee that 918 building permits for single-family housing units were issued in Highlands County in 2007. Not quite a "dead" market, although, Helms pointed out, it was down from the 1,415 permits issued the year before.

However, Helms said, 2006 was an unusually high, peak year, which was up from the 1,203 single-family housing units built in 2005 and the 904 built in 2004.

The question, then, is: Was 2007 a disaster, because it was down substantially from 2006? Or was 2007 an average year, since it was slightly above 2004?

Put another way, according to county figures: new single-family housing unit permits rose 33 percent from 2004 to 2005, rose another 17.6 percent from 2005 to 2006, then fell 35 percent from 2006 to 2007, but 2007 was still slightly above 2004. So, was 2004 an economic bust year?

After Friday's meeting, Richie obtained statistics on the building permits for single-family, site built homes in the unincorporated areas of Highlands County. Those numbers, from the county building department, are: 565 for 2007; 1,229 in 2006; 991 in 2005; 804 in 2004; 632 in 2003; and 452 in 2002.

One question that could be raised is: What, in fact, is a "normal" or "good" year in an industry such as home building, which typically experiences boom-and-bust cycles?

Disputing the often repeated claim that more than 4,000 homes are for sale in Highlands County, Boring said a total of 2,123 homes were listed for sale as of Friday morning. Those included: 1,615 single-family homes, 474 condominiums, and 34 multi-family apartment units.

Boring said the 2,123 housing units only include those listed by Realtors on the multiple listing service. The total doesn't include the homes for sale by owners, through foreclosure, by banks through "short sales," or by the builders who built them, he said.

"But," Boring said, "I would say that better than 80 to 85 percent of the homes on the market are listed by Realtors, and I think a drive through any neighborhood will bear that out."

Richie invited staff from the county building department to counter a statement by county attorney Ross Macbeth that on March 18, when commissioners promised to consider a temporary suspension of impact fees, three people who had recently taken out building permits turned them back in and demanded refunds of the impact fees they had paid.

Helen McKinney, a supervisor in the county building department, said three people called that day and asked if they could get their impact fees refunded if they let their building permits lapse, but nobody canceled a permit that day.

Recently, McKinney added only one person has rescinded a building permit for a new home, and that person did so not because impact fees might be suspended, but because he decided to buy an existing home rather than build a new one.

Richie said Macbeth gave misleading information when he said people who have pulled building permits within the past year might ask for refunds of impact fees of more than \$1.1 million. No such requests were formally made, he said.

Alan Jay Wildstein, a committee member, though, said rumors were running rampant that people were going to ask for refunds of impact fees for pending construction projects started in the past year, if the county commissioners suspended impact fees for new projects over the next six months.

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