

## Albemarle Proffer System Could Suffer

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The state senate is considering a bill that will mandate fixed impact fees for all new housing developments across the state. It could cost Albemarle County millions of dollars. Here's why:

Albemarle uses a <u>proffer</u> system where the builders on rezoned land negotiate with the county for what all of those new people and cars will mean for roads, fire stations and schools. The county figures it's worth about

\$17,500 a house.

The bill in Richmond would end the negotiations and set the cost at \$5,000. Many people say the proffers and impact fees are very expensive, hidden taxes that unfairly drive up the cost of housing.

Developers say the idea is to spread a lower cost among more houses, not impose big costs on just the ones built in rezoned areas.

In places like Albemarle County where rezoning is a popular building practice, supervisors say it could mean a lot less money in county coffers.

The cost of buying a new home could change across Virginia. Right now, if a developer builds a home in a rezoned Albemarle area, it's an extra \$17,000 proffer to the county to pay for the impact the new construction will have on infrastructure. If they build a home outside a rezoned area, then there's no extra cost.

A bill before the senate Monday would change that and put a \$5,000 impact fee on all new homes.

"That is wholly inadequate. It's a <u>boondoggle</u> for the development community at the expense of local communities," stated Albemarle County supervisor Dennis Rooker.

Developers disagree.

"The county still benefits from that increased density because they get \$5,000 for more houses. It just doesn't completely skew it off the process," insisted Jay Willer of Blue Ridge Home Builders Association.

Rooker points to one very controversial county project: "If this new legislation that is proposed had been in place when Biscuit Run were approved, our cash proffers on that, impact fees on that would be \$25 million less than the cash proffers."

Willer agrees that Albemarle could see a bigger impact than most, but argues the big fees tend to get put into the price of the house. Then, the buyer ends up paying a large

part of the bill.

"We have lagged behind in keeping up with infrastructure, but not necessarily because of growth. That may be because taxes should have been higher to start with," said Willer.

Counties also argue they haven't had enough time to go over this bill. If it passes, it wouldn't go into effect until next year, giving them time to do those calculations.

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