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# Residential builders face higher fees, rule change in Orange County

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Orange County commissioners this month pushed pause on a rezoning process that held up multiple residential developments.

But that's not the only change that may come to the way builders and developers get approval for construction that'll add students to schools. Higher fees and a new process are under consideration by county officials.



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School impact fee hikes and charging more for bigger homes are under consideration by the county.

## Fee hike and new process

A study of the county's school impact fees — meant to offset the cost of students added to schools by new development — recommends raising the fee and charging more money for bigger homes. The findings were presented by representatives of Tampa-based consulting firm Tindale Oliver during a July 14 meeting of the county's School Impact Fee Study Advisory Committee.

Tindale Oliver last year studied the need to raise the fee — a flat fee of \$8,784 per single-family home — and originally recommended raising it to \$9,560. On July 14, the firm proposed three possible tiered fee structures, with fees ranging between \$10,423 and \$14,185 based on square footage in the option with the biggest increase.

The report cited a state law that went into effect last summer as a reason for the analysis of school impact fees. That state law nullified the county's school capacity fees, a separate but related fee to school impact fees, by requiring credits to be given back to developers. This results in a loss of revenue for Orange County Public Schools, according to the report.

Those capacity fees were collected by the county when new developments would add students to nearby schools and overcrowd them, and they satisfy a requirement in the county's charter. But no capacity enhancement agreements were processed after the state law went into effect on July 1, 2019.

This prevented 18 proposed housing developments in the county from moving forward in the approval process. It's why county commissioners on July 7 approved a change to the comprehensive plan and an abatement of a local ordinance to allow these projects to move forward without processing capacity fees.

Committee members raised concerns regarding the use of square footage to determine fees as well as the ability to legally defend the changes to potential challenges. The committee will meet again July 29, and it plans to make a final recommendation on changes to impact fees by the end of August.

In addition, the six-month pause on the county ordinance that established the school capacity fee process is only a temporary fix. In

the meantime, the county will find a new way to process development plans that'll overcrowd schools.

The process applies to all municipalities in Orange County as a result of an interlocal agreement, so a multi-jurisdictional approval process for developments will need to be crafted. County staff will give the commissioners an update on that progress by early October, per the motion passed by the commissioners July 7.

## Industry stats

New home construction is important locally because it creates jobs and subcontractor opportunities, and every home sale in the state has an estimated local economic impact of \$77,858, according to a 2018 study by the [National Association of Realtors](#). In addition, the housing market often is considered a reflection of the overall health of the local economy.

And local home sales surged in June. There were 3,103 homes sold in the region last month, down 9% from the 3,412 homes sold in June 2019, but up 45.9% from the 2,127 sold in May, [according to the Orlando Regional Realtor Association](#).

Prices also saw a modest increase. The median home sales price was \$265,000, up 6% from the June 2019 median price of \$249,999 and up 1.9% from \$259,900 in May.

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