



Linkage Fees – City of Daytona Beach

Background

The proposed linkage fee ordinance in Daytona Beach has raised concerns regarding community stakeholder input and its potential economic impact. While the City Commission previously emphasized the importance of public engagement, no formal public workshops or comments were incorporated into the review process. The Commission initially sought a new consultant to conduct a linkage fee study, but the reliance on a 2022 study instead of a fresh analysis has sparked legal and procedural concerns.

- The May 2022 Daytona Beach Affordable Workforce Housing Linkage Fee Nexus Study highlights the city's significant need for affordable housing, with 43% of households considered cost-burdened. It identifies challenges such as aging, functionally obsolete housing stock and a low percentage of residents working within the city. To address these issues, the study proposes a linkage fee on various types of developments to generate funding for affordable housing while acknowledging that it is just one of many policy tools available to local governments.

The economic impact of the proposed fee could discourage large-scale job-creating projects from choosing Daytona Beach as a location. Rather than imposing upfront development costs, an alternative approach could involve allocating surplus taxable value from these projects to affordable housing initiatives, ensuring long-term benefits without deterring investment.

Comparisons with other municipalities, such as Coconut Creek, illustrate the potential risks of high linkage fees. Coconut Creek, which adopted a similar policy, has experienced economic stagnation, with a significant decline in construction activity and limited fiscal benefits from impact fees. In Daytona Beach, the proposed fees are notably higher than those in Coconut Creek, which could place the city at a competitive disadvantage. While Daytona Beach has seen substantial property value growth and increased commercial construction, implementing a high linkage fee may counteract this progress by making development less attractive. The data suggests a more balanced approach; one that considers both economic growth and affordable housing funding.

Position Statement

The Daytona Regional Chamber of Commerce believes that businesses and developers play a critical role in driving the local economy, and it is essential that local policies support their ability to locate and thrive in our community. We oppose the implementation of linkage fees and support alternative measures to create affordable housing.