

Council OKs new fee model for housing developers

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HIGH POINT — A new High Point fee schedule will increase housing prices, according to a local real estate trade organization.

The City Council on Monday unanimously approved a new “system development fee” model that has to do with the way developers are charged to connect to High Point’s water and sewer systems.

The council cut the recommended amount of the increase by 50%, but Joel Gillison, government affairs director for the High Point Regional Association of Realtors, wrote in an email to the city Monday that the fee will “drastically increase housing prices and drive away new development.”

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Gillison wrote, "This fee schedule has the potential to exacerbate the growing housing affordability problem in our community, which is already under pressure given the economic stress of COVID-19. If the new proposal is implemented, new house prices will still rise by about \$2,100 in our community."

The new model was proposed by the Public Services Department to comply with recent state legislation.

The idea is to have developers, rather than current water and sewer users, bear more of the cost of growth. A consultant initially recommended raising the fees in a way that could have led to a tenfold increase in the cost of some types of city infrastructure.

The HPRAR and the Triad Real Estate and Building Industry Coalition protested the scale of the proposed increase, which the council referred to its Finance Committee.

They cut the recommended amount of the increase in half, which the full council adopted Monday. The new fee schedule takes effect in January 2022.

Also Monday, council unanimously approved allocating \$198,343 in federal CARES Act funds to four local nonprofits to provide rent and utility assistance to households affected by the coronavirus pandemic. The recipients are Housing Consultants Group (\$80,000), West End Ministries (\$60,000), Piedmont Health and Sickle Cell Agency (\$33,343) and Open Door Ministries (\$25,000).

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