

A Comparison Of Land Use Regulation Between Leon and Wakulla Counties

Mary Beal

Background

Many Tallahassee developers complain about the time-consuming rules and regulations that are required in order to obtain building permits in Leon County. The extensive land-development regulations, site-plan reviews, and stringent environmental protection requirements make it common for the process to take a full year before construction may begin. Some argue that, as a result, residential developers are looking elsewhere to build their new homes.

The purpose of this policy brief is to compare land use regulation among the City of Tallahassee, unincorporated Leon County, and Wakulla County and see how these regulations affect housing affordability in each jurisdiction. The main hypothesis is that the regulatory environment is more restrictive in Leon than in Wakulla County. Assuming all regulation costs get forwarded to the homebuyer, a more restrictive regulatory environment will increase the price of single-family homes. Therefore, a strict regulatory environment will decrease homeownership affordability in the jurisdiction.

Site Plan Permit for a Limited Partition Subdivision

First, the costs associated with obtaining a site plan permit for a limited partition subdivision are compared across the three jurisdictions. This is the process of taking an empty piece of land with zoning that is already sufficient and platting it ready for sale. A limited partition subdivision is a subdivision of ten lots or less. The cost estimation assumes that the subdivision will be built on a piece of land of 30 acres that contains a flood plain, or flat lowland that may be covered by waters at flood stages, and stormwater drainage facilities.

The process required to obtain a site plan permit for a limited partition subdivision is similar in unincorporated Leon County and in the City of Tallahassee. In both jurisdictions, the process includes many steps. Each step not only includes an application fee that must be paid to the jurisdiction when the application is submitted, but also a compliance cost. These compliance costs are important and often overlooked. In most cases, the developer will hire an engineering/consulting firm that will provide all of the necessary analysis, paperwork, plans and inventories. As a result, the compliance costs are substantial.

In order to begin the process, a Permit Use/Land Use Verification is necessary. This is a basic application that briefly outlines the project and identifies the parcel where the platting will take place. This application ensures the parcel is properly zoned for the intended project. In the City of Tallahassee the application fee is \$118 and in unincorporated Leon County it is \$202. On average, the compliance cost associated with this form is \$500.

The next step is an optional pre-application meeting. Although optional, this meeting is scheduled for most platting projects. The pre-application meeting is free in the City of Tallahassee, but costs \$500 in unincorporated Leon County.

The compliance cost associated with this meeting, on average, is \$2,500. In most cases, the hired consulting firm represents the developer at the meeting.

After the pre-application meeting a Natural Features Inventory (NFI) must be completed. A NFI charts all of the environmental features, including trees and animal features, of the proposed site. All wetlands, water bodies, sink holes, forests, and slopes must be presented on a map. The engineering firm uses GIS and surveys the vacant land by foot in order to create the map. The compliance cost to obtain the NFI is \$5,000. This cost is incurred before the NFI is presented to the planning staff for approval. The submittal fee associated with the NFI is \$1,420 in the City of Tallahassee and \$1,975 in unincorporated Leon County.

Following approval of the NFI, an Environmental Impact Analysis (EIA) must be completed. The EIA is an extension of the natural features inventory. It takes the map of the environmental features and adds the proposed subdivision plan on top of it. In effect, the EIA depicts how the proposed development will affect the environment. The compliance cost associated with the EIA averages about \$5,000 for a limited partition subdivision. In both the City of Tallahassee and unincorporated Leon County an \$859 fee is required when the EIA is submitted.

Concurrency is the next step in the process of obtaining a site plan permit for a limited partition subdivision. Concurrency involves measuring the weekday impact on traffic between 4 and 6 pm that will result from the new development. The compliance cost associated with conducting the traffic study is \$5,000. This does not include any mitigation costs that might be required. These costs can be substantial. For example, if a right turn lane is required, the compliance cost could be up to \$50,000. If a traffic signal is necessary, the compliance cost could be \$100,000. While these costs are obviously important, they are highly variable and therefore are not included in the three jurisdiction comparison. The permit application fee associated with concurrency is \$1,152 in the City of Tallahassee and \$280 in unincorporated Leon County.

Next, environmental permitting is required. This process includes permits for tree removal, landscaping, storm water, and driveway connections. The compliance cost associated with this step in the approval process is \$10,000, on average. In the City of Tallahassee, a \$1,545 submittal fee is enforced for the environmental permitting application. In unincorporated Leon County the same fee is \$1,680.

The final fee necessary in obtaining a site plan permit for a limited partition subdivision is the limited partition fee. Essentially, this is a fee enforced to put the lines on the property, dividing the vacant land into separate parcels. The compliance cost associated with this procedure averages \$10,000. The application fee that must be paid to the City of Tallahassee is \$1,661. The corresponding fee in unincorporated Leon County is \$2,547.

It is evident that the process of obtaining a site plan permit for a limited partition subdivision is quite involved in both jurisdictions in Leon County. The compliance costs play a substantial role. On average, for a limited partition subdivision total compliance costs amount to \$38,000. These costs when added to required fees bring the total cost for the site plan permit in the City of Tallahassee to \$44,755, on average. This results in a total cost of \$4,475 per lot. In unincorporated Leon County, the total cost averages \$46,043, which results in a total cost per lot of \$4,604.

In contrast, the process of obtaining the same site plan permit in Wakulla County is much simpler and less expensive: just two steps are involved. First, a Preliminary Plat Application is required along with a \$550 submittal fee. The average compliance cost associated with the Preliminary Application is \$600. The approval of this application takes three months. During this time, the preliminary application is reviewed by all necessary parties: the Technical Review Committee, the Planning and Zoning Commission, and the Board of City Commission. If the application is approved, then the developer has 18 months to include any necessary infrastructure requested by the county. Second, a Final Plat Application is required along with a \$150 submittal fee. The compliance cost associated with the final plat application is \$4,000, on average. It takes three more months for review by the same three departments. Contingent on approval, the process is complete.

Clearly, the development approval process is far less burdensome in Wakulla County. The total cost associated with obtaining a site plan permit for a limited partition subdivision in Wakulla County is \$5,300, on average. This results in only a total cost of \$530 per lot versus \$4,500 to \$4,600 per lot in Leon County.

Single-Family Home Building Permit

The costs associated with obtaining a building permit for one average sized single family home (2807 square feet) is also examined for each of the three jurisdictions. All three jurisdictions have some type of basic administrative fee for the permit. They also each impose a residential/building, electrical, mechanical, and plumbing fee. The main difference in fees among the jurisdictions is the new development impact fee enforced in Wakulla County (\$1,247) and the water and sewer fees required in all three jurisdictions. The average public water and/or sewer fee is \$3,000 in Wakulla, \$4,170 in unincorporated Leon County, and \$3,675 in the City of Tallahassee.

The mandatory fees necessary to obtain a building permit for the averaged sized single family home were calculated for each jurisdiction. In the City of Tallahassee the

average building permit fee is \$4,686. In unincorporated Leon County it is \$5,829, while in Wakulla County the fee is \$4,917.

Total Cost Per Dwelling Unit

Finally, the total cost per dwelling unit for the entire development approval process is compared among the jurisdictions. Total cost equals the sum of the costs of obtaining the site plan and building permits.

In the City of Tallahassee, the total cost per dwelling unit is \$9,162, on average. In unincorporated Leon County the cost is quite similar (\$10,433). In contrast, the total cost per dwelling unit in Wakulla County is only \$5,447. Assuming that these costs get shifted forward to the homebuyer, it is clear that both the submittal fees, but mainly, the compliance costs involved in obtaining project approval add substantially to the price of the average sized home in all three jurisdictions. In Wakulla County, the increase is almost 4 percent, while in unincorporated Leon County the increase is 7.5 percent.

Housing Affordability

Finally, how do these regulations affect housing affordability in each of the three jurisdictions? Assume a 25-year mortgage with a 6% interest rate and a required 20% down payment. Also, assume again that all costs get shifted forward to the homebuyer. Based on these assumptions, a monthly mortgage payment can be calculated. In the City of Tallahassee, unincorporated Leon County, and Wakulla County, the monthly mortgage payments for the hypothetical average house in this study are \$769, \$775, and \$750, respectively.

Conclusion

The results of my study yield three conclusions: 1) land use regulation adds a nontrivial amount to the final price of an average single-family home in both Leon and Wakulla Counties, 2) most of the regulatory costs are in the form of compliance costs rather than permit fees, and 3) monthly mortgage payments are \$20 to \$25 higher in Leon County than in Wakulla County for an averaged sized home as a result of Leon's more restrictive land use regulations.

While this policy brief has shown that land use regulation increases the price of housing and thereby reduces the affordability of homeownership, it has not attempted to quantify possible benefits from regulation. Current research at the DeVoe Moore Center is investigating whether these benefits are sufficiently large to offset the costs of regulation.

Mary Beal is a Graduate student in the Economics Department at Florida State University and a research assistant in the DeVoe Moore Center. This policy brief is based on her line of research in land use regulation in Florida.

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DEVOE L. MOORE CENTER
150 BELLAMY BUILDING 2220
THE FLORIDA STATE UNIVERSITY
Tallahassee, FL 32306-2220
Telephone: (850) 644-3848 • Fax: (850) 644-0581
www.fsu.edu/~policy