



HPRAR Successfully Advocates Against System Development Fee

February 16, 2021

HPRAR successfully advocated against the High Point City Council's recommended System Development Fee of \$838 for water and \$2,153 for sewer per household. Our proposal was to cut these fees to 40% and the City Council ultimately adopted a fee schedule at 50%.

Through our Local Political Coordinator network, educational materials, and a letter writing campaign, our Government Affairs team was able to cut the proposed System Development Fees by 50%. Our efforts were heard loud and clear. City Council mentioned HPRAR by name when debating this measure and several council members brought up affordable housing as the reasoning behind the 50% cut. Without our discussions with elected officials, it is likely these fees could have been implemented at 100%. These efforts were even recognized in the High Point Enterprise.

The original proposal would have created an average increase of \$4,200 on new houses across High Point. This means HPRAR's efforts will save homebuyers \$2,100. When adjusted for the median price of a house in High Point, this results in 718 potential homebuyers who would have been priced out if the fee was implemented at its full amount.

The System Development Fee will be assessed as a one-time upfront charge to new water and sewer customers to pay for increased capacity as a result of growth. The revenue from the SDF will go toward paying off debt from previous capital improvement projects and to pay for future increases in capacity resulting from new development. The City of High Point was under an obligation to adopt a new fee schedule following 2017's House Bill 436. Although no one likes new fees, the SDF will help fund the city's capital improvement projects and expansion and will be assessed every 5 years for a possible increase. The City Council will begin looking at the fee again in 2023.

The fee will go into effect on January 3rd, 2022 and will be assessed on all new development after that date.

If you have any questions about the System Development Fee and how it may impact your business please reach out to our Government Affairs Director, Joel Gillison, at jgillison@ncrealtors.org.

Key Takeaways

- The System Development Fee was slashed by 50%
- Homebuyers of new development will save \$2,100 when compared to the full SDF proposal
- 718 potential homebuyers will not be priced out
- The fee will not be implemented until January 3, 2022

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