

December 18, 2008

Board of Supervisors
County of El Dorado
El Dorado County Government Center
330 Fair Lane
Placerville, CA. 95667

Honorable Members in Session:

The TIM Fee Working Group discussed at our October 16th and November 20th meetings the Building Permit projections over the next 10 year period as the basis for developing the 10 year Capital Improvement Program. After careful thought and review, the group concluded unanimously that the 10 year projection should be 1,000 single family and 300 multi-family permits annually or 10,000 single family permits and 3,000 multi-family permits over a ten year period.

We understand that these projections might seem somewhat aggressive given the current economic environment. However, we've evaluated these numbers on a 10 year basis from several different viewpoints and have concluded that, over a 10 year period this is a valid projection.

Historically, the projection is consistent with the 10 year bust and boom years of the recessions of 1981, 1991. Bleak as the early 1980's and 1990's may have looked, by the end of each decade we had experienced significant growth. While we are ending the second year of the recent housing downturn, history and the DOF tell us the next 10 years will see construction of over 1000 single family (SF) dwellings per year, primarily for higher income families.

HCD requires we provide not only SF for moderate to higher incomes, but also MF for lower-income families. Our Regional Housing Needs Allocation (RHNA) requires we plan for approximately 500 affordable housing units per year, primarily met by MF. Planning for anything less than 300 per year of the 500 MF required by the RHNA may not be consistent with the Housing Element. Historical low MF construction indicates a pent up demand for market rate as well as affordable MF.

We understand that the 10 year CIP will be evaluated on an annual basis and will be adjusted accordingly. We believe that utilizing this projection will enable the County to plan and be prepared for the future.

Best Regards,

The TIM Fee Working Group

Present at the meeting to approve the letter:

James Brunello	Michael McDougall
Larry Ito	Kathye Russell
Art Marinaccio	Norm Brown
Brian Allen	Kirk Bone
Kim Beal	Don Barnett