



Permit Forecast for the Purpose of Updating the West Slope Road/Bridge CIP

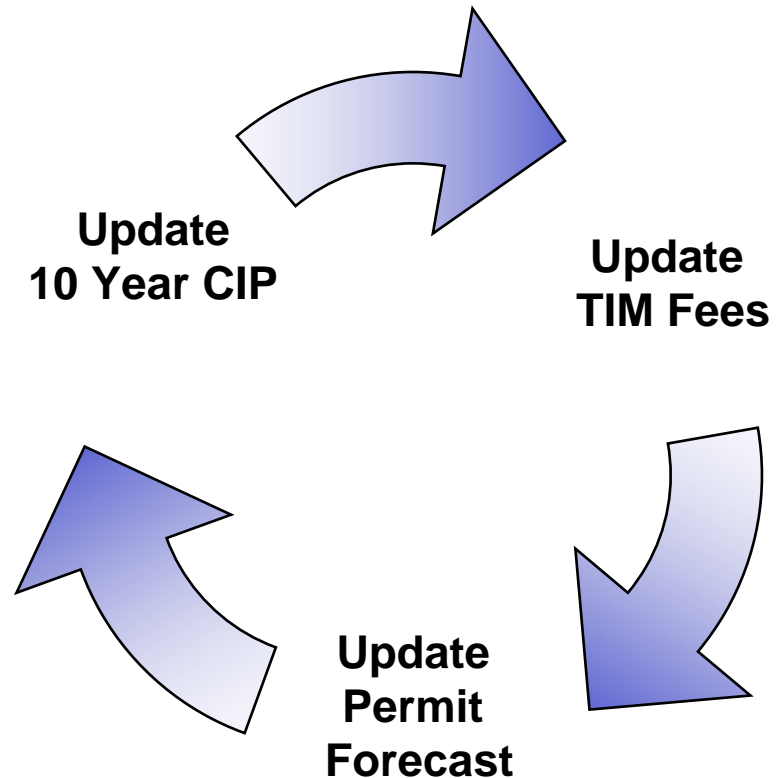
Prepared for the Board of Supervisors

December 19, 2011

Legistar #11-1324

DOT CIP/TIM Fee Program Annual Updating Process:

- **Updated TIM Fees Become Effective (Target: July 1st)**
 - Based on updated cost estimates (project specific or inflation adjusted)
- **Update Permit Forecast**
 - TIM Fee revenues are directly related to number of permits issued
- **Update CIP**
 - Costs and schedules
 - Revenue from approved permit forecast
 - Establishes priorities for delivery
 - Determines workload for annual budget needs



Reminder: the CIP/TIM Fee Program are updated every year.

Due to the continuing weakness in the local housing market, DOT proposes reducing the permit forecast to better reflect FY 2010/11 actuals.

	FORECASTS											10 Year Total
	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	
APPROVED 10/11 FORECAST	80*	104	135	176	228	297	386	502	653	848	***	3409
11/12 DOT PROPOSED	68**	67	80	104	135	176	228	297	386	502	653	2628
11/12 TFWG PROPOSED	68**	80	104	135	176	228	297	386	502	653	848	3409

* 10/11 Approved Forecast

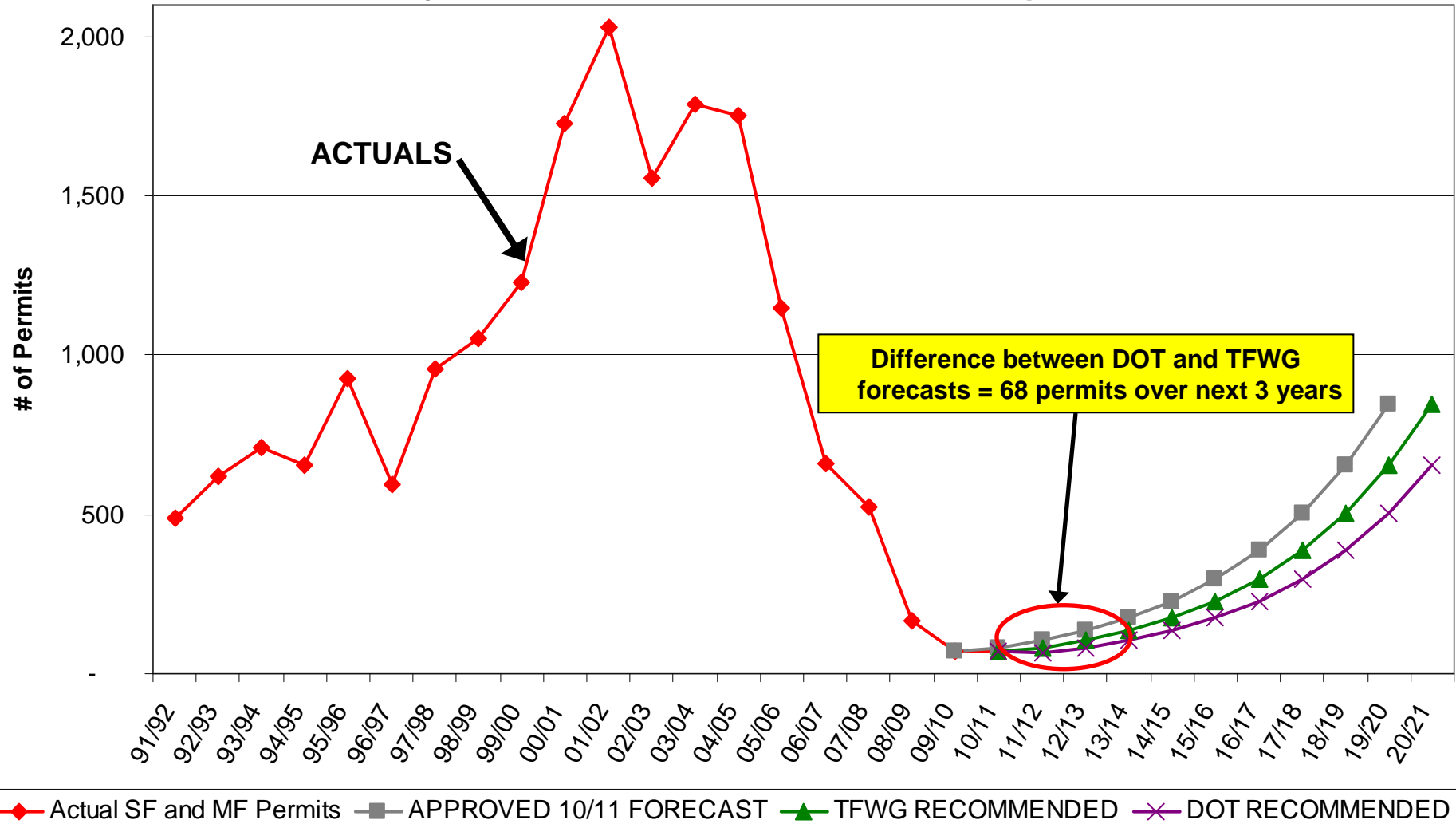
** Actual Permits Received

*** Forecast for FY 2020/21 as part of the 2nd ten year total

- Because of the weakness in jobs and the high number of foreclosures, researchers predict the local housing market will remain depressed through at least 2014*.
- DOT proposes lowering the forecast to 67 permits for FY 11/12 to match last year's actual revenues, and shifting the permits in the approved 2010/11 forecast out by two years.
- The TIM Fee Working Group (TFWG) proposed shifting the current forecast out by one year.

* RealtyTrac & Trulia research released 5/18/11; UCLA forecast and UOP report covered in Sacramento Business Journal 6/15/11 & 4/19/11, respectively

Historical vs. forecasted new housing starts:



The permit projection from FY 11/12 to 16/17 represents long, slow growth, whereas from FY 16/17 on, it represents a modest growth rate, similar to the rate in the late 90's.

The Permit Forecast is updated every year.

DOT's residential* permit forecast break-down by zone:

	10/11 Actual	DOT FORECAST: PERMIT BREAK-DOWN						
		11/12	12/13	13/14	14/15	15/16	16/17 - 20/21	TOTAL 11/12 - 20/21
Zone 8 TIM	18	17	20	25	33	42	524	661
West Valley Prepaid	24	25	31	44	57	71	771	999
Total Zone 8 (El Dorado Hills)	42	42	51	69	90	113	1295	1660
Zones 1-7	26	25	29	35	45	63	771	968
Highway 50 = Total Residential Permits	68	67	80	104	135	176	2066	2628

* Single family and multi-family permits

Residential* permit applications received between July and October, 2011 (33% of the way through the fiscal year) are running higher than the same time last year:

	FY 2010/11 Jul – Oct Actuals	FY 2011/12 Jul – Oct Actuals	FY 2011/12 12 Month Target	% of Permits Received vs. Forecast YTD
Zone 8	7	14	17	82%
West Valley Prepaid	11	23	25	92%
Zones 1-7	15	8	25	32%
Highway 50/Total Permits	33	45	67	67%

However, given the uncertainties in the economy, DOT recommends sticking with a conservative forecast.

* Multi-family & Single Family

DOT is requesting the Board provide direction on the permit forecast to use in the 2012 CIP update.

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- Following Board approval of the permit forecast, the DOT will begin the development of the 2012 CIP and return to the Board with an update on permit progress at the time of the 2012 10-year CIP adoption.