



Orange County Chapter

Building Industry Association
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Your industry's comprehensive
online guide to new homes

July 9, 2008

Dr. Joseph Farley
Superintendent
Anaheim Union High School District
Administrative Offices
501 Crescent Way
Anaheim, CA 92803

RE: Deferral of collection timing for school facilities development impact fees.

Dr. Farley,

I am writing on behalf of the membership of the Building Industry Association Southern California, Orange County Chapter (BIA/OC) to request that the Anaheim Union High School District (AUHSD) adopt a policy to defer the collection of School Facilities Development Impact Fees until such time as the lead land use authority agency issues a certificate of occupancy (C of O).

As you know, the housing industry in Orange County is facing troubling times in this distressed market. The sharp decline of the housing market has had sweeping effects on the overall economy in Orange County. The financial strains that our members are enduring have forced massive layoffs over the last year. According to the Construction Industry Research Board (CIRB), business activity in Orange County related to residential development was over \$5 billion in 2006; in 2007 that number dropped to just under \$4 billion, and in 2008 those figures have plunged to little over \$400 million in by the end of the first quarter. Negative trends continue to spiral downward with many of our members reducing staff by as much as 75%.

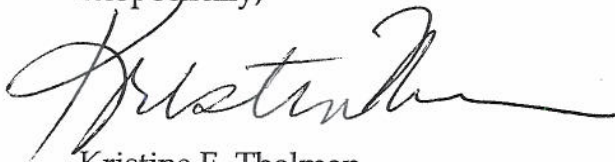
Construction of new homes has virtually stopped throughout Southern California. As a result AUHSD is experiencing a significant decline in the amount of developer fees that are being collected. **Deferring school facilities fees will undoubtedly create a stimulus for residential developers to restart production. Such a stimulus will positively impact the district by reactivating development related revenues.** Currently, AUHSD collects impact fees at permit issuance rather than at the certificate of occupancy or final inspection stage.

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- KRISTINE THALMAN
CHIEF EXECUTIVE OFFICER

School facility fee collection at the front end of the construction process creates a tremendous burden to the private sector that can easily be relieved. Deferral of such fees will serve as a tremendous stimulus action that will help put people back to work, help to keep companies' doors open and send a clear message that the AUHSD is committed to partnering with private industry to ensure economic recovery. **We respectfully urge Board Members of the Anaheim Union High School District to amend the timing of collection of school facilities fees until the time at which lead land use agencies issue a certificate of occupancy.**

Our membership is committed working collectively with the AUHSD in order to get through this unprecedented market shift. Thank you for your thoughtful consideration.

Respectfully,

A handwritten signature in black ink, appearing to read "Kristine E. Thalman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Kristine E. Thalman.
Chief Executive Officer

Enc. CIRB Business Activity Chart

Economics of Total Residential Building Activity

Total Valuation and Total Business Activity Generated

County	2008 (thru 03/08)		2007		2006		2005		2004		2003		2002		2001		2000	
	Residential Valuation	Business Activity	Residential Valuation	Business Activity	Residential Valuation	Business Activity	Residential Valuation	Business Activity	Residential Valuation	Business Activity	Residential Valuation	Business Activity	Residential Valuation	Business Activity	Residential Valuation	Business Activity	Residential Valuation	Business Activity
Imperial	\$26,177	\$57,589	\$138,136	\$303,898	\$319,752	\$703,454	\$466,687	\$1,026,711	\$272,588	\$569,694	\$144,772	\$318,498	\$122,039	\$268,486	\$78,106	\$171,833	\$71,702	\$157,744
Kern	\$147,328	\$24,122	\$643,342	\$1,415,352	\$1,057,697	\$2,928,933	\$1,330,058	\$2,926,128	\$1,043,997	\$2,295,473	\$842,396	\$1,853,271	\$643,766	\$1,416,285	\$480,284	\$1,056,647	\$399,392	\$878,662
Los Angeles	\$990,934	\$2,180,055	\$5,956,560	\$13,104,432	\$6,747,464	\$14,844,421	\$6,687,859	\$14,713,280	\$6,567,448	\$14,448,386	\$5,153,679	\$11,398,094	\$4,298,747	\$9,457,243	\$3,999,471	\$9,798,836	\$3,837,332	\$8,442,130
Orange County	\$287,079	\$587,574	\$1,792,270	\$3,942,994	\$2,316,948	\$5,097,286	\$2,100,496	\$4,620,959	\$2,243,002	\$4,936,012	\$2,076,976	\$4,569,347	\$2,328,123	\$5,121,871	\$1,905,321	\$4,191,706	\$2,210,775	\$4,863,705
Riverside	\$305,727	\$672,599	\$2,587,832	\$5,693,230	\$5,001,934	\$11,004,255	\$6,815,531	\$14,994,168	\$6,537,908	\$14,392,078	\$5,179,016	\$11,393,835	\$3,923,631	\$9,631,988	\$3,296,669	\$7,252,672	\$2,712,444	\$5,967,377
San Bernardino	\$167,914	\$369,411	\$1,547,506	\$3,404,513	\$2,757,955	\$6,067,501	\$3,244,815	\$7,138,593	\$3,069,046	\$6,751,901	\$2,201,236	\$4,842,719	\$1,832,749	\$4,032,048	\$1,416,540	\$3,116,388	\$1,127,587	\$2,480,713
Ventura	\$104,760	\$230,472	\$463,865	\$1,020,503	\$756,028	\$1,663,257	\$1,185,867	\$2,608,807	\$752,208	\$1,654,853	\$842,586	\$1,853,689	\$739,595	\$1,627,109	\$689,138	\$1,956,104	\$977,901	\$1,931,382
Total	\$2,009,919	\$4,421,822	\$13,128,511	\$28,884,924	\$18,957,778	\$41,707,107	\$21,831,253	\$48,028,757	\$20,485,635	\$45,068,997	\$16,440,661	\$36,169,454	\$13,888,650	\$30,555,030	\$12,065,539	\$26,544,186	\$11,237,143	\$24,721,715

Please note: All valuation figures above are displayed in 1,000s

County	TOTAL NEW HOUSING UNITS (SINGLE-FAMILY + MULTIFAMILY)					
	2008 (03/08)	2007	2006	2005	2004	2003
Imperial	240	1079	1850	2974	2157	1211
Kern	1083	4608	7691	9450	6112	4881
Los Angeles	3173	20363	26340	25647	26935	21313
Orange County	1162	7072	8371	7208	9322	8311
Riverside	1303	12453	28211	34134	34228	30361
San Bernardino	1048	8004	13872	16684	18470	12840
Ventura	404	1847	2461	4516	2603	3635
Total	8413	55426	85804	100811	101168	84583

County	NEW SINGLE-FAMILY UNITS					
	2008 (03/08)	2007	2006	2005	2004	2003
Imperial	78	670	1631	2722	1330	977
Kern	605	3669	6358	8277	6853	5529
Los Angeles	968	7509	10097	11911	11752	10217
Orange County	284	2182	3735	4058	4395	5565
Riverside	955	9763	20992	29478	25137	20591
San Bernardino	545	6239	12589	15305	13991	10820
Ventura	89	738	1560	2593	1721	2342
Total	3554	30768	56672	74860	69320	60587

County	NEW MULTIFAMILY UNITS					
	2008 (03/08)	2007	2006	2005	2004	2003
Imperial	162	409	219	252	827	234
Kern	478	939	1333	1173	802	583
Los Angeles	2185	12854	16251	13736	15183	11096
Orange County	878	4890	4636	3148	4927	3746
Riverside	348	2690	4518	4140	4748	5224
San Bernardino	503	1765	1273	1379	1479	1820
Ventura	305	1111	901	1923	882	1293
Total	4859	24658	29132	28751	31848	23996

