

June 28, 2011

James Ruth
General Manager
Orange County Sanitation District
10844 Ellis Avenue,
Fountain Valley, CA 92708-7018

Re: Fee Deferral Extension Request

Mr. Ruth,

I am writing on behalf of the membership of the Building Industry Association of Southern California, Orange County Chapter (BIA/OC) to formally request an extension to the Orange County Sanitation District (OCSD) developer fee deferral program.

While our economy has made modest gains in some areas, recovery remains volatile for the home building industry. Economic projections by industry leaders and university economists assert that sustainable construction of new homes will not occur until the fourth quarter of 2012 to 2013. This long and steady path toward recovery is made possible through partnerships with government agencies like the OCSD. One of the most beneficial actions by local agencies has been the development fee deferral program.

Statewide, development fee deferral programs have become a true and tested method toward economic recovery. Over 117 individual jurisdictions have deferred fees. Locally, 13 individual jurisdictions, including the first school district (AUHSD), have adopted temporary and permanent fee deferral programs. The results have been better than expected. In high growth cities like Irvine and Santa Ana, construction has resumed putting local residents back to work. As a case study, two-thirds of the 2,650 building permits issued this year so far have been for new homes in Irvine. Jurisdictions have realized the benefits of this stimulus by way of increased revenue to their general funds. Agencies are now going through the process of extending programs that are set to expire.

We expect construction to accelerate at a modest pace over the next 18 months; continuing the OCSD fee deferral program will expedite this recovery process. **It is for this reason that the BIA/OC formally requests that the OCSD consider extending the original fee deferral program for an additional 18 months.**



**Orange County
Chapter**

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of Southern California

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BRYAN STARR
CHIEF EXECUTIVE OFFICER

We appreciate the willingness of OCSD to partner with our industry during these trying times. The result will be a mutually beneficial path to local economic recovery. Thank you for your thoughtful consideration.

Respectfully,

A handwritten signature in blue ink, appearing to read "Bryan M. Starr". The signature is stylized with large loops and a prominent initial "B".

Bryan M. Starr
Chief Executive Officer

Cc: Larry Crandall, Chair