



# UPDATE BULLETIN

Building Industry Association of Fresno/Madera Counties

Volume 20, Issue 4—April 1, 2011

## Around the State

### Economy/Housing Market

#### Geithner Sees Risks in Private Mortgage System

##### Wall Street Journal

Treasury Secretary Timothy Geithner tried to discourage Republicans from pushing for a fully private mortgage market, arguing at a House hearing Tuesday that such a system could ultimately expose taxpayers to more risk. His comments came at the first hearing since the Obama administration released its plans for Fannie Mae and Freddie Mac. Lawmakers are beginning to navigate a thicket of politically volatile issues over what role—if any—the U.S. should play in the mortgage market. Last month, the White House proposed gradually phasing out Fannie and Freddie, and offered three options for what might follow them.

<http://online.wsj.com/article/SB10001424052748704506004576174533158101772.html>

#### Mortgage deduction under renewed scrutiny

##### Modesto Bee

CHARLOTTE, N.C. -- There's a hal- lowed rule in U.S. housing policy: If you own a home, you get a tax deduc- tion on your mortgage interest. But there's also a growing push to sacrifice this sacred cow, and the reasons are dispa- rate. Some people argue that the policy should be changed because it

doesn't really encourage homeown- ship like it's supposed to. Others say the government shouldn't be encourag- ing homeownership anyway. Some people say the government can't keep giving out such a big tax break when it's facing huge deficits. Others say the policy isn't giving enough of a tax break to lower-income families.

<http://www.modbee.com/2011/03/03/1581751/mortgage-deduction-under-renewed.html>

#### Wells Fargo study finds new kind of homebuyer on the way: Millennials

##### Housing Wire

The still struggling housing industry might actually be scraping the surface of the largest home-buying opportunity in generations: the Millennials. Accord- ing to a study from Wells Fargo, there are 51.5 million potential first-time homebuyers born between 1979 and 1991. Roughly 6 million more of these Millennials are reaching the prime homebuying age than baby boomers did in 1977. Often characterized as hoodie-wearing college kids strapped to iPods and iPhones, this generation is the most diverse, more technology driven and actually more inclined to trust institutions than their predeces- sors, the Gen Xers and baby boomers, according to a Pew Research Center study.

<http://www.housingwire.com/2011/03/25/wells-fargo-study-finds-new-kind-of-homebuyer-on-the-way-millennials>

#### AGC Releases Plan to Revive Con- struction Industry

##### SitePrep

The Associated General Contractors of America released a new national plan detailing measures to stimulate de- mand for construction. Officials said the plan was needed to reverse con- struction employment declines that have taken place in 317 out of 337 metro areas since January 2007, ac- cording to new data the association released. "Our goal is to rebuild a dev- astated construction market that has left millions jobless, littered cities with incomplete projects and sapped much needed revenue, commerce and cus- tomers out of our economy," said Stephen E. Sandherr, the association's chief executive officer. "Considering the scope and impact of construction job losses, the last thing any of us can afford is a repeat of the past four years."

[http://www.siteprepmag.com/Articles/Industry\\_News/2011/03/28/AGC- Releases-Plan-to-Revive-Construction- Industry](http://www.siteprepmag.com/Articles/Industry_News/2011/03/28/AGC- Releases-Plan-to-Revive-Construction- Industry)

# Around the State—con't

## Fees/Costs

### Santa Rosa abandons development tax fight

#### Santa Rosa Press Democrat

Santa Rosa will not appeal the ruling of a judge who found a special city property tax on new homes unconstitutional. City Attorney Caroline Fowler announced Tuesday that the city council met in closed session and voted 7-0 to give up the legal fight. The city in 2008 passed a tax surcharge on most new home construction in Santa Rosa as a way to pay for the additional cost of the public services, particularly police and fire protection. It was put forward at a time of plunging city revenues, severe budget cuts and layoffs. The Homebuilders Association of Northern California sued, claiming the law unfairly forced property owners to give up their voting rights in exchange for the right to subdivide their property.

<http://www.pressdemocrat.com/article/20110308/ARTICLES/110309519/1350?Title=Santa-Rosa-abandons-development-tax-fight>

### San Jose housing tax measure loses

#### San Jose Mercury News

In a resounding defeat, voters in North San Jose rejected a measure that would have taxed homes to pay for new schools. Measure A needed a two-thirds majority to pass but won only 41 percent of the vote, according to preliminary returns posted shortly after the voting ended at 8 p.m. In proposing the measure, the district was seeking funding to serve an expected boom in students with the planned development of 16,000 homes and apartments in North San Jose. Measure A would have assessed housing developers a hefty \$6,500 for each new unit. Future residents of those new homes would have continued to pay \$1,960 a year, increasing by a maximum of 4 percent annually.

[http://www.mercurynews.com/elections/ci\\_17569321](http://www.mercurynews.com/elections/ci_17569321)

### Developer fee question on hold 'til next time

#### Bakersfield Californian

A lunch-hour special meeting Monday on the possibility of reducing traffic impact fees for Bakersfield homebuilders ended up -- after much talk -- going nowhere. But the topic will be back. The three Bakersfield City Councilmembers who sit on the committee considering whether to cut development fees postponed any action until next time they gather, in a month or so. In the meantime, at the request of Councilmember Ken Weir, city staffers were asked to come up with a report on the possibility of using sales tax money or other funds to subsidize a fee reduction. The city council raised traffic impact fees steeply in July 2009 -- after the market soured -- to nearly \$13,000 per new home, up from a previous \$7,000 to \$9,500. The county adopted the same fee schedule.

<http://www.bakersfield.com/news/business/growth/x529879294/Developer-fee-question-on-hold-til-next-time>

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## *Around the State—con't*

### *Fees/Costs - con't*

#### **Developer fees for Tulare homes to rise**

##### **Visalia Times-Delta**

The Tulare City Council approved Tuesday night implementing half the water and sewer development impact fees for new homes despite strong concerns for the local real estate market. The fees approval comes just weeks after the council approved implementing developer fees for commercial and retail projects. The approved fees mean builders will have to pay, depending on the house's size, up to \$3,180 on sewer and \$3,380 on water fees. For the moment, the builder would pay for only half of the fees. Such fee increases would severely damage the local real estate market, Tulare Vice Mayor Skip Barwick said. Barwick proposed delaying implementing the fees so additional options are explored.

<http://www.visaliatimesdelta.com/article/20110317/NEWS01/103170301>

### *Growth/Development*

#### **Density Versus Sprawl**

##### **National Journal**

LOS ANGELES—When developers unveiled the Solair, a 22-story luxury condominium designed for the Koreatown neighborhood of Los Angeles, even the mayor showed up for the ribbon cutting. Located above a subway stop at Wilshire Boulevard and Western Avenue, the Solair was supposed to embody the future of Los Angeles as a city focused on walking and mass transit. "Solair Wilshire is the perfect example of my vision for creating a transit-oriented city that brings business and housing to Los Angeles," Mayor Antonio Villaraigosa said.

[http://www.nationaljournal.com/njonline/no\\_20100508\\_1960.php/density-versus-sprawl-in-california-20110317](http://www.nationaljournal.com/njonline/no_20100508_1960.php/density-versus-sprawl-in-california-20110317)

#### **Two permits in February? Yes, but it's not that bad**

##### **Bakersfield Californian**

Bakersfield homebuilder Phil Gaskill pulled one permit last month -- but still accounted for 50 percent of February's single-family volume. "That's a lot of market share," Gaskill quipped. Only two single-family permits were pulled city-wide in February, "a new all-time low," at least as far as anyone can remember, said city Planning Director Jim Eggert. But the figure on its own is misleading. Builders stocked up on permits in December in order to beat new state building codes requiring fire sprinkler systems and other changes that will add thousands of dollars to the price

of each new home. Some of that last-minute rush spilled over into January's count, since it took city staffers time to process the paperwork. In all, 309 permits were counted in December and January.

<http://www.bakersfield.com/news/business/realestate/x529879429/Two-permits-in-February-Yes-but-its-not-that-bad>

### *Affordable Housing*

#### **BIA at controls of Oceanside housing panel**

##### **San Diego Union-Tribune**

OCEANSIDE — The Building Industry Association, which lobbied Oceanside to end its mandatory affordable housing program, appears to be leading a group the city formed to develop a voluntary housing program. The BIA and a councilman defended the developer-backed organization's role, arguing that the people most likely to build the affordable units should have a seat at the table. Several group members, at least one council member and two political experts, however, said they believe having the BIA spearhead the group, rather than a neutral party, such as a city staff member, compromises the process because it gives one stakeholder undue influence.

<http://www.signonsandiego.com/news/2011/mar/08/bia-controls-oceanside-housing-panel/>

#### **In California, Dreams May Turn to Nightmares**

##### **Wall Street Journal**

Just as the California commercial real-estate market begins to stir from its postcrisis lows, many property developers fear they are about to lose a financing tool needed for hundreds of projects across the state. Builders are lashing out against a provision in Gov. Jerry Brown's proposed budget that would eliminate the state's 425 redevelopment agencies, local authorities that pay for low-income housing as well as roads, sidewalks and other infrastructure. Ahead of the vote, executives at building and real-estate trade groups such as the California Building Industry Association and the California Business Properties Association have met with dozens of legislators to voice opposition to Gov. Brown's plan. "We'll talk with anyone who will listen to us," said Richard Lyon, vice president of public policy at the California Building Industry Association.

<http://online.wsj.com/article/SB10001424052748703410604576216830035645672.html>

# Around the State—con't

## Planning and Land Use

### State: Growth violates state law

#### Los Angeles Daily News

Santa Clarita Valley leaders have been working on the area's long-range growth plan for a decade, ever since city and county officials kicked off their "One Valley, One Vision" effort with much fanfare at a community pancake breakfast on Super Bowl Sunday in 2001. This week, the planners absorbed their first bone-crunching tackle. In a letter sent Thursday to the Los Angeles County planning office, California Attorney General Kamala Harris said the latest environmental impact report on the Santa Clarita Valley Area Plan violates state law because it proposes inadequate steps to limit air pollution caused by increased vehicle traffic.

[http://www.dailynews.com/news/ci\\_17647822](http://www.dailynews.com/news/ci_17647822)

### Fremont City Council passes "universal design" homes ordinance

#### Fremont Bulletin

To make living easier for its residents, City of Fremont enacted a "universal design" ordinance that is aimed at providing greater accessibility and adaptability to housing here. Fremont City Council Tuesday unanimously approved the ordinance, which city staffers said is modeled after the state's "Model Universal Design Local Ordinance," or Assembly Bill 2787, enacted in October 2005. This law requires the California Department of Housing and Community Development to develop and certify one or more model universal design ordinances applicable to new construction and alterations for voluntary adoption by local governments. The model ordinance identifies rooms and denotes features that must be offered by a

builder in newly-constructed residential units or substantially rehabilitated homes.

[http://www.mercurynews.com/fremont/ci\\_17692100](http://www.mercurynews.com/fremont/ci_17692100)

## Water/Land/Environment/ Energy

### Practical sustainability takes on greenwashing

#### Sacramento Bee

Is there anybody out there who doesn't have at least some idea that our single family houses have a supersized environmental footprint? After all, the statistics speak for themselves. According to David Suzuki's Green Guide, building and operating our houses account for 70 percent of the nation's electricity consumption, 35 percent of greenhouse gas emissions, and 30 percent of landfill waste. The situation becomes even more severe when we consider the significant environmental costs associated with all of the commuting that most of us have to do each day to get to and from these houses.

<http://www.sacbee.com/2011/03/07/3455240/practical-sustainability-takes.html>

### New Green Home Design Has Small Footprint

#### Earth Techling

Leap Adaptive, a San Diego based company, has released a new design of a low-impact modern dwelling available for those looking to purchase a new home. Calling it The Hummingbird, Leap Adaptive has taken a chance that small, energy efficient units will become a profitable sector in the housing industry. Although not a LEED certified building upon being built, the company promises that its products put consumers close to meet-

ing the specifications necessary to receive such a standard. Not quite a house, but more of a bungalow, The Hummingbird is, like its namesake, tiny. Measuring in at only 480 square feet, the unit is split into two parts – a living area and a deck – both of which are approximately the same size.

<http://www.earthtechling.com/2011/03/new-green-home-design-has-small-footprint/>

### Plan for sprinklers fizzles for fire agency

#### Orange County Register

County fire officials didn't expect such a fight. But these weren't flames. It was politics. Fire agencies across the country have campaigned for years to have sprinklers required in newly built homes. On Jan. 1, the state's new fire and building code went into effect and mandated the sprinklers in new homes. But Fire Authority officials wanted to go a step further. Fire officials went to most Orange County cities and asked them to consider also requiring remodeled homes to be retrofitted with fire sprinklers. But the request was met with resistance in several cities. "For a number of years, we've been opposed to it," said Bryan Starr, chief executive officer of the Orange County Chapter of the Building Industry Association of Southern California.

<http://www.ocregister.com/news/-293496--.html>

# MEMBERSHIP

**Renewing Members**

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Thomas R. Butler, Inc.  
Krazan & Associates**



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Do you know any of these members?  
Call and urge them to renew their membership today!

***These memberships are set to expire on 3/31/11***

Doug Dow - California Closets

Elizabeth Olive - Fence Works

Valerie Vaz - The Fresno Bee

Joseph Daggett - Gateway Engineering

Cindy Chavez - New Directions Sign Service

Janelle Silva - Servi-Tech Controls

Terry Young - State Compensation Insurance Fund

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### PROFESSIONAL WOMEN IN BUILDING

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The Fresno Bee

## Calendar of Events

### April

- 5 BIA Board of Directors - 8:45 am - Hampton Inn & Suites
- 6 **Professional Women in Building - 12:00 noon**
- 12 BIA/Fresno Public Works Committee - 2:00 pm - City of Fresno
- 13 BIA/Fresno Planning Committee - 12 noon - City of Fresno
- 20 BIA/Clovis Committee—9:00 am—City of Clovis
- 22 **BIA OFFICE CLOSED AT NOON FOR GOOD FRIDAY**
- 26-27 **CBIA Meetings in Sacramento**
- 27 BIA/FMFCDC Committee—9:00 am—FMFCDC