

INDIANA BUILDERS ASSOCIATION

Legislative and Regulatory Report #30

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NEWS/HIGHLIGHTS

IBA BOARD MEETS, NEW PRESIDENT TAKES OATH

The Board of Directors met Tuesday and swore-in the next IBA President Dennis Spidel, a custom builder from Angola, who previously served in IBA's other Senior Officers positions. Andy Place becomes Vice President (South Bend), Doug Miller becomes Treasurer (Elkhart) and Will Wright (Carmel) steps into the Secretary position. IBA's future depends on strong leadership and are grateful to have such dedicated members willing to serve.

IBA ANNOUNCES GREEN BUILD INDIANA PROGRAM

The IBA is affiliating with the NAHB Green Building Program and offering a state certificate to members whose homes receive NAHB National Green Building Certification. Any member who would like a state certificate may forward a copy of their home's National Green Building Certification, and IBA will issue a certificate. Certificate cost of \$25 may be covered. Call Cindy at IBA, 1-800-377-6334, for more information.

IBA TO OFFER GMR AND CMB COURSES

IBA still has openings in its December Graduate Master Builder and Graduate Master Remodeler courses. These are the highest professional designations awarded to builders and remodelers by the NAHB. See IBA's Web site (www.buildindiana.org) for more details.

STATE PLAN FOR NEIGHBORHOOD STABILIZATION PROGRAM ACCEPTING COMMENTS

The Indiana Housing and Community Development Authority will allocate \$80.7 million from the Neighborhood Stabilization Program under the U.S. Housing and Urban Development Agency. IHCD recently unveiled a draft plan to allocate the state's \$83.7 million and are accepting public comments until Wednesday, November 26th before submitting the plan for approval from HUD. The draft focuses on setting aside \$50 million toward local units of government for comprehensive revitalization and neighborhood redevelopment in areas of greatest need. Local units could use the money in a variety of ways which include: purchase and rehabilitate homes that have been abandoned or foreclosed upon, demolish blighted structures and redevelop demolished or vacant properties. The remaining \$33.7 million of available funding will be used as a revolving loan fund for income-qualified individuals and families used to assist homebuyers with acquisition and/or rehabilitation of an abandoned or foreclosed residential property. The full draft can be accessed by visiting <http://www.in.gov/ihcda/3118.htm>. Partnering with

local governments who allocated money under this program could provide work for members and encourage applicable people to take a close look at the qualifying areas around the state.

UNEMPLOYMENT INSURANCE TRUST FUND RUNNING DRY

The Unemployment Insurance Trust Fund is running out of money and will likely have to borrow money from the federal government by the end of 2008 or early 2009. IBA has been monitoring this issue and working with legislators who will be responsible for addressing this next session.

LEGISLATIVE

ORGANIZATION DAY HELD, NEW MEMBERS SWORN IN

Lawmakers gathered Tuesday afternoon for Organization Day, a largely ceremonial day where senators and representatives take an oath of office. After Representative B. Patrick Bauer (D-South Bend) was sworn in as Speaker of the House and briefly acknowledged the tough work ahead on crafting a new two-year state budget. Senate Pro Tempore David Long (R-Fort Wayne) was sworn in to lead the Senate and said he is, “confident that we will have a good session.”

ELECTION RESULTS IN FOR HOUSE RACE

Republican candidate Randy Truitt has narrowly won House District 26 by just 26 votes but Democrat candidate John Polles’ campaign has requested a recount which will require a three-member bipartisan recount commission appointed at the state level to perform a physical recount of the votes. Meanwhile Randy Truitt was sworn into office during Organization Day on Tuesday. Further information will be provided in the weeks ahead.

BUDGET TO BE TOUGH, CUTS POSSIBLE

The legislature is required to pass a two-year budget when session reconvenes in January and state revenues in the first four months of this fiscal year show no growth over last year. Projections for future revenue will be produced and distributed in December as a guide to legislators during the first portion of session but many are already stressing that cuts may be on the horizon.

INTERIM PANEL ON IMMIGRATION CAN’T REACH AGREEMENT

The Interim Committee on Immigration Issues could not come to agreement on legislation to propose in the upcoming legislative session. The group was barely able to approve a report outlining its previous meetings. The Committee met several times during the interim with hours of testimony but panel members had varying viewpoints on the issue. Several lawmakers have made it clear that they plan to author immigration legislation during the upcoming session.

REGULATORY

NEW YEAR, NEW CODE

In an effort to remain one of the nation's most progressive states for a comprehensive code adoption and approval process, IBA's Codes Committee unanimously voted to begin reviewing the 2009 International Residential Code in early December. If you are interested in serving on the review committee, please contact Carlie Hopper at Carlie@BuildIndiana.org or 800-377-6334 x 106.

NAHB Appeals Fire Sprinkler Mandate

NAHB filed an appeal to have the International Code Council (ICC) overturn the fire sprinkler mandate approved at their Final Action Hearings in September 2008. In response, the ICC sent a letter regarding the appeal to interested parties, presumably its voters who attended the ICC hearings, for their response. In its letter to ICC, the Washington Association of Building Officials alleges the integrity of the ICC governmental consensus process is called into question when those with financial interests on an issue unduly influence the outcome. According to Matt Sigler, NAHB Fire Sprinkler Strategic Response Task Force member, "this is our opportunity to tell ICC that its voting process and thus the outcome on this issue were flawed." Contact Steve Orłowski of NAHB at sorłowski@nahb.com if you'd like a copy of the appeal.

NAHB NEWS

CERTIFIED GREEN PROFESSIONALS TOTAL MORE THAN 1,500

The Certified Green Professional (CGP) designation program recently reached another milestone this week after announcing 1,500 people nationwide have achieved their CGP designation. The CGP designation recognizes builders, remodelers and other industry professionals who understand how to incorporate green building principles into homes and provide green-building expertise for consumers. To qualify for the individual designation, applicants must complete 24 hours of green building and business management instruction, have two years' industry experience, commit to continuing education requirements and sign the CGP code of ethics.

HOUSING AFFORDABILITY NATIONWIDE RISES TO HIGHEST LEVEL IN YEARS

With home prices decreasing and interest rates holding at historically low levels, the number of potential home buyers nationwide who can afford to buy new and existing homes has reached the highest level in more than four years, according to the NAHB/Wells Fargo Housing Opportunity Index released this week. According to the third-quarter HOI readings, 56.1% of all new and existing homes that were sold were affordable to families earning the national median income of \$61,500, far more than the 40.4% of families who could afford homes at the peak of the housing boom.

ECONOMIC SLOWDOWN STALLS REMODELING

The residential remodeling market continued its slump during the third quarter of 2008, according to the NAHB's Remodeling Market Index (RMI). The current market conditions indicator declined to 33.5, from 41.8 in the last quarter. Future expectations of remodeling work also slid to 27.7 (from 38.0 in the second quarter). Both indices rest at historic lows since the start of the RMI in 2001.

REMODELERS NOTE ENERGY EFFICIENT PRODUCTS OF CHOICE

Included in the Remodeling Market Index (RMI) were special questions focused on energy efficiency products. Results show low-energy windows remain the top customer request, 50% of remodelers reported installing water-saving faucets and fixtures (up from 38% the last time that such questions were asked one year ago) and 38% installed on-demand water heaters (up from 29% before).

FINALIZED RESPA RULES STILL CONCERNING TO NAHB

The newly finalized rules regarding the Real Estate Settlement Procedures Act rules are still concerning to NAHB although they do contain some improvements from what was previously proposed. Specifically, HUD did make some changes to the proposed rule to address NAHB concerns on the required use definition, and the clarifications do clearly permit a home building company to offer incentives through the financing process for use of the company's finance or title affiliate, including reduced fees and interest costs. However, the revised language would prohibit a home building company from offering price reductions and upgrades on the home as an incentive for the buyer to use an affiliated company. Going forward, NAHB will continue to work with the mortgage finance affiliates of our member companies to develop strategies on this concerning issue.