

INDIANA BUILDERS ASSOCIATION
Legislative and Regulatory Report #19
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HIGHLIGHTS/NEWS

IBA SELECTED AS SUB GRANTEE FOR STATE'S WEATHERIZATION ASSISTANCE PROGRAM

The Indiana Housing & Community Development Authority (IHCDA) released on May 18th the Indiana Energy Conservation State Plan and published a DRAFT list of selected sub grantees for the State of Indiana's Weatherization Assistance Program available through the American Recovery and Reinvestment Act of 2009. The Indiana Builders Association (IBA) has been selected as a sub grantee, subject to IHCDA Board of Director approval on May 28th. The Indiana Builders Association submitted a proposal to manage a portion of the weatherization program statewide. To view the State Plan or if you are interested in contractor training information or auditor training information visit <http://www.in.gov/ihcda/2523.htm>. For additional information or questions on IBA's proposal, please e-mail info@buildindiana.org.

View recent news coverage at <http://www.wndu.com/localnews/headlines/45439942.html>.

WEATHERIZATION AUDITORS AND CONTRACTORS CONTACT IBA

IBA is forming a list of members who have registered to serve as an auditor or contractor for the Weatherization Assistance Program and ask that you submit your name and contact information to info@buildindiana.org. This list is completely separate from the Indiana Housing and Community Development Authority (IHCDA) and will not take the place of any steps required by IHCDA.

CONTRACTOR TRAINING INFORMATION BEGINS JUNE 3rd

IHCDA recently announced Ivy Tech Community College will begin contractor training for the Weatherization Assistance program on Wednesday, June 3rd with an option of daytime or evening class format. Classes will be held at the following Ivy Tech campuses: Columbus, Elkhart, Evansville, Fort Wayne, Indianapolis, Kokomo, Richmond, Sellersburg, Terre Haute, and Valparaiso. For additional details and to register, please visit <http://www.ivytech.edu/weatherization/>.

IBA BOARD OF DIRECTORS MEETING CHANGED, NOTE NEW DATE

IBA's Board of Directors will meet on MONDAY, JUNE 8th at the Hilton Indianapolis North (8181 N. Shadeland Ave. 46250) instead of Tuesday, June 9th. Please make sure to mark your calendars for this important meeting which will be held from 4-6 p.m. and feature Secretary of State Todd Rokita as the keynote speaker.

IOSHA STEPIING UP RESIDENTIAL INSPECTIONS

The Indiana Builders Association has received word from contractors in the state that IOSHA inspectors have been hitting residential jobsites in northern Indiana over the past week. Please be aware of your jobsite requirements and visit the following NAHB website for additional OSHA Construction Safety information or visit the state's website for INSAFE below.

http://store.builderbooks.com/cgi-bin/builderbooks/149?id=qgC9pKcS&mv_pc=44

<http://www.in.gov/dol/insafe.htm>

SINGLE-FAMILY HOUSING STARTS EDGED UPWARD

Production of single-family homes edged upward in April as builders responded to improving conditions for new-home buyers, according to newly released figures by the U.S. Commerce Department. While overall starts fell 12.8 percent to a record-low seasonally adjusted annual pace of 458,000 units, the decline was entirely confined to the multifamily sector, where production fell 46 percent to a 90,000-unit pace for the month, while single-family starts posted a 2.8 percent gain to 368,000.

BUILDER CONFIDENCE IMPROVES AGAIN

Builder confidence in the market for newly built, single-family homes improved for a second consecutive month in May to the highest level since September 2008, according to the recently released NAHB/Wells Fargo Housing Market Index (HMI). The HMI rose two points to 16 this month.

FIRST-TIME HOME BUYER TAX CREDIT CAN BE MONETIZED

NAHB's efforts to allow consumers to apply the \$8,000 first-time home buyer tax credit to their downpayment and/or closing costs received a huge boost when the HUD Secretary Shaun Donovan announced that HUD will allow government agencies and other authorized parties to monetize the tax credit through the use of either short- or long-term loans in conjunction with FHA-insured mortgage loans. HUD's action would provide guidance on FHA mortgage insurance procedures for second lien programs that a number of state housing finance agencies have tied to the tax credit and open the door for other parties to provide tax credit bridge loans for first-time home buyer downpayments. For more information visit

http://www.nahb.org/news_details.aspx?newsID=9233

MORTGAGE LOAN ACTIVITY DECREASES

On a seasonally adjusted basis, the pace of mortgage loan activity decreased 8.6 percent last week, according to the Mortgage Bankers Association. Overall, mortgage rates were down, with 30-year loans decreasing to 4.76 percent, from 4.79 percent, and 15-year mortgages averaging 4.5 percent, a decrease from 4.57 percent a week prior.

DROP IN INDIANA'S JOBLESS RATE

According to the Indiana Department of Workforce Development (DWD), Indiana's jobless rate dropped in April. Indiana's preliminary seasonally-adjusted unemployment rate in April was 9.9 percent, a 0.1 decrease from March. The state added 12,600 jobs in April (non-seasonally adjusted) with the greatest areas of gain in "Leisure and Hospitality" (+8,200) as well as

“Construction” (+5,900) while manufacturing lost 5,400 positions. Recently announced layoffs in the automobile industry and major steel operations are not reflected in this report. Indiana was the only state among its neighbors to record a decrease in month-to-month unemployment. Kentucky reported no change at 9.8 percent. Michigan rose 0.3 percent to 12.9 percent. Illinois increased 0.4 percent to 9.4 percent. Ohio posted a 0.5 percent increase to 10.2 percent.

INDIANAPOLIS ENERGY SUMMIT

The American Energy Solutions Group (AESG) and its chairman, Indiana Congressman Mike Pence, will hold an energy summit in Indianapolis next week with leading energy experts to discuss solutions to America’s energy challenges. It is one of several events across the country next week. Indiana Representatives Dan Burton and Steve Buyer are also expected to attend. The Indianapolis Energy Summit will take place Wednesday, May 27th at 10:00 a.m. in Indianapolis, IN, at the Indianapolis-Marion County Public Library and is open to the public.

\$26 MILLION ALLOCATED FOR 30 AFFORDABLE HOUSING PROJECTS

The Indiana Housing & Community Development Authority (IHCDA) Board of Directors approved more than \$26 million in allocations for a variety of affordable housing project in 30 rental housing developments across the state. IHCDA administers the Low-Income Housing Tax Credit Program, a federally funded program that awards tax credits to developers to use for rehabilitation, acquisition, or construction of affordable rental housing units. By reducing a developer’s federal tax liability, or selling of tax credits to investors, tax credits can help cut the cost of developing affordable rental units. Units financed through this program must be rented at or below 60 percent of the area median income.

LEGISLATIVE

LAWSUIT FILED AGAINST STATE REPRESENTATIVE JACQUE CLEMENTS

The Clinton County Commissioners filed a lawsuit Wednesday against State Representative Jacque Clements (R-Frankfort) for her role as Clinton County Auditor in hiring a company providing computer software for property tax calculations in Clinton County. The allegations against Clements include negligence, actual fraud and constructive fraud. The suit comes just weeks after County commissioners terminated Clements from her part-time job in the Clinton County Auditor’s Office for “unauthorized personal use” of the county’s e-mail network. The Clinton County Attorney is also in the process of forwarding information on Clements to the State Board of Accounts about a conflict of interest for being an employee with a software company when hired as Auditor in 2004 without filing a disclosure statement which is considered a Class D felony, punishable by anywhere from 6 months to 3 years in jail.

MODEL HOME TAX RULE GOES INTO EFFECT

The Indiana Department of Local Government Finance published an emergency rule that was effective May 15, 2009 that temporarily adds provisions to provide the methodology for qualified owners of a model residence to claim the deduction for the 2008 assessment date by filing an application with the auditor of the county where the property is located and provides guidance to elected officials with respect to the deduction. This emergency rule is in response to the legislation passed by the Indiana General Assembly and supported by the Indiana Builders

Association in the session that ended in April. Please see the link below for additional information. <http://www.in.gov/legislative/iac/20090520-IR-050090360ERA.xml.pdf>

GOVERNOR SIGNS BILLS INTO LAW

Governor Mitch Daniels finished signing legislation passed by the General Assembly into law last week. This means bills such as the model home act language, homeowners association bill and others will become effective on the date specified in the legislation. One piece of legislation monitored by IBA was vetoed, House Bill 1348 which would have required an update to the state's energy code for commercial buildings. Daniels indicated his decision to veto the legislation stemmed from his previous direction to begin updating the code months ago. The bill's author Rep. Ryan Dvorak (D-South Bend) has expressed interest in proceeding with a veto override which could happen as early as the upcoming special session.

BUDGET COMMITTEE MEETS, DISCUSS UPCOMING BUDGET

The Budget Committee has begun meeting in an effort to craft a budget for the upcoming special session of the General Assembly and are working on an updated revenue forecast. The committee is scheduled to continue meeting in the next few weeks in an attempt to gain better numbers projected in the revenue forecast and hopefully gain some consensus before Governor Daniels calls legislators back to pass a budget. The current budget ends with the last day of the current fiscal year (June 30) so the budget must have an effective date of July 1.

REGULATORY

COMMISSION MAY ADOPT PROPOSED ELECTRICAL RULES ON JUNE 2ND

At its next meeting on June 2nd the Fire Prevention and Building Safety Commission is expected to discuss and possibly take action on the proposed rule amending the current Indiana Residential Code (IRC) (LSA Document 09-139) and the proposed rule to adopt by reference and amend the 2008 National Electrical Code (NEC) as the Indiana Electrical Code, 2009 Edition (LSA Document 09-140). Since the state removed the requirement for arc-fault circuit interrupters (AFCI's) and tamper-resistant (TR) receptacles due to their fiscal implications, IBA supported the proposed rules, but asked that the Commission forward the proposed rule amending the IRC to the recently established Residential Code Review Committee for its consideration. In testimony IBA defended its position that according to 2006 and 2007 Residential Structure Fire Cause Reports published by the Fire Service Division of the Indiana Department of Homeland Security there were zero (0) civilian or firefighter deaths caused by electrical distribution equipment (i.e. wires, outlets, etc.) which is what AFCI's are designed to protect. In addition, at an average cost of \$600/new home to install, AFCI's will cost Indiana's new homebuyers \$14.3 million to cover the loss of \$1.86 million in property damage. The Commission meeting is scheduled for Tuesday, June 7th at 9 AM in Indiana Government Center South, Conference Center Room B at 302 West Washington Street, Indianapolis. For copies of the proposed rules, contact Carlie@BuildIndiana.org.

LOW-VOLTAGE ORDINANCE

St. Joseph County and the City of South Bend have implemented an ordinance requiring registration of all low-voltage installations and permits for low-voltage contractors. The requirement was to begin on April 1, 2009, but Building Department has placed a moratorium on the fees until the ordinance can be amended with a new fee structure. The previous fee was \$3.00

per outlet. The new proposed structure includes a minimum fee of \$20 with the first 25 outlets, terminations, and/or jacks at \$3.00 each and additional outlets, termination, and/or jacks over the initial 25 at \$0.50 each. Registration will also be required of all low-voltage contractors. The reference for all installations will be the low-voltage sections of the National Electrical Code (NEC) 2005. According to the Building Department, low-voltage installations are becoming more popular due to increased demand for device connectivity. As a result, structures are being built with more outlets, terminations, and jacks that must be inspected to ensure the safety of the occupants. The new fee structure will help cover the department's inspection costs while reducing the burden on the contractor who typically handles larger projects.

COMMISSION POSITION

If you are interested in serving on Indiana's Fire Prevention and Building Safety Commission as the representative of the building industry, please submit your information to the IBA office. Mike Christoffersen, a member of the HBA of Fort Wayne, currently serves on the Commission and his term expires in June. The Commission adopts the code of building and fire safety laws that affect all buildings classified as Class 1 or Class 2 structures in the state of Indiana. If you're interested in serving on the state's Fire Prevention and Building Safety Commission, please submit your resume or statement of qualifications to Carlie@BuildIndiana.org by Friday, May 29th. IBA's Senior Officers will contact finalists for 5-10 minute interviews with the Executive Committee at its meeting on Monday, June 8th at the Hilton Indianapolis North and will make their recommendation to the governor's office shortly thereafter.

RESIDENTIAL CODE REVIEW COMMITTEE TO MEET

The state's Residential Code Review Committee will meet on June 11th from 10 AM to 4 PM at the Sterrett Center located at 8950 Otis Ave, Lawrence, IN 46216. The Committee will review Chapters 3-4 of the 2009 IRC and all proposed code changes for those chapters. The deadline for submitting proposed code changes for this meeting is June 2nd. The meetings are open to the public. The meeting notice, minutes, and agenda are posted at <http://www.in.gov/dhs/2494.htm>. Proposed code changes are posted at <http://www.in.gov/dhs/2495.htm>. To propose a code change, complete and return the Proposed Code Change Form 41186R to the state of Indiana. The form can be downloaded from the code services section of the state's website at <http://www.in.gov/dhs/2375.htm> or contact Carlie@BuildIndiana.org for a Word template.

NAHB NEWS

SPRING BOARD MEETING NEXT WEEK

NAHB'S Spring Board meeting will be on May 26-30 at the Marriott Wardman Park Hotel and the National Housing Center in Washington, DC. The [chairman's memo](#) provides links to the full text for each of the resolutions/recommendations that are currently available online. For the Spring Board program visit http://www.nahb.org/meeting_details.aspx?meetingID=1497&hp=yes or contact Cyndi McKinley at cmckinley@nahb.com or 800-368-5242 x8346.

HUD WITHDRAWS PROPOSED RESPA RULE

The Department of Housing and Urban Development withdrew a rule to prohibit builders from offering incentives for buyers to use the builder's affiliated title and mortgage services. This would have eliminated an extremely valuable selling tool for many home builders. NAHB and a

coalition of our members therefore initiated court action against the proposal in December 2008, and that action forced HUD to delay implementation of the new rule and sparked a public process in which the agency received over 1,200 comments. At the end of the comment period last week, HUD decided it should withdraw the proposed rule, thereby allowing builders to continue to provide incentives for use of affiliated services. HUD may still come back in the future and conduct a new rulemaking on the "required use" definition that was at the heart of this issue. For more information on this contact NAHB Staff Duane Desiderio at d-desiderio@nahb.com or 800-368-5242 x8146 or Bill Renner at Brenner@nahb.com or 800-368-5242 x8597.

FIRST REMODELED HOME CERTIFIED TO THE NATIONAL GREEN BUILDING STANDARD IN INDIANA

A recently completed remodeling project in Munster, Indiana is the first home remodel to earn certification under the National Green Building Standard. The renovation included upgrading the heating and cooling system, installing a high-efficiency water heater, selecting Energy Star-rated appliances, adding wall and pipe insulation as well as thoroughly sealing the home against air and energy leaks to produce an estimated 49% decrease in energy consumption. To reduce waste, the company replaced the faucets and toilets with low-flow fixtures that should use about 20% less water. Already, more than 1,500 new homes, renovation projects and subdivisions are in the scoring process for the standard at www.nahbgreen.org.

GREEN BUILDING GROWING AT A SURPRISING RATE

As builders and remodelers retool their businesses in a tight credit market and recapture the interest of jittery customers, this spring is the greenest yet for the nation's home building industry, according to NAHB. More than 3,100 builders, remodelers, designers and others in the home building business have earned the Certified Green Building Professional education designation. A Master Green Builder-Remodeler designation that incorporates additional building science and project management coursework is slated to be unveiled next year. More than 200 single-family homes, remodeling projects and development in 43 states have received National Green Building Certification, with another 300-plus scheduled for inspections.