



# UPDATE BULLETIN

*Building Industry Association of Fresno/Madera Counties*

*Volume 20, Issue 11—October 31, 2011*

## *Around the State*

### *Economy/Housing Market*

#### **Commentary: To Fix Housing, Fix Housing Finance**

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

Although there were many factors and actors to blame for the 2008 financial crisis, the subsequent Great Recession, and the current economic lethargy, there is little disagreement that housing was (and still is) at the center of the bubble. Rarely a day goes by without some grim housing news: most recently, "Mortgage Delinquencies Increase," "Mortgage-Fraud Reports Up 88%," and "New-Home Sales Sink To Lowest in Six Months." Until the housing (and job) market recovers, the larger economic recovery will remain stalled. How housing is financed — and the role of the government in that system — is a question that must be addressed by policy makers, and soon.

[http://blogs.wsj.com/developments/2011/10/06/commentary-to-fix-housing-fix-housing-finance/?mod=google\\_news\\_blog](http://blogs.wsj.com/developments/2011/10/06/commentary-to-fix-housing-fix-housing-finance/?mod=google_news_blog)

#### **Developer offers equity protection**

##### **Santa Clarita Signal**

Introducing a unique model for jump-starting the new home market, Pardee Homes has introduced an equity-protection program to buyers on select homes in the Los Angeles market. The equity-protection program pays buyers if their home values drop between the time of purchase and the time of resale. It's the first homebuilder program of its kind to offer such a safeguard,

according to a spokesman for Pardee. The program, also offered in Las Vegas, is currently available for select homes at Pardee's Oak Crest and LivingSmart Homes at Fair Oaks Ranch. The equity-protection plan is being offered through Colorado-based Equity-Lock Solutions and compensates the homeowner at resale for any decline in the local house price index as reported by the federal Housing Finance Agency, regardless if the owner is selling the home at a loss or a gain.

<http://www.the-signal.com/section/24/article/53524/>

### *Fees/Costs*

#### **New housing development pays its way**

##### **Manteca Bulletin - Op-ed by John Beckman, CEO, BIA of the Delta**

"Smart Growth" is appearing more and more in newspapers and the topic of many forums yet even with all the discussion there remains a great deal of confusion and misleading statements. As a participant in most growth-related discussions in the region I would like to offer some observations and some clarification. First, infill development is not necessarily Smart Growth and Greenfield Development (development on the edge of an urban area) can comply with Smart Growth principles. Many commentators even

suggest that Greenfield Development doesn't pay its own way, but that infill development does. The fact is fees charged to one single family home in this county are as high as \$60,000, per house.

<http://www.mantecabulletin.com/section/37/article/28130/>

#### **City Council members consider impact of development fees in Berkeley**

##### **Berkeley Daily Californian**

At a special work session Tuesday night, the Berkeley City Council discussed implementing new fees on development projects in the city that would go toward beautification and transportation projects. The city currently collects fees on new commercial developments to fund affordable child care and affordable housing — collected at \$1 and \$4 per square foot, respectively. Unless they provide affordable housing at their site, developers of residential condominiums have to pay a fee that goes toward affordable housing development in the city. City council members discussed these existing fees, as well as two potential new fees. One would provide money to implement parts of the city's Downtown Area Plan while the other would be a transportation fee geared toward expanding public transportation in West Berkeley.

<http://www.dailycal.org/2011/10/11/city-council-members-consider-impact-of-development-fees-in-berkeley/>

# Around the State—con't

## Fees/Costs - con't

**Relief could arrive for developers; Redding council may eliminate fees to entice building**

### Redding Record-Searchlight

Redding may temporarily cut developer fees in hopes of resuscitating a flat-lined home construction industry. The City Council on Tuesday will consider eliminating traffic and sewer impact fees for the first 50 homebuilding permits issued next year. The fee holiday would lop \$12,518 off the cost of those homes, bringing them closer to the average in today's foreclosure-glutted market. The city could waive fees for six months and still make debt payments on street widening and sewer line projects financed with that revenue, Bill Nagel, interim development services director, said in his council report.

<http://www.redding.com/news/2011/oct/14/relief-could-arrive-for-developers/>

## Affordable Housing

**Landowners sue Roseville over affordable housing requirement**

### Sacramento Bee

A group of landowners has sued the city of Roseville, alleging it dumped the affordable housing requirements of a much larger development on their single 81-acre parcel of land. In a suit filed Monday in Placer Superior Court, the Martinez Family Trust and Computer Deductions Inc. of Orangevale said a plan approved by the Roseville Planning Commission in July calls for nearly half of the 282 homes approved for their property to be built for low-income buyers. This requirement, they say, leaves their property undevelopable. The suit alleges that the city improperly allocated a major portion of the affordable housing obligations of the planned 2,048-acre, 6,650-home Sierra Vista development to their land.

<http://www.sacbee.com/2011/10/04/3957876/landowners-sue-roseville-over.html>

**New Marin County development regulations would affect everything from homeless shelters to tree cutting**

### Marin Independent Journal

New development regulations that guide projects in local neighborhoods, cut red tape and add new rules while affecting proposals ranging from homeless shelters and second units to subdivisions and tree cutting are nearing the finish line at Marin County Civic Center. Affordable housing and fee requirements are clarified in light of a recent Sleepy Hollow lot split controversy, with the new rules imposing a fee on any lot split, despite indications county supervisors favor exemptions for "mom and pop" splits. Under new rules, such "in lieu" affordable housing fees would be increased for subdivision projects, boosting the \$603,000 fee for a 13-unit project to \$754,000.

[http://www.marinij.com/marinnews/ci\\_19065486](http://www.marinij.com/marinnews/ci_19065486)



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# Around the State—con't

## Affordable Housing - con't

**City Hall wants developers to pay more for affordable housing**

**Santa Monica Daily Press**

CITYWIDE — City staff will come before the Housing Commission Thursday with recommendations for additional administrative fees for developers that choose to build affordable housing, a move that some believe will stall development in the city. As proposed, the fees would equate to a \$300 initial cost per unit with a \$120 annual charge assessed to developers before the housing is occupied. That would pay for the city staff time it takes to review personal income documentation to ensure that the people moving into affordable housing qualify under City Hall's income restrictions, said Jim Kemper, housing administrator.

<http://www.smdp.com/Articles-c-2011-10-17-72774.113116-City-Hall-wants-developers-to-pay-more-for-affordable-housing.html>

**Redding council suspends fees for new homes; builders say move will spur construction**

**Redding Record-Searchlight**

Top Redding officials Tuesday evening took steps to revive local home construction and seize a role in national forest planning. The City Council voted 4-1 to suspend traffic and sewer fees for new homes through mid-2012. The council also voted unanimously to coordinate recreation planning with the U.S. Forest Service. Council member Patrick Jones cast the dissenting vote against the temporary fee suspension, saying it does not go far enough. Jones called for a permanent reduction of all developer fees. Lopping \$12,518 in fees off building costs should make new homes more competitive with a foreclosure-flooded real estate market and perhaps put construction workers back to work, a council majority said. Builders said they would pass all of those savings on to buyers.

<http://www.redding.com/news/2011/oct/18/redding-city-council-fees-suspended-for-new/>

## Planning and Land Use

**Pleasanton officials agree to extend appellate court hearing on developer's lawsuit**

**Pleasanton Weekly**

Pleasanton's city attorney and outside legal counsel acknowledged last night that they have agreed with a developer's legal team to extend the deadline for arguments before the state Court of Appeal in a lawsuit the developer is pressing against the city. The extension, suggested by attorneys for Frederic and Jennifer Lins, who own 552 acres in the city's southeast hills where they are seeking permits for a housing development called Oak Grove, will give both sides more time to prepare legal briefs. The Lins are asking the appellate court to overturn a judgment in the Alameda County Superior Court against their claim that a development agreement once-signed by City Manager Nelson Fialho should allow them to build 51-homes on the property they have owned since the 1970s.

[http://www.pleasantonweekly.com/news/show\\_story.php?id=7868](http://www.pleasantonweekly.com/news/show_story.php?id=7868)

**No decision on countywide building moratorium; court asks county to file proposal**

**Eureka Times-Standard**

While affordable housing advocates have asked for a building moratorium that would affect property eligible for multifamily rezoning -- with some exceptions -- the county is arguing that a moratorium this borad would only slow down the process, not speed it up. Local attorney Bill Bragg, who is representing the county in the suit, told Humboldt County Superior Court Judge Dale Reinholtsen at a hearing Tuesday that the moratorium should encourage affirmative rezoning. It was unclear what parameters the county would like to see instead of the proposal for affordable housing from the advocacy group Housing for All. Bragg said he would file a written proposal by Thursday.

[http://www.times-standard.com/localnews/ci\\_19044377](http://www.times-standard.com/localnews/ci_19044377)

**Ambitious development planned near Central High Stadium**

**ABC 30**

FRESNO, Calif. (KFSN) -- Plans to build a huge housing development in west central Fresno have been rekindled. The Westlake project is bordered by Grantland to the east, Garfield to the west, Shields to south and Gettysburg to the north. The project was first introduced in 2007 but the economic climate slowed its progress. Now developers are confident they'll have something to show by 2014. The Westlake development by Granville Homes would take up 430 acres near Central High's Stadium. Much of the land is agricultural in the area. Many residents out this way have their own wells. Some were worried a new development would impact traffic and their water supply.

<http://abclocal.go.com/kfsn/story?section=news/local&id=8408675>

## Legal Issues

**CA Court Ruling on Prevailing Wage Dispute in Public-Private Development Project Could Have National Implications**

**Building Online**

On December 21, 2010, the California Court of Appeals ("Appellate Court") concluded its review of Azusa Land Partners ("ALP") v. Department of Industrial Relations ("Department") pertaining to prevailing wage laws applicable to public improvement work performed by private contractors. Since that time, the Plaintiff ALP appealed the Appellate Court decision to the California Supreme Court and the request to be heard was denied. So for now, this case will provide interpretation and clarification to the existing California prevailing wage law in terms of how the payment of prevailing wages applies to land development projects.

<http://www.buildingonline.com/news/viewnews.pl?id=11058&subcategory=171>

## Around the State—con't

### Water/Land/ Environment/Energy

#### Valley Air District says it wins development-related emissions legal case

##### Merced Sun-Star

The Valley Air District said it prevailed in a legal challenge by the National Association of Home Builders (NAHB) to a landmark regulation addressing development-related emissions. Rule 9150, Indirect Source Review, was first upheld by the federal District Court in 2007. The ruling was appealed, and the 9th Circuit Court of Appeals again upheld the rule last year. In June of this year, NAHB filed a petition asking the U.S. Supreme Court to review the appellate court decision. Tuesday, the Supreme Court issued a decision declining to hear the case, according to a news release from the air district. The state Building Industry Association filed a separate challenge to Rule 9510 in state court. The air district won that case in 2008, a decision that was upheld on appeal in 2009.

<http://www.mercedsunstar.com/2011/10/04/2068449/valley-air-district-says-it-wins.html>

#### Bay Area could become first region to plan for sea level rise in long-term development

##### San Mateo County Times

The Bay Area could become the first region in California, and perhaps in the U.S., to recognize and plan for sea level rise in its long-term development. At a public meeting Thursday afternoon, the Bay Conservation and Development Commission is expected to approve a major amendment to its guiding Bay Plan document with new language on climate change in the Bay Area. The vote will mark the first time that a California regulatory agency has adopted policies that require communities to look at the implications of building in areas that may be flooded 50 or 100 years hence. Key groups -- developers, trades unions and environmen-

talists -- are behind the plan but the consensus-building process was so contentious that it took two years and five months to get there.

[http://www.mercurynews.com/san-mateo-county/ci\\_19048354](http://www.mercurynews.com/san-mateo-county/ci_19048354)

#### REGION: Brown signs water re-use bill

##### North County Times

Backyard gray-water irrigation systems could become commonplace as a result of legislation signed into law over the weekend. On Saturday, Gov. Jerry Brown signed Assembly Bill 849 by Assemblyman Mike Gatto, D-Los Angeles, which says cities, counties and other local government agencies cannot prohibit gray-water systems, except in areas where special circumstances exist. Gatto said he wanted to make it easier for homeowners to install systems that irrigate gardens with waste water collected from washing machines, bathroom sinks and showers. Under the new law he authored, agencies still will have the ability to bar gray-water systems. But Gatto said they will have to hold hearings and demonstrate that special conditions warrant a prohibition.

[http://www.nctimes.com/news/local/sw-county/article\\_d1e4b055-b05c-5a5c-9ba4-c2af252a238b.html](http://www.nctimes.com/news/local/sw-county/article_d1e4b055-b05c-5a5c-9ba4-c2af252a238b.html)

#### Local homebuilders apprehensive about proposed new energy mandates

##### Bakersfield Californian

Local builders are decrying proposals that would strengthen minimum energy efficiency standards for new construction, saying they could hinder new home building just as the struggling industry is clawing its way to a comeback. At issue are proposed changes to the California Energy Code. Energy efficiency standards for residential and nonresidential buildings were established in 1978 in response to a legislative mandate to reduce California's energy consumption. The standards are updated periodically to reflect new

technologies and building methods. The California Energy Commission has proposed a whole host of changes intended to make buildings use less energy, including mandates for tighter windows and better insulation.

<http://www.bakersfield.com/news/business/realstate/x860822463/Local-homebuilders-apprehensive-about-proposed-new-energy-mandates>

# MEMBERSHIP

**Renewing Members**

**Thank You!**

**WELCOME NEW MEMBERS**

**Generation Homes  
Quality Electric  
Panda Koala**

**None**



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## **Calendar of Events**

### **November**

- 2 BIA Board of Directors - 8:45 am - Hampton Inn
- 2 **Professional Women in Building - 12:00 noon**
- 2 BIA/Fresno County Committee - 3:00 pm - Fresno County Plaza
- 8 BIA/Fresno Public Works Committee - 2:00 pm - City of Fresno
- 9 BIA/Fresno Planning Committee - 1:30 pm - City of Fresno
- 16 BIA/Clovis Committee—9:00 am—City of Clovis
- 23 BIA/FMFCDC Committee - 9:00 am - Flood Control District Office
- 24-25 **BIA OFFICE CLOSED FOR THANKSGIVING**