



# UPDATE BULLETIN

Building Industry Association of Fresno/Madera Counties  
Volume 20, Issue 9—August 31, 2011



## Around the State

### Economy/Housing Market

#### Obama Blocked by Banks on Mortgage Plan to Stimulate Economy

##### Bloomberg

A U.S. program to help as many as 5 million homeowners refinance their mortgages is being hindered by reluctant lenders, suffering a similar fate to the government's main foreclosure-prevention effort. The Obama administration introduced the plan in April 2009 in a bid to prevent defaults among borrowers who were current on their payments but had little or no equity after the average home price had tumbled 33 percent since the July 2006 peak. The Home Affordable Refinance Program, known as HARP, was designed to allow these homeowners, who usually can't qualify for new loans, to benefit from the lower rates engineered by the Federal Reserve to help stimulate the economy. About 810,000 homeowners refinanced through HARP as of May, according to the Federal Housing Finance Agency, far short of the administration's goal.

<http://www.sfgate.com/cgi-bin/article.cgi?f=/g/a/2011/08/16/bloomberg1376-LQ31PY1A74E901-2AM6GPKKBKJL0RC8PBBNEHSQ9U.DTL>

#### Is green good for home resale value?

##### Washington Post

Home energy efficiency and sustainability have been major policy priorities for the Obama administration, but lurking in the background are two pesky questions: Beyond the documentable savings on utilities bills, do such steps add to the resale value of a home? And do they make it easier to sell your property? Housing groups and housing officials say definitive data covering multiple regions of the country are scarce. But some localized research projects in Oregon, Washington state and California offer promising hints.

[http://www.washingtonpost.com/realestate/is-green-good-for-home-resale-value/2011/08/19/gIQAMUGzfJ\\_story.html](http://www.washingtonpost.com/realestate/is-green-good-for-home-resale-value/2011/08/19/gIQAMUGzfJ_story.html)

#### Multigenerational Homes Surge in U.S.

##### Bloomberg

When advertising executive John Gallegos wanted to promote a new package of Spanish-language channels for client Comcast Corp. (CMCSA), he put together a spot featuring the fictional Gutierrez clan gathered around television sets in their home. A smiling grandfather hands out popcorn in the ad. Gutierrez women weep along with a soap opera. A younger family member looks up words in a Spanish-English dictionary. And everyone shouts when a little girl tries to change the channel during a soccer match. The U.S. is experiencing a surge in the multigenerational households that were once a common feature of American life, and Hispanic and Asian families are driving the trend, according to U.S. Census Bureau data released this month.

<http://www.bloomberg.com/news/2011-08-30/grandma-bunks-with-jobless-kids-as-multigenerational-homes-surge.html>

# Around the State—con't

## Fees/Costs

### Lancaster cuts to build

#### Santa Clarita Valley Signal

Eager to regenerate growth in the building industry, the city of Lancaster moved to reduce and delay development fees to spur construction and urged other communities in the region to quickly follow suit. A fee reduction for homebuilders is designed to spur construction, create jobs and increase revenue. The reduction in fees is projected to save home builders nearly \$2,800 per home. The savings are expected to be eventually passed on to homebuyers. "Fees charged by local cities, counties and school districts that average \$50,000 or more per home make it extremely difficult to make projects pencil out in today's market," said Holly Schroeder, CEO of the Los Angeles/Ventura Chapter of the Building Industry Association of Southern California.

<http://www.the-signal.com/section/24/article/49121/>

### Oakley rolls back fees on homebuilders

#### Contra Costa Times

OAKLEY -- The city is trying to jump-start its economy by giving homebuilders a break on development fees. The City Council temporarily has rolled back five of the fees it charges developers, hoping that the move will generate short-term jobs as well as an ongoing source of revenue for businesses in town by encouraging them to create more houses. The council's action reduces the city's portion of the fees developers pay by about \$14,400 per house, an approximately 50 percent savings to builders. The discounted fees will remain in effect until June 30, 2013. A rule of thumb in the construction industry is that once development fees exceed 15 percent of a home's sales price, it's no longer practical to build, said Bob Glover, executive officer of the building association.

[http://www.mercurynews.com/news/ci\\_18609870?source=rss](http://www.mercurynews.com/news/ci_18609870?source=rss)

### Sanger eliminates downtown permit fees

#### Fresno Business Journal

The city of Sanger has taken a bold step to encourage construction in its downtown business district by eliminating all building permit fees for the area. The Sanger City Council recently decided on a 4-1 vote to take the step. It also recently eliminated sewer and water development impact fees for new construction throughout the city, and is offering a 50-percent rebate of sales tax revenues for new businesses opening in vacant buildings. The city is also exploring a "dramatic" reduction in land prices and development fees for new or expanding businesses in its Kings River Technology Park, as well as reduction or elimination of residential development impact fees.

<http://www.thebusinessjournal.com/government/10810-sanger-eliminates-downtown-permit-fees>



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## *Around the State—con't*

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

**SB COUNTY: Builders to county board -- drop fee study**

#### **Riverside Press-Enterprise**

A proposal by San Bernardino County to study imposing fees on developers to pay for streets, parks and other improvements is generating concerns from the building industry. The county is still in the early stages of exploring whether to impose such a fee, but the Building Industry Association of Southern California has asked that the study be halted, saying it could hurt an already fragile housing market. Carlos Rodriguez, CEO of the Building Industry Association, Baldy View chapter, said the development community was taken by surprise by the study. He asked the Board of Supervisors last week not to go forward, saying it could "usher in a cloud of uncertainty to an already uncertain economy."

[http://www.pe.com/localnews/stories/PE\\_News\\_Local\\_D\\_nfees16.3d92c51.html](http://www.pe.com/localnews/stories/PE_News_Local_D_nfees16.3d92c51.html)

**Council OKs reduced project review fees**

#### **Porterville Recorder**

The mandatory pre-application review process for future building projects in Porterville just got cheaper. The Porterville City Council's decision Tuesday night was unanimous, despite an anticipated \$7,500 loss in revenue this year with the implementation of the new fee system. The former system, a \$753 flat fee for the Project Review Committee to provide an applicant with a summary of the requirements for a project prior to submittal of a building permit or an application for discretionary project approval, will be replaced with a more low-cost, tiered fee structure. The new structure separates projects by type and size, with the PRC fee for small projects at \$250, \$500 for medium projects, and \$750 for large projects.

<http://www.recorderonline.com/news/review-49799-porterville-council.html>

**REGION: Supervisors defer developer fee two more years**

#### **North County Times**

To help spur development in the backcountry, the San Diego County Board of Supervisors extended an "impact fee" deferment program last month allowing developers to delay expensive county payments until after their residential or commercial project is built. The county in the past has charged developers upfront for the "impact" or cost their projects have on transportation, parks, drainage and sewer services, all of which are covered by the deferment program. Supervisors first approved the deferments in 2009 amid the collapsing housing market and a stalled construction industry. Their vote last month extends the deferments two more years and recognizes that construction has yet to recover in rural areas.

[http://www.nctimes.com/news/local/fallbrook/article\\_0bde1e2b-72dd-5fd-fa202-04b969b1d892.html](http://www.nctimes.com/news/local/fallbrook/article_0bde1e2b-72dd-5fd-fa202-04b969b1d892.html)

### *Planning and Land Use*

**Editorial: Sacramento County Supervisors loosen growth plan for developers**

#### **Sacramento Bee**

Sacramento County supervisors had in front of them eminently reasonable growth guidelines to limit air pollution, traffic gridlock and suburban sprawl. But with developers squawking in their ears, supervisors are moving toward watering down the rules. That's bad for the environment, bad for taxpayers and bad for the county's long-term prospects. There would be too much leeway for new subdivisions and other projects that aren't needed, that would create burdensome costs for infrastructure and that could set up Sacramento County for another housing bust. To counter developers' voices, residents need to bend the board's ear about this wrong course at a public hearing today.

<http://www.sacbee.com/2011/08/10/3827441/editorial-sacramento-county-supervisors.html>

# MEMBERSHIP

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**Thank You!**

**WELCOME NEW MEMBERS**

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Wathen Family Builders  
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Zblinds Company  
Airport Specialty Products  
Pacific Paving Company  
Fresno Plumbing & Heating**

**Katie Polhemus  
Waste Management  
559/470-4478**



BIA recognizes and appreciates new members and renewing members..  
Please call them if you are in need of services they provide.

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**KEEP YOUR INDUSTRY STRONG**

**We're Sorry To See You Go!**  
Do you know any of these members?  
Call and urge them to renew their membership today!

**These memberships are set to expire on 8/31/11  
Pulte Group**

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The Fresno Bee

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BIAFM

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## **Calendar of Events**

### **September**

- 5**     **BIA OFFICE CLOSED - Labor Day**
- 6-11**   **NAHB Fall Board/Committee Meetings - Milwaukee WI**
- 7**     **BIA Board of Directors - 8:45 am - Hampton Inn**
- 7**     **Professional Women in Building - 12:00 noon**
- 7**     **BIA/Fresno County Committee - 3:00 pm - Fresno County Plaza**
- 13**    **BIA/Fresno Public Works Committee - 2:00 pm - City of Fresno**
- 14**    **BIA/Fresno Planning Committee - 12 noon - City of Fresno**
- 21**    **BIA/Clovis Committee—9:00 am—City of Clovis**
- 28**    **BIA/FMFCDC Committee - 9:00 am - Flood Control District Office**