To: BIA Members

From: Mike Prandini

Date: October 23, 2019

Subject: Analysis of 2019 Housing Legislation

On October 9, Dan Dunmoyer, President of CBIA, sent an email identifying the signed bills that affect housing. I have reviewed the Legislative Counsel’s Digest for each of these bills and provided my analysis of the impact on home construction in this area. The following information is provided on the substantial provisions of each bill and not intended to be an explanation of all changes in the entire bill. It is provided as information only to identify possible bills for your further consideration.

**SB 330 – Housing Crisis Act of 2019**

The bill adds a provision that an application is deemed complete if a preliminary application was submitted by providing specified information about the project and to require agencies to provide a checklist and form for applicants to use. The bill requires that if an application is deemed incomplete, the agency must provide an exhaustive list of items not complete. The bill prohibits more than five hearings. The bill, until 1/1/2025, reduces the lead agency time period for approval or disapproval from 120 days to 90 days. The bill prohibits an agency, or by local initiative, to change the land use designation or zoning to a less intensive use than what was in effect on January 1, 2018; to impose a moratorium; to impose new design standards; or to impose a limit on permit issuance unless the limit was established prior to January 1, 2005. This bill makes is somewhat easier to achieve approval.

**AB 1763 Planning and Zoning – Density Bonus**

The bill provides an enhanced density bonus for projects that are 100% affordable to very low, low and moderate income. Unless a builder is planning a project that is 100% affordable, it will have no impact.
AB 116 – Local Government Financing
The bill authorizes a public financing authority to finance public infrastructure by issuing bonds without submitting the proposal to the voters. This would be helpful if a city were to finance some of its sewer and water infrastructure through their financing authority.

AB 1485 – Housing Development – Streamlining
This bill affects applications for multifamily housing with below market rate units and has specific provisions for the San Francisco Bay Area. Unless a builder is planning such projects, this will have no impact.

AB 1255 – Surplus Land Inventory
This bill requires cities and counties to report to the State surplus public land in urbanized areas that could be developed for residential housing. This is not likely to have any benefit for builders in this area.

AB 1486 – Expands Surplus Land Act
This bill requires cities and counties to include information on surplus public lands in their housing elements and to provide annual progress reports to the State. This is not likely to have any benefit for builders in this area.

SB 6 – Residential Development – Available Land
This bill requires the Department of Housing and Community Development to provide a list of local lands suitable and available for residential development that have been identified by a local government in their housing element. Local agencies will be required to provide this information to the State beginning January 1, 2021. This is not likely to have any benefit for builders in this area.

SB 751 – San Gabriel Valley Regional Housing Trust
This bill creates the trust. This has no impact on this area.

AB 1483 – Housing Data Collection and Reporting
This bill will require a local agency to maintain on its website a current schedule of fees, exactions, and affordability requirements imposed by the agency. The bill also will require that with the next revision of the Statewide Housing Plan a 10-year housing strategy must be included. This bill will have no immediate impact, however, it may have some benefit in the future.

AB 1010 – Housing Program Eligibility
This bill adds the governing body of a Native American reservation or Rancheria as an eligible applicant for affordable housing programs. This bill has no impact on builders.

AB 1743 – Property Tax Exemptions
This bill expands the properties that are exempt from community facility district taxes to include property owned by a Community Land Trust and to prohibit an agency’s ability to reject a housing project because the land qualifies for the tax exemption. This bill has no impact on builders.

SB 196 – Property Tax Exemptions
This bill adds a tax exemption for property owned by a Community Land Trust. This bill has no impact on builders.

AB 68 – Land Use – Accessory Dwelling Units
This bill deletes, for accessory dwelling units, the provision authorizing the imposition of standards for lot coverage and will revise other requirements for such units. Unless a builder is planning to include accessory dwelling units, this has no impact on builders.
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AB 881 – Accessory Dwelling Units
This bill will require a local agency to designate areas where accessory dwelling units may be built based on the adequacy of water and sewer service and the impact on traffic and public safety. This bill also makes other changes for accessory dwelling units. As with AB 68, unless a builder is planning to include accessory dwelling units, this has no impact on builders.

AB 587 – Affordable Housing Exemption
This bill adds an exemption for affordable housing organizations to sell deed-restricted land to eligible low-income homeowners. This has no impact on builders.

SB 13 – Accessory Dwelling Units
This bill authorizes the creation of accessory dwelling units in areas zoned for single-family or multi-family residential and provides that an accessory unit may be attached or detached. This bill also prohibits a local agency from requiring replacement parking if a garage or carport is converted to an accessory unit; prohibits the establishment of minimum square footage requirements; prohibits the imposition of an owner-occupant requirement; prohibits the imposition of any impact fee for units under 750 sq. ft. and requires proportional fees on units over 750 sq. ft. and makes other changes. As with the other bills on accessory units, it has no impact on builders unless the builder plans to construct accessory units.

AB 671 – Accessory Dwelling Unit
This bill requires that a local agency include a plan to incentivize and promote the creation of accessory units that can be offered at affordable rent for very low, low, or moderate-income households in its housing element. This may create an issue locally if the agencies in this area do not include such a plan in their housing elements. The lack of a plan may cause the housing elements to be out of compliance and be decertified. Decertification could result in the suspension of the approval of new development until the housing element was recertified.
AROUND THE STATE

Solutions to the Attainable and Affordable Housing Crisis Are Varied, but Promising

Urban land

No single solution exists among the efforts to deliver attainable and affordable housing in a country where home prices continue to escalate significantly and the dream of homeownership is out of reach of millions of households, an expert panel told attendees at ULI's 2019 Fall Meeting in Washington, D.C.

Casey Anderson, chair of the Montgomery County (Maryland) Planning Board; George E. Casey Jr., chief executive officer of Stockbridge Associates; Tony Pickett, chief executive officer of Grounded Solutions Network; and Hilary Goldfarb, senior vice president and regional development officer of the Rockefeller Group, addressed the multifaceted housing challenge during a session at the meeting.

The percentage of the population that can afford a typical home today has been shrinking as the average home size increases—-trends that have been continuing for decades, said session moderator Adam Ducker, senior managing director at real estate advisory firm RCLCO.

Click here to read the entire article.

So You Make $100,000? It Still Might Not Be Enough to Buy a Home

Sacramento Bee

For Janessa White, the American dream of a red brick house on a tree-lined street blocks from a good elementary school remains obtainable. She just has to rent it.

Ms. White and her boyfriend moved with her 7-year-old son from Missouri to Denver last year. In Missouri, Ms. White owned her home, which she bought for a little over $100,000. To buy a house like the one she rents in Stapleton, an affluent section of the Colorado capital, would cost about four times as much. Even though her household's income is in the low six-figures, homeownership is daunting in Denver.

"It's hard not to want to buy," she said. "Saving for a huge down payment seems almost impossible."

Ms. White's household is part of a growing camp: high-earning Americans who are renting instead of buying homes. In 2019, about 19% of U.S. households with six-figure incomes rented their homes, up from about 12% in 2006, according to a Wall Street Journal analysis of Census Bureau data that adjusted the incomes for inflation. The increase equates to about 3.4 million new renters who would have likely been homeowners a generation ago.

Click here to read this article.
AROUND THE STATE

Facebook pledges $1 billion to fight housing crisis in California and beyond

Mercury News

Facebook on Tuesday committed $1 billion to tackle affordable housing shortages in the Bay Area and California - a surprise move that lands the social media company among the handful of corporate giants offering massive amounts of cash to ease the crisis wracking the state.

Over the next 10 years, that $1 billion - in both money and land - will help create up to 20,000 homes where teachers, nurses and other essential workers can live closer to the communities they serve, according to Facebook. The Menlo Park-based company also unveiled a new partnership with Gov. Gavin Newsom’s administration to build homes on excess state-owned land.

The move comes four months after Google's $1 billion pledge to bolster the Bay Area's housing supply. Those two massive contributions reflect a growing push among local companies to help, as they increasingly are blamed for the punishingly high rent and housing prices caused by an imbalance between the flood of jobs created by the region's booming tech industry, and the trickle of housing units built to hold those workers.

Click here to read the entire article.

Can factory-built apartments solve California's housing woes?

Cal Matters

Larry Pace is giving a tour of a construction site ... kind of.

He's near the entrance of a 258,000-square-foot factory in Vallejo, on the outskirts of the Bay Area. The Navy built submarines here during World War II.

Picture one of those gigantic General Motors plants in Detroit, where a car is put together in an assembly line. Instead of a Buick and a conveyor belt, construction workers in hard hats and goggles are assembling a 156-unit apartment building for a development near Oakland.

"They build one floor approximately every two and a half hours," said Pace, standing astride Station 1, where construction workers piece together the bottom floors of two adjoining apartments. "It’s fast."

Pace is the co-founder of Factory OS, a modular housing manufacturer that opened this plant last year. It’s one of several companies in California and across the country trying to reinvigorate factory-made housing as a solution to the state's housing affordability woes.

Click here to read this article.

Arbitration Trumps Litigation: Home Builder Construction Disputes

This month’s featured article from Walt Keaveny is focused on the benefit of arbitration in the warranty. Learn how to settle construction disputes in a manner that is fast, fair, cost-effective and equitable for all parties.

Please visit Walt’s Corner to read the full article.

Please visit Walt’s Corner to read the full article.

Website: 2-10.com/walts-corner-

Phone: 877.777.1344

Please visit Walt’s Corner to read the full article.
Podcast: A debate between polar opposites over the California housing crisis

Cal Matters

San Francisco's Democratic state Sen. Scott Wiener and Beverly Hills Mayor John Mirisch don't agree on how to solve California's housing affordability crisis.

Wiener thinks the answer lies in forcing cities to allow denser housing within their borders - apartment buildings right next to single family homes. Mirisch has characterized Wiener's efforts as a giveaway to developers and Wall Street, which will only exacerbate California's housing woes.

On this episode of "Gimme Shelter: The California Housing Crisis Podcast," CalMatters' Matt Levin and the L.A. Times' Liam Dillon moderate a lively conversation between Wiener and Mirisch on the root causes of California's affordability challenges and what the state and local governments should do about it.

Click here to listen the entire podcast.

California Is Becoming Unlivable

The Atlantic

Right now, wildfires are scorching tens of thousands of acres in California, choking the air with smoke, spurring widespread prophylactic blackouts, and forcing the evacuation of hundreds of thousands of people. Right now, roughly 130,000 Californians are homeless, and millions more are shelling out far more in rent than they can afford, commuting into expensive cities from faraway suburbs and towns, or doubling up in houses and apartments.

Wildfires and lack of affordable housing-these are two of the most visible and urgent crises facing California, raising the question of whether the country’s dreamiest, most optimistic state is fast becoming unlivable. Climate change is turning it into a tinderbox; the soaring cost of living is forcing even wealthy families into financial precarity. And, in some ways, the two crises are one: The housing crunch in urban centers has pushed construction to cheaper, more peripheral areas, where wildfire risk is greater.

Click here to read this article.

California's intense fire seasons expose poor planning decisions

San Francisco Chronicle

One is an instance. Two may be a coincidence. Three annual fire seasons? In a row?

Climate change has given us this grim new time of year, and its rhythm warns us that it will not operate on a leisurely schedule. George Carlin quipped that it's called the American Dream because you've got to be asleep to believe it. The smoke that approaches for a third straight year should wake us all from the California Dream of urban homesteads, endless tracts of single-family homes, and the urban/rural interface.

We paved over paradise, perched endless dwellings on hills and intermingled with forestry. We demanded power grids serve not a network of dense, well-contained cities, but sprawling suburbs flowing one into another. As our commutes into town warmed our climate one tank of gasoline at a time, the tinder got hotter and drier. When people live around things that easily catch fire, they will cause more fires. When we allow housing to be built where we know there's an extreme fire risk - and draw people there with apartment bans in job centers - we do not merely stand by as tragedies like Paradise unfold. We are complicit.

Click here to read this article.
California REALTORS® call for renewed and robust legislative action to prioritize housing supply in 2020

PR Newswire

The CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) today issued the following statement calling on state lawmakers to prioritize increasing the housing supply:

"The California Association of REALTORS® is continuing its call for state lawmakers to advance policies that will increase the housing supply in the upcoming 2020 legislative session. As all signs show California's housing affordability and availability crisis worsening, our state's leaders must prioritize improving supply as the solution because our future depends on it. Simply put, it's time to get serious on housing supply," C.A.R. President Jared Martin said.

"Our membership of more than 200,000 real estate professionals are united in urging the legislature to make increasing housing supply its top priority in the next legislative session. While some meaningful progress was made this year with the enactment of Sen. Nancy Skinner's SB 330 to streamline the development permitting process, this crisis demands even more robust and meaningful policy changes. The Legislature must advance bold new solutions like C.A.R. co-sponsored SB 50 by Sen. Scott Wiener if we are to have any hope of closing the state's widening supply gap."

Click here to read this article.
Three-In-One Membership— When you join the Building Industry Association of Fresno/Madera Counties you also become a member of the California Building Industry Association (CBIA www.cbia.org) and the National Association of Home Builders (NAHB www.nahb.org)

These associations work together to ensure sufficient affordable housing and to make the American dream of homeownership a reality. Your local, state and national memberships provide many valuable benefits, services and opportunities that range from advocacy, education, technical support, industry resources and the latest data and information.

Advocacy—Our advocates and member volunteers work year-round in your community, Sacramento and Washington, D.C. to encourage local government officials and lawmakers to provide incentives for people to purchase new homes and lower the costs of homebuilding, such as through fee reductions and eliminating high-cost regulations.

Targeted Networking and Marketing Opportunities—We encourage our members to do business with members. Local, state and national events also offer opportunities to build business relationships.

Our committees hold regularly scheduled meetings to fulfill tasks and goals.

Create brand awareness and make yourself known. Use your membership to promote your brand and market your business message to potential customers through advertising and sponsorship.

Save Money

- 2-10 Home Buyers Warranty: Exclusive access to discounts on select products, including the Builder Backed Service Program and the systems and appliances warranty.
- Amazon: Business-only pricing and products, Purchasing approvals and workflows, Improved spending visibility and Multiple payment options.
- Lowe’s: Save 2% on Lowe’s accounts receivable purchases, plus free delivery on purchases of $500 or more.
- UPS: UPS discounts of up to 36% on a broad portfolio of shipping services including air letters & packages, ground shipments, international imports and exports.
- TSYS (formerly TransFirst): Complete payment solutions with proven savings of 16% per year average. Web/mobile tools, credit card and eCheck processing, check services and more. Free “Savings Analysis” for members.
- CBIA has an Affinity Program with Ames Grenz Insurance, to provide members with guaranteed issue medical, dental and vision plans. For details, please contact Reggie Conley at Ames Grenz Insurance Services at (916) 486-2900 or rconley@amesgrenz.com.
- CBIA has an exclusive offer for its members: A workers’ compensation safety group program that provides affordable workers’ compensation insurance at a discounted rate. In addition to savings, the program provides resources and tools to promote safety – which ultimately protects or drives down your experience modification. 5% Group Discount on Premium Rates. Group Program Eligibility – Minimum Annual PAYROLL of $30,000.
- The CIRB Report, a research service provided by the California Homebuilding Foundation (CHF), produces and distributes current and historical statewide building permit statistics for all 58 counties and 538 incorporated cities. Contact the Research Team at 916-340-3340 or CHF-CIRB@mychf.org for more information.
- Member Rebate Program: Quarterly rebates on materials purchased.
- NPP (National Purchasing Power): Verizon Wireless—up to 22% off standard rates (with 5 business lines), Expedia, Cradlepoint and Fastenal.
- BDX ( Builders Digital Experience): List Communities/Homes for Free.
Amazon Business – Create an Amazon Business account and gain access to the NAHB Amazon store which offers recommended products tailored to your industry’s needs while unlocking additional business savings. Sign up here, amazon.com/NAHB.

BF Goodrich® Tires – NAHB is pleased to offer our members a discount on BF Goodrich® Tires! Members save $100 on a set of 4 BF Goodrich® All-Terrain® T/A KO2 tires. Why? Because downtime isn’t an option when there is a job to do. #BuiltonBFG, https://bfgoodr.ch/2GTaVDu

Kabbage® created a new way to provide flexible access to small business financing. They use an online application to provide a quick decision. Kabbage.com/nahb has provided access to over $5 billion in funding.*

FCA US LLC – A $500 cash allowance for members, employees, and household family members. This offer is good toward many new models in the Chrysler, Dodge, Jeep®, Ram or FIAT® vehicle lineup and is stackable with most current local or national incentives. Visit nahl.org/fca to learn more.

Lowe’s – Visit LowesForPros.com/NAHB or call 877-435-2440 and register to save 2% on your Lowe’s Accounts Receivable (LAR) or Lowe’s Business Accounts (LBA) purchases and free delivery on purchases over $500. Save an additional 5% every day at the store when you mention the 5% at time of purchase and when using your LAR or LBA.

General Motors – General Motors is proud to offer NAHB Members a Private Offer of up to $1,000 on your next Chevrolet, Buick and GMC vehicle. Visit nahl.org/gm to learn more.

Ticket Monster – NEW! Member Deals is pleased to offer entertainment and travel discounts for both regional and nationwide attractions and events to all NAHB members. Access exclusive savings on movie tickets, theme parks, hotels, tours, Broadway and Vegas shows & more. Visit memberdeals.com/nahb to learn more!

Nissan/Infiniti Commercial Vehicles – NEW! Nissan North America presents NAHB Members, their employees and HBA staff with a program allowing exclusive incentives off various Nissan and Infiniti vehicles. You can save thousands! Learn more at nahl.org/Nissan

UPS Savings Program & YRC Freight – UPS discounts of up to 36% on a broad portfolio of shipping services. Savings of at least 70% on less-than-truckload shipments 150 lbs. or more with UPS Freight and YRC Freight. Visit 1800members.com/NAHB or call 1-800-MEMBERS (800-636-2377) for more information.

GEICO – Exclusive NAHB discounts for members on auto insurance. Visit geico.com/disc/nahb or call 800-368-2734. Mention NAHB for auto, homeowners, and commercial auto quotes.

2-10 Home Buyers Warranty – Visit 2-10.com/NAHB or call 855-280-1328 to receive exclusive access to discounts on select products, including the Builder Backed Service Program and the systems and appliances warranty.

TSYS – Payment solutions with average savings of 16% per year. Web/mobile tools, credit card and eCheck processing and more. Free “Savings Analysis” call 800-613-0148 or visit tsysassociation.com/NAHB.

Dell – Up to 30% off on all Dell computers. Call 800-757-8442 and Mention NAHB or visit dell.com/nahb.

ConstructionJobs.com – NAHB offers a recruitment tool to all NAHB members in their search for new employees. NAHB members enjoy a 20% discount off standard rates. Visit nahl.org/en/members/member-discounts/archived-webpages/nahb-career-center.aspx to connect with top talent and top employers in the construction industry today.

Hertz – Up to 20% off on rental cars and FREE Gold Plus Rewards membership. Visit hertz.com/nahb, or call 800-654-2200 and use CDP# 51046.

Avis – Up to 25% off car rental base rates and FREE Avis Preferred Service membership at avis.com/nahb, or call 800-331-1212 and use AWD code G572900.

Budget – Up to 25% off car rental base rates and FREE Budget Fastbreak at budget.com/nahb, or call 800-283-4387 and use BCD code Z536900.

Office Depot – Office Depot – Save up to 80% in-store or online. Free shipping on orders of $50 or more. Visit www.officediscounts.org/NAHB or call Jeremy Kirkland for assistance with your business account; 855-337-8811 Ext. 2897

Omaha Steaks – Save 10%, in addition to any online specials, OSIncentives.com/promo/nahb

FTD – 20% off floral arrangements and gifts at ftd.com/nahb or call 800-SEND-FTD use code 17421.

Houzz – Free access to the concierge service, instant approval into the Houzz Trade Program giving trade-only discounts up to 50% off, plus special discounts on local advertising. Visit houzz.com/NAHBmembers

Version 3.6.2019
BIA recognizes and appreciates new and renewing members
Please call them if you are in need of services they provide.

**Renewing Members**

Ei Corporation
Panda Koala, Inc.
Fusion Sign & Design
Gary McDonald Homes
United Security Bank

**Welcome New Members**

Darrin Oliver
Tri County Excavation, Inc.
559/297-2256

Kristi Beck
Capital One
559/24-6049

Thank You!

**DO BUSINESS WITH MEMBERS**

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 10/31/2019
*** NONE ***
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Calendar of Events

November

6 BIA Board of Directors—8:45 am—5260 N. Palm Ave., Ste. 421
13 BIA ANNUAL MEMBERSHIP MEETING—11:30 am—The Palms
13 BIA//Fresno Committee—3:00 pm—Fresno City Hall, Room 4017
14 PWB Executive Committee—12:00 noon—Motivational Systems
20 BIA/Clovis Committee—9:00 am—Clovis Police/Fire Dept. HQ—Exec. Conf. Rm.
27 BIA/FMFCFD Committee—9:00 am—Flood Control District Office