

BIA Fresno/Madera Counties UPDATE BULLETIN

Volume 30, Issue 3 - March 31, 2021



Summary of March Meeting with the City of Clovis

- **Financing and Scheduling Sewer and Water Infrastructure to Serve Heritage Grove** – Mike Harrison reported that they were nearing completion of their report and would like to meet with the BIA to discuss prior to submittal to the City Council.
- **VMT Guidelines and Mitigation Measures -** Sean Smith indicated that they were ready to request that the City Council approve the consultant to prepare the EIR to amend the Circulation Element of the Clovis General Plan to address the issue of VMT. Sean stated that they would likely present it to the Council on April 5.
- **Development Standards for Single Family Subdivisions** Dave Merchen reported on the failure of the staff recommendation on March 1 and that they were working on a report to address the issues raised by the City Council. Dave stated that they would be returning to the City Council on April 19 and would like to meet with the BIA prior to that time.
- **40% Requirement for Installation of Landscaping** Renee Mathis commented that the staff was recommending that the requirement be eliminated and that it was included in the discussion of the single-family standards, which was postponed. Renee stated that it would be presented again to the City Council for elimination.
- **COVID-19 Restrictions** Renee Mathis reported that no changes had been made. Mike Prandini asked about when the City would be able to conduct the Committee meetings in person. Luke Serpa informed that group that it depended on the restrictions put forth by the State, the Fresno County Health Department, and Cal OSHA, and they would go to in person meetings as soon as allowed.



www.nahb.org/ma This link takes you to the NAHB Member Discounts page

AROUND THE STATE

State's VMT Law Driving Builders Away, Making Homes More Expensive, Say Valley Lawmakers

GV Wire

The California Building Industry Association blames a new state law implementing Vehicle Miles Traveled as an environmental metric for housing construction, for putting the brakes on building statewide.

"We call it the big pause button," **says Dan Dunmoyer, the group's CEO.** He says the law is so complex that most places in the state aren't even sure how to implement it, which is keeping builders on the sidelines.

NAHB 2021 "Priced Out" Estimates

NAHB

NAHB recently released its 2021 priced out estimates. The new estimates show that 75.1 million households (roughly 60 percent of all U.S. households) are not able to afford a new median priced new home in 2021, in that their incomes are insufficient to qualify for a mortgage under standard underwriting criteria.

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Buying a new home? Expect to pay \$24,000 more as the worsening lumber shortage pushes wood prices up 180%

Fortune

As of the week of Feb. 18, the price of lumber per thousand board feet is at \$992, according to Random Lengths. Prices are up 180% since the onset of the pandemic. The NAHB calculates current lumber prices are adding \$24,000 to the price tag of a typical new single-family home.

<u>READ MORE>></u>





using Funding Scheduled for Release

nent of Housing and Community Development

Great news! We're happy to announce that all fundpaused last November to better align with two top affordable housing funders in the state — the California Tax Credit Allocation Committee and California Debt Limit Allocation Committee — is now moving again.

Everything you love about Amazon. For Work.



Through NAHB, register for a FREE Amacon Business and and gain access to the following fourthurses. • Business-only pricing and products • Parchastery parrows and vocations • Parchastery parrows and vocations • Parchastery approved and vocations • Parchastery approved and vocations • Margiate payment options Create a FREE account amazon.com/ Amady have an Amacon Business account? Vest amazon.com/shop/AMB



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AROUND THE STATE

California must invest in new homeownership: Bob Hertzberg

The Press-Enterprise

The sooner we refocus on home ownership, the better. Home prices have been rising much faster than incomes, with the gulf between the two widening to record levels in our major cities. The minimum income required to afford a median priced home in California has more than doubled in the last eight years, from \$56,000 in 2012 to more than \$125,000 in 2020.

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California AG challenges housing plans in wildfire areas

Associated Press

California's attorney general is challenging some of the state's largest suburban development projects as local officials weigh the risk of increasingly devastating wildfires against the state's dire need for more housing.

"We think (Becerra) is stepping over the line, primarily because you can't build in these areas without putting together a very sophisticated plan fully approved by the local fire chief, fully approved by all the fire officials," **said California Building Industry Association president and CEO Dan Dunmoyer.**

Aside from California's strict building codes in wildfire areas, "we are building parks, we're building entire infrastructure systems that don't burn and can protect these communities from fires," he said.

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Housing Starts Slow in February

NAHB

Builders report concerns over increasing lumber and other construction costs, as well as delays in obtaining building materials. Rising interest rates will also erode housing affordability in 2021, as seen by recent gains in the 10-year Treasury rate. Builders also reporting growing concerns about a more challenging regulatory environment that could limit land development volume.

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AROUND THE STATE

SoCalGas aspires to net-zero greenhouse gas emissions by 2045

CalMatters

In the next quarter century, California's supply challenges will continue, with power requirements expected to almost double. As more electric cars hit the road and an estimated 10 million more Americans move to California, there will be further strain on our power grid.

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Could these bills help California build more affordable housing?

YOU BUILD IT,

WE'LL BACK YOU UP.

CalMatters

The state needs 1.8 million new housing units by 2025, but is only producing about 80,000 units on average each year, according to the Department of Housing and Community Development. The number of homeless people in California increased to more than 161,000 before COVID-19. Then, the pandemic put ambitious proposals on hold.

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Lawsuit may be game changer in battle against cities hostile to new housing

OC Register

A recently filed lawsuit may be a game changer in the battle against anti-housing policies and behavior exhibited by local governments. As reported by the Orange County Register, homebuilder Lennar Homes, along with the property owners of Westridge golf course, have filed a \$100 million lawsuit against the city of La Habra relating to the city's efforts to derail a proposal to create new homes for the community.

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Young home buyers rally housing market: Why it matters

If someone had told you 10 years ago, "Millennials will be the driving force behind the housing market rally," you may have laughed. Saddled with debt, entering the job market so soon after a financial crisis, and with an assumed aversion to the suburbs, the general thought was that millennials would revel in bohemian city living. But the numbers and trends show that that simply wasn't true.

Today, we'll look at why it matters that millennials are now the leaders of the home ownership rally. We'll show you how home builders can adjust to the needs of this new generation of home buyers. And we'll share what 2-10 Home Buyers Warranty (2-10 HBW) does to help builders speak to these needs.

Why are millennials buying more houses, especially in the suburbs? According to the NAHB, <u>home</u> <u>ownership rates consistently fell</u> between 2007 and 2016. This was a period when many millennials would have normally began looking for houses. But due to low supply and the negative effect the Great Recession had on millennial finances, most millennials couldn't find a home in their budget.

Though delayed, millennial home ownership stats have rallied since 2016. Millennials began to catch up financially and had a greater need for houses as they entered their 30s. That brought the overall home ownership rate up. After a brief pause at the beginning of the COVID-19 pandemic, home ownership continued to climb, thanks in part to historically low interest rates.

Finally, <u>millennials have been clear about what they want in a home</u>. Namely, they want affordability and space, a sense of community, and customization. These are three huge wants that have driven them to the suburbs, despite assumptions that they'd never do so.

Why should builders care about millennial home buyer trends?

The things that millennial home buyers want are things that builders are specially qualified to provide. Space, a sense of community, and customization are the three most obvious aspects you can address.

By addressing these needs, you can attract more millennial buyers. That's especially true when you consider how low pre-owned home inventory is. As of December 2020, were was a mere 1.9 months of existing home supply. That's almost a record low.

With demand for homes still holding strong, this could be good opportunity for new-home builders.

How can builders adjust to the needs millennials have?

Regarding space, millennials have debunked the myth that they don't want to live in the suburbs. So, you need not fear that tract housing in the suburbs will lie empty. This can provide the space to build homes that will entice millennials, especially if you provide the kinds of amenities millennials really want.

Building near mass transit, community centers, and mom-and-pop stores are a great way to build a sense of community. Even better, if you can carve out space for parks and walking trails, it can give buyers a sense of connectedness without the hustle and bustle (and higher costs) of urban life.

Finally, let's talk customization. Millennial buyers aren't likely to request an entirely custom-built home. Homes that are low maintenance (both in actual maintenance, and finding and purchasing) are still more popular. However, you *can* speak to this need by designing homes with open floor plan and multi-use rooms.

What does 2-10 HBW do to help builders succeed?

2-10 HBW provides industry-leading structural warranty coverage, along with coverage for the home's systems and appliances. That speaks to millennials' desire for affordability. If one the home you build suffers an unexpected structural defect, this warranty can protect you and them. With the cost to address a structural issue ranging from \$42,000 to \$113,000, having protection really matters.

On top of that protection, covering your homes with <u>a 2-10 HBW structural warranty can help you build trust</u>. Consider two important stats:

94% of prospective home buyers say that they are more likely to purchase a new home from a builder that offers a structural warranty.

4 of 5 buyers value a third-party, insurance-backed structural warranty.

In addition, a structural warranty from <u>2-10 HBW provides important third-party validation</u> of your work. When the industry leader says, "This builder builds high-quality homes," it means a lot to buyers.

Takeaways

Millennials are the biggest drivers of the home ownership rally over the past five years.

Builders who understand what millennials are looking for may be able to take advantage of low pre-owned housing inventory and high demand for space.

2-10 HBW provides structural warranties to protect builders and buyers against unexpected defects.

A third-party warranty can build trust and provide important third-party validation to your prospects.

BIA-Fresno/Madera Member Benefits

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 sponsorships

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 <u>rconley@amesgrenz.com</u>
- 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 ResearchTeam at 916-340-3340 or <u>CHF-CIRB@mychf.org</u> 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





MEMBER SAVINGS PROGRAM

at a glance

AUTO

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BUILDING MATERIALS

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NAHB Members Saved over **\$25,000,000** last year



MEMBER SAVINGS PROGRAM

at a glance

BUSINESS MANAGEMENT

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TRYS	7575	Sover p to 10% on payment solutions.	SaelyAtrosile to the media rand and extremis processing	15y5955955050000000000000000000000000000
SMALL	D.C.L.	Up in 40% off D-II computers, servers, Alectronics and accessories	Companys and Handware	chill com/nahla 14006-75748442
Office 687-07	Genick Dorah	Up to 75 to off mestore monifice, true Shipping over 500	Office-Aupplies	officialization are anythelid 855-317-5811 (2817
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SHOPPING AND ENTERTAINMENT

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NAHB ASSOCIATION DISCOUNTS

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NAHB	BUILDERBOOKS	10% off books. Up to 43% of research	Undex.	ouilderbooks.com
NAME	ONLINE EDUSATION	Up to 30s off we have supply to 50% off online onumes	iduration	nshborg/waardon

Discuss art of \$131/2019 are subject to thing ar my time. Vet soldlang seeings for latest deals and Dyfied if no offers.

MEMBERSHIP

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

Renewing Members

The Roz Group Lance-Kashian & Company Cook Land Co. See's Consulting & Testing Terry Tuell Concrete, Inc. LinkUs Enterprises, Inc. Lyles College of Engineering—CSUF Krazan & Associates

WELCOME NEW MEMBERS

Doris Harpain Kompan California 559/977-2656 Playground Equipment



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 3/31/2021 Tim Ritchey—The Fresno Bee <text><section-header><section-header><section-header>

2021 Board of Directors

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Century Communities

John A. Bonadelle, Secretary/Treasurer

Bonadelle Neighborhoods

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Donna Giannetta Gary Giannetta, Civil Engineer Patti Wasemiller Valley Pacific Builders Laura Wilson Wilson Homes

Calendar of **Events**

<u>April</u>

- 7 BIA Board of Directors—8:45 am—Conference Call
- 14 BIA/Fresno County Committee—9:00 am—Conference Call
- 21 BIA/Clovis Committee—9:00 am—Conference Call
- 21 PWB Executive Committee—12:00 noon—Zoom Meeting