



PORTAGE & SUMMIT COUNTIES

## Government Affairs Monthly E-Advocate

A Monthly E-mail Publication from the HBA serving Portage & Summit Counties

Volume 5, Issue 10

October 2007

### **Mission Statement**

**Leading** the building industry, **creating** neighborhoods, **providing** economic growth and **advancing** the education and professionalism of our members to benefit our community.

[www.akronhba.com](http://www.akronhba.com) / [www.lotfinder.org](http://www.lotfinder.org) / [www.akronhomeandflowershow.com](http://www.akronhomeandflowershow.com)  
[www.neosmartgrowth.org](http://www.neosmartgrowth.org) / [www.neogbi.org](http://www.neogbi.org)

## **YOUR HBA WORKING FOR YOU!**



### **Local News from Portage and Summit Counties Help Us Support YOUR Local HBA Builders-PAC**

#### **Portage County Health Department Public Hearing on Revised Septic Regulations**

Due to the Ohio Sewage Treatment System rules that were rescinded earlier this year, the Portage County Board of Health adopted a revision of the previous regulations. The revision was necessary because the state legislature enacted a new replacement law, which kept one of the more restrictive constraints of the rescinded rules, establishing a minimum distance between the sewage system and the water table. With the prevailing soil conditions in Portage County that would cause many lots to be unapproved for conventional, less costly trench style sewage systems. So changes and additions were made to the previous regulations to enable more lots to be useable and still protect the public health and provide, in many cases, a more cost-friendly wastewater system.

For review the revised regulations prior to the meeting visit [www.co.portage.oh.us](http://www.co.portage.oh.us) Click on Departments / Health Department / Environmental Division / Sewage Disposal.

#### **Elected officials affect many of the issues discussed in this newsletter.**

They need to know who we are and we need to support those who are willing to work with our industry. We do that through our **Builders-PAC!**

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## Builders PAC News

**Our 2007 Build-PAC Campaign Has Begun...  
We cannot do this without your support!**

**Strengthen Our Industry**

**Protect Your Interest**

**Support Pro Housing**

***Personal checks ONLY made payable to HBA Builders-PAC***

Chairman's Club	\$500	Name _____
President's Club	\$250	Address _____
Executive's Club	\$150	City/State/Zip _____
PAC Club	\$50	Phone _____
Other	\$_____	

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***We Support Builders-PAC... You Should Too... Here is what members are saying about PAC***

We all need to contribute to Builders-PAC in order to protect our rights and interests as builders. Builders-PAC works for you. It is Builders-PAC money, managed by HBA members, in order to protect home building. Don't leave your future success to others. Get involved!

The mission of Builders-PAC is to help elect pro-housing candidates and have access to elected officials. With next year's elections, the HBA is working very diligently to ensure that the communities we build in maintain pro-housing agendas. Without our help and contributions, we have no investment in our communities or our future success.

Our elected representatives on all levels, local, state and nationally, have more influence on our bottom line than we do ourselves. Builders-PAC is the best tool we have to influence the political process and to help ensure that those who enact legislation support the efforts of small business and understand the importance of housing in our society. Alone, we can do little. Together we make a difference!

Whether you are a builder, a subcontractor or a banker, it is important for all building industry related professions to pull together and support Builders-PAC. The strength of our associated industries is weakened without the financial political muscle that comes from all of us. **Support Builders-Pac today and send in your check!**

**For those that attended our HBA Vegas Night –  
We Thank You for Supporting YOUR PAC!  
Please join us in our efforts**

# How Builders-PAC has made a POSITIVE Impact for YOU?

## Whether you are a Builder or an Associate Member, Here are some reasons why ALL HBA Members Should support YOUR local Builders-PAC.

**Builders-PAC:** Is the HBA's Political Action Committee. Builders-PAC provides the local association with better accessibility and political leverage in the election process. It is important for the HBA and the housing industry to support qualified candidates for local office whose views and positions on legislation, closely match those of the housing industry.

**Excessive Government Regulations:** Hurt us all equally, tradesman, builders, and citizens alike. These regulations deter progress, economic growth, and the opportunity for Americans to purchase an "affordable home."

**State and Federal Law:** Prohibit the use of Association dues for the election of candidates to local and state office.

**A Strong PAC:** Can assist in maintaining a vital, booming housing industry, economy and promote a sense of identity and community in both our cities and suburbs.

**The HBA Serving Portage & Summit Counties BUILDERS-PAC:** Supports independent and bi-partisan candidates strictly on their qualifications and views on the issues. Support is not based on their political party affiliation.

**The HBA Committee:** Consists of HBA members and staff who determine which candidate receives support. The committee also encourages your support and attendance at BUILDERS-PAC events. **All HBA Members:** Are encouraged to provide their input, support Political Action Committee fundraisers, and to contribute whatever they can afford. **2008 is an Election Year:** A change in leadership could indicate a change in policy.

**We need you and your support. When the HBA membership supports BUILDERS-PAC we can have increased influence on issues that are significant to your business. We are the voice for the housing industry and need to be heard!**

### Results in Portage County

- The HBA continues to be invited to participate in the creation and review of legislation that directly affect our industry. These include the Portage Soil & Water Conservation district with the creation of pre- and post-construction ordinance; Portage County Regional Planning Commission with the entire update of the subdivision regulations and recently defeating the proposed changes to the original tract; and meeting with the Portage County Building Department, City of Kent, and City of Ravenna.

### Results in Summit County

- The HBA spoke in opposition to excessive set backs and fought for reasonable variances to be included in the new Summit County Riparian Protection Ordinance. The HBA is currently commenting on the Summit County Subdivision Regulations. The HBA has reviewed and made comments on the newly proposed Summit County Site Erosion and Sediment Control Ordinance. The HBA continues to seek housing opportunities for our builder members to construct affordable homes in new markets.

**HBA Member Benefit:** *By developing relationships that bring together HBA members and local elected officials & staff to discuss issues in our industry that effect YOUR business and bottom line!*

*(These changes have saved all builders and associate members thousands of dollars due to less delays, more timely inspections, and sensible interpretations of the code.)*

### **Achieved Model Residential Codes – A Historic First for Ohio!**

- ◆ OHBA took the lead in achieving true model code relief for all housing construction in Ohio with the passage of H.B. 175, which became effective for the entire state on May 27, 2007. OHBA continues to monitor and fight for builders, developers, associate members, and landowners on the new Statewide Sewage Septic Rules.

**HBA Member Benefit:** *OHBA continues to be our only voice at the statehouse, to lobby for our builder, developer, and associate members! They continue to fight against unwanted fees and regulations.*

**We are the Industry's ONLY Voice - Speaking to Protect YOUR Livelihood!**

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## **Building Codes Committee**

**HBA have the New Residential Code of Ohio Code Books for sale**

The books will be available at a fee of \$85 per book, please contact Mike to place an order.

### **Attend this month's Next Building Codes Meeting on Tuesday, October 16**

*Mark Your Calendars!* Next **Building Codes Meeting** will be held on Tuesday, October 16 at 11:30 a.m. at the Summit County Building Department. *"Learn How to Solve Common Basement Water Problems!"* This meeting is open for **ALL** builder and associate members. If you have any building code issues, join us for an open discussion with other members and local building code officials. *The fee is \$10 for lunch and you must make a reservation in order to receive lunch.* Please call the HBA to make a reservation at 330-869-6800 or go online at [www.akronhba.com](http://www.akronhba.com). Thank you.

### **PUCO Addresses Gas Riser Issue Again**

The PUCO made changes this week to a previous order that directed Columbia Gas to repair thousands of natural gas service lines and the risers connected to Ohio homes. **The new order states that Columbia Gas is authorized to fix only service lines that have hazardous leaks.** The earlier order instructed the utility to repair essentially any service line. The new order was a result of interested organizations filing for a rehearing on the order claiming it was too broad. *Right now, the utility is responsible for up to \$500 to fix a defective riser and \$1,000 to fix a hazardous line.* However, it is still not known how Columbia Gas will be able to recoup the costs for the new risers.

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## **Builders / Remodelors News**

### **New Tax Resource**

The Internal Revenue Service has created a new Web site entitled, [The Construction Industry and the Tax Gap](#). The site provides information on items requiring reporting on tax forms to avoid penalties.

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## Land Use, Environmental, & Utility Policy Committee

### Attend the Next Land Use, Environmental & Utility Policy Meeting on Friday, November 16

It will be held on Friday, November 16 at 11:30 a.m. at the HBA Headquarters on 799 White Pond Dr., Akron. Our guest speaker will be TBA. This meeting is open for **ALL** builder and associate members and *we will focus on local and state issues affecting your bottom line!* If you have any new land use, environmental, or utility policy issues, join us for an open discussion with other members and local regulatory officials. The fee is \$10 for lunch and you must make a reservation in order to receive lunch. Please call the HBA to make a reservation at 330-869-6800 or go online at [www.akronhba.com](http://www.akronhba.com). **MARK YOUR CALENDARS!**

### **Note: All Developers Please Read!**

#### **Governor Strickland Comments Developers Should Share in Cost of Development**

Last week Governor Strickland spoke at the annual Ohio Planning Conference where he remarked that private and commercial developers should share in the cost of public infrastructure projects. Strickland said that developers who benefit from improvements in the transportation infrastructure should help carry the cost burden by contributing money to projects to lessen the money that taxpayers currently pay for the projects. He is proposing new guidelines that the Transportation Review Advisory Council (TRAC) would follow for developers to share in the cost of improvements because commercial developers benefit from the improvements as much as the state and local governments benefit. He also said that Ohio should encourage urban redevelopment to help our cities. ***He said that the idea is just in the development stages. It is not clear where this idea came from or where it is going.*** OHBA will continue to monitor any of the developments in this area. **ATTENTION ALL LAND DEVELOPERS – The HBA, OHBA, and NAHB are the ONLY ones who lobby on your behalf and aggressively defends developers positions whether it is residential or commercial land development.**

#### **Sewage Treatment Advisory Committee Formed**

The sewage treatment advisory committee (SAC) that is designed to make recommendations to the legislature regarding sewage treatment rules has been formed. **Bill Martin from the HBA of Greater Cleveland will be representing OHBA's seat on the committee.** Please contact OHBA with your specific concerns so that we can forward them on to the Bill and the committee.

#### **House Passes Controversial Conservancy District Bill**

This week, in a brief session after summer break, the House of Representatives passed HB 47 – Conservancy Districts (*Gibbs – R, Lakeville*). The bill, among other things will revamp the current makeup of the Muskingum Watershed Conservancy District's (MWCD) board. The bill is designed to bring accountability and oversight to the District. Last month, the MWCD voted to assess all property owners in the District. Several landowners in the district including the Ohio Department of Natural Resources are appealing the decision. The 18 counties that will be affected in whole or in part by the tax are: Ashland, Belmont, Carroll, Coshocton, Guernsey, Harrison, Holmes, Knox, Licking, Morgan, Muskingum, Noble, Richland, Stark, **Summit**, Tuscarawas, Wayne and Washington. Owners in the district can see the proposed assessment on each property at [www.mwcd.org](http://www.mwcd.org).

#### **Upholding the "No Surprises" rule for Habitat Conservation Plans,**

the U.S. District Court for the District of Columbia on Aug. 30 made a sensible decision that gives more certainty to homebuilders and is a victory for housing affordability. After being introduced by the federal government in 1994 and later codified to encourage the use of Habitat Conservation Plans (HCPs), the rule has been the subject of a decade's worth of litigation. Previous to its existence, a major objection of property owners to HCPs was that they provided no guarantee that government regulators would not impose additional requirements or revoke incidental take permits after the land owner undertook the expensive and time consuming process of creating such plans. In *Spirit of the Sage Council v. Dirk Kempthorne*, the court asserted the principle that incidental take permits and HCPs under the Endangered Species Act do not need to meet a "recovery" level of protection – a significant decision that means "No Surprises" still effectively means "no surprises."

## **Regulators addressed questions related to wetlands permitting**

in the wake of new government guidance issued pursuant to a landmark U.S. Supreme Court ruling in the *Rapanos* and *Carabell* lawsuits during a Sept. 13 seminar hosted by NAHB along with the National Mining Association and environmental law firm Hunton & Williams. Representatives from the Army Corps of Engineers and EPA were invited to discuss the new guidance. Through the course of the event, it was clear that neither the regulators nor the regulated community have final answers or explanations on wetlands permitting, although the government agencies are continuing to work on this challenge. With about 110,000 jurisdictional determinations being made by the Corps each year, resulting in about 100,000 permits, EPA and the Corps emphasized that such decisions are now "fact-intensive and site-specific," with each jurisdictional decision made on a case-by-case basis. And, while discharge permits are required in wetlands adjacent to traditional navigable waters, officials said, swales and ditches are NOT normally jurisdictional. The audience also learned about one significant change in the guidance –namely, the agencies' determination that "traditionally navigable waters" do not have to be navigable at all times, navigable along their full reach or currently used for commerce to be determined jurisdictional. The Rapanos workshop was named after the 2006 Supreme Court decision that addressed the issue of jurisdiction over "waters of the U.S." under the Clean Water Act. That court decision led to the June 8, 2007 publication of new guidance from EPA and the Corps on wetlands permitting under Sec. 404 of the Clean Water Act.

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## **Multifamily, Commercial & 50+ Council**

### **Builders were less optimistic about the apartment market last quarter**

amid concerns that an excess supply in the for-sale market is creating a shadow inventory of available rentals, according to results of [NAHB's Multifamily Rental Market Index \(MRMI\)](#). The MRMI for the second quarter of 2007 indicated that rental demand slipped significantly for Class A (luxury) apartments and declined moderately for both Class B and Class C apartments. According to NAHB Chief Economist David Seiders, "Occupancy rates are still reasonably good for rental apartments, but the significant correction we are currently experiencing in the for-sale segment is having some spillover effect." Even so, the MRMI indicated that multifamily builders remain fairly optimistic about market conditions heading into the next six months. All of the components tracking builder expectations for rental demand remained in positive territory. Read our [press release](#), see the [MRMI tables](#) online.

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## Northeast Ohio Green Building Initiative

[www.neogbi.org](http://www.neogbi.org)

## Smart Growth Education Foundation

[www.neosmartgrowth.org](http://www.neosmartgrowth.org)



**HBA now has several copies of the NAHB Model Green Home Building Guidelines Available!**

Please contact Mike Mennett at 330-869-6800 ext. 18 or [mikem@akronhba.com](mailto:mikem@akronhba.com)



### **HBA Announces New Partnership with the Northeast Ohio Green Building Initiative**

**Coming Soon: Orientation for All Members interested in joining the Northeast Ohio GBI**

### **Bill Mandates Green Building Criteria for HOPE VI Program**

The House Financial Services Committee is preparing to mark up HOPE VI reauthorization legislation as early as next week, and, for the first time, the bill will explicitly mandate green building. H.R. 3524, the HOPE VI Improvement and Reauthorization Act of 2007, requires all residential HOPE VI properties to comply with the green building criteria checklist identified in the Green Communities (<http://www.greencommunitiesonline.org/>) program, while all non-residential properties must achieve LEED certification. **NAHB has been working closely with committee staff and the lawmakers that are pushing the requirements to advocate against specific mandates for green building, and more specifically, against codifying only one rating system in federal legislation.**

On Sept. 19, Rep. Nick Lampson (D-Texas) introduced H.R. 3593, the Smart Energy Tax Relief Act of 2007. The measure would permanently extend tax credits for individuals who purchase efficiency upgrades for homes. The non-business energy tax credits, identified in the tax code under Section 25C, were initially set to expire at the end of this year. These credits are important for encouraging homeowners to continue to improve the energy efficiency of the nation's existing housing stock, which represents nearly all of the energy consumed in the residential sector in the U.S. NAHB continues to urge Congress to extend and expand energy tax incentives for both existing and new homes, which are currently set to expire at the end of 2008.

### **Mark Your Calendars: Smart Growth Education Awards of Excellence – Friday, April 4, 2008**

Please mark your calendars for the 5<sup>th</sup> Smart Growth Awards of Excellence being held on Friday, April 4, 2008 at Greystone Hall in Akron with Sustainability Program prior to the program and a tour of Akron smart growth housing following the program. We need all architects, engineering firms, builders, or developers to submit entries with Smart Growth principles, new awards this year will include Green Building, Sustainability Principles, and Commercial Buildings.

**Stay tuned for the Call for Entry being mailed out in early November!**



## State Issues from OHBA and Ohio State House

Ohio Home Builder's Association <http://www.ohiohba.com>

### OHBA Fall Meeting

OHBA Fall Board of Trustees Meeting is set for November 13-15 at the Hilton Easton in Columbus. Hotel room cut-off date is October 23<sup>rd</sup>. **Contact the Hilton today to reserve your room at (800) 445-8667.** Request OHBA room block. Room rate is \$175 plus tax per night.

**Attend a special round table discussion meeting on “How to Deal with Troubling Times” on Wednesday, November 14<sup>th</sup> from 11:00 a.m. to 1:00 p.m.**

### OHBA Still Discussing Controversial Issues

OHBA is following two controversial measures as they continue to develop. The sewage treatment systems issue is still developing. This week, Senator Tom Niehaus was named co-chair of the committee to recommend changes in the rules to the legislature. OHBA has a spot on the committee along with other interested allies. Second, the Governor's electric restructuring plan has yet to take shape in the form of a bill. It is expected to be introduced this week, but nothing has surfaced. Governor Strickland is urging the General Assembly to pass something before the end of the year, but Speaker Husted and President Harris have cautioned that they are not going to rush such an important bill. Right now, it is unclear what the timeline will be and what actually will be in the bill. We will keep you updated.

### Bills Introduced

#### **HB 295 -- ENERGY CONSERVATION** (*Wagoner, R – Ottawa Hills*)

This Bill require that the amount spent by counties on energy conservation measures be unlikely to exceed the amount saved in energy and operating costs over the average system life of the measures, and to require that financed measures be paid for within their average system life.

#### **HB 304 – MORTGAGE OBLIGATION** (*Driehaus, D – Cincinnati*)

This bill will exclude discharges of indebtedness attributable to canceled residential mortgage from being counted as taxable interest by the state of Ohio for tax purposes.

#### **HB 313 – RENEWABLE ENERGY** (*Skindell, D – Lakewood*)

This bill creates a renewable energy portfolio standard for electric suppliers and authorizes a state system of tradable renewable energy credits.

#### **SB 221 -- ELECTRIC RESTRUCTURING** (*Schuler, R – Sycamore Township*)

The bill is being heard informally this week with the Governor's office providing testimony on the plan in the Senate Energy and Public Utilities Committee. Formal hearings on the bill are expected to begin next week.



## National Issues from NAHB and Capital Hill

National Association of Home Builders <http://www.nahb.org>

## 2008 International Builders' Show

February 13– 16, 2008 at the Orange County Convention Center – Orlando, FL

Registration and Housing for the 2008 International Builders' Show opened on **Wednesday, June 20!**

You don't want to miss this show!

<http://www.buildersshow.com/> **REMEMBER TO REGISTER!**

### Senate Bill Would Alter Classification of Independent Contractors

Legislation introduced this week by Sens. [Barack Obama](#) (D-Ill.), [Richard Durbin](#) (D-Ill.), Ted [Kennedy](#) (D-Mass.) and [Patty Murray](#) (D-Wash.) would change the rules on classifying workers as independent contractors. S. 2044, the Independent Contractor Proper Classification Act of 2007, would repeal Section 530 of the Revenue Act of 1978, which allows a business to treat a worker as an independent contractor if the IRS or past industry practice has accorded such status to similar workers in the past. Senators Obama, Durbin, Kennedy and Murray regard Section 530 as a "loophole" that prohibits the IRS from collecting employment taxes from employers who "reasonably" misclassify their workers. Further, in their view, this provision allows employers to "cheat" workers and taxpayers out of money, benefits, and worker protections. Finally, the senators maintain that employees who "follow the rules" are at a competitive disadvantage because of their higher employment costs.

Two different committees in the House of Representatives have held hearings on this issue—the [Ways and Means Committee](#) and the [Education and Labor Committee](#). NAHB submitted statements for the record in both cases in support of enforcing present law on classification of workers to protect employers who abide by the existing rules. However, we also maintained that Section 530 is an important policy tool for ensuring that inappropriate tax policy considerations do not interfere with efficient market operation and established business practice. Further, we oppose any attempt to legislate the particular circumstances under which professionals must be defined as employees or independent contractors or efforts to make general contractors liable for the legal and regulatory compliance of their subcontractors in areas such as verifying employee work authorization. No bill has been introduced in the House at this point, but NAHB continues to meet with congressional staff to express our concerns. Further, NAHB's State and Local Government Affairs Department is monitoring actions by state governments on this issue where much of the recent activity has taken place.

### Credit Crunch Update

NAHB placed a call to all HBA's to contact our Congress representative regarding the current credit crunch being felt throughout the housing industry. We were asked their support of H.R.1852, the *Expanding American Homeownership Act of 2007*. On Tuesday, September 18th, the U.S. House of Representatives passed H.R.1852 by a strong bi-partisan vote of 348 to 72. To find out if your representative supported the bill, [click here](#). **(All three Representatives voted in favor of the legislation!)**

As part of efforts to help restore the health and stability of the nation's mortgage markets, the National Association of Home Builders (NAHB) Board of Directors identified modernization of the Federal Housing Administration (FHA) as one legislative solution to the current liquidity crisis. H.R. 1852 gives the FHA greater flexibility to respond to the needs of borrowers, enables more working families to become homeowners, and provides a viable alternative to the volatility of the current sub-prime market.

On Wednesday, September 19th, the Senate Banking Committee passed a similar piece of FHA reform legislation called the *FHA Modernization Act of 2007* (currently no bill number) by a vote of 20 to 1. The dissenting Senator was Senator Elizabeth Dole from North Carolina. To see a full list of Senate Banking Committee Members [click here](#). As of yet, floor time for full Senate consideration of the bill has not been scheduled. Further updates will be forthcoming as this issue continues to evolve in Congress.

**Every item in this newsletter is further evidence  
why you should support YOUR PAC!**

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For more information on these items, please contact Mike Mennett, Assistant Vice President, HBA.  
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