

5 Design Trends for Life at Home

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HBA Files Lawsuit Challenging Santa Rosa School Impact Fees

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Home Builders File Lawsuit Challenging Santa Rosa County's School Impact Fee

It's been a very long time coming, but the Home Builders Association of West Florida (HBA) has filed a lawsuit in the First Judicial Circuit Court against the Board of County Commissioners and the School Board of Santa Rosa County, challenging a \$5,000 school impact fee on each new home permitted in the county starting May 4, 2020. The fee would also be levied on mobile homes (\$4,000) and multi-family dwellings (\$2,750).

As builders, we strongly support appropriate funding for education. But we believe Santa Rosa County's school impact fee has some significant legal flaws and poses a serious threat to affordable housing and economic vitality in our county. We are also concerned that with the COVID-19 pandemic, the total national housing starts decreased 22.3 percent in March and will certainly have a negative impact locally. We were hopeful the School Board would delay the starting date of the impact fee of May 4th to show community good will for the countless businesses and employees who are being devastated by the shutdown. Unfortunately, they chose not to help at its last meeting. After publicly expressing our concerns for months, we now have to resort to formal legal action to have our voices heard.



I want to stress that the home builders association believes a strong public education system is important to the health of communities and a key factor in where people choose to live. We care about education, teachers, and students. But we're looking for more accountability on how the school board is spending a record \$375 million of the taxpayers' hard-earned money in this fiscal year, and we're concerned that these impact fees will place a severe burden on working-class people like teachers, police officers and fire-fighters. We know that impact fees would increase new home price, which in turn will lead to high existing home prices and rents.

Former Florida Supreme Court Justice and attorney Kenneth B. Bell of the Gunster Law Firm will head the legal team filing the lawsuit on behalf of the builders association and 11 additional plaintiffs that develop residential communities and build homes and apartments in Santa Rosa County. "To prevent discriminatory and unfair taxation, Florida Statutes impose high standards for school boards and counties when imposing impact fees. Unfortunately, Santa Rosa County's School Board, and the ordinance passed, fail to meet those standards," said Bell, who will be joined in the legal challenge by attorney Stephen R. Moorhead of the Moorhead Real Estate Law Group.

Bell said the lawsuit challenges the way an outside, School Board consultant calculated the impact fee using "incomplete or inaccurate data and faulty assumptions." Bell said the calculation did not, as specified in Florida Statutes, use the most recent and localized data, reflect the School Board's recent land acquisitions, or credit new residential development fees to school facilities. He added that the ordinance does not meet state-mandated "rational nexus and proportionately" requirements which restrict the use of new impact fees to the capital facilities needed to address the impact of a new development.



BLAIN FLYNN

"...we believe Santa Rosa County's school impact fee has some significant legal flaws and poses a serious threat to affordable housing and economic vitality in our county."

5 Design Trends for Life at Home

What does the turmoil of the coronavirus mean for new homes and communities? For starters, we are all spending more time at home, and gaining a greater appreciation for, or frustration of, all the things that come with that.

What started as work from home, though, may have morphed into something bigger and more important for those of us involved in home and community development, says J. Walker Smith, chief knowledge officer of brand and marketing of KANTAR, a leading data, consumer insights and global consulting practice. Walker calls it “LFH,” or life from home.

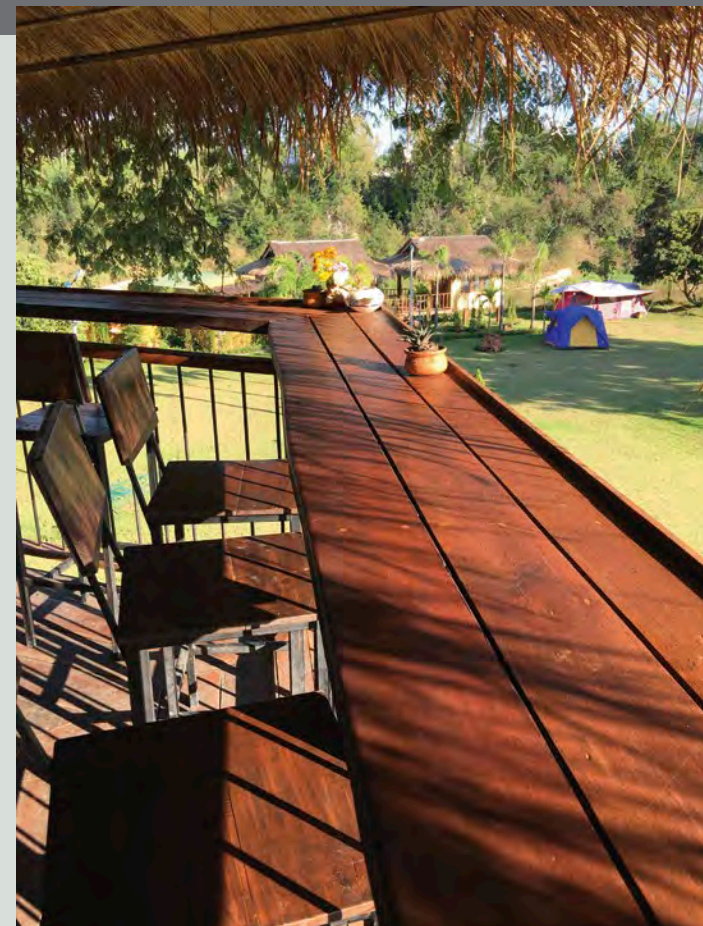
“Is it possible that home could become the ‘new car’ in the sense that post-World War II life has been built around the car? Will post-pandemic life be rebuilt around the home instead?” Walker stated in a webinar last week on the state of the pandemic and its effect on politics and business.

Lifestyles could be re-made around the home the same way they were remade around the car after World War II. Back then, driving spurred the growth of the suburban master-planned community, drive-thrus, convenience stores, large centrally located shopping malls and a car-centric culture that still exists, no matter how hard we all try to break it with new community concepts and more sustainable neighborhood-scale walkable living.

Walker cautioned against any disruption — this one included — causing a massive about face. But he said we can expect this disruption to clear the way for underlying trends that are already out there to become more mainstream.

In home design, that means:

- **Smaller footprint homes, more attainably priced** will continue to be the product type of choice. If consumers re-boot how they earn a living or pivot to a different career, attainability will matter.



- **Home wellness technology** to monitor health, track at-home fitness and maybe even detect the temperatures of visitors coming and going.

- **Floor plans need to become more multifunctional** for working from home, for gathering with others, and for supporting multigenerational activities all happening at once — i.e., no wasted space, and more space that can be made to work however the person or family living there needs it to. For example, laundry sinks could be replaced with tubs that double as DIY dog washes, and garages could be turned into home gyms.

- **Storage, storage, storage, everywhere** — but hidden in plain sight. Storage that works and isn’t just a quick fix for small remnant spaces. And what about tastefully designed hand sanitizer dispensers near the front door?

- **Indoor/outdoor spaces that work.** For example, porches that are actually deep enough to sit comfortably in a chair. Sometimes this means an extra foot, and it adds cost. But consumers that value this will make trade-offs elsewhere for it.

The innovators and creators who make this industry so great will come out of this stronger and more committed to doing everything possible to contribute to creating spaces and places for people who, more than ever, have come to see the importance of home.

This article was written by Teri Slavik-Tsuyuki is the principal of tst ink, bringing a customer-focused “how might we?” approach to creating communities and brands that connect and engage with how people want to live their lives. The full article is available on Best in American Living.

Courtesy of NAHBNow.com

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HBA Provides Lunch to Local Building Departments

The HBA appreciates the tireless work of the good people of the Escambia County, Santa Rosa County and City of Pensacola Building Departments. They are working to keep our industry strong during this COVID-19 crisis. The HBA provided lunch for these departments to thank them for their efforts. "We appreciated it so much, and it was such a nice morale boost for the employees," said Escambia County Building Official Tim Tolbert.



NATIONAL, STATE AND LOCAL HBA'S MADE SURE CONSTRUCTION WAS CONSIDERED AN ESSENTIAL BUSINESS

In a critical win for HBA members in the residential construction sector, the Department of Homeland Security (DHS) designated construction of single-family and multifamily housing as an "Essential Infrastructure Business."

The National Association of Home Builders (NAHB) was at the forefront among all housing groups in calling on DHS to make this designation. Also, in Tallahassee, the Florida Home Builders Association worked closely the Governor's office to make certain that the DHS guidelines were adopted by the administration.

At the local level, the Home Builders Association of West Florida sent letters to local elected officials to keep construction as an essential business.

"The next time you ask someone to join the HBA, make sure they know the federation made sure we could all continue to work with safety guidelines," said HBA President Blaine Flynn. "It was vitally important to our industry and it made me especially proud to be a member."

"Americans depend on a functioning residential construction sector to provide safe, affordable housing for our citizens, and this need is especially acute during this pandemic," said NAHB Chairman Dean Mon. "Moreover, a healthy housing market is critical to maintain a sound economy. I commend DHS for



heeding the urgent concerns of the housing community and taking this decisive action to assure the men and women of the industry will be able to stay on the job and serve the needs of the American people at this critical time."

On March 26, in an effort spearheaded by NAHB, 90 companies and organizations sent a joint letter to Acting Secretary of Homeland Security Jack Wolf urging him to designate the construction of single-family and multifamily housing as an Essential Infrastructure Business.

"As cities and states issue declarations and public health orders as a result of the crisis, it is essential that communities have access to our professionals to build and maintain essential services including: building, plumbing, residential property management, rental housing operators, roofing, electrical, HVAC systems, waste/wastewater treatment plants and power generations," the letter stated. "Home construction, including those industries listed above, should be designated as 'essential' because it is necessary to maintain safety, sanitation, and economic security."

The safety and health of all those who work in construction remains our top priority. The industry continues to adhere to all public health guidelines set forth by the Occupational Safety and Health Administration (OSHA) and the Centers for Disease Control (CDC). Working on a new unfinished home site occurs primarily outdoors and does not involve going onto a location occupied by residents or a public location, and there is minimal (if any) physical or transactional contact with customers.



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- 9. Door Swing = \$750**
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FHBA also stopped issues from passing, which resulted in additional builder savings:
 Flood Provisions = \$10,000, Irrigation = \$1,000, and Water Saving Fixtures = \$250.

*Approximate cost savings per house/lot impacted.

To learn more on how we saved you money and how we continue to work hard on the 7th Edition of the Florida Building Code, go to www.WestFloridaBuilders.com or www.fhba.com or call 850.476.0318.

ICC TO MOVE FORWARD WITH 2021 BUILDING CODES DESPITE NAHB OBJECTIONS

The International Codes Council recently released its Final Action Report on proposed changes to Group B of its International Code, notably the International Residential Code and International Energy Conservation Code. The report did not address significant issues identified by NAHB after the online vote on the codes last fall and NAHB plans to appeal the decision.

NAHB sent a letter on Feb. 14 to ICC CEO Dominic Sims and President Greg Wheeler urging the building codes body to carefully reevaluate the validity of many approved voting officials, to reject two specific proposals as not meeting the intent of the energy code, and to reform some of its voting processes while retroactively reconsidering proposals that should not have been on the final ballot.

The results from the 2019 Online Governmental Consensus Vote, to determine 2021 building codes proposals, included several irregularities and discrepancies, specifically proposals for the International Energy Conservation Code (IECC).

Some aggressive energy efficiency proposals that had been defeated at prior committee hearings and public comment hearings were approved in the online vote. When proposals are defeated at both hearings, they must get greater than a two-thirds majority in the online vote to overturn past results. It's a bar so high, no previous proposal had ever met the threshold with the online vote. But in this code cycle, 20 IECC proposals cleared the hurdle and came back to life.

The ICC Final Action Report left the results as reported after the online vote. The ICC found that all of its procedures had been correctly followed in the Group B development process.

While NAHB agrees that existing procedures were followed, staff believe those procedures were exploited, putting NAHB in a position to ask ICC to reconsider these proposals through their appeals process. Further, NAHB remains concerned that many of the codes changes will greatly reduce the functionality of the 2021 IECC and significantly impact housing affordability.

The deadline for an appeal is May 8.

NAHB is looking ahead to the development cycle for the 2024 codes, and is hopeful that the shortcomings of this cycle will be corrected so that the integrity of the ICC code development process, as well as the codes themselves, can continue to be the preeminent resource they are today.

For questions about the codes development process, please contact Craig Drumheller.

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HOUSING STARTS DOWN IN MARCH ON CORONAVIRUS EFFECTS

Reflecting the growing impact of the COVID-19 pandemic, total housing starts decreased 22.3% in March from a downwardly revised February reading to a seasonally adjusted annual rate of 1.22 million units, according to a report from the U.S. Housing and Urban Development and Commerce Department. Meanwhile, overall permits declined 6.8% to 1.35 million.

The March reading of 1.22 million starts is the number of housing units builders would begin if they kept this pace for the next 12 months. Within this overall number, single-family starts decreased 17.5% to an 856,000 seasonally adjusted annual rate. The multifamily sector, which includes apartment buildings and condos, decreased 31.7% to a 360,000 pace.

“Housing has been deemed an essential business in most of the nation, and in the few states where the governors have not acted, we urge them to deem construction as essential,” said NAHB Chairman Dean Mon. “Housing can help lead an eventual rebound, as it has done in previous recessions.”

“We expect further declines in housing starts in April, due to the unprecedented decline in builder confidence in our latest member survey,” said NAHB Chief Economist Robert Dietz. “It is worth noting that there are currently 534,000 single-family homes currently under construction and 684,000 apartments. Approximately 90% of these single-family units are located in states where home building is deemed as an ‘essential service,’ while 80% of apartments are located in such states.”

With respect to regional single-family and apartment construction, compared to a year ago, first quarter home production increased in all regions: 31.9% in the Northeast, 23% in the Midwest, 18.9% in the South and 27.1% in the West. These increases are due to strong construction

data in January and February and weak comparable data at the start of 2019.

Overall permits declined 6.8% to a 1.35 million unit annualized rate in March. Single-family permits decreased 12% to an 884,000 unit rate, while multifamily permits increased 4.9% to a 469,000 pace.

Looking at regional permit data on a year-to-date basis, permits are 9.6% higher in the Northeast, 8% higher in the Midwest, 11.3% higher in the in the South and 17% higher in the West.

Courtesy of NAHBNow.com



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HUD Issues Guidance To Borrowers and Lenders During COVID-19

HUD has released two letters to provide guidance to borrowers and lenders during the COVID-19 pandemic. The first letter provides guidance for implementing the CARES Act multifamily mortgage forbearance provisions for FHA-insured multifamily loans.

The guidance closely follows the CARES Act in setting a maximum 90-day forbearance period and eviction moratoria for non-payment of rent. In a win for NAHB's advocacy, HUD clarified: "In addition, mortgage modification tools are

available to HUD-held loans, including adding the missed payments at the end of the mortgage as extended payments or a balloon payment; recasting the mortgage to cover the delinquency; or other reasonable measures."

Similarly, HUD addressed other NAHB requests by committing to review and quickly approve requests for suspension of Reserve for Replacement deposits, releases from the Reserve for Replacement or Residual Receipts account, or other measures to make debt service and tax and insurance payments. Finally, the guidance discusses outside funding sources for COVID-19 relief, loans and owner advances.

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FANNIE MAE PROVIDES FURTHER TEMPORARY GUIDANCE ON APPRAISALS



In the wake of the COVID-19 pandemic, Fannie Mae has announced additional temporary guidance, including use of virtual inspections for appraisals and renovation loans, and flexibilities for condominium project reviews. Additionally, Fannie Mae updated

information about flexibilities for new construction loans and Homestyle® Renovation loans, as well as other temporary appraisal requirement flexibilities. View more details at "https://singlefamily.fanniemae.com/media/22321/display".

Fannie Mae has also released a video to help appraisers and lenders

understand how to use the temporary flexibilities, including the modified scopes of work, how to perform thorough desktop appraisals, and more. Check out "Top 6 Tips for Appraisers on Using COVID-19 Flexibilities" and other resources on Fannie Mae's Appraisers page.

Fannie Mae and Freddie Mac are also extending the implementation timeline for the redesigned Uniform Residential Loan Application (URLA) and updated automated underwriting systems (AUS) specifications to support the industry during the COVID-19 pandemic. The new mandate for required use of the redesigned URLA is March 1, 2021. The extension will provide lenders and other stakeholders additional time to prepare and implement the redesigned URLA. View more details here.

Due to disruption related to COVID-19, many states are temporarily allowing remote notarization in conjunction with paper-based loan closings. A new job aid from Fannie Mae provides information on use of remote ink-signed notarizations. View the job aid.

For more information, contact Curtis Milton at 1-800-368-5242 x8597.

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What Are Builders Doing to Increase Energy Efficiency?

Home builders can learn how to achieve low Home Energy Rating System (HERS) Index scores by looking closer at data points captured in energy modeling software to see what trends emerge.

Using all the homes registered in this energy modeling software in 2019 as an example, the most common HERS Index score was 58, and most scores fell within a standard bell curve ranging between 45 and 80. Keep in mind, the lower the score, the more energy efficient the dwelling is compared to a 2006 code-built home.

One general industry trend confirmed by these data points is that homes with HERS Index scores below 50 tend to have smaller square footages of livable space, and multifamily units generally have lower scores because of this. Efficient building practices and features also play a role:

Heating equipment type:

- Ground source heat pumps dominated the lower score ranges.
- Homes with air source heat pumps ran the gamut on scores overall, but homes that scored between -20 and 5 (which is almost or even better than net zero energy) had mostly air source heat pumps.
- Electric resistance heating (such as baseboards) was only found in houses that scored 75 or higher.
- Homes that had scores between 25 and 70 mostly had traditional furnaces.

Heating and cooling efficiency:

- Houses that ranged in scores on the lower end from 25 to 40 had Seasonal Energy Efficiency Ratios (SEER) of 17-24, while homes that had HERS Index scores of 45 and above had SEERs hovering at about 14.
- For higher HERS scores in the 70-75 range, the Annual Fuel Utilization Efficiency (AFUE) was in the mid-80s, versus AFUEs of 90 and above for more efficient homes with HERS scores below 55.

Mechanical ventilation type (additional ventilation is key for tighter homes):

- Homes with HERS scores of 40 and below almost exclusively have Energy Recovery Ventilators (ERVs) and Heat Recovery Ventilators (HRVs).
- Homes with scores between 40 and 50 are more likely to have exhaust only
- Houses with HERS scores between around 56 and 80 tend to have air cyclers.

Solar photovoltaics (PV):

- On average, the lowest score without PV is in the low 40s.
- Almost 100% of homes that scored 30 and below have solar PV.

Although there might not be a single formula to get the lowest HERS score, the good news is you have options. To increase energy efficiency, you may want to consider selecting heating and cooling equipment that has a high Coefficient of Performance (COP) and a high SEER, integrating mechanical ventilation, and incorporating renewable energy. Combining multiple efficient products and incorporating sound building science principles into early design and planning stages has the potential to make the building more efficient. As always, many of these choices depend on the client, the project's geographic location, and local and state codes and regulations.

Trends like these can help builders get a sense of how newly constructed homes in the market have scored on the HERS Index based on various factors. Consider learning more about the HERS Index, and also exploring the value of third-party green certifications on your next build.

Courtesy of NAHBNow.com



TOP 10 REASONS TO DO BUSINESS WITH AN ACTIVE ASSOCIATE MEMBER

1. They support the industry at the local, state and national levels.
2. They volunteer time, talent and treasure to help the association accomplish its goals.
3. They recruit their colleagues and business contacts to become members.
4. They serve on committees and councils gaining valuable networking opportunity while helping to advance the association's mission.
5. By doing so, you increase the value proposition for all membership in our HBA.
6. They are strong supporters of local and state PACs and BUILD-PAC.
7. They are a major source of non-dues revenue through sponsorships, advertising, etc.
8. As industry partners, they are a valuable resource for business and management tips.
9. They are heavily invested in your business success: You win, they win!
10. Why wouldn't you do business with a member?



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Building 1,000 Homes Packs an Economic Punch

A new study from NAHB shows that housing stands poised to lead the economic rebound once social distancing and other virus mitigation efforts show success in containing the coronavirus pandemic.

Building 1,000 average single-family homes creates 2,900 full-time jobs and generates \$110.96 million in taxes and fees for all levels of government to support police, firefighters and schools, according to NAHB's National Impact of Home Building and Remodeling report. Similarly, building 1,000 average rental apartments generates 1,250 jobs and \$55.91 million in taxes and revenue for local, state and federal government. Moreover, \$10 million in remodeling expenditures creates 75 jobs and nearly \$3 million in taxes.

"Before the coronavirus pummeled the U.S. economy, housing was on the rise, with January and February new home sales numbers posting their highest reading since the Great Recession," said NAHB Chairman Dean Mon. "The demand is clearly there, and as this study shows, we expect that housing will play its traditional role of helping to lead the economy out of



recession later in 2020 when the pandemic subsides."

The NAHB model shows that job creation through housing is broad-based. Building new homes and apartments generates jobs in industries that produce lumber, concrete, lighting fixtures, heating equipment and other products that go into a home remodeling project. Other jobs are generated in the process of transporting, storing and selling these projects.

Additional jobs are generated for professionals such as architects, engineers, real estate agents, lawyers and accountants who provide services to home builders, home buyers and remodelers.

In another sign of the important

role that housing plays in the economy, the Department of Homeland Security announced on March 28 that it had designated construction of single-family and multifamily housing as an "Essential Infrastructure Business," meaning that construction could continue in places under stay-at-home orders. Although this designation is not binding to state and local governments, it does mean that there could be more workers on job sites in the coming weeks.

"Ensuring the health and safety of home builders and contractors is our top priority," said Mon. "This is why NAHB and construction industry partners have developed a Coronavirus Preparedness and Response Plan specifically tailored to construction job sites. The plan is customizable and covers areas that include manager and worker responsibilities, job site protective measure, cleaning and disinfecting, responding to exposures incidents, and OSHA record-keeping requirements."

NAHB senior economist Paul Emrath provides more analysis in this Eye on Housing blog post.

The full National Impact of Home Building and Remodeling study can be found on nabh.org.

Courtesy of NAHBNow.com

TOP FEATURES FIRST-TIME HOME BUYERS WANT

After rising for six consecutive years (2010 to 2015), the average home size in the United States has fallen steadily for the past four years (2016 to 2019). In fact, estimates indicate the average home built in 2019 was the smallest since 2011. This trend is evidence that builders are working to meet the demand for smaller homes — that they are trying to shift their production mix toward more entry-level homes affordable to first-time buyers.

Given this reality, it is important to keep in mind what it is first-time buyers most want to have in a home. Below are some of the findings recently presented at the 2020 International Builders' Show (IBS).

What type of home do first-time buyers want?

- 77% prefer a single-family detached home
- 1,977 square feet is the median size home they want
- 59% would prefer to live in the suburbs
- 40% want a two-car garage, but 12% want no parking facility at all
- 76% want the kitchen and the family room to be completely or partially open
- 57% want the laundry room on the first floor
- 70% want stainless steel kitchen appliances

What specific home features top their wish list?

- Laundry room
- Hardwood flooring for the living areas of the main floor



- ENERGY STAR windows
- Walk-in pantry
- Patio

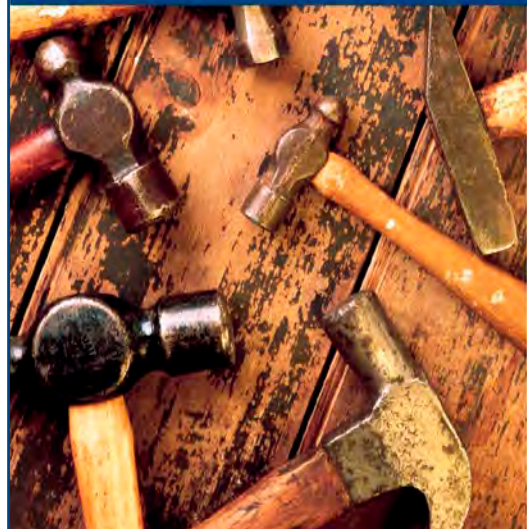
What do they expressly say they don't want?

- Elevator
- Charging station for electric car
- Cork flooring
- Wine cellar
- Golf course community

If first-time buyers had to choose (for the same amount of money) between a smaller house with high-quality products/amenities and a bigger house with fewer amenities, 62% would opt for the former. In other words, after about 2,000 square feet of space, most first-time buyers will derive more value from quality amenities than from size.

Courtesy of NAHBNow.com

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In construction, a spike is a steel object that is essential to making a building strong. As in construction, the HBA of West Florida sees a Spike as someone that works to keep our association strong. Spikes work on the recruitment and retention of members in addition to keeping members active with the association. Anyone is eligible for Spike status. On Spike credit is awarded for each new member recruited and an additional credit is awarded for that new member's renewal on or before their anniversary date. If you help to retain a member, you are eligible to receive a half point for each member.

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Spike Club Members and their credits as of 02/29/2020.

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