

The Builder



March 2020

Our industry designed essential

On Monday Governor Ralph Northam issued Executive Order 53, implementing several “long term action(s) to mitigate the impacts of the Coronavirus on our Commonwealth.” and designated that **the Construction Industry is an essential business**. This order went into effect on Tuesday, March 24.

Executive Order 53 contains provisions that designate “home improvement, hardware, building material, and building supply” businesses (among others) as “essential retail business” that may remain open during their normal business hours. Credit the HBAV staff for working with the Governor to obtain this outcome.

Although this is positive news for our industry, **This is NOT business as usual.** The Home Building Association of Virginia and our local board of directors cannot emphasize enough how important it is for our member companies continually identify and implement measures to protect their workforce, job sites, and offices. All are asked to **use "best practices," especially regarding crew transportation and safe distancing on the job site.**

For the foreseeable future, all HBACV members must all be proactive in protecting the health, safety, and welfare of all Virginians by implementing effective distancing measures and other recommendations of Governor Northam and state health officials.

Click here to review the text of [the Executive Order](#) and Click Here to review the [“Frequently Asked Questions” document](#) released by the Administration today, as well as public comments that were made during the Governor’s announcement, it is the belief of the Home Builders Association of Virginia that the Executive Order will have a limited impact on the construction industry’s ability to continue operations.



Area Building Permits, Inspections Office Changes

Bedford County Building Inspections and Permitting office is closed to the public. The department will conduct field inspections and permitting can be done online. Staff is available to receive calls (540) 586-7616. All new construction will still be inspected. The office will consider approving work through pictures, third party or written notices. These will be done on a case by case basis. [Click Here](#) for updates and forms.

City of Lynchburg Building Inspections and Permitting office (455-3910) will limit access to its office. Builders and patrons will be required to call from a special phone outside the office entrance. Forms will be placed in a designated area outside the office for pick up. The department will continue to conduct field inspections and permitting can be done online. [Click here](#) for updates and online forms.

Amherst County Building Inspections and Permitting office is closed to the public. The department will continue to conduct field inspections and limited permitting can be done with forms found online. Staff will be available to return phone messages. Expect a 30-minute to 60-minute delay in returned calls. Please call 946-9302. Please state the reason for the call. If requesting an inspection please provide the permit number and how soon you are seeking the inspection. [Click Here](#) for updates and forms.

Campbell County Building Inspections and Permitting office is closed to the public. The office is processing paperwork. Builders and others requesting permits are asked to call (434) 332-9596. The office will then provide an access to the new online portal and walk you through the process. Email buildinginspections@campbellcountyva.gov The department will continue to conduct field inspections. If requesting an inspection please call or email and provide the permit number and how soon you are seeking the inspection. [Click here](#) for updates and forms.

Appomattox County Building Inspections and Permitting office remains open with limited access via the main office vestibule. There is a phone that builders can call. Forms are available on line and also in the vestibule area. Builders and others requesting permits find the forms online. Completed forms can be dropped off or emailed to Inspections@appomattoxcountyva.gov . The office phone is (434) 352-8183. Inspection questions can also be direct to Lonnie Hamlet at (434) 610-2616. If requesting an inspection please provide the permit number and how soon you are seeking the inspection. [Click here](#) for updates and forms.

How the Response to COVID-19 Will Affect the Housing Industry

As America responds to the novel coronavirus, COVID-19, and practices social distancing to control its spread, the National Association of Home Builders is working hard to help its members respond to the economic effects. We want to make sure members are apprised of NAHB federation efforts to mitigate the economic effects of COVID-19. We also want to offer a sense of NAHB's forecast in the context of the evolving economic slowdown.

NAHB is making available to members a broad range of materials on its website. The materials can be found at [NAHB.org/coronavirus](https://www.nahb.org/coronavirus). These include economic forecasts and information about business continuity and personal preparedness. The site also includes consumer resources and materials for NAHB's state and local partner associations.

NAHB has also conducted a series of webinars to inform members of the association's resources, policy advocacy efforts, and the [industry outlook](#) from NAHB's Chief Economist, Robert Dietz.

In terms of industry advocacy, NAHB participated in a call with White House officials to discuss strategies for aid to the housing sector amid the COVID-19 threat that is wreaking short-term havoc on the national economy.

Less than 48 hours later, President Trump put our recommendation to provide mortgage relief to home owners into effect when he announced that HUD is suspending foreclosures and evictions for mortgages insured by the Federal Housing Administration through the end of April. Fannie Mae and Freddie Mac will follow suit and suspend all foreclosures and evictions for at least 60 days for home-owners with mortgages backed by the two government-sponsored enterprises.

Congress on March 18 passed an emergency response [coronavirus bill](#) that includes tax

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credits to help businesses and self-employed individuals cover some of the costs of mandatory sick leave included in the legislation.

Congress is working toward a \$2.5 trillion economic stimulus bill to fight the coronavirus that includes checks of up to \$1,200 for taxpayers and \$500 billion earmarked for loans to small businesses with fewer than 500 employees. These loans would be made available through lenders certified by the Small Business Administration.

NAHB is forecasting that second quarter GDP growth will be markedly negative, likely the worst performance since the third quarter of 2008. Approximately 40% of the economy is on a full or partial pause due to the coronavirus. Assuming that containment efforts are successful within an eight-week period (consistent with South Korea's experience, where data are reliable), we forecast a weak third quarter followed by a rebound at the end of 2020.

While this 2020 downturn will be sharp, it may also be short. The economy was in solid shape at the start of 2020, which was particularly true for housing.

The short-term outlook is negative for the economy as a whole, but policy help is underway. The [Federal Reserve](#) reduced the federal funds rate to effectively zero, restarted quantitative easing (including for mortgage-backed securities, in response to recent liquidity concerns in the mortgage market), and made other policy moves to help ensure the continued operation of the financial system. If Congress and President Trump can agree on a \$2.5 trillion stimulus package, that will help the economy bridge the gap from now through August.

This is uncharted territory, and NAHB will continue to survey the industry, analyze the data and advocate on behalf of our members. NAHB has gone into overdrive to help members understand and respond to the fast-changing economic environment. History suggests a robust rebound will follow this significant but temporary shock to the economy.

IMPORTANT LINKS FOR COVID 19 AND STATE AGENCIES:

[CLICK HERE](#) for FAQ and other information from the **Virginia Department of Housing and Community Development**. This website contains information related to frequently asked questions, contact information for local building departments and best practices, ideas and suggestions as we all try to keep our communities operating as normally as possible during this unprecedented COVID-19 situation.

[CLICK HERE](#) for information from **The Virginia Building and Code Officials Association** about office status of all building inspections and permitting offices across the state. Please note this information is being updated daily.



Firms Under 50 Employees Get Partial Exemption From Families First Coronavirus Relief Act

In a new ruling on March 23, the U.S. Department of Labor along with the IRS, did not fully exempt small businesses with under 50 employees from the requirements of the new Families First Coronavirus Relief Act. The law, which was enacted on March 18, requires all business with fewer than 500 employees provide additional COVID-19 paid leave in exchange for tax credits, gives latitude to the Labor Dept. to exempt very small business from this requirement. Many expect that this would happen. Instead, the only exemption granted today is in cases where employees elect to stay home to provide child care to healthy children whose schools have closed.

The release today provides additional guidance on how business should comply with this. That release is excerpted below. The full release can be found at the [DOL.gov](https://www.dol.gov) website. Additional resources can be found at [IRS.gov](https://www.irs.gov).

Key Takeaways

- **Paid Sick Leave for Workers:** For COVID-19 related reasons, employees receive up to 80 hours of paid sick leave and expanded paid child care leave when employees' children's schools are closed or child care providers are unavailable.
- **Complete Coverage:** Employers receive 100% reimbursement for paid leave pursuant to the act. Health insurance costs are also included in the credit. Employers face no payroll tax liability. Self-employed individuals receive an equivalent credit.
- **Fast Funds:** Reimbursement will be quick and easy to obtain. An immediate dollar-for-dollar tax offset against payroll taxes will be provided. Where a refund is owed, the IRS will send the refund as quickly as possible.
- **Small Business Protection:** Employers with fewer than 50 employees are eligible for an exemption from the requirements to provide leave to care for a child whose school is closed or child care is unavailable in cases where the viability of the business is threatened.
- **Easing Compliance:** Requirements subject to 30-day non-enforcement period for good faith compliance efforts..

To take immediate advantage of the paid leave credits, businesses can retain and access funds that they would otherwise pay to the IRS in payroll taxes. If those amounts are not sufficient to cover the cost of paid leave, employers can seek an expedited advance from the IRS by submitting a streamlined claim form.

IRS Clarifies Low Income Housing Tax Credit Limits

The IRS has released revenue ruling 2020-4 instructing taxpayers how to calculate Low-Income Housing Tax Credit (LIHTC) [income limits](#) should they choose to use the income averaging minimum set-aside test to meet LIHTC eligibility and compliance requirements. This test was created by the Consolidated Appropriations Act of 2018 to complement the existing tests established by the Tax Reform Act of 1986 and allows LIHTC projects to serve households earning as much as 80% of Area Median Gross Income in some circumstances.

Costs Up in Builder Survey

The cost of constructing a typical single-family home has gone up, but builder profits have fallen according to a [recent survey](#) of home builders. On average, 61.1% of the sales price, goes to construction costs. Add to that finished lot costs (18.5%), overhead (4.9%), sales commissions (3.7%), financing (1.7%), and marketing (1%), and the average builder profit is 9.1%, before taxes. INAHB economists have found that 24.3% of the cost of a typical, new single-family home comes from regulatory compliance. and impact fees. Those costs were rolled into the various categories – finished lot, construction, financing, etc. – in this survey.

Centra Seeking Mask, Respirator Donations

The Home Building Association of Central Virginia has received a request from Centra Health asking member businesses to contribute specific items in short supply for use in the fight against the COVID-19 outbreak.

Centra is specifically asking for the following items:

1. **N95 Respirator Mask – NIOSH-approved N95/ FDA**
2. **Generic Masks – all kinds**

If your business can assist Centra in its search please contact Lisa Jennings at this email address:

lisa.jennings@centrahealth.com.

Jennings will then reach out to you to coordinate the details of getting the masks to Centra's health care facilities. If you need more information her full contact information follows.

Lisa Jennings

Administrative Assistant

Centra

Materials Management
Centra Business Center
1204 Fenwick Drive, Lynchburg,
VA 24502

P 434.200.4804 F 434.200.4812

10-POINT PLAN FOR BUILDING A SAFER JOB SITE

Hand hygiene

Wash with soap and water and sanitize when you can, especially after using common restrooms and when either entering or leaving a home site. Use the hand sanitizer provided in portable restrooms.

Stay off your face

The easiest way to catch germs is by touching your face, so train yourself not to.

Communicate

If you have any questions or concerns, please call your building partner's foreman

Sanitize as you go

If available, use sanitizers or other cleaning materials to keep your tools and your work product (countertops, sinks, faucets, wall and floor tiles) clean at least once per day. Do not leave the home until cleaning up after your work.

Keep your smartphone smart

You'd be surprised how many germs your phone accumulates; get in the practice of sanitizing it daily.



Let it go

Until the Coronavirus is behind us, stay away from shaking hands, or doing fist & elbow bumps.

Be considerate

Help prevent the spread of germs: stay home if you are sick.

The CDC and your family physicians are the experts

There's so much information out there so be informed by visiting the [CDC website](#) for the very latest. If you believe that you may be symptomatic, please consult your primary care provider.

If it isn't business critical, use technology

Err on the side of caution. Communicate as much as you can by phone or e-mail, as opposed to face to face meetings in groups.

Prevent the panic

Rely on the above 9 steps, be informed, and please do your part to keep yourself and your work environment healthy and safe.

We will get through this together!

HBACV Leadership List

2020 Officers & Executive Committee:

Joe Hepler - President
Jim Minear * - 1st Vice President
Sandy Speck - 2nd Vice President
Chris Hargis - Associates Vice President
Jeff Wieczorek - Secretary/Treasurer
Brent Lilly - Past President

2020 Board of Directors

Tammy Mikkelson - Movement Mortgage
Mike Forren - Select Bank
Allen Dukes - BB&T
Sandy Speck - Assurance Financial
Matt Yeatman - Central VA Construction
Barry Layne - DS Zechini Builders
Gordon Cudd - Jadon Builders
Robert O'Brian - Lyn. Ready-Mix
Matt Holley - AquaBarrier
Terry Morcom - Morcom Builders
Rosalie Richman - BB&T
Rich Edwards - Bank of the James Mort.
John Hopkins - Boxley
Laura Borel - Francis Oil

HBACV Executive Officer:

Bob Morgan

HBAV Legislative Committee:

Chris Hargis, HBACV rep

HBAV Builder Committee & Director:

Joe Hepler, HBACV rep

HBAV Board of Directors:

Sandy Speck

NAHB National Representative:

Terry Morcom

* leave of absence until 10/2020

Calendar of Events

All HBACV Events scheduled through April 30 have been postponed. A new schedule will be announced following an appropriate understanding of the interruption of normal business operations for our member companies. These events include the HBAV State spring meeting; the HBAV Brew PAC gathering, the HBACV \$10,000 Raffle & More fundraiser, April Hammer Time, all classes and lunch & Learn seminars.

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SCHOLARSHIP APPLICATIONS

THE HBACV IS STILL ACCEPTING APPLICATIONS FOR ITS ANNUAL SCHOLARSHIP PROGRAM. FOR INFORMATION CONTACT EO BOB MORGAN @ 841-7588 or by email

bob@hbacv.org

Raffle Event Postponed

The annual "\$10,000 & More" Raffle to support the HBACV College Scholarship program has been postponed and **will be rescheduled for later this year. All tickets sold will be honored on the new date.**

The HBACV, its members and its patrons wish to thank these sponsor companies for their support of this event as well as the overall mission of the association as it champions the local and regional housing and building industry.

These sponsors are Assurance Financial and Sandy Speck; Bank of the James Mortgage and Rich Edwards; Central Technology Solutions and Tommy Vaughan; First Bank & Trust and Bill Herbert; First National Bank and Jim Minear and Tracie Gallahan; Fortress Foundations and Jordan Willard and Jerry Glinski; Francis Oil & Propane and Laura F. Borel; Long & Foster, John Stewart Walker and Kathy Terrell and Stephen Mock; Lynchburg Kubota and Nick Kessler; Lynchburg Ready Mix & Robert O'Brian; Select Bank and Mike Forren; and The Floor Show / Carpet One and Chase DeWitt and Nancy Fitzgerald.

We hope to reschedule is late July.



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Membership eligibility requirements apply. Federally insured by NCUA.

Labor Shortage Remains Top Concern for Home Builders

The cost and availability of labor continues to stand out as the most significant challenge that builders will face in 2020, according to a [recent survey](#) of members as part of the monthly NAHB/Wells Fargo Housing Market Index (HMI).

Roughly 85% of builders expect to face serious challenges regarding the cost and availability of labor this year.

Building material prices and the cost and availability of lots were tied as the No. 2 problem builders expect to face in 2020, with these issues cited by 66% of the survey respondents.

All three of these supply-side issues have been a growing concern for builders over the past several years. To put it into perspective, in 2011, just 13% of builders cited labor issues as an important concern, with the rate steadily rising over the ensuing years before peaking at 87% last year.

Rounding out the top five concerns for builders in 2020 are impact/hook-up/inspection or other fees (60%) and gridlock/uncertainty in the nation's capital making buyers more cautious (56%).

LA Now Least Affordable

San Francisco, which has been the nation's least affordable major housing market for the past two years, was supplanted by Los Angeles in the fourth quarter of 2019, according to the most recent NAHB/Wells Fargo [Housing Opportunity Index](#) (HOI).

Indianapolis-Carmel-Anderson, Ind. was rated the nation's most affordable major housing market, defined as a metro with a population of at least 500,000.

Cumberland-Md.-W.Va. was rated the nation's most affordable smaller market.

In all, 63.2% of new and existing homes sold from October through December were affordable to families earning the U.S. median income of \$75,500.

Suicides in Construction Climb

Public health experts are increasingly concerned at the high level of suicides among construction workers, according to Scott Earnest, acting director of NIOSH's Office of Construction Safety and Health.

Speaking during the 2020 International Builders' Show, Earnest told the NAHB Construction Safety and Health Committee about the nationwide trend of rising suicide rates among construction workers.

A study showed that the profession with the highest [rate of suicides](#) was Construction and Extraction, at 52.1 suicides per 100,000 people.

NAHB has joined the Construction Industry Alliance for Suicide Prevention in an effort to raise awareness of the problem.



2020 HBAV **Annual Conference**

June 18-21 - Still on Schedule

**Marriott Virginia Beach
Oceanfront**

This conference brings together leaders in residential construction and housing from all areas of Virginia. The Annual Conference includes industry education, an evening designed for business development, fun leisure activities for networking, and the inaugural Virginia Housing Excellence Awards Celebration. The event is open to all members of the HBACV.

Why attend?

Position yourself as an industry leader
Stay Up-to-date on industry information
Networking with peers
Encounter new vendors and suppliers
Have FUN! It's Virginia Beach!

Click [here](#) for the full schedule of events.

Click [here](#) to register.

A message from your HBAV President Dan Sandoval:

With the spread of the corona virus hitting all industries, the Home Builders Association of Virginia along with NAHB and our local associations are working to limit its effects on the housing industry. As outlined in previous messages, HBAV is working diligently to identify ways that our industry may be affected and communicating the importance that home building industry has to the citizens of Virginia and the Virginia Economy.

None the less, HBAV members need to be prepared for the possibility of disruption and delays to normal business. Depending on the local government and the builder's vendor partners, delay may come in the form of permit issuance, inspections, closings, access to materials, etc. They may also come in the form of project delays by local boards and councils. HBAV urges members to check with their vendor partners and watch their cash reserves during these turbulent times.

HBAV members companies are not immune from this virus. We encourage all businesses in Virginia to do their part to implement the guidelines issued by [the CDC](#). You can also help by [giving blood](#) to help address the severe blood shortage facing the American Red Cross.

Many of you have already contacted HBAV on the challenges you're facing related to COVID-19. Please continue to [contact HBAV](#) as we work through these turbulent times. If we all work together to mitigate the impact and spread of coronavirus, I am confident that housing will be set for a rebound given low mortgage rates and pent up demand.

HBAV will continue to work for our members and re-evaluate resources that HBAV may be able to provide as we work through the outbreak. We will get through this together!

Hidden, Regulatory Costs Impact Affordable Housing

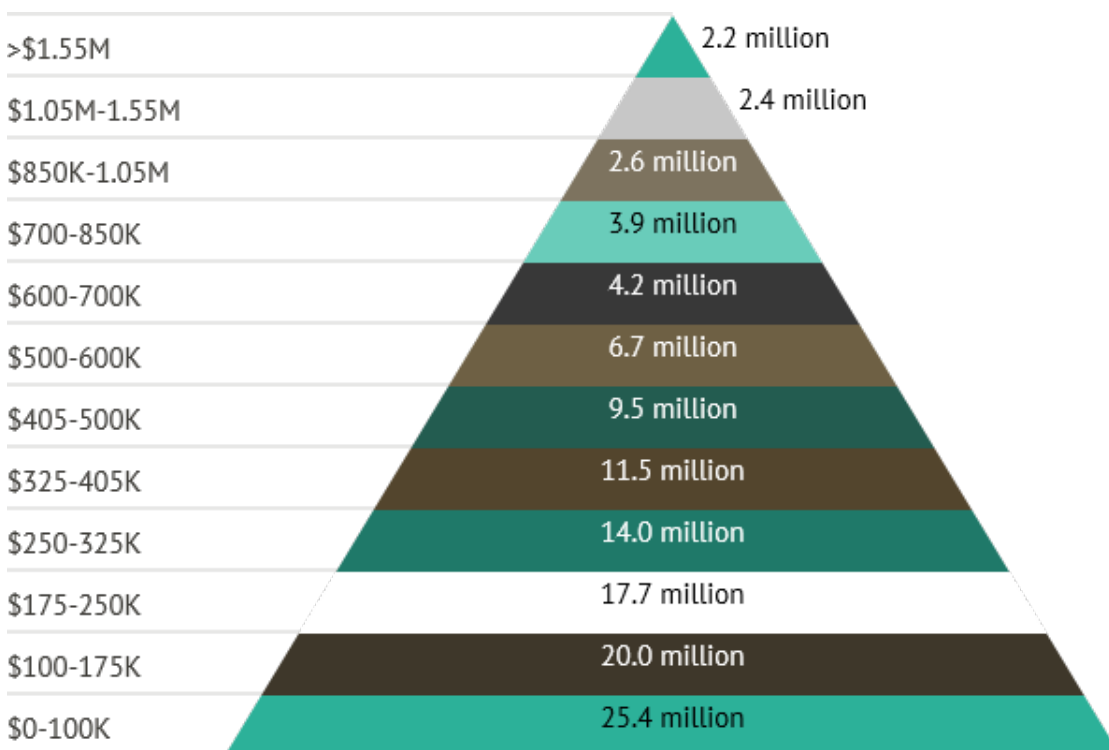
Rising home prices continue to put homeownership out of reach for many Americans. According to the NAHB, more than half of U.S. households are **unable to afford a \$225,000 home**, let alone a \$331,000 home - the national average price.

The Joint Center for Housing Studies points **to the shortage of housing as a key factor** pressuring prices especially for modest-income Americans. Builders are struggling to meet demand for new housing because of regulatory burdens, land and material costs, and labor shortages.

“You have three buckets of costs. One is land, one is soft costs, and one is hard costs,” said Andy Winkler, with the Bipartisan Policy Center, Hard costs reflect labor and construction and soft costs reflect components such as fees, taxes and financing.

Impact fees and building permits can be particularly cumbersome, observed Peter Van Doren, senior fellow and editor of *Regulation* journal at the Cato Institute. “Some jurisdictions have impact fees — literally payments you make to the jurisdiction in return for the right to develop,” he noted. “If you want to build, you not only need the permission of the zoning board, for every unit you build, you need to pay the jurisdiction ... and again that raises the price.”

A **Cato study** found land-use regulations increased home prices in 44 states, and zoning regulations contributed to price increases in 36 states. NAHB estimates **25% of the cost of a new single-family home** is attributed to regulatory costs, including long processing times..



The **housing affordability pyramid** reveals that 63 million households out of a total of 120 million are unable to afford a \$250,000 home.

The affordability problem is explained in NAHB’s new **priced-out estimates** for 2020.

HBACV Still Accepting Scholarship Applications

The application window is now open through April 22 for the HBACV annual Scholarship competition. The HBACV provides four college or Trade School scholarship grants each spring. Parents of eligible children or grandchildren can get an application on the HBACV website or from the HBACV office.

To qualify, the applicant must:

- a. be the child or grandchild (by blood, marriage, or adoption) of an owner or employee of a company that is a current member in good standing of the Home Building Association of Central Virginia.**
- b. a high school senior OR undergraduate college student.**

Scholarships are awarded on a competitive basis to students who demonstrate a commitment to academics, leadership capabilities and an entrepreneurial spirit. Financial need is also a consideration.

Qualified applicants must be graduating seniors of a public or private high school in the city of Lynchburg or the counties of Amherst, Appomattox, Bedford and Campbell County and plan to attend an accredited 2-year or 4-year community college, college or trade school in the United States.

Application deadline is April 22, 2020.

Applications must be received in the HBACV office no later than 5:30 pm on April 22. Applications can be submitted in person, by regular mail or as email attachments. (20334 Timberlake Road, Suite 3, Lynchburg, VA 24502 or bob@hbacv.org).

[CLICK HERE](#) for Application online

2020 Renewals & New Members

Thank You for your ongoing support of the Home Building Association of Central Virginia (*indicates new 2020

AquaBarrier

Bloseman Oil & Propane

Bug Man Exterminating

Builders FirstSource

Carpetland USA

Central Technology Solutions

Colonial Farm Credit

Columbia Gas of VA

Cheryl Daffner - L&F

Craftsman Custom Homes

Lynchburg Ready Mix

Pella Window

Skinner Construction

Toler Insulating

Blossman Gas

Real Property Management*

Fortress Foundation

Nelligan Insulation

Budget Blinds*

Lonnie Maines - DFG*

Equity Enterprises LLC*

John Stewart Walker*

Foster Fuels

Movement Mortgage

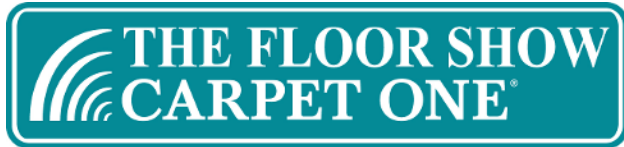
RM Gantt Constructions

LeAnn Brown - L&F*

Anne Coleman - L&F*

Interested in Joining the HBACV?
Contact a member, or our web site

Thank You To Our Spring Event Sponsors



Member to Member Business Creates a Stronger Association

The HBACV provides complete contact information to members through our [website](#) and through our office (434-841-7588). Developing an HBACV network allows you to provide members with service and resource information aligned with their needs and your products. In addition, because you are a member of the local, state and national associations, you can get access to membership lists in adjacent territories. Do business with a member and support the businesses that support the HBACV. Get the most from NAHB Membership Discounts: Click to learn more.

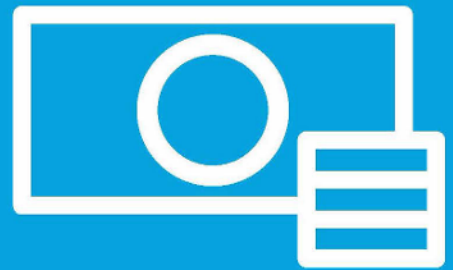
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