



2011
ANNUAL REPORT

December 8, 2011

Introduction

The Southern Nevada Home Builders has done yeomen's work this year, despite the economic downturn that has impacted resources, to maintain a leadership and partnership role on a significant number of important, governmental issues, advocating on behalf of the association's members, the local building industry, homeowners and potential homebuyers – on the local, state, regional and federal levels.

The association's activism has involved dedicating sparse staff members, and key association members, to a variety of activities on these issues, which include, but are not limited to, attending meetings, workshops and public hearings (which sometimes involved travel to other communities in Nevada); writing position statements, letters and other materials; presenting alternatives and revisions to proposed, governmental requirements; orchestrating informational meetings with elected officials to present positions/opposition relative to proposed governmental requirements; and serving as a key member on stakeholder advisory committees working on new governmental requirements.

SNHBA prevailed in the significant majority of cases because of its respected reputation and positive, diplomatic relationships with governmental entities, agencies, managers and elected officials.

The items contained in this report represent a sample of the dozens of issues handled by the association during the past year, many of which will continue to be issues in 2012. Details about the association's work, events and programs are published and transmitted to the membership and selected others in the weekly and monthly summary Builder Brief e-newsletters. Members have opportunities to serve on committees and working groups contributing to the success of the association and the industry.

2011 has been another challenging year. We, at the association, are determined to do what is necessary to maintain the association and assist our great membership with their challenges in the coming years.

Legislature and PAC:

SNHBA was fully involved and engaged in lobbying efforts on behalf of its membership at the 2011 Nevada Legislative Session in Carson City. The association had significant involvement and participation as a leading member of the **Coalition for Fairness in Construction** to lobby lawmakers for changes to Nevada's onerous and unfair "construction defect" law, NRS Chapter 40. Also, SNHBA is a member of the **Building Jobs Coalition**, which advocated for legislation that would create an estimated 100,000 construction jobs on public building and infrastructure projects statewide.

The Legislative Committee met weekly during the session, reviewing more than 150 bills on a range of issues, such as construction defect litigation, homeowner associations, subdivisions, mechanic's lien law, zoning, air quality, other environmental areas, contracting law and general business matters.

SNHBA Committees:

SNHBA's various committees handle a significant number of issues throughout the year. The majority of these issues have serious impacts and ramifications for the industry. The association is fortunate to have diligent members who serve on these committees and devote significant time and effort on behalf of the industry. The following is some of the work done by the staff and members on the committees with government entities.

Codes Committee

The association has maintained a high profile in its ongoing involvement in the adoption, implementation, writing of local amendments, at the local governmental entities of the **2009 Building Code**, including the International Residential Code, the International Energy Conservation Code, the various trades' codes, and the fire code, which this time includes the requirement of mandatory residential fire sprinklers, which SNHBA strongly opposes. Of special note on this long-term and ongoing issue, association staffer Connie Suckling, a senior government relations specialist, was named the "2010 Industry Person of the Year" by the Southern Nevada chapter of the International Codes Council for her work on these codes. On behalf of SNHBA, Connie is a long-time member of the chapter, served as one of the first of two directors-at-large representing industry, and is a founding member of the chapter's Membership Services Committee.

2009 Building Code Adoption and Implementation

Following many meetings in 2010 with SNHBA representatives, the Southern Nevada Building Officials agreed that 2009 code adoption would take place as soon as possible with a proposed effective date of July 5, 2011. The various elected bodies subsequently met and the 2009 codes are now in force throughout Southern Nevada.

Residential Fire Sprinkler Requirement

SNHBA worked for some time with the local jurisdictions on the adoption of the 2009 International Residential Code, which includes a contentious requirement for mandatory fire sprinkler systems in all one and two-story dwellings. SNHBA presented its position against mandatory residential fire sprinklers to the local entities. The following is an update on the issue as of the date of this report:

- **City of Henderson**

The Henderson City Council voted on December 7, 2010 to adopt the 2009 IRC, including the fire sprinkler requirement. The sprinkler requirement became effective July 5, 2011. As a result of discussions between SNHBA Executive Director Irene Porter and Henderson's Robert Murname, Director of Public Works and Mohammad Jadid, City Building Official, Henderson City County approved a reduction in fire sprinkler inspection fees for production homes from \$765 to \$350, which was a savings of more than \$400 per house on the fire sprinkler fees.

- **City of North Las Vegas**

The City Council voted against the requirement for mandatory residential fire sprinklers and adopted the IRC, along with the other codes. The association opposed the residential fire sprinklers, making that case in meetings with the mayor and city council members prior to the hearing.

- **City of Las Vegas**

SNHBA has an agreement worked out at the city that should go to City Council by the end of the year. This was the result of a recent meeting that included the fire chief, building department and city manager's office representation. The agreement delays any implementation of fire

sprinklers in residential construction (condos, apartments, and townhomes excepted) until certain permit volumes are reached. What we agreed on was a 10,000 permit volume to occur in a calendar year (Single family detached, valley-wide total) before the requirement would be put into place. If the 10,000 permits do not occur before Jan. 1, 2015, then the matter would be brought forth for discussion and reviewed against the current economy at that time to determine if further time could be justified or not.

Additionally, the association met with building and fire officials to challenge the requirement for sprinklers in homes of more than 5,000 square feet roofing. SNHBA succeeded to have the provisions rolled back to the previous code, which is 10,000 homes. The city was very cooperative on this issue.

- **Clark County**

A similar approach has been agreed to at Clark County. However, there is no formal ordinance. The county manager's office has issued a letter to the association that indicates the commissioners have opted for no action on the requirement at this time. Staff will continue to monitor the economic conditions similar to our proposal based on the 10,000 permits with a review in January 2015. This approach opens the door to implementation at their discretion, but it would have to be on an agenda for action. Additionally, an agreement has been reached to not implement the sprinkler code for 5,000 square foot houses in the county until 2014 and the proposed increase in the bulb diameter in cul-de-sacs has been eliminated and returned to compliance with "Blue Book" standards.

The resolution of the residential fire sprinkler issue in three of the four entities represents a savings of as much as \$5,000 per house. The resolution of the cul-de-sac issue means a savings of six to 12 lots in many subdivisions.

As with any new code adoption, there likely will be interpretation and enforcement issues that come to our attention in the future that will need resolution. Any such items should be brought to the attention of Connie Suckling, staff representative on the SNHBA Codes Committee.

Rural Outreach – Energy Code

Working with the University of Nevada-Reno, the Nevada State Office of Energy and Builders Association of Northern Nevada, SNHBA was part of the outreach effort to inform and educate rural communities across the state about the pending adoption of the 2009 International Energy Conservation Code as the state energy code. The purpose was to engage in face-to-face meetings with building officials, elected officials, and industry professionals to gain an understanding of the issues and challenges to the state-wide adoption of the code and determine the needs of these communities to implement and comply with the code. SNHBA Senior Government Relations Specialist Connie Suckling's outreach travels took her to Goldfield in Esmeralda County, Ely in White Pine County, Caliente and Pioche in Lincoln County, Pahrump in Nye County, and Mesquite in Clark County. The outreach effort was funded with an energy grant from UNR.

Community Planning and Development Committee

The committee addresses issues relating to development review by local governments, including comprehensive, general, and master plans, impact fees, policy revisions, and subdivision processing. The members review ordinances, amendments, exactions, and environmental issues that may impact the home building industry.

Temporary Fire Access Roads

SNHBA, working with a major builder member, prevailed in its efforts to oppose a proposed change in **policy regarding temporary access roads for fire-fighting equipment** in North Las Vegas. The city's Fire Department revised its policy to require temporary access roads to be paved, claiming that heavy fire equipment would get stuck on unpaved roads in subdivisions. However, SNHBA, its builder member and the North Las Vegas Fire Department conducted a field experiment at one of the builder's subdivisions that proved a street cut in native soil, covered with a layer of type II material over the scoured and graded roadway was able to support the weight of large fire engines without any deformation of the surface, including when the soil was saturated with water from the fire hoses. This action saved thousands of dollars in unnecessary paving of temporary streets.

Zoning and Development Codes and Ordinances

The committee devoted considerable time and attention this year participating in the updating of the local jurisdictions' zoning and development codes, and in particular, tougher "connectivity" requirements, which SNHBA successfully opposed as untenable for the industry, homebuyers and homeowners. The proposed connectivity requirements were reduced to more reasonable levels in all jurisdictions. The cities of Las Vegas, North Las Vegas and Henderson adopted new zoning codes after significant involvement by SNHBA, its builder members and other stakeholders, incorporating the majority of SNHBA's proposals. Also, SNHBA convinced Henderson to revise its new development agreement fee schedule to be consistent with the fees collected in other entities statewide. The cost savings on connectivity, fees and other items were substantial for our home builder members.

The association also successfully advocated for an array of **options in lot sizes**, including small lots, suitable for single-family homes.

Multiple Species Habitat Conservation Plan

SNHBA was a primary member on a stakeholders' advisory committee working on proposed changes and amendments to the Clark County Multiple Species Habitat Conservation Plan. SNHBA has a long history of successful and award-winning involvement on this issue. The association opposed any increases in fees in as much as the industry has paid fees for more than 20 years to fund the development and implementation of the local habitat conservation plan. The proposals, which were defeated, included increasing the existing \$550 per acre fee to a \$1,500 per acre fee.

In a related matter, the association alerted the National Association of Home Builders about a potential settlement of a lawsuit between U.S. Fish and Wildlife and the Center for Biological Diversity in Tucson regarding the implementation of the **Endangered Species Act** on a national level, and involving the review of more than 700 species nationally, including 54 in Nevada, to determine the applicability of designating these species as threatened or endangered. NAHB asked SNHBA to participate in the development of strategies for NAHB, state and local associations to deal with the ramifications of this potential settlement.

Air Quality

In another environmental arena, SNHBA got involved and participated in Clark County's Department of Air Quality and Environmental Management's proposed updates of the county's air quality regulations dealing with fugitive dust. The team effort was to block efforts by the EPA to require more stringent control measures during high-wind events. Clark County already has the most stringent dust-control measures in the country. SNHBA has maintained a leadership

role on the issue of local dust-control regulations since 1995, winning awards and praise from various entities such as Clark County, the Health District and the EPA.

Storm Water Management

Also, the association continued its participation as a stakeholder in development of the local Storm Water Management Plan for the Las Vegas Valley per the requirements of the federal and state governments. It outlines specific regulations for construction site operators and the requirements for post-construction best management practices to control storm water runoff. The association prevailed in its position that the plan reflects the unique climate and geology of the area, and builders' practices that were already in place. The plan avoids significant obstacles or added costs for developers.

Traffic Signal Impact Fees

The association hosted a presentation by the consulting group, Duncan Associates, on the city of Las Vegas Capital Improvement Plan for Traffic Signal Impact Fees, which the industry already pays. The association prevailed in its efforts for a modest fee increase.

Urban Forestry

The association participated in efforts of the Southern Nevada Regional Planning Coalition's Urban Forestry Working Group to establish a regional plant list and best practices for the care of urban trees in our community. SNHBA is a member of the working group.

Recreational Splash Pads

The association was involved in the Clark County Water Reclamation District's design and construction standards for the connection of recreational splash pads to sanitary sewer lines.

Utilities and Offsites Committee

SNHBA has a long history of impactful involvement and participation in the numerous issues associated with utilities and offsites, and the potential impact on the home building industry. The committee reviews proposed regulations and hosts educational and informational seminars and presentations. Subjects addressed include bond releases, soils issues, standard specifications, offsite inspections and trenching.

Joint Trenching for Dry Utilities

The association hosted an informational presentation by a representative of the Phoenix Public Works Department about the ongoing issue of joint trenching for dry utilities.

Sewer Service Laterals

The association participated in developing changes at the city of Las Vegas Public Works Department for the markings of sewer service laterals. The city will no longer require the installation of marker balls for privately developed sanitary sewer systems.

Uniform Standard Drawings

It participated by commenting on proposed revisions to three Uniform Standard Drawings and/or Specification policy at the Regional Transportation Commission.

Utilities

The association is preparing comments to submit to the Nevada Public Utilities Commission regarding troublesome aspects of the **NV Energy Tariff Rule 9**.

Working with member NV Energy, the association negotiated new and improved protocols for **projects with expired contracts** at the utility company,

SNHBA worked with member Southwest Gas Corp. on changes in its **line extension policies** relating to costs and items covered.

Appraisal Committee

The special Appraisal Committee, which was formed two years ago, continues to work on the industry's contentious appraisal issues. There were a few victories in 2011: The Appraisal Institute added a green and energy addendum to its appraisal report form to factor in those features in an appraisal. Also, the institute offered a "Valuation of Sustainable Buildings Professional Program, which is conducted in the classroom and online, and includes courses on residential green building. The institute had NAHB Chairman and Reno home builder Bob Nielsen as the keynote speaker at a major meeting in August; he reiterated the industry's message against the use of distressed properties as comparables for new homes; the industry demonstrated its willingness to hear solutions proposed by the industry.

Public Affairs:

SNHBA's public affairs efforts contribute to the positive image, promotion and branding of the association with the media, the business community, the general public, and homeowners.

Publicity Value

SNHBA officers and staff are available frequently to the local, regional, national and international media, and other groups, to offer the industry's perspective on pertinent issues and topics. This year, that included Bloomberg TV and Politico. For the 12 months ended November 30, SNHBA's media efforts generated \$73,690 in free publicity for the association based on the mediums' advertising rates, and garnered more than 2.36 million impressions based on the mediums' readership, listeners and viewers. The association is a respected source for information about trends, statistics and other topics. Members and staff are invited to speak at functions.

Major Awards

SNHBA received a **SIR Award**, presented annually by Associated General Contractors, Las Vegas chapter. The SIR Award, which stands for "Skill, Integrity, Responsibility," honors the recipients' outstanding service to the community, environment, employees and AGC. SNHBA also won a SIR Award in 2005, in the same "Cornerstone" category, which recognizes the efforts of an AGC industry partner to streamline bidding, code adoption, contract administration and other processes and for fostering the industry's participation in these processes to engender a closer working relationship between contractors and their partners, or foresight and fiscal responsibility to initiate projects that make Southern Nevada a better place to live.

Association staffer **Connie Suckling**, a senior government relations specialist, was named the "**2010 Industry Person of the Year**" by the Southern Nevada chapter of the International Codes Council for her work on local codes. On behalf of SNHBA, Connie is a long-time member of the ICC local chapter, served as one of the first of two directors-at-large representing industry, and is a founding member of the chapter's Membership Services Committee.

Miscellaneous Programs and Advocacy

New Home Sales

SNHBA, in partnership with Builders Digital Experience (a joint venture of Move Inc. and Builder Homesite Inc.), offers a free program for builder members to promote the sale of their new homes. Visitors to the association's website, www.snhba.com, can search for new homes online directly from the SNHBA site. Sixteen SNHBA builder members are taking advantage of this valuable members-only benefit and are using the site, which can be accessed via a link on the www.snhba.com home page.

Community Involvement

SNHBA is a member of the **Regional Common Ground Alliance**, a local organization working to ensure public safety by promoting effective damage prevention practices throughout Nevada; the **Community Advisory Committee of the Desert Conservation Program** to update amendments to the Multispecies Habitat Conservation Plan; and the **Water Conservation Coalition**, which promotes water efficiency and conservation at local businesses.

The association has a seat on the board of directors of the **U.S. Postal Service's Postal Customer Council** of Southern Nevada to ensure representation and involvement of the industry, and its homebuyers, on postal matters, mail boxes and keys.

As stated previously in this report, the association is a long-time member of the **Coalition for Fairness in Construction** to reform NRS Chapter 40, Nevada's construction defect law; the **Building Jobs Coalition**, which advocates for legislation to create construction jobs on public building and infrastructure projects statewide; and staffer Connie Suckling represents the association as a member of the local chapter of the **International Codes Council**.

SNHBA continues to support and advocate for the **Southern Nevada Water Authority's** proposed groundwater development project (the pipeline) to bring water to Clark County from rural counties to the north, thus ensuring a stable water supply for the future of the community.

OSHA

The association had to step in when incorrect information was disseminated about **OSHA fall protection requirements directive** to ensure its members had the correct information about the directive.

SNHBA Events:

2011 Southern Nevada Housing Outlook Presentations

SNHBA was among the sponsors once again for the Southern Nevada Housing Outlook presentations in April and October at the Springs Preserve. About 100 members of the local home building and real estate industries turned out for these important and informative annual events put together by longtime board member, Dennis Smith of Home Builders Research. Also, Ryan Seger of Whirlpool Corp., who chairs the Membership Committee, and David Fortner of American Pavement Preservation and a long-time member of the Membership Committee, both manned the SNHBA table at the events to promote SNHBA membership.

Turn The Tables Night/Associate Member Appreciation Month Mixer

Turn the Tables Night ranks as one of the most popular and well-attended events of the year.

More than 150 SNHBA members attended the successful 12th annual Turn the Tables Night business development and networking mixer in September at the Orleans Hotel Convention Center. This year, the event was co-sponsored by members NV Energy and Republic Services. The association conducts the annual Turn the Tables Night in conjunction with Associate Member Appreciation Month. The event is designed to show the builder members' appreciation for the associate members. Builder members staffed the tables to meet one-on-one with Associate members. The purpose of the event is to build relationships, unveil new and innovative ideas, products and services, and discuss business opportunities. This year, 15 builder members participated in the event.

Membership Mixers are conducted on a nearly monthly basis, alternating with other association monthly events, such as membership networking luncheons. Typically, most mixers are at the very relaxed environment of Cili at Bali Hai Golf Club. Continuing a trend that began several years ago, some SNHBA member companies hosted mixers this year at their facilities. In February, EHB Companies, and in particular Frank Pankratz and his team, hosted a mixer at the company's beautiful and elegant One Queenside Place high-rise tower. In May, Southwest Gas Corp., and in particular Crayton Jones and his team, hosted a mixer at the company's headquarters in the north valley near the Las Vegas Speedway. SNHBA received many positive comments about these innovative membership networking mixers.

SNHBA Golf Tournaments

Two successful golf tournaments were conducted this year thanks to the hard-working members of our Golf Committee and staff. These tournaments raised much needed funds for the association's operation and provided exceptional networking opportunities for our associate and builder members. More than 100 members and others play in these tournaments. In fact, the spring tournament at the Badlands Golf Course attracted 143 players, just one player short of a sellout! The association also received exceptional support from the tournaments' sponsors. A special salute must go to good member Crayton Jones of Southwest Gas Corp., who arranged for the gas company to serve as host for both tournaments this year.

Membership Luncheons

Throughout the year, membership luncheons were conducted, featuring timely topics of importance to our industry and community. Prominent speakers included political analyst and commentator Jon Ralston, Clark County Commission Chairperson Susan Brager, and the new mayor of the city of Las Vegas, Carolyn Goodman. The luncheons were well attended by the membership. The largest and most important membership luncheon of the year is the Installation and Awards Luncheon in December at the Four Seasons Hotel.

Education

SNHBA sponsored and hosted OSHA fall protection classes in May and June, both of which were very well attended by the members and subcontractors. SNHBA teamed with Nevada OSHA Safety Consultation and Training Section. SNHBA maintains a leadership position presenting educational offerings to its members.

These are only some of the issues we handled, while also providing member services, events and interaction with the state and national association. It has been an eventful year. To stay informed about the association's work and achievements, please read your weekly Builder Brief e-newsletters, and visit the association's website, www.snhba.com.

Mission Statement

The Southern Nevada Home Builders Association is dedicated to enhancing the quality of life by meeting the housing and community development needs of Southern Nevada. It is the association's mission to:

- *"Promote community attitudes that will ensure the viability and success of the home building industry.*
- *"Combine individual talents and resources to provide leadership addressing challenges affecting our industry.*
- *"Implement programs to advance membership, education and involvement in our association."*

