

Priority Issues Affecting Home Builders



During the 2019 Legislative Session, lawmakers will debate many issues affecting Indiana's home building industry. IBA's Governmental Affairs team will closely monitor the following priority issues to foster growth in Indiana and to protect our members ability to provide safe and affordable housing for Hoosiers.

Housing TIF

We support allowing residential development to be utilized in a tax increment financing (TIF) district.

- Under current law, the ability for TIF districts to collect taxes relies on commercial and industrial property in most instances.
- Under certain circumstances, residential development and/or redevelopment of residential areas are able to utilize the benefits of a TIF district. One such example in statute is the program for age-restricted housing.
- A housing TIF could give communities a tool to address the shortage of workforce housing and high cost of residential development/redevelopment.
- A housing TIF would allow for infrastructure to be extended to areas not currently served and allow for developers and builders to provide housing options to consumers at a price that is not available and/or underserved in an area.
- Redevelopment opportunities in certain areas would also be available through a housing TIF program that may not be attractive today due to high costs of redevelopment and/or inadequate infrastructure.

Housing Impact Analysis

We support requiring state and local governments to prepare a housing impact analysis for administrative rules that have an impact on the development, construction, cost, or availability of housing in the state.

- Affordable housing is essential to economic development in Indiana.
- Regulations imposed by government at all levels account for nearly 25% of the final price of a new single-family home.
- The increased cost to develop land and build housing has resulted in a shortage of affordable housing.

- By requiring a housing impact analysis, lawmakers will know the costs and benefits of proposed regulations on housing before they go into effect.

Workforce Development

We support initiatives that will provide students and adults alike with opportunities to learn a construction trade.

- Indiana has one of the lowest unemployment rates in the Midwest and the high demand for more workers has created a labor shortage for the home building industry.
- Ensuring a consistent, reliable influx of new workers is important in an industry that is continuing to grow.
- IBA wants to make sure that young people continue to pursue a career in building the homes of tomorrow and incumbent workers can skill up through employer training programs.

Fire Sprinklers

We oppose mandating the installation of fire sprinkler systems in new homes because it is not a cost-effective safety improvement over smoke alarms.

- Almost two-thirds of home fire deaths resulted from fires in properties without working smoke alarms.
- Fire sprinkler installation costs vary significantly: ranging anywhere from \$2.66/ sq. ft. to \$6.88/ sq. ft. depending on a home's location, layout, number of stories, and other factors – particularly access to water.
- Ongoing maintenance costs impose an additional financial burden on homeowners.
- Nearly every state and local jurisdiction has adopted the model code without the fire sprinkler mandate.

IBA takes an active role in the following issues impacting home builders:

Business Regulation

- Economic Development
- Impact Fees
- Foreclosure Issues
- Homeowners Associations
- Contractor Licensing
- Home Inspectors
- Mechanic's Lien
- Home Warranties
- Performance & Maintenance Bonds

Insurance

- Worker's Compensation
- Medical Insurance
- Title Insurance

Labor

- Workforce Training Programs
- Employee Classification
- Unemployment Insurance Trust Fund

Taxation

- Model/ Speculative Home Exemption
- TIF Districts
- Historic Preservation Tax Credit

Land Development

- Private Property Rights
- Eminent Domain
- Planning & Zoning
- Complete Streets

Energy & Environment

- Onsite Sewage Systems
- Combined Sewer Overflows
- Mold Remediation
- No More Stringent Than Corresponding Federal Provisions
- Wetland Mitigation
- Lead Paint
- Radon-resistant Construction
- Water/Sewer Infrastructure

Construction Codes & Standards

- Statewide Building Codes
- Product Mandates
- Permit & Inspection Fees
- Energy Efficiency
- Fire Sprinklers