

Chicago Builder

The Newsletter of the Home Builders Association of Greater Chicago



August 2018

NAHB, HBI Pledge to Train 50,000 Workers

Attending a White House event on workforce development, NAHB Chairman Randy Noel **pledged that NAHB and HBI** will educate and train 50,000 new workers over the next five years for careers in the construction trades.



NAHB Chairman Randy Noel speaks with President Trump during a White House event.

President Trump signed an executive order that establishes the National Council for the American Worker, which will develop a national strategy for training and retraining workers for high-demand industries.

As part of this initiative, the administration is asking companies and associations to sign a pledge committing them to expanding apprenticeships, increasing on-the-job training and providing students and workers the training and opportunities they need to succeed in the American workplace.

The Home Builders Institute, NAHB's workforce development arm, will expand its training, certification and job placement programs for underserved and at-risk youth, transitioning military, veterans, ex-offenders and displaced workers.

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2018 Key Awards

Entry Deadline August 15

The Key Awards recognize excellence in housing design, architecture design, interior design, community design, landscape architecture and remodeling.

Other recognition is given for innovation and creativity through the Crystal Key. An award is also given for the community of the year.

This year the BEAM Award (Builders Engaging in Associate Members) will be awarded to the Builder that engages most with other Associate Members of our Association.

The SAMMY Awards - Sales And Marketing Merchandising Yearly awards that recognize outstanding achievement in advertising, public relations and merchandising are now available for entry in the Key Awards entry system. Deadlines for SAMMY entries are September 1, 2018.

IT'S EASIER THAN EVER TO ENTER – ALL ENTRIES MUST BE SUBMITTED ONLINE

YOU MUST ACCESS THE AWARDS SYSTEM IN A GOOGLE CHROME / FIREFOX BROWSER

Internet Explorer will cause errors.

[Register Now](#)

What will you need to complete an entry?

Download the Info-Sheet – This will help you prepare and gather your entry information prior to completing the online entry.

Review the General Information below the Registration Form here for Rules, Regulations and other details.

If you registered last year, you may use your same login info. Forgot your password? Use the forgot password link on the registration page.

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Looming \$1 Billion Tax Increase on Housing

President Trump's [proposed 10% tariffs](#) on \$200 billion worth of Chinese imports — including nearly 500 products used in residential construction — could have major ramifications for the housing industry.

Of the planned \$200 billion in tariffs, NAHB economists estimate that \$10 billion of goods used by the home building community would be subject to the 10% levy. Put another way, if the tariffs take effect, this would represent a \$1 billion tax increase on residential construction.

This tax increase would come on top of the current 20% tariffs on softwood lumber imports from Canada. Since the beginning of last year, lumber prices are up more than 40%, due in large part to the tariffs.

Informed Officials Mean Better Building Codes

This fall, voting members of the International Code Council will make decisions on changes to [building and energy codes](#).

NAHB is asking each HBA to name one member to give NAHB's codes voting guide to a local codes official.

"If one member of each HBA gives this guide to one code official to explain why these changes are important to home builders and their clients, we'll end up with a usable building code," said Construction, Codes and Standards Chair David Sowders.

ESA Proposals Focus on Species, Not Red Tape

[Proposed changes](#) to the Endangered Species Act would streamline a burdensome permitting process and allow regulators to spend more time on preservation rather than red tape.

One proposed change seeks to streamline the consultation process by encourag-

ing FWS, NOAA, and the Corps to agree to a set of broad requirements when it is clear that the impacts on species will be minimal.

Another would require FWS and NOAA to specify what data the developer must supply so the agencies can complete their review.

Apply to Serve on a Committee or Council

The online application for NAHB committee and council board of trustees appointments is now live.

NAHB's senior officers ask all members to [consider applying](#) for 2019. The deadline is Sept. 23.

Current committee and council members who are interested in serving another year must resubmit their applications: There are no automatic multi-year appointments.

DOL Officially Kills 'Persuader Rule'

In a victory for NAHB, the Department of Labor in July officially rescinded the Obama-era ["Persuader Rule"](#) that would have required lawyers to report to the DOL when counseling employers concerning union organizing.

The regulation was issued in 2016. However, before it could be implemented, NAHB scored a major legal victory when the U.S. District Court for the Northern District of Texas granted a permanent stay of the Persuader Rule.

Greater Houston BA Teams with HBI, Norbord to Launch Training Program

HBI has teamed up with the Greater Houston Builders Association (GHBA), the City of Houston and Norbord Inc. to launch HBI Acres Homes, a [workforce development](#) initiative that will help people ages 18 to 24 prepare for careers in the building trades.

HBI, NAHB's workforce training arm, often partners with other stakeholders in the industry. Following hurricanes Harvey and Irma, HBI was contacted by Norbord Inc., a Toronto-based producer of wood-based panels that wanted to help with recovery.

Morgan and GHBA President Don Klein worked with Houston Mayor Sylvester Turner, HBI CEO John Courson and Norbord Inc. CEO Peter Wijnbergen to get the program started.

Mayor Turner had just announced Complete Communities, an initiative focusing economic revitalization and workforce development in five Houston neighborhoods.

The city found available classroom space in one of the mayor's Complete Communities neighborhoods, Acres Homes. HBI provided curriculum and hired two instructors, and the GHBA, along with the Chesmar Foundation, provided funding for classroom materials.

Fueled by a generous \$500,000 contribution from Norbord, the classes began June 18 with 14 students. The program includes two 12-week carpentry classes that will prepare students for jobs in framing, painting and roofing and similar trades.

NFIP Extended Four Months

The Senate voted July 31 to approve House-passed legislation that will extend the [National Flood Insurance Program](#) (NFIP) until Nov. 30. The Congressional action came just hours before the program was set to expire.

It is anticipated that the four-month extension — which will keep home owners covered through the end of the hurricane season — will give the House and Senate time to hammer out a long-term reauthorization of the NFIP.

NAHB has been at the forefront of this issue, working with lawmakers on a viable, long-term bill.

The House last year approved a five-year reauthorization that would keep the NFIP fiscally sound and let builders provide safe and affordable housing.

The Senate continues to work on its own version of a long-term reauthorization of the program.

IRS Targets S Corp Compliance

The IRS in July announced five new compliance campaigns, including one that seeks to stop S corporations from abusing the rules governing pass-through entities.

The IRS is looking at provisions in the law that dictate whether an S-corporation distribution to a shareholder is taxable, and if so, to what extent.

The [campaign takes aim](#) at three types of noncompliance resulting in underpayment:

- When an S corporation fails to report gain on the distribution of appreciated property to a shareholder;
- When an S corporation fails to determine that a distribution is properly taxable as a dividend; and
- When a shareholder fails to report non-dividend distributions—in excess of their stock basis—that are subject to taxation.



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Time to Get Serious about Cyber Security

It is well known that in the 2013 cyber attack on Target, hackers got access to credit and debit card information on 40 million consumers, an attack that cost Target more than \$250 million.

It is less well known that the hackers gained access to the Target payment system through an HVAC contractor.

With nearly every aspect of the home building industry moving online and most information stored in digital formats, it's time for every home builder to take a close look at their cyber security and potential exposure to liability.

Home builders store and electronically share a trove of personal and financial data on clients, potential clients, vendors, suppliers, partners and more. Some of this data includes payment information. And most business-critical information – like building plans and proposals – is also kept in a digital format.

It's little wonder that a residential construction business might be a target for cyber criminals.

"It really is not a matter of if, but when," said Kristen Hilton, CIPP/US, an attorney with Sussman Shank LLP in Oregon. "And, of course, how much it will cost."

Loss of trade secrets, loss of reputation and even illicit bank account access are certainly huge concerns in a cyberattack. But the liability associated with exposing



others' personal and sensitive information to intrusions is where the greatest risk lies.

"There are many state privacy law implications to storing information containing personal and financial data," said Hilton. "If that data were to be exposed, there could be legal and civil liability."

Hilton notes that construction companies, like most other businesses, have numerous points of entry for malicious hackers. "Many people connect their company laptops and tablets to public Wi-Fi," she noted. "That could be a vulnerability."

The first line of defense is strong digital information training for all employees, not just those who operate computers and other connected devices.

Read the NAHBNow blog post to learn about the [many steps builders can take](#) to protect their data.

CALENDAR OF EVENTS

Vinyl Siding Institute Roundtable

Monday Aug 27, 2018

Categories: Event, Networking

[Register Now](#)

SAVE THE DATE:

KEY AWARDS GALA

Thursday Nov 15, 2018

CAPS I

Thursday Nov 29, 2018

Categories: Continuing Education

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CAPS II

Friday Nov 30, 2018

Categories: Continuing Education

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CAPS III

Friday Dec 7, 2018

Categories: Continuing Education

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