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**Advocacy Digest | March 22, 2022**

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**Workforce Housing Bills Sent to Governor Evers**

During the closing days of the recently adjourned 2021-2022 legislative session, two bills to promote more workforce housing options were passed and are now available to be signed into law by Governor Evers.

[Assembly Bill 607](https://docs.legis.wisconsin.gov/2021/related/proposals/ab607.pdf) will allow the Wisconsin Housing and Economic Development Authority to issue low or no interest loans to fund a workforce housing rehabilitation loan program.

[Senate Bill 628](https://docs.legis.wisconsin.gov/2021/related/enrolled/sb629.pdf) sets up a program where local municipalities can set up a shovel ready workforce housing development site program which would cap fees to $5,000 per dwelling unit and would require all permits be within 60 days. We were also able to get an amendment added to the bill that would require municipalities participating in the program to issue a needs assessment for the fees related to sewer and water hookup fees. If signed into law, we would look to expand this provision next session to all developments.

**Bill to Update Contractor Certification Law Awaits Gov. Evers’ Signature**

Recently, the State Assembly and State Senate both passed AB 994 on a voice vote. AB 994 adds some categories for eligible credits to focus on key areas of need that will improve the knowledgebase of those who hold the credential required to receive a building permit to build or remodel a single-family home.

AB 994 contains suggested changes that were the result of a subcommittee led by WBA President Cory Sillars to improve the contractor certification statutes that were passed as part of 2005 Wisconsin Act 2000. Other members of the subcommittee included Mark Brehmer (MABA), Andy Selner (Brown County), Dan Schneider (Mid Shores/Manitowoc County), Jim Reif (Manitowoc County), Alecia Plaetz (Chippewa Valley), Alex Forer (Wausau), and Brandon Bartow (Manitowoc County).

AB 994 would:

* 1. Require accounting, lien law, ethics, and best business be included courses as part of the initial 12 hours of instruction
	2. Require those taking the initial 12 hours of instruction be required to show photo identification at registration
	3. Add a requirement that at least four hours of the continuing education credits cover construction laws and codes, and contracts, liability, and risk management.
	4. Ensure the Department of Safety and Professional Services (DSPS) is enforcing current requirements, such as requiring a test for credits provided online, and requiring any vendor offering the online classes to submit acknowledgement of the completed and corrected test for each credit received online.

Assembly Amendment 1 was added to AB 994 to clarify current law that in person and online classes are available for DSPS credit. Finally, AB 994 was shared with DSPS prior to introduction and the bill contains a six-month delayed effective date per the request of DSPS.

We are now working with Governor Evers and his staff to answer any questions on AB 994 and encourage him to sign the bill into law.

**Bill to Allow “Stretch Codes” Dies**

Legislation that would have allowed municipalities to pass “stretch codes” to exceed the energy code of the UDC and the commercial building code died this session without getting a public hearing or being advanced out of committee.

[Assembly Bill 786](https://docs.legis.wisconsin.gov/2021/related/proposals/ab786.pdf) would have established a stretch energy code working group to come up with energy codes that exceed the current UDC and commercial code provisions of the energy code that local units of government may adopt by ordinance. These standards would very likely far exceed current energy standard in the UDC and the commercial building code.

It is interesting to note the criteria laid out in the bill for who can be on the stretch energy code working group include a DSPS employee, an industry leader in deep clean energy, a nonprofit leader focused on scaling climate change solutions, and a representative from a municipality that has a climate action plan. You may have noticed there is no mention of any member of this working group that as actually designed or built a building.

The lead authors of this bill were Representative Gary Hebl of (D-Sun Prairie) and Senator Melissa Agard (D-Madison).

WBA registered against both bills and requested that neither the assembly nor senate version of the bill received a public hearing.

While the battle against this provision is won for this two-year session, it is very likely this concept will be reintroduced again next session which will start in January 2023.

**From NAHB: Building Materials Prices Increase Slightly**

The prices of goods used in residential construction, excluding energy, climbed 1.6% in February (not seasonally adjusted), according to the latest [Producer Price Index (PPI) report](https://www.bls.gov/news.release/ppi.nr0.htm) released by the Bureau of Labor Statistics. Building material prices increased 20.4%, year over year, and have risen 31.3% since January 2020.



Increases were held in check by metal, gypsum and concrete products. Here is a breakdown by material:

***Declines:***

**Steel Products:** Steel mill products prices declined 9.9% in February, the second consecutive decrease after increases each of the prior 15 months. The last time the steel mill products PPI decreased more than 9 percent was December 2008. While January and February have been good months for the cost of derivative steel products, the PPI remains 74.4% greater than it was 12 months ago.

**Gypsum Products:** The PPI for gypsum products declined 1.9% in February, snapping an 11-month streak of increases during which the index climbed 31.4%. Gypsum products prices are up 20.7%, year over year.

***Gains:***

**Ready-Mix Concrete:**The PPI for ready-mix concrete (RMC) gained 0.8% in February after increasing 1.1% in January. The index for RMC has been relatively volatile since mid-2020 and has climbed 8.2%, year over year. Prior to January 2021, year-over-year price increases had not exceeded 8% since December 2006.

**Paint:** After a 12-month period during which the prices of exterior and interior paint increased 30.3% and 21.2%, respectively, paint prices held relatively steady in February. The prices of exterior architectural coatings gained 0.1%, and interior architectural coatings PPI rose 0.3%.

**Softwood Lumber:** The PPI for softwood lumber (seasonally adjusted) increased 2.6% in February following a combined 28.9% increase over the two months prior. Since reaching its most recent trough in September 2021, prices have increased 79.5%.  According to Random Lengths data, the “mill price” of framing lumber has more than tripled since late August.

David Logan, NAHB director of tax and trade policy analysis, provides more in [this Eye on Housing post](https://eyeonhousing.org/2022/03/building-materials-prices-increase-slightly-held-in-check-by-metal-gypsum-and-concrete-products/).