

Jerry Howard ([00:08](#)):

Welcome to Housing Developments. I'm Jerry Howard.

Jim Tobin ([00:11](#)):

I'm Jim Tobin. Good morning.

Jerry Howard ([00:13](#)):

During the course of the weekend, I started to think our members are suffering out in the field on lumber. It's the number one issue that I talk to builders about on the phone and on all of our zoom meetings. And we are now in a position, I think, where we have enough of the new Biden government in place that we can start to make a move.

Jerry Howard ([00:39](#)):

This new government is potentially neutral on the lumber issue. There'll probably some who are on our side on it, there are definitely some who won't be on our side on it, but they are naive to it. We have some opportunity on Capitol Hill and we've used that to ramp up our efforts more quickly, but we couldn't do a whole lot with the administration until the new governments in place.

Jerry Howard ([01:04](#)):

So, tell me, Jim, what are we going to do now that we have Secretary Fudge confirmed, Secretary Raimondo confirmed, Secretary Vilsack confirmed, where are we going?

Jim Tobin ([01:15](#)):

Yeah. Thanks jerry. You're absolutely right. We finally... Once the House of Senate dispelled with the last impeachment inquiry into President Trump, they actually get down to the business of staffing President Biden's cabinet.

Jim Tobin ([01:28](#)):

So, as you said, first and foremost, secretary Raimondo at the Department of Commerce, she obviously is overseeing business in America and industry in America. She's going to be just like Secretary Ross was in the Trump administration. I think she's going to be key to this.

Jim Tobin ([01:46](#)):

And the first thing we did last week is, not only did we send our own letter up asking for a meeting, once she was confirmed, we also led a coalition of over 35 other housing associations in Washington, D.C., highlighting the risk to the housing market, both single family and multi family to the commerce secretary. And asking her to really examine the lumber supply chain all the way from cutting timber to framing it in a home. Really trying to focus her term and tenure at Commerce on this issue, just like her predecessor did. So, that's number one.

Jim Tobin ([02:24](#)):

Number two, we continue to talk to the White House, in particular on this issue. In fact, that same letter to Secretary Raimondo has also been handed over not only to the White House, but also to the Domestic Policy Council. We know they're going to take a hard look at housing affordability in America

again, that's both rental and home ownership, focusing on that \$24,000 to the cost of a single family, home \$9,000 to the cost of an apartment.

Jim Tobin ([02:54](#)):

If this administration wants to take advantage of bringing more people up into housing opportunity at \$24,000 vague on the top of cost of a home right now, ain't going to cut it. Joe Biden, is a \$15,000 first time home buyer tax credit, that sounds like a great idea, except it's eaten up exclusively by the cost of lumber right now. So, that's our main push in the later part of last week.

Jim Tobin ([03:21](#)):

And then this week, our Chairman Chuck Fowke, will be sending a letter to Agricultural Secretary, Tom Vilsack building on Joe Biden's executive order on the supply chain across the country, all of the supply chains in the pandemic. By urging the USDA Secretary to make sure that the lumber supply chain falls under his purview in agriculture. So we've got a great letter going up early this week that basically lays out the case of why a lumber should be in there. So we're hitting all cylinders at this government right now.

Jerry Horward ([03:52](#)):

Oh, and that's good. It's unfortunate that it took so long to get the government set up, but the fact that we're in there first real week in office is very, very important. I got to give a shout out to the Rhode Island builders for the relationship that they have had over the years with then Governor Raimondo, now Secretary Raimondo. So, Bill Baldwin, John Mark and Antonio, you guys have done a great job teaching Secretary Raimondo about the home construction process. What it takes, how important the consistent supply of lumber is to housing affordability. And we hope to capitalize on that now that she's in place.

Jerry Horward ([04:36](#)):

The other thing that we've got to start doing yet again. And I know you and I have both done it on separate tracks is we've got to get other alternatives available for our members. And I know that we're reaching out again to the embassies of the various countries that produce lumber that is cut to American standards and seeing if we can get some sort of an increase in their importation of lumber to our country. Of course, we'd rather buy American. The American industry doesn't want to produce, we'll go elsewhere. We just have no other choice.

Jerry Horward ([05:11](#)):

And then the second element Jim is looking again, some of our builders are already using it and it may become cost-effective enough for wholesale use of steel framing. I know you reached out to the steel industry.

Jim Tobin ([05:23](#)):

Yeah. I've reached out to the Steel Association and would urge calls to those of the steel industry that listen to us, is let's have a conversation. Let's sit down and talk about steel as an alternative to lumber and wood. Let's talk about what education we need to make to get our membership more comfortable with using steel, the building techniques, the contracting training that we need to do. I mean, we could work on a whole educational campaign with our membership about using steel as an alternative to

wood. Look at the end of the day, we need to build houses. We need to get the cost of housing down and all of the above strategies where we are right now Jerry.

Jerry Horward ([06:09](#)):

Tim also while last week, Secretary Fudge was finally confirmed as the Housing Secretary. What are your thoughts there?

Jim Tobin ([06:16](#)):

Yeah, I think finally we've got the Housing Secretary in place, I look forward to her filling out her team. Whether it's FHA multifamily, single family, they've got to fill out the rest of her staff team. But I think this is a great issue, if you've had your conversations with her, she's made it clear that affordability and helping the low end of the economic spectrum achieve ownership or rental opportunities. This is tailor made for her to take up. That we are seeing lumber again, lumber not necessarily in the Wheelhouse of HUD, but affordability is. And I think that we could have a friend in there as we work with her new administration to highlight the lumber issue and get her focused on housing affordability even more so than she is already coming in.

Jerry Horward ([07:04](#)):

That's terrific. Speaking of HUD and housing in general, we told our listeners earlier this year about the conversation I had with Senator Sherrod Brown, the Chairman of the as he calls it, the Senate Banking and Housing. It appears that he may have had similar conversations with other housing advocates about the need to do a holistic omnibus Housing bill that examines America's housing policy from the lowest of the low income to home ownership. And the reason I say that is because several of the housing think tanks, several of the other housing associations are now starting to pick up the mantra that we've been calling for, that is for a larger wholesale housing bill. I think that's very interesting.

Jerry Horward ([07:52](#)):

In fact, later today, there is one of the housing groups is calling for a zoom discussion of principles that could be included in a large scale housing bill. And I think we are picking up some momentum there and I am very happy to see that. I think it's needed. You and I have talked about it, it's been since 1990, when you got a full head of hair, that there was lesser housing bill and that's just a shame.

Jim Tobin ([08:22](#)):

That's right. And we're already seeing Chairman Brown kickoff his hearing season. I think the first hearing it's called housing equals life. Well, what's that tell you about the direction he wants to take that committee? It's exactly what he told you. And the new, the ranking member, Senator Pat Toomey, he's already talking about GSE reform, about how we can put a federal backstop.

Jim Tobin ([08:45](#)):

So, I do think there seems to be this renewed momentum at housing legislation, at least from the Senate side so far. And that gives me hope that we can see something comprehensive, come out over the next couple of years.

Jerry Horward ([08:58](#)):

And you and I are having a conversation, just you and I with Senator Susan Collins, who is the ranking Republican on the Appropriations Committee, and it is the HUD Appropriations Subcommittee and who has expressed interest in housing. And so you and I are going to get a chance to put a bug in her ear about possibly doing something on that. And this will be something that's right in her wheelhouse, because she is interested in housing. And just as importantly, she is one of the largest proponents of bipartisanship on either side of the aisle. And she has something to prove as some of her friends on the Democratic side have really been, I think, foolishly taking her to task recently. Which, you've got a friend on the Republican side, here's a great idea let's alienate it.

Jim Tobin ([09:52](#)):

Right. Yeah. No, that's... It's well... You're talking about Chuck Schumer, the Majority Leader of the Senate who went after her pretty hard in her re-election campaign, which she dispatched pretty easily given the headwinds for Republicans that this past cycle, especially in Maine. Yeah, why would you take the most bipartisan Senator, the one who could bring more Senator Republican Senators with you on a bipartisan deal that the Democrats claim they want to have with every piece of legislation and you just do a good job of alienating her. So, an interesting tactic and bipartisanship. If people think Chuck Schumer is one of the smartest men in D.C., I'll be curious to see what happens on this. But hopefully cooler heads prevail and we can get... We need bipartisan support. As we've said on this podcast many times, housing does best right down the middle. When we can have friends on both sides of the aisle.

Jerry Horward ([10:48](#)):

And Jim, the other issue that I want our members to be aware of, with your leadership and Paul Lopez and Robin Tuvic, got our members involved early on in the COVID crisis, in a stand down for safety. Where we got our job sites to stop work for a few minutes one day, and talk about the importance of social distancing and wearing a mask and washing your hands.

Jerry Horward ([11:15](#)):

Well, now, the administration and public officials all over the country are really pushing the notion of getting as many people vaccinated as possible. And I'm very proud of the fact that NAHB came up with the idea and the rest of the construction industry coalition is joining on. So, sometime in April and our listeners will get more information as this develops. Sometime in April, we'll be having a stand down for the vaccine where we'll ask people to stop work on their job sites for 15 minutes, talk to their subcontractors, talk to their employees about getting vaccinated. And that's something that's not only very important to us from a practical perspective, but the administration is asking us to do it. And it's something that I think will be very important and very, very helpful to us going forward.

Jim Tobin ([12:08](#)):

Yeah, Jerry right. The industry responded so brilliantly at the beginning of the pandemic with that stand down. This is the next evolution of job site safety for our industry. We were fortunate to be deemed essential early on. We took that opportunity and kept the economy afloat for the better part of the last year. And now this is like I said, the next evolution to it.

Jim Tobin ([12:34](#)):

In fact, I know this administration is starting to work on, or it may even release very shortly, a COVID-19 workplace safety regulation. That gives me a little bit of pause, whether its mandatory masks, whether its mandatory distancing, especially for us in industry, that's proven we can have safe job sites and

continue to do our work. I'd like to be able to tell the administration, "Hey, home building is doing great. We're getting vaccinated. We don't need to go down this road of heavy handed regulation here."

Jim Tobin ([13:03](#)):

So, my admonition to everybody is exactly what yours is Jerry, if you have an opportunity go get vaccinated as soon as you can. The president is telling everybody go get a shot in their arm by May. We need to show and lead on this front as well. Like I said, next step in the evolution of work site safety.

Jerry Horward ([13:21](#)):

This is being... This effort is going to get a lot of public attention, it's going to draw a great deal of press and it's something that I think our industry should take great pride in being a part of. Getting America vaccinated and getting operating on all cylinders.

Jim Tobin ([13:36](#)):

Couldn't agree more, couldn't agree more.

Jerry Horward ([13:38](#)):

Anyway, with that I'll say, Jim, it's been pleasure talking with you again today. With that, this is Housing Developments. So, I'm Jerry Howard.

Jim Tobin ([13:45](#)):

And I'm Jim Tobin.

Jerry Horward ([13:46](#)):

Thanks for listening.