

Reagan: Hey listeners of Housing Developments, this is Reagan, the producer. Just wanted to give you a heads up that because Jerry and Jim were traveling this week and recording off site the audio quality might be a little bit different than what you're used to. We'll be back to our normal recording next week, thanks for listening.

Jerry Howard: Hello, I'm Jerry Howard.

Jim Tobin: And I'm Jim Tobin. Welcome to Housing Developments.

Jerry Howard: Jim, I guess we should start by thanking our sponsor, Wells Fargo Home Mortgage. They do a lot for our association in prioritization, and I encourage our members to consider using Wells Fargo Home Mortgage as part of their financing packages. So thank you guys very much for doing what you do.

Jim Tobin: Thank you, appreciate it.

Jerry Howard: Jim, there's a lot going on in Washington. I'd like to hear your take on President Biden's big press conference yesterday.

Jim Tobin: Yeah, the president kicked off the new year with his first press conference in many, many months. And right at potentially the first, the one year marker of his administration. It was an interesting press conference, I think. He covered the waterfront from Coronavirus all the way to the Ukraine and international politics. I thought it was interesting when the president was asked if he had made any mistakes, he gave kind of a stock presidential answer all the way from, if I remember George W. Bush, Donald Trump, Barack Obama, nope, I do not. I don't think we've done anything wrong. He asked if you underestimated anything, he said nope. Asked if he over promised anything, he said no. He said he's delivering on everything he can.

A little, I think probably the American public has a little different take on that, given record high inflation, the Coronavirus still is stubbornly with us, and his plans for some social spending and social programs seems back burner maybe a little overly optimistic. It's somewhere between dead and on life support. He's vowed to break it up and see what he can get. It was an interesting press conference to say the least.

Jerry Howard: I agree with you on some of the spending programs. It reminded me of the classic movie The Princess Bride. Some of those aren't dead but they're nearly dead.

Jim Tobin: Yeah.

Jerry Howard: And we've got to look forward. On the other hand I will say that you and I have friends who are far more partisan Republican and I and they're trying that press conference as an active failure. We also have friends who are Democrats who

feel like the president has done a great job and they only blame one or two members of Congress for his failure. Do you see any chance that in an election year senators Manchin and Sinema, and some of the others who have not been as outspoken but may also be opposed to some of the Biden agenda, do you see them falling into line to make sure that as Democrats they do their most to keep their majorities in both parties, or in both chambers rather, and keep things moving?

Jim Tobin: Yeah, that's a great question. You and I have been kind of notched up on this for a year now. I do think they get something done. You've got the moderate Democrats certainly in the House but in the Senate in particular who want to get something done in order to at least bolster their chances of holding one of the two congressional chambers in the upcoming election. But breaking up the Build Back Better package into smaller pieces, whether it's the climate package, whether it's the housing package, all the different parts, that's going to require revenue. Which means then you start breaking up the tax code. Then what you have is really industries are ... A large tax bill where you could raise taxes across the board. If you start breaking up the package into smaller spending pieces then you're now not only going to need a little bit of revenue so that industries in particular are going to be targeted. Whether it's higher taxes on carried interest, things that we've already defeated I think are going to come back on the table.

I also read an article first thing this morning that the salt caucus, those that want to raise the cap on state and local tax deductions, they've already said if you break it apart salt better be in one of those pieces. That continues to be a sticking point, they still have no resolution on that. So I'm a little skeptical.

If the larger package unites the whole caucus, even though Manchin and Sinema have been the outliers, a smaller package you're going to start seeing the factions of the Democrat party not happy because although you just took care of the housing package, what about the climate package? Or vice versa. I still think a larger but much smaller package is more likely than four or five different packages.

Jerry Howard: A larger but much smaller.

Jim Tobin: Yeah.

Jerry Howard: In Washington that makes complete sense. Jim is right on with that statement. I will say, from a housing perspective, and I'm sure that other industries felt the same way, I was hoping he'd address and come up with what he's going to do to fix the supply chain. I was very disappointed in that aspect of it.

Jim Tobin: Yeah.

Jerry Howard: So it is. Anyway, we're moving forward, Jim. You and I are getting ready in a week or so to head down to the International Builder's Show. I'm pretty excited.

Jim Tobin: I am too. Given the weather up where we live here in Northern Virginia and Washington, DC, I'm looking forward to some sunnier skies and warmer weather in Orlando.

Jerry Howard: I am, and I think we've had some great news this week on our attendance. It looks like we're going to do very, very well. Obviously it's not going to be a show for normal times, but given the times we're in and given what we're looking for, we're pretty excited about the attendance. Booth space sales are going great. All the special events have sold out. I think it's going to be a good bounce back show and I think it's really going to set the platform for the '23 show in Las Vegas.

Jim Tobin: Yeah, I couldn't agree more. I'm with you with the optimism of the show. I've talked to a lot of members over the last few weeks, they're buying their tickets, they're looking forward to being there. But like you said, the industry was strong last year, it's forecasted to be strong this year. If you're building homes, if you're a contractor, if you're in the home building space, Orlando 2022 is the place to be for your business and for your customers and see the best of what we have to offer. I'm looking forward to it.

Jerry Howard: Jim, speaking of the odd guest, we're pleased to have a special guest with us today. Gretchen Gutierrez, who is the Executive Officer of the Desert Valley Builders Association in California is with us today.

Gretchen, thank you for joining us today on Housing Developments.

Gretchen Gutier...: Well thanks for having me. I'm looking forward to the chat.

Jerry Howard: You and I have known each other for quite some time but it's really exciting that when we get to IBS the Desert Valley BA will be re-affiliating with the National Association of Home Builders. We're thrilled to have you. Can you tell me why your membership is so interested in being a part of the Federation?

Gretchen Gutier...: I think one of the things we're most interested in is being able to have access to the resources that you all can bring us that we can bring back to the local level. As you heard yesterday in our face to face meeting with our members out here, one of the key elements that we're looking for is assistance with our workforce development. Getting folks to come into the trades, come into the construction industry, and we don't want to re-invent curriculum or the methods in which to entice new work and new labor folks to joining us, but we don't have the ability to start from scratch. So we're looking forward to having access to those expanded resources that NAHB can bring to us. We're excited. And that's just one element that we're looking forward to, to reconnecting with you on.

Jerry Howard: The builders in the rest of the country look at California and think holy cow, they're under such regulatory burdens. It's so difficult to build there. Can we really, what's really going on? Do you think there's much that your builders can lend to our discussions about the conditions in California?

Gretchen Gutier...: I think that we can bring a lot to the table. As you just said, California invents it and then we export it to the rest of the country. Sometimes it's a good export and sometimes it's a crazy wild regulation or rule. We've been involved for a number of years, and a number of my leadership has been involved in the industry for a number of years, in dealing with all of those regulations. We've passed legislation to deal with some of those regulations and to fix some of those regulations at the state level.

It's a challenge in California to build. It's been this way for about four decades plus. It's not getting any easier. It's getting tougher year over year over year, and we're falling further and further behind. Unfortunately our state legislation has not gotten a clue about it yet. They are still looking at fixing the problems and the challenges, but there's a lot of impediments that they throw in front of us.

We definitely are happy to take our expertise and knowledge and bring it to the national level and to state and locals across the country. A number of us used to do that once upon a time and we're looking forward to getting back and re-engaging on all those topics.

Jerry Howard: In the past I remember you being very active in the executive officer's council. Do you plan on re-engaging there? What does the EOC bring to you as a professional?

Gretchen Gutier...: I would love to get back involved with the EOC. I don't know what the current process and procedure is to get back on the EOC level. As you said, I was active, I was there for six years. I'm a past national recipient of the Rachel Manley award, and it's a great venue for peer to peer expertise and exchange of knowledge. I got a lot out of it in the time that I was with the organization earlier, and I'd love to be able to pass some of that information along to folks that are coming into the association world. There's always new folks coming in that need to have a little bit of hand and assistance in mentoring. If I can lend that to someone and pass along what was passed to me, that would be great.

Jerry Howard: Jim had to step away here for a few minutes, so he's not on. Jim Tobin is my co-host on Housing Developments. He would be very interested in knowing of the political involvement that your association has. Your relationship with your members of Congress and your state legislators. I've seen it firsthand as you had several mayors at our event yesterday. How do you attribute your success at the local and state level? What do you attribute that to? And talk to me about your relationship with your members of Congress.

Gretchen Gutier...: Our members of Congress, currently we have one congressional representative there on the east coast with you all. But with the redistricting and the census release of information we have now effectively split our territory into two congressional seats. So we are acquiring a congressman out here. Of course when the next election cycle goes through we don't know who's going to be left standing at that point in time. One is currently a Democrat, the other one's a Republican. So we're going to see what happens with that.

We work closely with the current congressional gentleman that we have, which is Congressman Ruiz, who was born and raised here in the district. We work closely with his staff. His personal interest is health and medical wellbeing because he's an emergency room doctor by trade. So he's more into that arena versus housing arena, which has caused some frustrations with us in the past. But we continue to try to work to improve that relationship.

At the state level we have close relationships with both our assembly members and our senate members. Our current senator is being termed out this year, so it's an open seat at this particular point in time. It's also gone through redistricting at this point. We're going to have some interesting candidates running this year for the senate seat. On the assembly seat one of our assembly members has elected not to run for re-election, so that's become an open seat. The other one is running for re-election, and that's a mixed bag as well. We have a Republican senator, we have an independent assemblyman, and we have a Democrat assemblyman. So we have one of every party out here that we have to work with. It makes for an interesting state house, it makes for an interesting federal relationship as well.

Jerry Howard: Well hopefully a lot of your members will be listening to this podcast, so what do you want to say to them in closing about re-affiliation with NAHB and the year ahead for your association?

Gretchen Gutier...: One, we're excited that we are going to be re-affiliating. We are all taking that leap that we're having this be a successful acceptance into NAHB in three weeks when we're all down in Orlando. I'm taking a number of our senior officers with me down there to re-engage with leadership from around the country. Several of my folks have never been to this particular event so they're looking forward to it just from an event venue type of format as well as the process on the application. So we're looking forward to being re-affiliated, we're looking forward to, again, as I said, having access to a variety of resources that we can avail ourselves of but that we could bring a unique perspective from California to you too, because I think Southern California is different from Northern California. We're definitely different than the rest of the country. We have the ability to convey that to folks that would like to engage with us. We're happy to be coming back into the group, and I think our membership is very excited.

I heard very positive things yesterday afternoon after you all had made your presentation in person here to our group, including from our electeds. So they

are very much engaged. They're engaged with us and they want to be engaged with you all.

Jerry Howard: That's terrific. Gretchen Gutierrez is the EO of the Desert Valley Builder's Association. Thank you for being with us and a premature welcome back to the family. I look forward to seeing you in a couple weeks in Orlando and I think you for being such a great host while we were out there yesterday. Gretchen Gutierrez, thank you very much.

Jim Tobin: Gretchen, thanks for being with us today, we're excited to have you and your members and looking forward to seeing you in Orlando as well as all of our other friends. It was great to hear from her, Jerry.

Jerry Howard: Yeah, it really was. It's exciting to think about what's going to happen out there in California, and we're looking forward to it. Well Jim, we finished another episode of Housing Developments. Once again, a big shout out to Wells Fargo Mortgage.

Jim Tobin: Great sponsors and absolutely encourage our members to do business with Wells Fargo Home Mortgage. A great partner for us here on the podcast.

Jerry Howard: Thanks everybody, we'll see you in Orlando. Bye-bye.

Jim Tobin: Bye.