

Oregon Update

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News from the State

Jon Chandler

The 2017 legislature was the strangest session I've ever been through, bar none. Every session has its own music, but this one was more discordant than any in my experience. So we're glad to get it behind us, and even more glad to report that notwithstanding the strangeness of the session, OHBA came out of it with several significant wins and only two losses – an accomplishment of which we are quite proud, if you don't mind me saying so.

Here's what happened with some of the most significant issues for our industry:

Predictable scheduling: at the start of the session, there was legislation that would have required all employers to give their workers several week's advance notice of their schedules, guaranteed workers 'show up pay' if their schedule changed and given workers the ability to sue if their schedules were changed, along with other nonsense. Since this wouldn't work at all for construction, we teamed up with AGC and successfully put on a full-court press to get our industry out of the bill. Legislation on scheduling passed, but it only applies to retail, hospitality and food service companies with more than 500 employees worldwide.

Gross receipts tax: we, along with other business interests, were successful in killing legislative attempts to impose a gross receipts tax. This was an annoying issue, since it came on the heels of the voters clobbering Measure 97, but it would have been disastrous for construction given the low margin/high volume nature of our industry. We worked both publicly and behind the scenes to explain why a GRT would devastate construction and further inflate housing prices, and I believe we were instrumental in the concept's demise.

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Small business tax increase: the House passed a bill that would have dramatically increased taxes on pass-through entities (S-Corps and LLCs), which is how most Oregon small businesses are organized. The bill faced heavy opposition in the Senate – including from OHBA – and the Senate declined to pick the issue up.

Off-road diesel regulation: in another OHBA/AGC partnership (with AGC frankly doing most of the heavy lifting), we were able to kill regulation of off-road diesel equipment.

Demolitions: legislation was introduced that would have dramatically increased the cost of demolitions, but the bill that passed makes regulation of demolitions optional for cities and restricts what they can do if they choose to regulate. Essentially, if a city chooses to regulate, they can require a permit and can require that demolition comply with existing lead and asbestos rules (which is the case anyway), but the city cannot place additional requirements on home demolitions.

Tiny homes: after a lot more fuss than the issue deserved, we were successful in kicking the whole mess over to the Building Codes Division, which was where it belonged in the first place.

Energy efficiency increases: another aggravating issue that shouldn't have been in the legislature, we were able derail this attempt to legislate building codes in favor of letting BCD do its job through the existing code update and adoption process and the Governor setting up a task force on the energy code.

Rent control/no cause evictions: even though we weren't actively lobbying on this issue, we made no secret of our position that rent control was a bad idea that would hurt the people it was intended to benefit. Thanks to the good work of the landlords and Realtors, the legislation died that would have imposed rent control and done away with no cause evictions.

Increasing housing production: in one of the most important housing bills in many years, and over the hard opposition of NIMBY activists and local governments, we were successful in getting legislation passed that:

- Provides a faster track for affordable housing (defined in the legislation)
- Requires local governments to approve housing applications that comply with clear and objective standards, including design standards
- Prohibits local governments from reducing density or building height below what is applied for unless there is some health or safety reason or to comply with a state land use goal
- Changes the definition of “needed housing” to be simply “housing”, so that all development on residentially zoned land is entitled to clear and objective standards
- Requires cities and counties to allow at least one accessory dwelling unit for each single-family house
- Allows religious organizations located in residential zones to use their land for affordable housing

To get this bill passed, we had to take out language that would have prohibited the use of historic district designation to prevent density and that would have allowed duplexes in all single-family zones, but those issues can be brought back next session.

It's worth noting that this bill was the product of a group effort involving 1000 Friends of Oregon and Oregon LOCUS (Smart Growth America), as well as Speaker Tina Kotek, which is important not simply because of the bill's provisions but the coalition that formed ... which will come in handy in future work both at the state and local level.

Our only losses were that our bill setting up an SDC task force didn't get very far, nor did the bill we worked on to allow ADUs in rural residential zones, but both of those issues can come back in the 2018 session as well.

And there you have it. As always, let me know if you want more info on any of these issues.

Green Building

Howard Asch

Get Ready for a Major Change

Upcoming changes to the energy code will mean traditional construction methods will have to change. A requirement for greater efficiency for walls will mean the traditional 2 x 6 stud 16" on center wall with the cavity filled with R-21 insulation will no longer comply. There is an alternative, however, that can meet the requirements with some minor adjustments, and it can even save some money.

The code change will require walls to be about 3-1/2% more efficient than currently required. The simplest way to achieve that efficiency will be to use what is called intermediate framing. Intermediate framing uses normal 2 x 6 studs 16" on center but requires the building corners and junctions between interior and exterior walls to be designed so that insulation will extend fully into the corners and behind the partition connections.

Another significant feature of intermediate framing is treatment of headers. Headers are omitted in non-load bearing walls. Voids between header members are filled with rigid foam insulation rated at R-4 per inch. This can significantly reduce heat loss through the headers.

There is another code change coming which will allow single-member headers. A single-member header will create even more space for insulation. It can also reduce the cost for header materials and the time it takes to assemble them. In most cases a single 2 x 12 will safely span a 5-foot window opening when it carries a roof and ceiling load on a 36-foot-wide house. It can work for a 4-foot opening if a center bearing floor is added to the loading.

The code currently requires the header void to be filled with rigid foam insulation, but we are working with Building Codes Division (BCD) to allow a single member header to be filled with the same insulation material used on the rest of the wall. If this is approved it can cut the cost per header in half as well as improve the efficiency. Those using blown insulation would simply install the single member

header and let the insulators net and fill the cavity. It appears this could cut the cost per header by half. We will keep you informed of the BCD action on this issue and update you in the future on other energy code changes.

Codes Update

Howard Asch

Foundation Anchorage

Building Codes Division is preparing to print the next edition of the residential code that is scheduled to become effective October 1st of this year. One of the changes is to foundation anchorage when using anchor bolts.

Wood sill plates at all exterior walls and sole plates on interior braced walls on a slab foundation are required to be anchored to the foundation with a minimum of $\frac{1}{2}$ inch diameter anchor bolts spaced not more than 6 feet apart. No less than 2 bolts are required per plate section; and the bolts must be placed not more than 12 inches or less than 7 bolt diameters from the end. A wall less than 12 inches in length does not require an anchor bolt; and a wall less than 24" in length is allowed a single anchor bolt placed in the center.

The code will now contain an additional requirement for the anchor bolt to be placed in the middle third of the sill plate. This will require greater precision when bolts are installed during the pour.

There has not been a code requirement before for how close a bolt can be to the edge of the sill plate. Standard industry practice has been to keep them at least 2 bolt diameters from the edge. Anchor bolt manufacturers specify in their installation instructions to keep the bolts a minimum of 1-3/4" from the edge of the plate. Testing has shown an anchor bolt loses some of its capacity when placed closer than 1-3/4" from the edge.

To comply with the new rule an anchor bolt in a 2 x 4 plate can be no closer than 1-1/8" from the edge; and in a 2 x 6 plate can be no closer than 1-3/4".

It would be wise to make sure your concrete sub is aware of the requirement before the rule takes effect.

Other methods of foundation anchorage are still permitted, such as foundation anchors, wedge anchors, expansion anchors, adhesive anchors, and other methods approved by the building official. These methods need to be installed in accordance with the manufacturer's specifications.

Member Benefit News

SAIF Discount Increases

Good news for OHBA members! As of July 1, the SAIF discount increased to 6% for 2017-18 for members who meet the eligibility criteria

[Click here](#) for more information or to see if your company qualifies. Or contact your workers comp insurance agent.

For many of you, the savings you gain will pay for (or exceed) your HBA membership dues!



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