

Nationwide, 41.3 percent of the homes sold in the first quarter were considered affordable. In 95 of the 182 metro areas tracked, affordability was greater than 50 percent, with five metro areas recording affordability levels of more than 90 percent.

U.S., Canada Strike Tentative Lumber Deal

The U.S. recently announced a tentative agreement with Canada to settle a long and heated trade battle over softwood lumber, a major home-building component.

Canada's \$10 billion in annual shipments to the United States of softwood lumber, which comes from pine and other trees, represent about one-third of the U.S. market.

U.S. officials said industry groups in both countries would have to decide whether to continue the costly legal fight or reach a settlement. A proposed deal in 2003 fell apart after some of Canada's provincial governments balked.

U.S. tariffs on the Canadian lumber started at an average of 27 percent in 2002, but now average 11 percent because of various reviews and trade panel rulings.

Under the outlines of the proposed deal, the United States would return 78 percent of an estimated \$4.3 billion in penalty tariffs collected on softwood imports from Canada since 2002.

Under U.S. law, American companies were awarded penalty fees when they won trade cases against foreign competitors accused of selling products in the U.S. at unfairly low prices. From the U.S. perspective, returning some of the escrowed money from taxes on Canadian softwood amounted to a concession in the bargaining.

Administration officials said the fate of the deal would depend on industry support in both countries. Neena Moorjani, a spokeswoman for U.S. Trade Representative Rob Portman, said approval could bring stability to the North American lumber market while rejecting could mean "many more years of litigation, acrimony and market uncertainty."

In a statement, the Coalition for Fair Lumber Imports, the U.S. industry group leading the fight against Canadian imports, said it could support the terms as U.S. officials have described.

State Energy Commission Recognizes California Green Builder Program

The California Energy Commission has given the innovative California Green Builder program its green seal of approval.

The Commission recently voted unanimously to recognize the program, developed by CBIA and its affiliate, the Building Industry Institute, to build homes that use less water and energy than standard homes, reduce the need for lumber, and help communities meet their state recycling goals. So far, more than 1,300 homes have been built that comply with the program's standards, with some 5,000 more on the drawing boards.

In its resolution, the Commission said the program is cost-effective, and declared that its goals are consistent with the state's energy policy, waste policy, and environmental goals.

Robert Rivinius, CBIA's President and Chief Executive Officer, said the Energy Commission resolution highlights the fact that the program is effective and in fact is the only "green building" program in California under which homes are actually being built.

"Many homebuilders have wanted to build green, but in a way that made bottom-line sense and could be shown to benefit the environment," Rivinius said. "The California Green Builder program is workable and measurable, and we're excited that the Energy Commission has recognized the program's benefits. We think the California Green Builder program will be the standard for green homebuilding for years to come."

California Green Builders agree to build homes that:

- Exceed the state's toughest-in-the-nation energy-efficiency standards by at least 15 percent;

- Reduce water consumption by at least 20,000 gallons of water a year compared to conventionally constructed homes;
- Need less wood to construct through increased use of engineered wood products made primarily from sustainable harvested forest resources;
- And feature significantly improved indoor air quality through the use of low-volatile organic compound paints, lacquers, floor underlayment and carpets, along with improved filtration systems.

In addition, California Green Builders divert at least 50 percent of construction waste from landfills, helping cities and counties meet the state's tough waste-diversion requirements.

Homebuilders currently participating in the program are Castle and Cooke, Centex Homes/Central Coast Division, Pardee Homes, Treasure Homes, and Victory Homes.

Court Throws Out Inclusionary Zoning Ordinance

The San Diego Superior Court recently declared the city of San Diego's inclusionary housing ordinance unconstitutional and invalid.

The ordinance was used by the city to subsidize low-income housing through new-home construction. It forced builders to rent or sell a portion of homes in their projects at reduced prices to low-income residents or pay a fee, and taxed the remaining buyers with the cost.

The ruling places the money collected from homebuyers under the illegal ordinance (approximately \$7 million) in question.

According to BIA San Diego, the dispute over the ordinance dates back to 2003 when city staff ignored city council direction and changed wording that undermined the integrity of the newly proposed law. Left with no alternative, the BIA sued on behalf of the 20,483 residents who bought a ▶