NEW ENGLAND

U P D A T E

Mass. Septic Regs Raise a Stink

But builders remain optimistic the air will clear

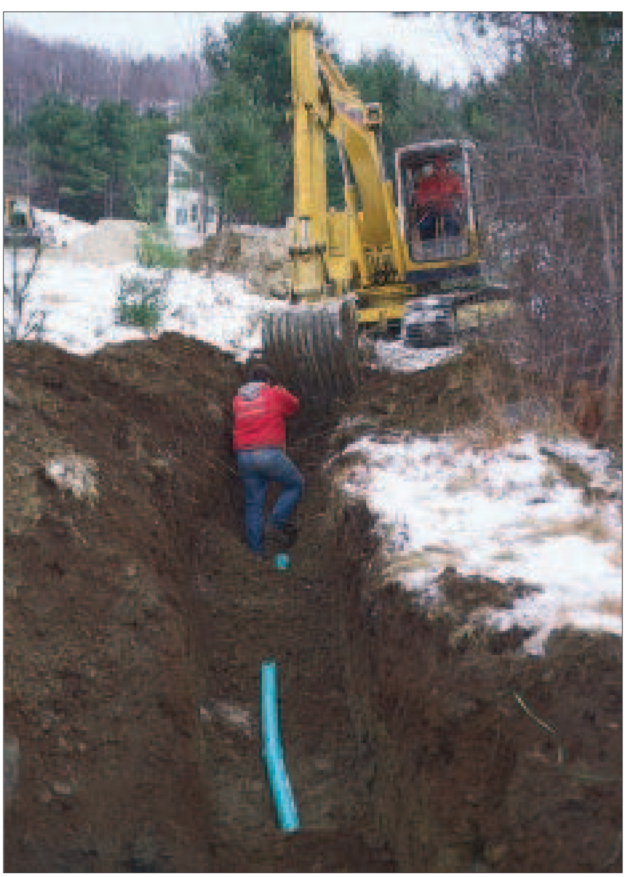
When the Massachusetts Department of Environmental Protection released its new septic regulations in early 1995, it knew the regulations, which require homeowners to upgrade or replace any substandard septic system before selling their homes, would hinder a few house sales. But no one expected the hundreds of stories about real estate deals that went south because the expense of meeting the requirements erased the equity the owners were counting on to upgrade or move.

There's no way to count the precise numbers, but no one now really denies that the 15-month-old regulations, known as Title 5, have killed a significant number of home sales, slowed many others, and cost homeowners millions of dollars. In the unsewered town of Acton, for instance, where half the tested systems have failed inspections, homeowners have reportedly spent an estimated $1.5 million to meet Title 5 requirements, at an average of $15,000 per system.

Hitting builders, too. The numerous stories in the Massachusetts press about Title 5 have focused on the burden the new regulations have put on homeowners. However, Massachusetts's builders and remodelers have been seriously affected as well.

"Title 5 has hurt contractors in three ways," says Guy Webb, executive director of the Builders Association of Central Massachusetts. "First, builders are having trouble selling homes in new subdivisions that aren't sewered, even if the septics are state-of-the-art, because the publicity over Title 5 has made buyers leery of any home with a septic."

In addition, says Webb, Title 5 has slowed, downsized, or killed many remodeling jobs, since the



C. BATES

Massachusetts' Title 5, which requires homeowners who want to sell or expand their homes to bring any substandard septic system into compliance, has created a lot of work for septic contractors — but slowed work for both new home builders and remodelers.

This month in New England Update:

act applies to any addition that expands a house's footprint.

Finally, Title 5 has hit the move-up home market especially hard, because upgrading a septic system can take a huge chunk of the equity with which a homeowner plans to move up. "You have sixty thousand in equity but have to spend twenty or thirty thousand on a new septic ... well, suddenly you're not a candidate for a new home anymore," says Webb. "I know a lot of builders who have lost prospective customers that way."

A (sluggishly) responsive bureaucracy. Webb and others in the industry are quick to point out, however, that Title 5's problems are caused more by the difficulty of balancing good economic and environmental policy than by any stereotypical unresponsive bureaucracy or inane regulation. Indeed, when builders and real estate brokers objected to Title 5 as originally drafted in 1994, the Department of Environmental Protection (DEP) formed an advisory group that included builders along with environmental and health interests. The group helped DEP hammer out workable guidelines and continues to meet quarterly to review and improve the regulations. Rutland builder Lou Gengle, who owns C&S Builders and served on the advisory group for a year, said this process has removed the most onerous problems in the original regulations, and promises to alleviate the remaining ones as well. "Overall, the DEP has been quite responsive," says Gengle. "It's just a difficult problem."

No new technologies. Still, Gengle and others say Title 5's remaining problems need to be fixed to make the regulations both effective at protecting water and workable for homeowners and contractors.

One major problem cited by builders is that Title 5 does not readily accommodate alternatives to traditional septic tanks and fields. New technologies such as processing tanks, for instance, use aeration, filtration, and chemicals to process sewage in a closed tank before sending out a safe effluent. "These systems often do a better job of processing waste," says the HBA's Webb, "for less money, and in less space, than traditional septics do." Yet builders are still having trouble getting approval for these systems. While most observers believe the DEP will eventually give broad approval to such alternative technologies, Webb feels the department would have prevented many headaches had it approved them earlier.

Webb, Gengle, and others both inside and outside the building industry say another major fault with Title 5 is that it is not a uniform code. At present, Title 5 allows local health officials to liberally interpret some of the regulations' fuzzier points — a privilege that some towns, critics say, have employed to use Title 5 as a *de facto* growth-control tool.

These problems notwithstanding, Webb, Gengle, and others feel that as long as the DEP stays committed to working with the advisory group and open to new ideas, the various interests involved will create a regulation that does what Title 5 set out to do: protect drinking water while providing builders and homeowners with a flexible set of options. And virtually everyone agrees that will be an improvement on a more confrontational approach that tries to pit growth versus the environment.

"It'll take time," says Gengel, "it's just a matter of sticking with it. But you've got to be patient about these sorts of things. You can't resolve in two years a problem you've created over a century." ■

Vermont Denies Model Energy Code

For the second straight year, the Vermont legislature failed to adopt the Council of American Building Officials' Model Energy Code (CABO-MEC) as a statewide energy standard. CABO-MEC almost passed both times, but failed partly because of opposition from the Vermont Department of Public Service. The DPS and other opponents argued that CABO-MEC would weaken the energy standards called for in Vermont's environmental impact law, Act 250, which calls for the use of the "best available technology" in any projects subject to Act 250 overview.

Proponents of CABO-MEC, however, including the Home Builders Association as well as the Alliance for Safe Energy and other energy-efficiency advocates, pointed out that Act 250's requirements are vague and, since they must be met only in projects under Act 250 jurisdiction, fail to provide a statewide standard that will apply to most homes. Fewer than half of new homes built in Vermont each year fall under Act 250 jurisdiction, and at present, no energy code whatsoever applies to those that don't. In addition, say critics, the "best available technology" Act 250 requirement is open to varying interpretation. As a result, one critic said, "There are no real energy standards in Vermont."

Apparently it will remain that way for at least another year. The Vermont HBA hopes that a committee appointed by Governor Howard Dean, as well as renewed lobbying efforts, will result in the passage of CABO-MEC in the 1997 session. ■

N.E. Housing Inventory Still High

A yellow flag amid green lights

Contractors in the Northeast are finally seeing some encouraging economic signs, led by reports early this summer of 50-plus percent increases in new home sales. In many areas, both builders and remodelers are finding themselves lined up with several months' work for the first time in years. So it would be excusable if any contractor, particularly a builder, started to think that good times might be at hand — that the long stopover is ending, and the economic train is finally leaving the station.

The industry's leading economist, however, suggests that particularly in the Northeast, it's not quite time to pack those bags.

David Seiders, chief economist for the National Association of Home Builders, notes that while recent surges in home sales and other indicators justify optimism, "that optimism," he says, "should be a cautious one, particularly in the Northeast."

The main reason Seiders cites for this note of caution is high housing inventory.

Housing inventory includes all unsold new homes, including not only those already built but those under construction or under permit (even if construction hasn't started). "A healthy level of inventory," says Seiders, "is around five to six months' worth. But the Northeast has had more than a year's inventory for several years now, though it finally dropped to about 11 months in April. That's down from over 14 months last December, but still high. By comparison, there is only four months' inventory in the West and about six months' in the South and Midwest. And the Northeast's inventory includes a high percentage of completed units — 37 percent of the total, where you'd like to see about 30 percent.

"These are alarming numbers, and cause for real concern."

Seiders says builders shouldn't be so concerned about inventory they miss opportunities; but neither, he says, "should they go out and start building spec houses." What is in order, he suggests, is a commitment to not getting overcommitted, and a realistic assessment of one's own market.

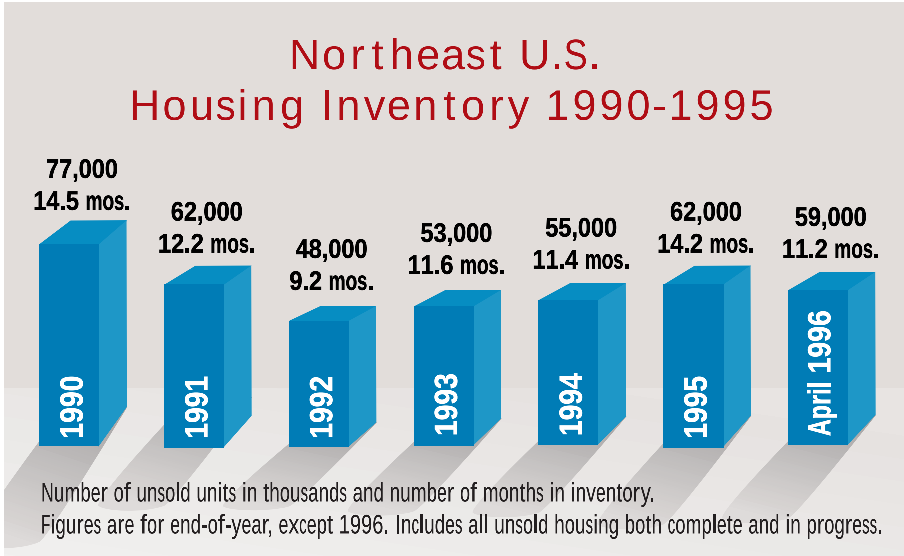
"We did a survey recently," says Seiders, "and found a funny thing about builders. This tends to be more true of smaller builders than larger. You ask a builder if he thinks the inventory in his area is overbuilt, and he'll say, 'Yes, it's overbuilt.' Then you ask the same builder, 'Is your own personal inventory overbuilt?' And he'll say 'No.' They all tend to think their own inventory is the best and they can sell when others can't. Which of course can't be."

Seiders believes the best defense against such delusions — and the best way to find the market's most promising spots — is a careful analysis of one's local conditions. "In many areas, you may have months of inventory sitting around but still have a type of house you can sell. It might be that most of the standing inventory is in a particular price range, for instance, or that they're just dead ducks — badly built, unsellable houses. If you can identify the markets that aren't overbuilt, you'll stand to increase your sales."

His caution notwithstanding, Seiders notes several signs suggesting that better times may indeed return to this region, even if slowly. One is the fact that the Northeast's inventory, while still high, has been dropping. The other is job growth, which is still sluggish here, but which is at least registering as a positive lately instead of a negative.

Finally, Seiders finds encouraging the recent regional increase of 5.4 percent in home sale prices — the first increases in house prices in the region in six years, and one that is being seen in virtually the entire Northeast. "Price behavior is probably one of the most reliable indicators of a market that's pulling itself back together again," says Seiders. "So that's some good, solid basic news."

Seiders's advice for contractors in the Northeast, then, is to keep an eye on the general and building economy's basic numbers while keeping close tabs on what's selling and what's not in their own markets. ■



Number of unsold units in thousands and number of months in inventory.
Figures are for end-of-year, except 1996. Includes all unsold housing both complete and in progress.

Vinyl Siding + Museum = Ruckus

An economic decision stirs local controversy

You can generally raise at least a mild argument regarding vinyl siding on just about any building; but when the building is an old barn that is a farm museum in an old town center in Massachusetts, the argument can get pretty testy.

That's just what happened this spring when the board of the Hadley Farm Museum Association decided to rip off the barn's 66-year-old clapboards and replace them with vinyl siding. The Museum, which gets about 3,000 visitors a year, stands in the town center next to the town hall. Once a working barn, the building was moved there in 1930 and turned into a farm museum; at that time, the old barn boards were removed and replaced with clapboards, which have been painted ever since.

But the job of keeping those clapboards painted, says Norman Barstow, who was head of the museum association when the siding decision was made, was taking up far too much of the museum's time and resources.

"We've had to paint this barn four times in the last 15 years," says Barstow, who is 78 and has helped with most of those paint jobs himself. "The last two times we scraped and scraped and scraped. Four of us spent four days just scraping. It was an awful lot of work. And within a year's time it had started peeling. So we hired professionals, figuring they'd do better. It still peeled two years later. We started wondering, how much are we going to spend to make it look nice? And we couldn't get any aid to help us keep it painted. So we decided to bite the bullet and do it."

The decision to put vinyl siding on created a flap that made the Boston *Globe* and, more troubling for those involved, caused uneasy differences between families that had known each other for decades. The town's most outspoken critic of the siding, Alexander Kulas, who grew up in town but now lives there part-time and is on the town historic commission, is the son of one of Barstow's best friends. Before Kulas knew Barstow was involved, he called the siding "an abomination" in the Boston *Globe* story. "The building looks fabulous," he admits. "But with a historic structure, weathered or even peeling paint appears more historic than does a brand-new plastic finish. It's just not right." He says the siding detracts from the museum's credibility and may even compromise the museum's abilities to receive grants.

GORDON DANIELS/DAILY HAMPSHIRE GAZETTE

Workers install vinyl siding on a historic farm museum in Hadley, Mass. The move caused uneasy divisions in the town when one historic commission member publicly objected.

Kulas's ire cooled somewhat, however, when he learned that his dad's old friend was among those who made the decision to put up the siding. "Oh," he said. "I didn't realize Norman was among those making the decision. But it's good you should talk to him. He's a good, good man."

Barstow seemed similarly disconcerted. "Al's father was one of my best friends," he said. "And I tried to get Al to join the association, but he's busy, and he didn't really have the time to do that, or to help us paint. I respect him. But I'm not sure he really has a right to criticize us too much here."

Museum director George Pratt, who knows both men, says he's sure that this schism will pass, as do so many spirited civic disputes in small towns, and that by summer's end everyone will be able to take the whole issue more lightly.

Meanwhile, the one thing everyone agrees on is that the museum's collection of historic farm implements and equipment and history is exemplary, and remains unaffected by the cladding that now gleams on the exterior walls. The Hadley Farm Museum is open Tuesdays through Saturdays from 10 to 4:30, and Sundays from 1:30 to 4:30. ■

Boston Tradeswomen's Network

Growing group offers variety of support services

In the late 1980s, when she had been a carpenter in the Boston area for almost a decade, it seemed briefly to Susan Cranmer that most of the problems women had once faced in construction were being solved. She had steady work and ran less often into the discrimination, both in lost employment opportunities and in harassment and hazing, that she and other women had endured during the 70s and 80s as they began to make headway into construction.

Then came the 1991 recession. Massachusetts lost over half its construction jobs, sending not just newcomers but many veteran tradespeople onto unemployment rolls. In the tightening job market, Cranmer started running into resentments and prejudices she thought she'd left behind.

"The recession complicated things," says Cranmer, "because it seemed in many cases to pit a woman against a guy for a given job. I had a job at a big project, a hospital, where I ran into that. The foreman tended to hire his relatives and friends. But they had to hire at least some women because there was public money involved, so they brought me on. I had no problem doing the work. I was a carpenter 10 years at that point. But then the whole project got scaled back, and some of this foreman's buddies got laid off and I didn't. When that happened, the foreman started a campaign to make my life miserable, hoping to make me quit. Hazing, horrible assignments, lack of support, that sort of thing."

Cranmer went to her union for assistance, but got less support than she would have liked. It was at that point that she decided to contact the Boston Tradeswomen's Network, a group that was founded in 1990 and which now has over 500 members — many carpenters, plumbers, and electricians, as well as iron workers, flooring installers, and laborers.

Cranmer joined the Network because it offered not only a "support group" of women who shared her basic dilemma, but a mix of practical, nuts-and-bolts services including a jobs registry, skills training, health and safety classes, leadership and conflict resolution workshops, and liaison work both with the area's unions and with employment compliance officers. Cranmer found these services invaluable not only for helping her resolve conflicts like the one with the foreman, but in finding other work as well.

The Network's particular mix of services, says director Roni Thaler, stems from the group's recognition that women in construction need practical knowledge and job contacts as much as they do emotional support and camaraderie. The network works particularly hard to help its members find and keep jobs. "Our most important task is to increase the retention of women in the trades," says Thaler. "Too often women get trained and get started, but then leave the trades because they can't find steady employment. It can be a very isolating, lonely life anyway, and when you're not working steadily, it's difficult to stay with it. The network hopes to help members fight off discouragement while giving them the skills and contacts they need to find steady work."

The group also helps its members try to deal with blatant prejudice and sexual harassment — problems that crop up less often than they once did on construction sites, but which still plague the industry. "Some women have a whole career and have no problem at all," says Thaler. "Others run into trouble. But there is a greater awareness in the trade about these issues. People have made efforts, and they're paying off."

For information about the Boston Tradeswomen's Network, call Roni Thaler at 617/423-1535. ■

C. BATES

The Boston Tradeswomen's Network offers a variety of services, including health and safety training, to tradeswomen throughout the metro area.

New York, Vermont Beef Up Loan Programs

In an effort to ease housing affordability while stimulating their building economies, both New York and Vermont recently shot large infusions of cash into affordable housing lending programs.

New York's move was the more relevant for builders, as it was designed specifically to fund the construction of new affordable houses. New York doubled the funding for its "Construction Incentive Program," providing

CRAIG SAVAGE

New York's $100 million "Construction Incentive Program" is aimed directly at stimulating construction of new affordable housing.

$100 million that low- to mid-income home buyers can use to pay for the construction of new housing. The Pataki administration says the program should create hundreds of new homes, over 2,000 construction, manufacturing, and related jobs, and $75 million in wages.

CIP funds are limited mainly to use for the construction of new single-family homes. For the potential homeowner, the program offers up to 100% financing, reduced points, a low initial four-year interest rate (as of June, it was 5.25%, with a rise to 7.25% after four years), and relaxed qualifying guidelines.

Builders or developers can participate in CIP by paying a lender a "commitment fee" of one percent of the total loan — usually under a thousand dollars or so. If the home is built and the loan closes within six months of the final loan commitment, the builder gets the fee back. While the loans still go to the home buyer rather than the builder, participating builders are free to use the program's availability in their marketing and sales efforts. All CIP loans are insured by the State of New York Mortgage Agency (SONYMA).

Also this spring, Vermont put $42 million into its main affordable housing lending program, Mortgages for Vermonters (MOVE). The program offers home buyers 30-year, fixed-rate loans under liberal lending policies at low interest rates (as of late June, 6.95%). MOVE mortgages' relaxed borrowing guidelines make them available to low- and mid-income buyers who might have trouble getting traditional financing. The loans can be used by consumers to buy either existing or new homes; price limits are higher for new homes and more expensive towns, and the lending guidelines can be further relaxed if a home is either built or retrofitted to meet certain energy-efficiency standards.

For more information on New York's CIP program, contact Andrea Schrader at FHA, 641 Lexington Ave., New York, NY 10022; 212/688-4000, ext. 310.

For information on Vermont's Move mortgages, contact the Vermont Housing Finance Agency at 164 St. Paul St., P.O. Box 408, Burlington, VT 05402; 800/287-8432. ■

Worth Noting

A listing of events and other resources

• The **4th annual Construction Materials Recycling Seminar**, September 22-25 at the Holiday Inn in Boxborough, Mass., will offer presentations on the latest industry trends, tours of some of the region's most advanced construction debris recycling facilities, and a "technology center" that will showcase the latest construction recycling equipment and services. For information, call Intertec Presentations at 303/220-0600.

• A **Traditional Timber Framing** workshop will be offered from September 25-29 at the Hancock Shaker Village in Hancock, Mass. This workshop usually fills quickly. Contact Dave Carlon at P.O. Box 223, Windsor, MA 01270; 413/684-3612.

• The **New England Woodworking Show**, September 13-15 at Manchester, N.H., will feature machinery, power and hand tools, supplies, demonstrations, seminars, free workshops and much more for woodworkers of all levels of experience. The show will re-emerge as the **Metro New York Woodworking Show** from September 20-22 at the Westchester County Center in White Plains, N.Y.; for information call 800/826-8257 between 11:30 a.m. and 8 p.m. ■

If you know of events or other resources that would be useful to New England readers, please send a note to: New England Update, JLC, RR 2, Box 146, Richmond, VT 05477. We must receive notice of dated events three months before the event.