

AGENDA



Home Ownership Housing Committee Agenda

10:00 - 11:30 a.m.
Thursday, October 10, 2013
Long Beach Convention Center
Long Beach, CA

Mission Statement

The Home Ownership Housing Committee is a Policy Committee. Its mission is to develop C.A.R.'s housing policy in the home ownership segment of California's housing opportunities. It has original jurisdiction to evaluate housing legislation and regulation in the following issue areas: Common Interest Developments; Housing Policy; and Manufactured Housing.

Presiding:

Sandy Darling, Chair
Karl Lee, Vice Chair

Issue Chairs (ICs)

Nick Lymberis, Common Interest
Development

Ronna Brand, Housing Policy

Diane Conaway, Manufactured Housing

Executive Committee Liaison

Ted Loring, Jr.

Legislative Committee Chair

Geoff McIntosh

Legislative Committee Vice Chair

Art Nellessen

Staff Coordinator:

Dave Milton

Federal Issues Coordinator

Matt Roberts

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I. Welcome and Opening Remarks – Sandy Darling, *Chair*

II. Action Required

A. Collection of Delinquent Homeowners Association (HOA) Assessments**- Nick Lymberis, CID Issues Chair

The 2013 Delinquent HOA Assessments Working Group, appointed by the 2013 Chair of the Home Ownership Committee, Sandy Darling, is chaired by CID Issues Chair Nick Lymberis. A recommendation from this Working Group (WG) to sponsor legislation in 2014 was approved by the HOHC at the May meeting. This motion was not approved by the Legislative Committee and was subsequently defeated by a vote of the Board of Directors during the May meetings. Following the May decisions, the WG (Sandy Darling, Karl Lee, Raylene Brundage, Anita McKee, Lazaro Morales, Kelly Richardson, Brett Stratton, and Cathi Walter) developed an alternative to the May meeting approach and recommend:

That C.A.R. sponsor legislation in 2014 to authorize associations in Common Interest Developments (CIDs) to require a tenant of a unit in the CID to pay to the association any delinquent assessments owed to the association by the unit owner who is renting the unit to the tenant, in lieu of paying rent to the owner, until such assessments are brought current by the owner or through payments by the tenant?

B. Other Action Items

III. Updates and Report Items

A. Action approved by the Board of Directors in May

That CAR sponsor legislation in 2014 to specifically address unlawful occupation of residential property by squatters.

B. CID *Nick Lymberis- Issues Chair (IC)*

AB 968 (Gordon) Directors Election Process for Small CIDs – Allows a CID with 15 units or less to operate an election of the board of directors in a simplified manner.

Position- Favor

Status- Senate Transportation & Housing Committee

AB 1360 (Torres) Electronic Voting in CID Elections - AB 1360 would allow Homeowners Associations (HOAs) to make electronic ballots available to members.

Position: Support

Status: Senate Judiciary Committee

C. Housing Policy- *Ronna Brand, IC*

1. State

AB 325 (Alejo) Challenges to Local Planning Decisions –AB 325 proposes to clarify a long-standing provision governing challenges to local housing planning decisions after it was severely modified by the *Urban Habitat v. City of Pleasanton* case in 2008. As introduced, it proposed to limit to three years the time period in which a challenge can be made to a general plan based on a perceived inadequate housing element. Due to opposition from the League of Cities and Counties Association the proposed three year period was reduced to 280 days. With these amendments C.A.R. moved from a "Support" position to "Favor".

Position: Favor

Status: Enrolled to Governor

SB 662 (Galgiani) Licensing Requirements for Structural Pest Control Operators- There have been an increasing number of complaints against pest control companies from our REALTORS® in recent years. Senate Bill 662 will help resolve these inadequacies by increasing the minimum insurance and bond requirements that a pest control company must maintain in order to conduct business in California.

Position: Support

Status: Signed by the Governor on September 16, 2013; Chapter 218, 2013 Statutes

2. Federal

A. FHA Update

1. Senate Reform Efforts

On July 31, 2013, the Senate Banking, Housing and Urban Affairs committee marked up S. 1376, "The FHA Solvency Act of 2013", sponsored by Senators Johnson (D-SD) and Crapo (R-ID) by a bipartisan vote of 21-1. The bill promotes FHA's financial solvency with common sense financial reforms, while still retaining FHA's critical historic mission.

2. House Reform Efforts

House Financial Services Chairman, Jeb Hensarling, has included FHA reform in the Protecting American Taxpayers and Homeowners Act (PATH). The proposed legislation would drastically alter the FHA program by:

- Limit FHA availability to first-time homebuyers, and low- and moderate-income homebuyers,
- Lower FHA loan limits, including the FHA floor,
- Reduce FHA coverage from 100 percent to 50 percent, and
- Mandate risk sharing.

C.A.R. and NAR are strongly opposed to the PATH Act.

B. Rural Housing

Under current law the Rural Housing Service (RHS) is required to evaluate all communities for eligibility following the 2010 census. This re-evaluation could make more than 900 communities ineligible for RHS programs. The definition of rural has not been updated since 1974. Both the Senate and House have passed legislation that incorporates provisions to address this. However, the bill differences have yet to be resolved.

C. Need Direction

C.A.R. Condo Policy

C.A.R.'s members and REALTORS across the country continue to struggle with getting FHA approval under the new Approval Requirements. C.A.R. had taken policy (see policy below) to extend the "temporary" FHA condo Approval Requirements, which were more lenient than the permanent FHA condo rules. *Should C.A.R. staff prepare a Policy Position Paper for the January meeting revisiting the issue and policy options for the association?*

Policy adopted in October 2010:

That C.A.R., in conjunction with NAR, seek to extend the current Temporary FHA condo Approval Requirements that are set to expire at the end of the year.

These are:

1. Maintaining the FHA concentration level at 50% and not letting it decrease to 30%.
2. Pre-sale requirements be maintained at 30% and not increase to 50%.

D. Manufactured Housing- *Diane Conaway, IC*

SB 510 (Jackson) Mobile Home Park/ Manufactured Housing Communities Conversions to Resident Ownership- It initially proposed to increase the role of local agencies in the decision of in conversions of mobile home parks to resident ownership. During a legislative hearing in mid-August, an entire section of the bill was deleted, eliminating ambiguous provisions that could have negatively impacted current litigation involving ownership conversions. With these amendments, C.A.R. moved from an "Oppose" to a "Watch" position as it left the bill with only a "clarification of current law" section.

Position: Watch File

Status: Enrolled to Governor

IV. Additional Item(s) for Discussion

V. Other Business

A. Introduction of 2014 Committee Leadership

Chair: Virginia Butler, Palos Verdes Peninsula

Vice Chair: Ronna Brand, Beverly Hills/Greater Los Angeles

CID Issues Chair: Raylene Brundage, San Diego

Housing Policy Issues Chair: Michael Riley, Bay East

Manufactured Housing Issues Chair: Sandy Kaplan, Santa Cruz County

Committee Liaison (Public Policy): Rick Violet, Pacific West

B. Other

VI. Adjournment

*** Please Note: This symbol next to the title of an Agenda Item indicates that it is accompanied by a Policy Position Paper in the committee meeting materials.*