

C.A.R. Broker Involvement Quarterly Communication

Happy New Year! Thank you for your continued commitment to C.A.R.'s Broker Involvement Program, which makes a difference in legislation directly affecting your business. Please remember, when your help is needed, C.A.R. will contact you. All you need to do is send an email or voicemail to your agents directing them to look for a Red Alert email from C.A.R., or a Call-for-Action email from NAR, with specific instructions as to how they should respond. With your help, C.A.R. can send clear united messages to legislators on critical issues directly affecting your business.

C.A.R.'s Portability Tax Initiative: C.A.R. is going to qualify an initiative for the November 2018 ballot which will allow senior homeowners (55 years of age and older), victims of natural disaster and the disabled to keep all or most of their Proposition 13 property tax savings when they move. The portability initiative would allow senior homeowners to transfer their property tax base from their current residence to a replacement residence located anywhere in California. The measure, if approved by voters, will let thousands of seniors, currently "locked into" their homes by low property tax rates purchase a home that will better suit their needs while expanding housing opportunities for young families seeking to buy a home. Please help us collect signatures from your agents and their clients. Remind your agents to sign and return the petitions they were mailed. If you would like an "Open House" kit to display in your office and to collect additional signatures, please complete this form.

<https://docs.google.com/forms/d/e/1FAIpQLSfOKH51JqAPrBK8qhn3OIYglwebSwhlWhX8V0i3Kugm6ovvog/viewform> To learn more please visit: <http://on.car.org/portability2018> Please email any questions to: portability@car.org

C.A.R. is sponsoring the following legislation in 2018:

Anti-Development Ballot Measures – Voter Approval: - In recent years, NIMBYs and environmental interests have increasingly used ballot measures to threaten development. Under current law, it takes a simple majority to prohibit or delay the construction of vitally needed housing units. C.A.R. is co-sponsoring legislation in 2018, along with the California Apartment Association, to increase the vote requirement from a simple majority to a super majority for anti-development ballot measures. This bill is pending introduction.

Affordable Owner-Occupied Workforce Housing Definition: In 2016, C.A.R. established its definition for "affordable workforce housing" as households making 120% of the Area Median Income (AMI). Currently, there is no uniformly used definition in state law for "affordable owner-occupied workforce housing" or "affordable workforce housing." C.A.R. is sponsoring legislation in 2018 to statutorily define these two terms as housing for households earning up

to 120% AMI, and will allow for consideration of a higher AMI for “high-cost areas.” This bill is pending introduction.

Expedited Permitting: Infill Housing - Under current law, local governments have failed to encourage developers to meet their regional housing needs assessment goals. C.A.R. is sponsoring legislation in 2018 to expand existing provisions for expedited permitting of infill housing developments to include all communities and not just those not meeting compliance with regional housing needs and will also expand expedited permitting to Accessory Dwelling Units (ADUs). This bill is pending introduction.

Private Transfer Fees - PTFs are fees imposed by a seller requiring the buyer and any subsequent purchaser to pay a fee upon the transfer. For Fannie Mae and Freddie Mac backed mortgages, the Federal Housing Administration (FHA) and the Federal Housing Finance Agency (FHFA) require that the funds generated by PTFs provide a “direct benefit” to the encumbered property. C.A.R. is sponsoring legislation in 2018 to prohibit private transfer fees that do not comply with these requirements. This bill is pending introduction.

Parcel Tax Exemption Notification: Senior and Disabled Property Owners - Parcel taxes, which are special taxes assessed on individual pieces of property, can be used to fund education, infrastructure, healthcare, and other local “benefits.” Under current law, school districts may exempt seniors and disabled individuals from paying parcel taxes. Unfortunately, many senior and disabled homeowners are unable to find information on how to apply for such exemptions. C.A.R. is sponsoring legislation in 2018 to require tax collectors to provide information on their websites regarding parcel tax exemptions available to senior and disabled homeowners. This bill is pending introduction.

AB 749 (Irwin) and AB 1289 (Arambula) Real Estate Law Update - In 2016, C.A.R. successfully sponsored AB 685 (Irwin), which made some necessary technical corrections to the Real Estate Law including changing outdated terminology. These measures make additional changes in the Real Estate Law to update and conform it to current practice. Consumer attorneys have argued the bills do more than simply “clean up and conform to current practice.” With recent amendments taken on AB 1289 they are no longer opposed to either bill. AB 749 and AB 1289 will be heard in the Assembly Appropriations Committee next week.

AB 448 (Daly) Parcel Tax Vote Notification - This measure is a follow up to last year’s C.A.R.-sponsored AB 2476 (Daly) which requires that a postcard notice be sent to property owners who reside outside of the jurisdiction after the approval of a parcel tax by the voters. This measure would require the notice to be mailed within 30 days of certification of the election results. AB 448 is pending in the Senate Governance and Finance Committee.

AB 1333 Property Owner Notification: Proposed Taxes and Bonds - Under current law, resident property owners receive notice of proposed taxes and bonds with receipt of their ballot pamphlet while non-resident property owners do not receive any notice whatsoever. This bill requires a city, county or special district (e.g., hospital district) to provide notice to all property owners within 10 days of a proposed tax or bond qualifying for the ballot. AB 1333 is pending in the Assembly Appropriations Committee.

SB 348 (Leyva) Ballot Pamphlet Notification: Challenging New Taxes - Current law allows taxpayers to challenge new taxes typically within 60 days of approval by voters. However, most taxpayers are unaware of the time restrictions imposed on their ability to challenge new taxes. This bill requires the ballot pamphlet notify voters that new taxes can only be challenged within 60 days of voter approval. SB 328 is pending in the Assembly Local Government Committee.

C.A.R. is Opposing the Following Legislation:

AB 1059 (Gonzalez Fletcher) Commercial Real Estate Transactions – Under existing law, agency relationships are disclosed using a single statutory form. This disclosure informs consumers of the obligations that attach to each type of agency relationship. This bill would impose a separate commercial disclosure requirement, creating ambiguity in well-established disclosure practices. C.A.R. opposes this bill for this reason, as well as for the fact that it introduces new terms that are inconsistent with existing or revised terms in the real estate law. AB 1059 failed to pass the Assembly Judiciary Committee last week.

AB 1506 (Bloom, Bonta and Chiu) Costa-Hawkins Rental Housing Act - In 1995, C.A.R. successfully sponsored with others AB 1164, also known as the Costa-Hawkins Rental Housing Act, which created limits on local rent control ordinances by requiring vacancy de-control and exempting single-family property and new construction from local rent control. AB 1506 would have repealed the landmark Costa Hawkins law that limits the ability of local governments to impose aggressive rent control. AB 1506 was considered by the Assembly Housing and Community Development Committee last week and I'm pleased to inform you that C.A.R., working in concert with other ally industry groups, successfully defeated this bill. A special thank you to all the REALTORS® who called their legislators to oppose the bill in committee and to those who came to Sacramento. Your efforts made a difference!

Federal Update:

Congress passed, and the President has signed HR 1, the Tax Cuts and Jobs Act. HR 1 is a tax cut/tax reform bill that drastically alters the tax incentives for real estate, the individual tax

code and the corporate tax code. Please see the link below for additional details on how this bill will impact your clients and your business.

<https://www.nar.realtor/tax-reform/the-tax-cuts-and-jobs-act-what-it-means-for-homeowners-and-real-estate-professionals>

Timely Information for Your Next Office Meeting: C.A.R. Government Affairs Field Representatives are available to attend your office meetings to provide a legislative update. For more information, please contact Lynn Movroydis at 949-218-0387 or lynnm@car.org.

NAR's Broker Involvement Program: Your participation is also vital on the federal level! Click here to confirm your participation with NAR's Broker Involvement Program.
<http://www.realtoractioncenter.com/realtors/brokers/enrollment.html>