



REALTOR® Office Contact (ROC) - Legislative Briefing January/February 2008

Every day governmental bodies and elected officials are making decisions that impact the real estate industry and thus REALTOR® livelihoods. This briefing will help keep you informed about the issues which could affect you and how the San Diego Association of REALTORS® is working to protect your business.

LOCAL ISSUES

Lead Hazard Prevention & Control Ordinance: On March 11th, the San Diego City will hear two versions of ordinance designed to address lead hazards posed by paint in homes built prior to 1979. SDAR has worked for many years on the Lead Hazard Prevention & Control Ordinance. **Alternative A**, which passed out of the Land Use & Housing (LUH) Committee in August of 2004 contains a “Point of Sale” provision that will have serious impacts on housing affordability as well as other unintended consequences, like significantly harming appraised property values in neighborhoods with older housing stock and reducing reinvestment in these communities. The financial impact for complete abatement could be as much as \$100,000 to \$200,000 for a home. **Alternative B** is virtually the same ordinance, but does not contain the “point of sale” mandate. SDAR has been meeting with Councilmembers and stakeholders to recommend over a dozen ideas that could be implemented to enhance current efforts and address 100% of lead poisonings rather than the 28% that can possibly be attributed to lead paint. SDAR recommends implementing a voluntary incentive program giving home owners the option of certifying their property thus increasing its value at the time of sale, partnering with a national organization that works to eliminate childhood lead poisonings and can provide grassroots focus in areas with high incidences of poisonings, and enhancing community outreach and education to increase awareness, to name a few.

SDAR is supportive of Alternative B but urges the city to still consider the alternatives and enhancements. San Diego would be the first city in the nation to require a certified lead inspection at the point of sale if Alternative A were to pass. San Diego is not in a position to implement an ordinance that would be the first of its kind, create a new bureaucracy, and result in a host of economic impacts for residents. Since 2004, there has been no substantive discussion about the lead issue or the ordinance by City Council or other stakeholders. Many things have changed in 4 years. SDAR would very much like to see everyone come back together to discuss this important issue.

SDAR will be sending out a Call to Action very soon. We hope that you will contact the City Council to request that they oppose Alternative A and **support Alternative B**. Urge you colleagues to do the same, as this is a very important issue not just to REALTORS®, but to all residents of San Diego! Together we can strive to address all sources of lead poisonings and make San Diego an even better place to live.

STATE ISSUES

AB 2363 (Ma) Megan’s Law - “Just Cause Evictions” – C.A.R. is sponsoring legislation to require local jurisdictions with a “just cause eviction” ordinance to permit landlords to evict a registered sex offender as permitted in existing law. Currently, municipalities with eviction controls permit landlords to evict tenants for a “just cause” only. The landlord must state, and prove in court, a valid reason for terminating a tenancy, such as, non-payment of rent, illegal activity, damage of property, or the removal of units from the rental market. The City of San Diego has a “Just Cause Eviction” ordinance.

AB 2259 (Mullin) Ownership Rights in a Common Interest Development (CID) – C.A.R. is sponsoring AB 2259 to protect property ownership rights in a CID by preserving an owner’s right to lease or rent their unit if that right existed at the time they purchased the unit. Homeowner Associations tend to adopt restrictions that limit the number of units that can be rented. The imposition of rental restriction diminishes the owner’s property rights, and C.A.R. argues that property owner’s should enjoy the same rights and privileges that existed at the time the CID unit was purchased.

NATIONAL ISSUES

On February 13, 2008, N.A.R. President, Dick Gaylord called on the US Department of Housing and Urban Development (HUD) to quickly implement the higher loan limits for Federal Housing Administration (FHA) programs, part of the Economic Stimulus Package recently signed by the President. The FHA recently completed this process and published the 2008 new mortgage limits in high cost areas. Those limits are due to the increase the max FHA mortgage amount from \$362,750 to \$729,750 and the mortgage limit calculation from 95% to 125% of area median sales price. These new loan limits must be implemented by March 14, 2008.

Please contribute to the REALTOR® Action Fund so SDAR may continue to protect your interests. For additional information or to contribute to the REALTOR® Action fund, please contact the Government Affairs Dept. at govaffairs@sdar.com or 858-715-8026.