



## REALTOR® Office Contact (ROC) - Legislative Briefing May/June 2007

*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

**City of San Diego Proposed Amendments Regarding “Mini Dorms”:** Code amendments are up for consideration on July 9, 2007. Mini dorms, single dwelling units occupied by multiple adults, in some instances are adversely affecting local single dwelling unit neighborhoods. To address many of the concerns related to mini dorms the City has proposed code amendments including: a six bedroom maximum, stricter parking requirements, and hardscape limitations. For detailed background information and a summary of the proposed amendments please reference the [Report to the City Council](#).

**Vacation Rentals:** The City of San Diego has recently received complaints from residents regarding disturbances in neighborhoods with vacation rentals, specifically in some beach areas. Like mini dorms, some residents feel that these rentals are negatively impacting the quality of their neighborhoods. Councilmember Faulconer has requested public hearings on the matter. SDAR will follow the issue closely as there may be code changes proposed in an effort to limit vacation rentals.

### STATE ISSUES

**AB 980 (Calderon) Disclosure of Private Transfer Taxes:** AB 980 was passed out of the Senate Transportation and Housing Committee on June 26. This bill will require a separate disclosure to home buyers as to whether the home they are considering purchasing requires the payment of a private transfer tax (PTT), the percentage of the home price constituting the PTT, the duration and recipient of the PTT payment, and that it may affect the resale value of the property. The measure will also require the recipient of the PTT funds to record a separate disclosure; if the recipient does not do so, the new home buyer will not have to pay the PTT. Additionally, the bill was recently amended to extend the disclosure requirement to newly imposed PTTs.

**AB 1574 (Houston) Legitimization of Private Transfer Taxes:** The Senate Transportation and Housing Committee also passed AB 1574 which legitimizes private transfer taxes. It will regulate the prospective use of transfer fees recorded against residential property, including requiring that they provide a public benefit and remain in effect no longer than 99 years. The bill also requires disclosure to home buyers existing and prospective transfer fees. AB 1574 will next be considered by the Senate Judiciary committee. REALTORS® will continue to oppose AB 1574 because it allows PTTs without adequate safeguards.

**SB 670 (Correa) Private Transfer Tax Prohibition:** AB 1574 is the builder-sponsored response to SB 670, meant to legitimize the practice of imposing these taxes and keep open the loophole that allow for them indefinitely. While the AB 1574 supporters claim that the bill addresses many problems with these taxes brought to light by the C.A.R. bill, it really does nothing to fix them. AB 1574 has recently been amended to limit the duration of the tax to ninety-nine years. However, REALTORS® feel that a period of ninety-nine years is far too long. SB 670 has stalled in committee but is still being pursued. For more information on these bills and other state legislation, please visit C.A.R.'s [Virtual Advocate](#).

### NATIONAL ISSUES

**H.R. 1427 - Federal Housing Finance Reform Act of 2007:** The National Association of REALTORS® (NAR) strongly supports H.R. 1427. This measure strengthens Congressional oversight of Freddie Mac and Fannie Mae and restructures the conforming loan limits in high cost areas. The bill passed the House of Representatives and awaits action in the Senate Committee on Banking, Housing, and Urban Affairs.

**H.R. 1852 – Expanding American Homeownership Act of 2007:** H.R. 1852, reforms the FHA Program by raising loan limits, extending mortgage terms, and revising down-payment criteria for mortgage insurance; this includes mortgage insurance premiums for zero and lower-down-payment borrowers. This legislation is awaiting floor action in the House of Representatives. To read more about key federal issues or to sign up and make your REALTOR® voice heard, visit the [NAR Action Center](#).

*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](mailto:govaffairs@sdar.com) or 858-715-8026.*