

REGION 6 DIRECTOR REPORTS



CALIFORNIA
ASSOCIATION
OF REALTORS®

2021 VIRTUAL SPRING MEETINGS



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Business Technology Forum

- Technology Roadmaps – A Peak Behind the Curtain of Two Member Benefits (presentations by each vendor) – general overview – not detailed:
 - Glide – discussed the program and introduced the Offer Management and Transaction Timeline/Closing/Broker checklist features.
 - Also discussed was their OCR process which allows for scanning of PDF documents and allows
 - Lone Wolf – discussed the program as it pertains to overall market conditions in an effort to enable a one stop transaction process. Lone Wolf has 30+ transaction related products. Discussed mostly forms and signing solutions.

Both vendors discussed “machine learning” processes that will help agents get the forms filled correctly and even make recommendations for the various fields.

- Introducing a New REALTOR Secure Transaction Partner
 - Jason Christensen, Young Alfred – presentation about digital shopping for home insurance – this product is about helping a homeowner shop for and secure home insurance without picking up the phone.
 - Has integration with 41 insurance companies in 50 states. A homeowner requests a quote and gets multiple vendor responses.
 - This is accessed from CAR’s REALTOR Secure Transaction page.

Presentation of another new product: EntrySentry

Problem: safety issues for buyers and sellers entering homes that are listed for sale.

Solution provided by EntrySentry addresses:

1. Simplify and automate entry compliance and minimize legal exposure
2. Visitor identity verification
3. Security of the property and agents in the property

Hardware and software solution. Tablet computer at the property where entrants (such as PEAD V) sign documents and enter their information while at the property.

Communications Advisory

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Barbara Clemons

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Phone**Committee**

Communications Advisory

Meeting Day/Time

Thurs, April 29th

Action Items

No Action Items

Discussion Items

There have been many ad campaigns launched in the past 4 months. NAR has produced ads on TV, radio, social media and pod casts regarding the That is Who We R . Both CAR and NAR have produced messaging for Fair Housing, Veteran Homeownership and 1031 exchange stories.

The committee is thrilled that the first of 2 Virtual Tech Summits surpassed revenue goals and we achieved 79% of goal with more than 1275 downloads for this summit. Therefore, we anticipate similar success for a Part 2 Tech Summit coming soon. A newsletter was started in March regarding All Thing Prop 19. The following panels will be put together; How Will We Look in the Future and one on Climate Change.

We have an Influencer/Ambassador Initiative that aims at the committee members helping to share and discuss ad materials sent by the Committee, out to our members.

There was a presentation by our Marketing Company Sensis on data gathered to develop and create the ads

A message regarding Branding Yourself and Your Business will be available Aug 25th.

CREPAC Trustees

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Committee

CREPAC

Action Items

NONE

Association

Bay East

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Meeting Day/Time

Wednesday 4/21 1-5pm and Wednesday 4/14 9-5pm

Discussion Items

Closed meeting and confidential however on the meeting on 4/14 CAR Leadership brought in outside teams to help navigate the divisions in our committee and our business and personal life to help members listen and be open to other views enabling a better dialog with other members.

Federal

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Committee

Federal

Meeting Day/Time

4/28/21 3pm

Action Items

Two Action items:

1. That C.A.R., in conjunction with NAR, "OPPOSE" the reporting of negative credit information on credit reports due to financial hardship caused by COVID-19 currently protected by the CARES Act and after the Act is no longer in effect.
2. That C.A.R., in conjunction with NAR, "SUPPORT" the exclusion of any capital gain from the income level to which a tax is applied.

Discussion Items**WILDFIRE INSURANCE WORKING GROUP**

The Wildfire Insurance Working Group was appointed in December 2019 with the following mission statement:

The mission of the Working Group is to evaluate the steps can be taken to address the affordability and availability of home insurance in the Wildland Urban Interface given the increase in losses in these areas, which appear to be ongoing and possibly increasing. This includes taking a look at the insurance market and the Fair plan but also consideration of efforts in other states, like the Wildfire Partners approach in Colorado which may require changes in C.A.R policy. a) AB 642 (Friedman) - Most relevantly, AB 642 increases state fire mapping to include both moderate and high fire severity zones. It also expands building requirements that are now only applicable to very high fire hazard severity zones to high fire severity zones.

Working Group Recommendation: The Working Group has a WATCH recommendation on AB 642. While the Group favors better methods of mapping, there is a legitimate concern in the Group's opinion that the insurers will have yet another excuse to not write in these areas.

b) AB 968 (Frazier) - AB 968 requires the Natural Resources Agency to research and provide a report to the Legislature with recommendations for ways in which a community that undertakes science-supported wildfire resilience actions can be recognized with a peer-reviewed, community level certification in order to acknowledge and motivate wildfire resilience activity.

Working Group Recommendation: Staff engaged in communications with both the Insurance Industry and the Department of Insurance and neither group is enthusiastic about this piece of legislation. The Group also recommends a WATCH position on this bill. This is due to the fact that we have come to the understanding that there exists very little infrastructure (and no appetite for building up any infrastructure) for assessments on verifications and self-verifications for certifications related to insurance have been rife with fraud in other states, (such as with hurricanes in Florida).

c) AB 1439 (Levine) Residential Property Insurance Discounts - AB 1439 requires a residential property insurance policy to include a discount if a local government of the jurisdiction where the insured property is located funds a local wildfire protection or mitigation program.

Working Group Recommendation: That C.A.R. WATCH AB 1439. While certainly not rising to the level of an oppose position, this bill, as written is simply poor policy. Simply because a locality funds a mitigation or protection program does not speak to whether any individual property is mitigated.

d) SB 63 (Stern) Fire Prevention - Similar to AB 642, SB 63, among other provisions, increases fire risk mapping at the state level and would expand certain building provisions to the areas newly designated as "high fire severity zones."

Working Group Recommendation: That C.A.R. WATCH SB 63. Again, the Group continues to have concerns about the reverberating effects of increased mapping leading to increased insurance costs, decreased insurance availability and increased housing costs due to the increased building standards. The Group also tended to feel that mapping is better left to localities with local knowledge of what has burned more recently.

b)

insurance affordability and availability crisis by shifting funds from the AB 1054 Wildfire Fund that is funded by electrical corporations (such as PG & E) and a surcharge on rate payers to pay for mitigation activities. That fund allows insurers to seek recoveries from utility companies when they are at fault for fires and reducing funds from that source could jeopardize the actuarial soundness of rates.

Working Group Recommendation: That C.A.R. oppose SB 440 due to the negative effects it will have on the marketplace. The group understands, through staff, that this bill has now been made into a "two year bill", meaning it will no longer be moving forward this year.

ISSUE BRIEFING PAPER



Spring, 2021

Lead Committee: Transaction and Regulatory

Level of Government Committee: Federal

CREDIT TREATMENT OF COVID RELATED DELINQUENCIES

THE QUESTION:

Should consumers be exempt from the reporting of negative credit information on their credit report if due to Covid-19 related financial hardship?

ACTION REQUIRED?

Staff is seeking policy at this time as policy makers begin debating how to address persons affected by the COVID crisis as the country exits the COVID-19 crisis.

OPTIONS:

1. That C.A.R., in conjunction with NAR, "OPPOSE" the reporting of negative credit information on consumers' credit reports due to financial hardship caused by COVID-19.
2. No Change in Existing Policy. (This would allow for the reporting of negative credit information on consumer unless otherwise covered by the existing CARES act)
3. Other

DISCUSSION

Millions of homeowners have been forced to use mortgage forbearance as a means to avoid foreclosure during the COVID-19 crisis. While many are expected to get loan modifications and keep their homes, there may be a large portion of homeowners who will ultimately not be able to afford to stay in their homes. This could lead to foreclosures, short sales, deed-in-lieu, or even regular sales after months of missed mortgage payments. The negative impact on their credit reports could keep them out of the housing market for years.

The Coronavirus Aid, Relief and Economic Security (CARES) Act provides credit protections for borrowers impacted by COVID and who enter into an agreement with their creditor. Under the CARES Act, when a creditor enters into an agreement with the borrower, they must show that borrower as current on their payments if they were current at the time of the agreement. An agreement may be a loan deferral, partial payment, loan modification, forbearance or any relief by the creditor. When the borrower exits the agreement period and has met their requirements, the lender will continue to show the borrower as current on the loan.

However, there is the likelihood many borrowers may not be able to meet their loan obligations, even at a lower payment amount. This is because not all areas of the economy have recovered. On January 12, 2021, the Congressional Budget Office issued the report, *Unemployment Rates During the COVID-19 Pandemic: In Brief*. The report found:

- The unemployment rate peaked at an unprecedented level, not seen since data collection started in 1948, in April 2020 (14.8%) before declining to a still elevated level in December (6.7%).
- In April, every state and the District of Columbia reached unemployment rates greater than their highest unemployment rates during the Great Recession.

- The leisure and hospitality industry experienced an unemployment rate of 39.3% in April, before declining to 16.7% in December. While rates for service industries remain elevated, other industries with loose attachment to in person services are now experiencing high rates. For example, the mining industry exhibited an unemployment rate of 13.1% in December, the second highest observed among all industries.
- Workers without a college degree experienced worse unemployment rates in April (e.g., 21.2% for workers with no high school degree) than workers with a Bachelor's degree or higher (8.4%). The gap between educated and less-educated workers remained in December.
- Racial and ethnic minorities had relatively high unemployment rates in April (16.7% for Black workers compared to 14.2% for White workers, and 18.9% for Hispanic workers compared to 13.6% for non-Hispanic workers), and these gaps persisted in December.

The question before the committee is, should borrowers be exempt from negative credit information on their credit history if due to Covid-19 hardship.?

C.A.R. POLICY

C.A.R. does not have policy specific to the reporting of negative credit information on consumers' credit reports due to financial hardship caused by COVID-19. C.A.R. supported the CARES act which included credit information protections but that was limited in scope and part of a larger set of issues in that bill.

In 2018 C.A.R. did take the following policy: That C.A.R., in conjunction with NAR, "SUPPORT" the expedited removal of medical debt collection information from a credit report once the debt has been paid or settled; and require 180 days from receipt of notice of collection before the negative item can be reported.

Should consumers be exempt from the reporting of negative credit information on their credit report if due to Covid-19 related financial hardship?

Forum on Forms

Standard Forms Advisory Committee – Forum on Forms

NOTE: The 2021 RPA & all new, revised, and conditional forms can be found at:

<https://www.car.org/meetings/carmetings/current/Standard-Forms-Advisory-committee/Forum-on-Forms-2021>

The link for the recorded RPA 2021 Preview and Comment Forum can be found at:

https://carorg.zoom.us/rec/share/il590JcViAWWxm71jPbETmmEZ_F2o9zaVU1rKnnlVesmXoz6M1gfyt1MPV8LV1w.ddlwCFESaFxaGAU

The number of forms presented and discussed in this meeting's forum was somewhat limited given the SFAC and RPA study group's focus on the new RPA scheduled to be released 12/21. Given this, there were very few questions/comments during the open forum section of the meeting.

The following forms were presented:

Conditional June 2021 Forms (NOTE – these forms are provisional at this point, pending the NAR/DOJ settlement regarding the buyer broker commission disclosure and non MLS member lockbox access

BRE – Buyer Representation Agreement Exclusive

Move agency paragraph down from 2 to 3. And move compensation paragraph from 3 to 2 so it almost all appears on page 1.

Add paragraph 2C anticipating the results of Dept. of Justice (DOJ) and NAR settlement terms that will require some kind of disclosure of buyer's broker compensation. Two probably options. Disclosure made at time properties are shown. In which case new form ABCD will be used. Other option is disclosure at time of presentation of offer. In which case form BBCD will be used. Possible requirement to disclose final compensation received as this may be a logical implication of 2B so buyer knows what credit against buyer obligation to pay.

Paragraph 8 for Internet Advertising, Internet Bogs and Social Media moved down from current paragraph 4.

BRNE – Buyer Representation Agreement Non-Exclusive

Same changes as above.

BRNN – Buyer Representation Agreement (Non-Exclusive/Not for Compensation)

Same changes as above.

(new) ABCD – Anticipated Broker Compensation Disclosure

To be introduced if settlement agreement requires disclosure at time of showing property. Would apply whether a buyer representation agreement has been signed or not. Discloses how much buyer side broker expects to be paid for identified properties and what the source is for the payment. Payment could come from another broker or a seller. Preprinted options include Multiple Listing Service, Cooperating Broker Compensation Agreement, Commission Agreement or Single Party Compensation Agreement. If buyer side broker has documented that buyer already informed of compensation offer through MLS public remarks then not required to include those properties on the form.

(new) BBCD – Buyer’s Broker Compensation Disclosure

To be introduced if settlement agreement requires disclosure at time of presenting an offer on a property. If so, would likely include a reference in the new RPA. Would apply whether a buyer representation agreement has been signed or not. Discloses how much buyer side broker expects to be paid buyer enters into contract for the property and what the source is for the payment. Payment could come from another broker or a seller. Preprinted options include Multiple Listing Service, Cooperating Broker Compensation Agreement, Commission Agreement or Single Party Compensation Agreement.

June 2021 New Forms –

FHDS – Fire Hardening and Defensible Space Advisory and Disclosure

Modifies existing Home fire hardening form to also address defensible space compliance requirements.

Paragraph 1A identifies the three types of disclosures addressed in the form. Paragraph 1B instructs the seller to review a NHD report to determine if property is in a high or very high fire zone. Paragraph 1C says the form can be used as a voluntary disclosure. Paragraph 2A defaults to property being in a high or very high zone because it is better to disclose when not required than to not disclose when required.

Paragraph 3A is the mandatory disclosure about the importance of home hardening. 3B lists hardening vulnerabilities that the seller only has to disclose if the seller has actual knowledge of the weaknesses.

Paragraph 4 is new. Defensible space laws require brush to be removed, trees to be trimmed and other actions taken in a 30-foot and 100-foot radius around a property to minimize the risk

of a home catching fire. Either buyer or seller will have to provide documentation of compliance. 4 choice exist depending on whether there is a local ordinance or not and whether a buyer is permitted to prove compliance, or the seller must do so.

Paragraph 5 is from the existing form and requires disclosure if reports were already obtained by the seller.

TOL – Transfer of Listing

This new form is created to help brokers in the situation where an agent leaves one brokerage company for another and continues to work on a listing or escrow. Failure to document the transfer to the new broker can be a DRE violation and presents problems for E&O coverage.

Paragraph 1 acknowledges the transfer from original broker to a new broker and termination of the agency relationship with the original broker. Paragraph 2 addresses whether the original broker will be paid for allowing the transfer of the listing. Payment can come from the seller or new broker. Paragraph 5 directs the parties to comply with MLS requirements. Paragraph 7 defaults to the situation where the agent leaves the original broker for the new broker, but other less common situations are possible. The agent is not a party to the agreement, as listing belongs to a broker and not the agent, but the agent acknowledges the agent's responsibility for files.

The three necessary signatures are for the principal, usually seller, and the original and new broker. Agent can sign but the agreement is valid without the agent's signature.

June 2021 Revised Forms –

AGAD – Agricultural Addendum

This form is used when improved property is located on agricultural land, like a ranch or farm. Paragraph 1B was added to address hemp and cannabis cultivation.

CBC – Cooperating Broker Compensation Agreement and Escrow Instruction

Paragraphs 4 and 5 were moved out of paragraph 3 so they are more easily noticeable. The form already required a broker or office manager signature from the seller's die broker if compensation in 3B was increased beyond that promised in the MLS. New language was added to paragraph 8 to require management approval from the buyer's side broker if the offered compensation is being reduced. If so, the added box at the bottom of page 2 needs to be signed.

ESD – Exempt Seller Disclosure

The reference to the form being used, and disclosures being made, by a landlord and not just a seller have been removed. Paragraph 2B was modified to reflect that the changing of non-compliant plumbing fixtures applies to multi-family as well as single family properties.

LL – Lease Listing Agreement

Paragraph 3F is more explicit that cooperating compensation is based upon the entire commission amount rather than as a percentage of the lease listing broker's compensation. For example, 2.5% of the total compensation rather than 1/2 of the listing leasing broker's compensation.

Paragraphs 10M and N were added since the ESD will not be used anymore.

Paragraph 14F is added to limit the broker's duties once the purpose of the lease listing is satisfied and a lease is entered into between landlord and tenant. Other options are present for those agents who perform limited services after the signing of the contract. Most importantly, the lease listing client is informed that the broker is not being hired to perform property management services.

PIA – Property Images Agreement

Paragraph 7 was added to address the increasingly more common situation where drones and ariel photography are used not just static ground-level photos or videos.

RFA – Referral Fee Agreement

The trigger for a referring broker to earn a right to a commission is specified come into effect upon the entering into a contract, not the close of escrow.

RLA – Residential Listing Agreement Exclusive

Paragraph 7C added language which recognizes that there is no statewide policy on how to handle Days on Market, so the best approach is to have a discussion between broker and seller.

Paragraph 10C was added to contractually address buyer letters. C1 discloses the FHDA form as a resource and the purpose of a buyer letter. C1 also mentions the potential for a buyer letter to be used in the wrong way, intentionally or not. Seller is advised that broker will not review the letter so the broker does not have to make the legal judgment of whether the letter contains information that might violate fair housing laws.

C2 is an instruction by the seller not to present buyer letters and to add such an instruction into the MLS. C2B allows a seller to accept such letters. Note that it is possible, difficult but still possible, to have a letter that does not violate fair housing laws or for a seller to use such a

letter for proper purposes. However, because of the difficulty, if the seller chooses to accept such letters, seller is advised to seek legal counsel. As stated in C1, broker will not read the letter or evaluate their contents.

Language is added to 10E to identify additional reports that a seller might want to order at time of listing. One of those is the NHD report. Previously, such reports were only provided to buyers but sellers may need to review those reports so the seller can determine if a disclosure is required for fire hardening or defensible space.

Paragraph 15 will only be added in the DOJ and NAR reveal the terms of the settlement agreement in time for the forms release. Previous discussion focused on disclosure of buyer side broker commission. This paragraph addresses another issue expected in the settlement and that is access to the property by non-MLS members via a lockbox/keysafe.

RLAN – Residential Listing Agreement Open

Same as for RLA.

RLASR – Residential Listing Agreement Seller Reserved

Same as for RLA.

SBSA – Statewide Buyer and Seller Advisory

Format change includes a listing of the 7 broad categories in which all of the many paragraphs belong. Added is an alphabetical index of each and every paragraph and the page where the paragraph will be found.

Paragraph A14 on page 5 is added to provide explanation and resources for disclosures in the revised form Fire Hardening and Defensible Space Advisory and Disclosure. Paragraph C6 on page 9 is added to address wildlife. Paragraph C7 is added to address concerns over sea level rise and issues concerning coastal property.

SPRP – Seller's Purchase of Replacement Property

The change to this form recognizes that a seller may satisfy the condition of the replacement property contingency if the seller identifies a new place to move to which can be a new purchase or a rental or something else, like moving in with a parent or child.

Global Real Estate Forum

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Committee

Global

Meeting Day/Time

4/29 10:00 AM- 12:00 PM

Action Items

We are a Forum and have no Action Items. We have a variety of speakers that give current market updates.

Discussion Items

1. C.A.R. Deputy Chief Economist Oscar Wei gave a presentation of the Global Economic Forecast.
2. Daniel Dagers gave an update on the European Real Estate Market. The Market is very attractive because of the tax friendly environment in European Counties. His advice was to build relationships with him or other Realtors in those countries and create a referral base. He also encouraged us to build our brand on Social Media. He confessed that most of his clients find him on Social media.
3. Alexis Silva Brisset was also a guest and talked about the advantages of doing business in Mexico. Puerto Vallarta is a haven for American investors. he can be reached at www.sbrealtors.mx for more information.

Home Ownership Housing

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Committee

Homeownership Housing

Meeting Day/Time

4/26, 9am

Action Items

None

Discussion Items

CAR sponsored legislation for 2021: AB 119 (Salas)-Special Districts, Fee transparency in the Assembly Local Gov't Committee; AB 244 (Rubio) Updating Affordable Housing cost Study in the Assembly Housing and Community Development Comm. SB 392 (Archuleta) Mandating HOA's Maintain websites & Email Communications amended for privacy/not a requirement in the Senate Housing Comm CAR sponsored Legislation for 2022: Prohibition of GSE Bulk Sales.

We reviewed a Housing Supply Update including 43% of Californians interviewed are considering leaving California, 90% agree there is a housing crisis, and states that California ranks 49th State in the country in housing availability 3-4 million units below what is needed.

There is a new HUD Secretary, Marcia Fudge. We discussed the status of other legislation SB 10 (Wiener) CAR supported last year (SB 902) now opposes because it is confusing in its restrictions of streamlined approvals. We discussed 16 other bills and will report any changes in status in October.

Housing Affordability Fund

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Committee

HAF

Action Items

No Action Items

Discussion Items

Thank You ALL Region 6 is 100% of Directors at \$25 or more in donations. "I am sure Otto and Jennifer appreciate the support from our Region and Associations"

Grant Request and Presentation (\$50,000) Approved

Financial Update by CAR Staff (We can allocate up to \$750,000 based on our balances and formula)

Fundraising still a major concern and working groups have been formed to look for new ways to raise funds for HAF. The current idea going through CAR Staff and Legal is a Virtual Casino Night (outside vendor)

We had a very in depth presentation by a panel as described here: Home Buyers Assistance Programs Explained:

Panelist:

Paxcelli Flores - Hello Housing, Program Associate

Jesse Ibarra - Neighborhood Housing Services, AVP Business Development

Nick Solis – Berkshire Hathaway, Managing Broker C.A.R. Board member

Stephanie Christmas, Realtor with Keller Williams (former Housing Authority of Alameda County employee)



CALIFORNIA
ASSOCIATION
OF REALTORS®



2021

Region Contest



Get 100% of Directors in your Region to donate to HAF by April 16th, and **your Region could win BIG!**

100% C.A.R. Directors donating to HAF at the Bronze Pin level or higher, your region receives a recognition at the April Board of Directors Meeting and 4 tickets to a 2021 virtual event of your choice

100% of C.A.R. Directors at any pin level, your region wins a recognition at the April Board of Directors Meeting

Is this your region's lucky year?

Win region recognition and virtual passes!

HAF Donor Levels

Founders \$1500 (\$500 Renewal)
Gold \$1000 (\$350 Renewal)
Silver \$500 (\$250 Renewal)
Bronze \$100
Ambassador \$25



To pay online, visit:

www.carhaf.org

or scan the QR code with your phone

Questions?

Alma Menchaca

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This solicitation is intended to target California residents only. It is not intended to solicit donations outside of California.

MINUTES



HAF Committee Meeting Minutes – Winter 2021

8:30 a.m. – 12:00 p.m.

Virtual Zoom Meeting

8:30 am Chuck Linn called the meeting to order – Introductions and welcome remarks were made to the new 2021 HAF Committee.

HAF Mission Statement and Conflict of Interest were introduced to committee.

Fall Minutes approved, motioned by Michael DeLeon and Carol Luckenbach!

Passing of prominent HAF members – Moment of silence

Farrah Wilder, C.A.R.'s Chief Diversity, Equity and Inclusion Officer Farrah Wilder to talk about some shifts we would like to make as an organization.

Rizwan provided a financial report on HAF's current finances.

Discussed committee objectives and responsibilities.

Committee Liaison Eugene Pak reported - Pathway to homeownership and SPF tie ins.

FUNDING REQUESTS:

1. APPROVED: HAF approved \$50,000 for California Desert Association of REALTORS® to offer \$2000 grant per applicant to help with closing cost or down payment (Motion to Amend the request to include First Time Homebuyer or a buyer who has not owned a home in the last 3 years and that is with the assistance of their REALTOR). Motion as amended passed. Unanimously approved with 15 yes votes. Member for CA Desert AOR obtained in the waiting room.
2. APPROVED: HAF approved \$25,000 for The Inland Gateway Association of REALTORS® to offer in increments of up to \$400 (or actual cost per the Paid Receipt) per closed purchase by a first-time homebuyer who paid for a Professional Home Inspection of the Subject Property during their escrow. Unanimously approved with 14 yes votes.
3. APPROVED: HAF approved \$50,000 for Tuolumne County Association of REALTORS® to provide up to 120 Homeowners a grant to help cover the Insurance Premium for their new, primary residence in Tuolumne County. Unanimously approved with 15 yes votes.

SPECIAL REPORTS:

- A. Snapshot of our Progress
- B. Region Contest – Ends April 16th
- C. Working group for virtual events to raise funds. (9 committee members signed up)
- D. Renewal Letters went out Friday
- E. HAF Virtual Booth

NEW BUSINESS:

- A. New HAF Statewide Program – 60 applications processed and 20 approved.
- B. We need to focus on programs that will create homeownership opportunities in the Diversity Equity and Inclusion (tied back to Farrah's conversation)
- C. Each HAF member will be assigned a group and questions to think about. Assignment – get together with your group to brainstorm new statewide grant programs.

Meeting adjourned at 11:30 a.m.

AGENDA



Housing Affordability Fund Committee Spring Meetings
Monday, April 26, 2021 – 8:30 a.m. – 12:00 p.m.
Virtual Conference

Mission Statement: The CALIFORNIA ASSOCIATION OF REALTORS® Housing Affordability Fund plays an active role in addressing the ongoing housing affordability crisis facing our state. HAF will raise and distribute funds in partnership with local associations and other groups to promote housing and homeownership.

Presiding: Chuck Linn, Chair
Carol Luckenbach, Vice Chair
Greg Carlsted, Vice Chair
Sara Sutachan – Staff
Alma Menchaca, Staff

I. Welcome & Introductions.

II. Minutes

III. Grants Update

A. Santa Clara County AOR

IV. Financials – Rizwan Uraizee

V. Fundraising Update

A. Region Contest Winners
B. Virtual Casino Night

VI. Home Buyers Assistance Programs Explained:

Panelist:

- **Paxcelli Flores** - Hello Housing, Program Associate
- **Jesse Ibarra** - Neighborhood Housing Services, AVP Business Development
- **Nick Solis** – Berkshire Hathaway, Managing Broker C.A.R. Board member
- **Stephanie Christmas**, Realtor with Keller Williams (former Housing Authority of Alameda County employee)

VI. Adjourn

IMPAC Trustees

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Committee

IMPAC Trustees

Meeting Day/Time

4/26/21 / 8:30

Action Items

IMPAC Trustees

1. It was reported for information only that the following slate is duly noticed for approval at the Fall 2021 Business Meetings. New Trustees serve for a two-year term. Non-voting Alternate Trustees may be selected to fill the remainder of a vacant term during the year.

NOMINEES FOR IMPAC TRUSTEE

(November 2021 – November 2023)

Doug Covill, Region 3

Jeannie Anderson, Region 8

Rose Marie McNair, Region 10

Ruth McNevin, Region 13

Linda Clinton, Region 16

Alisa Cunningham, Region 18

Jolaine Merrill, Region 21

Norma Scantlin, Region 30

NOMINEES FOR IMPAC NON-VOTING ALTERNATE TRUSTEE

(November 2021 – November 2022)

Ryan Ole Hass, Region 17

Alice McCain, Region 18

2. It was reported for information only that the following IMPAC requests were approved:

--\$75,000 to Real Strategies to pay for a pilot program to increase funding to State IMPAC by targeting non- REALTOR® members of the public.

--\$125,000 to the Pacific Legal Foundation for the advancement of Pacific Legal Foundation's expanding public interest litigation in defense of property rights.

--\$25,000 to the California for Balanced Energy Solutions to advocate for policies that protect the use of natural gas in homes and a balanced approach to energy policies in California.

--\$60,000 to the Civil Justice Association of California for C.A.R. annual membership support and to sponsor various positions within CJAC.

--\$6,500 to the California Taxpayers Association to pay for C.A.R. annual membership fee.

Investment Housing

Name

Tim Ambrose

NRDS #

206521157

Association

Bay East

Email

timambroserealtor@timambrose.com

Phone**Committee**

Investment Housing

Meeting Day/Time

4/23 8:00 AM-9:15 PM

Action Items

The committee had 18 Bills on the agenda for our meeting.

Discussion Items

Of the 18 items the committee took the following positions. 9 to oppose, 2 to support, 1 to sponsor, 1 not rated, 1 to monitor, and 4 to oppose unless amended. See the attachment for all the details.

Oscar Wei presented an overview of "The Market Impact of Foreclosure and Eviction Moratoriums.

Upload Attachments

AGENDA



Spring 2021

INVESTMENT HOUSING COMMITTEE

Friday, April 23

8:00 a.m. – 9:15 a.m.

YM
Ambrose Tim

MISSION STATEMENT

The Investment Housing Committee is a Policy Committee. Its mission is to develop C.A.R.'s housing policy in the rental segment of California's housing opportunities. It has original jurisdiction to evaluate housing legislation and regulation in the following issue areas: Fair Housing/Equal Opportunity, Multifamily, and Property Management.

PRESIDING

Karen Trolan, Chair

Kathryn Burdett, Vice Chair

ISSUE CHAIRS

Crystal West, Fair Housing/Equal Opportunity

Malcolm Bennett, Multifamily Housing

Kathy Oliver, Property Management

LIAISONS

Melanie Barker, C.A.R. Executive Committee

John Wong, NAR Representative

Wayne Woodyard, NAR Representative

STAFF

Karim Drissi, Legislative Advocate

I. OPENING REMARKS - Karen Trolan, Chair

A. "Your success in life isn't based on your ability to simply change. It is based on your ability to change faster than your competition, customers, and business." – Mark Sanborn

II. PRESENTATION: "THE MARKET IMPACT OF FORECLOSURE AND EVICTION MORATORIUMS" - Oscar Wei

III. UPDATES AND REPORTS

A. FAIR HOUSING AND EQUAL OPPORTUNITY - Crystal West, Issue Chair

1. AB 491 (Gonzalez) Eliminates Discrimination in Mixed-Income Multifamily Housing -

Current law allows for the construction of a mixed-income multifamily residential structure in which the occupants of the affordable units do not have the same access to the common entrances, common areas, and common amenities of that structure as the occupants of the market-rate units. C.A.R. is sponsoring AB 491 to prohibit this discriminatory housing practice.

Position: Sponsor

Status: Assembly Housing and Community Development Committee

2. H.R. 5 (Cicilline) Equality Act - This federal bill ensures sexual orientation and gender identity are included as prohibited bases for discrimination under the federal Fair Housing Act. Such prohibited bases for discrimination are already included in California state law. C.A.R. is working with NAR to support the passage of this federal measure.

Position: Support

Status: Pending in the U.S. Senate

B. PROPERTY MANAGEMENT - Kathy Oliver, Issue Chair

1. AB 15 (Chiu) COVID-19: Eviction Moratorium - C.A.R. opposes AB 15 (Chiu), which seeks to extend the statewide eviction moratorium law until December 31, 2021 and does not provide any rent relief dollars. As currently drafted, AB 15 is not expected to advance due to the passage of SB 91 (Committee on Budget and Fiscal Review, Statutes of 2021).

Position: Oppose

Status: Assembly Housing and Community Development Committee

2. AB 255 (Muratsuchi) Commercial Eviction Moratorium - This bill prohibits a commercial property owner from evicting or terminating the lease of a COVID-19 affected tenant who has paid at least 25% of their rent between March 1, 2020 and August 1, 2021. Specifically, a commercial property owner would be prohibited from pursuing an unlawful detainer action or terminating a lease until August 1, 2022.

Position: Oppose

Status: Assembly Judiciary Committee

3. AB 838 (Friedman) Tenants: Unit Repairs - This bill, among other things, requires local governments to respond to tenant complaints about lead hazards or substandard building violations. However, as currently drafted, AB 838 does not address who will pay for costs associated with any inspections, inspection reports, or citations. C.A.R. will oppose AB 838 until it is amended to ensure that property owners are not billed by local governments for inspections, inspection reports, or citations that do not reveal any substantial or material violations.

Position: Oppose Unless Amended

Status: Assembly Housing and Community Development Committee

4. AB 861 (Bennett) Restrictions on Mobilehome Park Owners - This bill expands restrictions on mobilehome park owners and managers by requiring that any rule established by the owner of a mobilehome park regarding subleasing or renting a space or unit applies to both owners/managers and park residents.

Position: Oppose

Status: Assembly Housing and Community Development Committee

5. AB 1487 (Gabriel) Eviction: Education, Outreach, and Legal Services - This bill establishes the Homelessness Prevention Fund to provide education and outreach services, as well as legal services, to prevent the eviction of tenants whose income level is at or below 80% of area median income. Existing legal aid programs established by the Sargent Shriver Civil Counsel Act have been found to be rife with abuse. C.A.R. will oppose AB 1487 until it is amended to ensure such abuses will not occur under the bill.

Position: Oppose Unless Amended
Status: Assembly Floor

6. SB 3 (Caballero and Bradford) COVID-19: Eviction Moratorium - This bill seeks to extend the statewide eviction moratorium law until March 31, 2021 and does not provide any rent relief dollars. Since March 31, 2021 has now passed, it is unclear if SB 3 will be amended and used for another purpose. C.A.R. will consider adopting a position on this bill if it is amended.

Position: Not Rated
Status: Senate Judiciary Committee

7. SB 64 (Leyva) Mobilehomes: COVID-19: Eviction Moratorium - This bill prohibits the management of a mobilehome park from attempting to terminate the tenancy of a resident who is impacted by the COVID-19 crisis until 120 days after the state of emergency is terminated. SB 64 is a reintroduction of SB 915 (Leyva), which died on the Senate Floor on concurrence last year.

Position: Oppose
Status: Senate Appropriations Committee

8. COVID-19: Temporary Nationwide Eviction Moratorium - On September 1, 2020, the Centers for Disease Control and Prevention and the Department of Health and Human Services issued an order temporarily halting residential evictions to prevent the further spread of COVID-19. This order was scheduled to expire on March 31, 2021 but has now been extended through June 30, 2021.

Position: Monitor
Status: Adopted

C. MULTIFAMILY - Malcolm Bennett, Issue Chair

1. AB 16 (Chiu) COVID-19: Small Landlord/Tenant Relief Program - This bill creates the COVID-19 Tenant, Small Landlord, and Affordable Housing Provider Stabilization Program (Program). The Program will be administered by the Department of Housing and Community Development (Department), and funding for the Program will be subject to appropriation by the Legislature. However, the bill exempts the Department from the Administrative Procedures Act (APA), thereby allowing it to promulgate regulations related to the Program behind closed doors and without any input from the public. C.A.R. will oppose AB 16 until the APA exemption is removed and more details regarding the Program are provided.

Position: Oppose Unless Amended
Status: Assembly Housing and Community Development Committee

2. AB 854 (Lee) Ellis Act - Enacted by the Legislature in 1985 and sponsored by C.A.R., the Ellis Act prohibits local government agencies from forcing property owners to continue operating their private properties as rental businesses. AB 854 weakens the Ellis Act by, among other things, forcing property owners to stay in the rental business for at least 5 years before seeking to use the Ellis Act to go out of business.

Position: Oppose
Status: Assembly Housing and Community Development Committee

3. AB 964 (Boerner Horvath) Coastal Zone: Short-Term Rentals - This bill undermines the Coastal Act by allowing cities and counties to ban short-term rentals in the coastal zone with no input from the California Coastal Commission.

Position: Oppose

Status: Assembly Natural Resources Committee

4. AB 978 (Quirk-Silva and Chiu) Rent Control on Mobilehomes - This bill expands AB 1482 (Chiu et al., Statutes of 2019), which created a statewide rent cap and just cause eviction standard for specified rental housing, to include mobilehomes. AB 978 is a reintroduction of AB 2895 (Quirk-Silva and Chiu), which died in the Senate Judiciary Committee last year.

Position: Oppose

Status: Assembly Housing and Community Development Committee

5. AB 1087 (Chiu) Environmental Justice Community Resilience Hubs Program - This bill establishes the Environmental Justice Community Resilience Hubs Program which, among other things, will allow the Department of Housing and Community Development to impose rent and eviction restrictions on housing if the property owner accepts grant funding for climate resilience improvements. C.A.R. will oppose AB 1087 until these onerous restrictions are removed.

Position: Oppose Unless Amended

Status: Assembly Natural Resources Committee

6. AB 1188 (Wicks and Kalra) Mandatory Local Rental Registries - This bill requires local governments to create and administer rental registries and, in turn, requires rental housing providers who own or operate 5 or more dwelling units to submit specified information about their rental properties to these registries. Housing providers who fail to comply are prohibited from issuing rent increase and eviction notices.

Position: Oppose

Status: Assembly Housing and Community Development Committee

7. AB 1199 (Gipson) Tax on Rental Housing Providers - AB 1199 imposes, among other things, an annual excise tax upon rental housing providers who: 1) own 10 or more properties that are single-family dwellings; or 2) own 25 or more properties that are either single-family or multifamily dwellings. The tax rate would be 25% of the gross receipts of the housing provider that are derived from rental income. C.A.R. opposes AB 1199: it effectively diminishes the state's already constricted housing stock, thereby exacerbating the housing crisis even further.

Position: Oppose

Status: Assembly Revenue and Taxation Committee

8. COVID-19 Federal Rental Assistance - In December 2020, Congress passed a stimulus package that included \$25 billion for rental assistance. In March 2021, Congress approved another \$21.5 billion for rental assistance, bolstering the total amount to \$46.5 billion. Language in the federal stimulus law states that assistance payments shall be made to the housing provider unless the housing provider does not agree to accept such payments.

Position: Support

Status: Signed into Law

IV. OTHER BUSINESS

Land Use and Environmental

Name

Lisa Dukellis

NRDS #

161504001

Association

Bridge

Email

Lisa@Dukellis.com

Phone

(925) 775-8060

Committee

Land Use & Environmental

Meeting Day/Time

Friday, 4-23-21 10:00am

Action Items

That C.A.R. adopt an "OPPOSE" position along with a coalition on the electrification mandate for new construction based on pending regulations from the California Energy Commission

Discussion Items

Update on bills - most two year now, or waiting in committee see attached for specifics
IBP on electrification

ISSUE BRIEFING PAPER



Spring 2021

Lead Committee: Land Use & Environmental Committee

Information Committee: Homeownership Housing Committee, Investment Housing Committee

Level of Government Committee: Legislative Committee

ALL-ELECTRIC NEW HOMES

THE QUESTION: What position, if any, should C.A.R. adopt on pending regulations from the California Energy Commission that would discourage natural gas water heaters in favor of electric water heaters in new construction?

ACTION REQUIRED?

Optional.

OPTIONS:

1. That C.A.R. adopt an OPPOSE position that would discourage natural gas water heaters in favor of electrical water heaters?
2. That C.A.R. adopt a NOT FAVOR position that would discourage natural gas water heaters in favor of electrical water heaters?
3. No Change in Existing Policy to WATCH such proposals?
4. Other.

DISCUSSION

Since 2006 California has adopted aggressive greenhouse gas (GHG) emission reduction targets, including returning to 1990 levels by 2020, 40% below 1990 levels by 2030, and 80% below 1990 levels by 2050. While California met its 2020 target early, the state legislature and agencies are still seeking new ways to address how the state will reach the upcoming goals. Over the past few years, a new approach has been introduced that would mandate the “decarbonization” of all buildings. Essentially, “decarbonization” of buildings is the electrification of buildings through increasing energy efficiency, replacing gas appliances with electric ones, and retrofitting homes and buildings that are already connected to gas to run only on electricity. The goal is to have all buildings upgraded and converted by 2045.

In Winter 2019, C.A.R. adopted an OPPOSE position on the decarbonization/electrification of existing homes. No position was adopted at that time regarding mandating all-electric new construction.

Climate activists have been pushing the Building Standards Commission to ban natural gas hookups in new residential construction starting in 2023. Instead, the commission appears to prefer a phased approach, requiring that builders first begin to incorporate electric water heaters or home heating systems. The commission is expected to vote on the phased approach building standard this summer, leaving the potential for a fully electric new construction standard to be adopted as soon as the 2026 Building Code adoption cycle.

Currently, 42 cities and counties throughout the state have adopted zero-emissions new building standards that severely reduce or eliminate natural gas connections. These local governments have decided to accelerate all-electric new construction in advance of state building codes.

The California Energy Commission has proposed regulation that would discourage gas water heaters in new homes in favor of electric heat pump water heaters. These proposed regulations are seen by many as a “baby step” towards a regulatory regimen which would move California’s new homes toward an all-electric future, by disincentivizing gas energy sources by making it more expensive to build homes with natural gas appliances as part of the home. C.A.R. has traditionally not involved itself in the nuances of new home construction, but many C.A.R. members have expressed concerns about state mandates that could lead to homes which are electric only.

Concerns: Despite claims that all-electric homes are cheaper to build, the California Building Industry has released findings stating that all-electric homes will cost an up to \$1,500 more compared to a mixed fuel home in terms of required energy efficiency features, appliance cost differences, and other behind-the-meter costs.

In terms of operating costs, the consulting firm ConSol conducted a thorough annual operating cost-analysis comparing new, minimally compliant all-electric and mixed-fuel homes. Using current utility rates, this analysis has found that all-electric homes are more expensive to operate in almost all cases. In the Central Valley, from Sacramento to Bakersfield, new home buyers should expect to pay \$250 more per year to operate an all-electric home. This estimate is based only on current electric rates. With California utilities (e.g.: SCE, PG&E and LADWP) poised to raise rates 30% or more in the coming years, the cost of operating an all-electric home will disproportionately rise compared to a mixed-fuel home.

Furthermore, concerns about California’s electrical power grid lead to concerns that mandates which do not take into account the ability of that grid to handle the inevitable increase in demand from all energy coming from electricity leads many to fear situations which could lead to growing “brownouts.”

Fair Housing Impact Statement: Although electrification policies that may present a small increase in the cost of homes or monthly energy bills that would apply equally to California residents of all backgrounds, communities and individuals with less access to generational wealth may experience greater impact from these policies. This is particularly the case in the California housing market where the aggregate of fees, costs and taxes can result in a significant barrier to individuals with less access to generational wealth. To avoid unintended disparate impact, policymakers may wish to evaluate the potential ramifications of proposed policies and craft policies in with a goal of minimal impact to these potentially more vulnerable populations.

What position, if any, should C.A.R. adopt on pending regulations from the California Energy Commission that would discourage natural gas water heaters in favor of electric water heaters in new construction?

AGENDA



Spring 2021

LAND USE & ENVIRONMENTAL COMMITTEE

Friday April 23, 2021

10:00 a.m. - 12:00 p.m.

MISSION STATEMENT

The Committee is a Policy committee. Its mission is to develop C.A.R.'s land use and environmental policy agenda. It has original jurisdiction to evaluate legislation and regulation in the following issue areas as they relate to real estate: Environmental, Land Use and Zoning, Property Rights, Resources, Subdivision and Development.

PRESIDING

Jeremy Stanfield, Chair

Teresa Dietrich, Vice Chair

ISSUE CHAIRS

Steven Huang, Environmental Issue Area

Reyne Stapelmann, Land Use & Zoning Issue Area

Linda Carroll, Property Rights Issue Area

David Kerr, Resources Issue Area

Steven Small, Subdivision Development Issue Area

LIAISONS

Jill Furtado, C.A.R. Executive Committee

Richard Snyder, NAR Liaison

STAFF

Jeli Gavric, Legislative Advocate

I. OPENING REMARKS – Jeremy Stanfield, Chair

II. ACTION REQUIRED

1. ALL ELECTRIC NEW HOMES*: David Kerr, Resources Issue Area

In Winter 2019, C.A.R. adopted an OPPOSE position on proposals that would require retrofitting existing homes to be all-electric. No position was adopted at that time regarding mandating all-electric new construction.

The Building Standards Commission has yet to ban natural gas hookups in new residential construction but the potential for the Commission to adopt an all-electric new construction standard could happen as soon as the 2026 Building Code adoption cycle.

In the meantime, the California Energy Commission is edging new construction closer to an all-electric mandate by currently proposing regulations that would discourage natural gas water heaters and favor electric water heaters.

THE QUESTION: What position, if any, should C.A.R. adopt on pending regulations from the California Energy Commission that would discourage natural gas water heaters in favor of electric water heaters in new construction?

III. UPDATES AND REPORTS

A. ENVIRONMENTAL – Steven Huang, Issue Chair

1. AB 1154 (Patterson) California Environmental Quality Act Exemption: Egress Route Projects – This bill would exempt from CEQA egress route projects that improve the fire safety of existing subdivisions that are recommended by the State Board of Forestry and Fire Protection.

Position: Support

Status: Assembly Natural Resources Committee

2. AB 1277 (Rubio) Expedited CEQA Review for Student Housing – This bill will provide a streamlined CEQA litigation process for specified student housing projects.

Position: Support

Status: Assembly Natural Resources Committee

3. SB 261 (Allen) Sustainable Communities Strategies: Reduced Vehicle Miles Traveled – Existing land use and transportation planning laws require that California meet specified greenhouse gas (GhG) reduction targets. This bill would compel the California Air Resources Board (CARB) to set new and expanded (2045-50) speculative greenhouse gas (GhG) and vehicle miles travelled (VMT) reduction targets for all Metropolitan Planning Organizations (MPOs). The bill also mandates that those targets be included in each region's adopted transportation plan by 2022, thus increasing requirements and restrictions on transportation and housing.

Position: Oppose

Status: Senate Transportation Committee

4. SB 345 (Becker) Defining Non-Energy Benefits – This bill would require that the California Public Utility Commission develop a common definition of “non-energy benefits” for energy efficiency and similar programs. Even the CPUC has admitted that non-energy benefits such as avoided environmental impacts are “hard to quantify when included” and it’s “not clear where to include them.” Creating a common definition will allow the CPUC to “add value” to expensive retrofit and/or electrification mandates in order to justify these programs.

Position: Oppose

Status: Senate Appropriations Committee

5. SB 412 (Ochoa Bogh) CEQA Emergency Definition – This bill would expand the definition of “emergency” provided in CEQA to include proactive efforts by a state or local agency to prevent, minimize, or mitigate loss of, or damage to, life, health, property, natural resources, or essential public services, resulting from fire, flood, or earthquake or other soil or geologic movements, in areas that are at a heightened risk of these events occurring.

Position: Support

Status: Senate Environmental Quality Committee

6. SB 449 (Stern) Climate-Related Financial Risk – This bill would require corporations, financial institutions, and insurers to prepare an annual climate-related financial risk report to the Department of Financial Protection and Innovation.

Position: Oppose

Status: Senate Banking and Financial Institutions Committee

7. Federal Reserve to Review Climate Change – The Federal Reserve has announced its intention to look at the risk of climate change on financial institutions and their investments. This could pose a risk to new housing developments and mortgage financing. Banks and other financial institutions may be less willing to invest in projects if there is concern they are located in an area that could be impacted by climate change such as rising waters, wild fires, or other natural disasters linked to climate change.

Position: C.A.R. is opposed to financial institutions being forced by regulators or legislation to weigh climate change as part of their risk.

Status: The Federal Reserve has announced it will create a new committee to review this issue.

B. LAND USE & ZONING - Reyne Stapelmann, Issue Chair

1. AB 431 (Patterson) Defensible Space Exemptions – This bill would extend to January 1, 2026 the State Board of Forestry and Fire Protection's authorization to exempt a person from cutting or removing trees on their property in compliance with specified defensible space requirements.

Position: Support

Status: Assembly Appropriations Committee

2. AB 878 (Dahle) Natural Community Conservation Plan Public Comment – This bill would extend the time for public review and comment on a proposed natural community conservation planning agreement from 21 calendar days to 21 business days.

Position: Support

Status: Assembly Water, Parks and Wildlife Committee

3. AB 981 (Frazier) California Fire Safe Council – This bill would create the California Fire Safe Council in the Natural Resources Agency. The Council would be required to identify existing programs run by public agencies to address and minimize the risks of wildfire and to coordinate the implementation of those programs. The Council would also identify public and private programs that may be leveraged to facilitate structure-hardening and community resilience to minimize the impacts of wildfire to habitable structures, and to recommend to the Legislature on how the programs identified by the Council can be coordinated to increase the effectiveness of those programs.

Position: Support

Status: Assembly Natural Resources Committee

4. AB 1295 (Muratsuchi) Residential Development in Very High Fire Risk Areas – This bill would prohibit the construction of residential developments in very high fire risk areas.

Position: Oppose

Status: Assembly Local Government Committee

5. SB 12 (McGuire) State Responsibility Area: Development Prohibition – This bill advances sweeping new fire hazard planning responsibilities for local and state governments by requiring cities and counties to create fire safety standards prior to permitting development in high fire risk areas. If developers and communities cannot meet the health and safety requirements ushered in by SB 12, the development project will not be allowed to commence.

Position: Oppose Unless Amended

Status: Senate Governance and Finance Committee

6. SB 55 (Stern) Very high fire hazard severity zone: state responsibility area: development prohibition. – This bill would prohibit all commercial and residential development in Very High Fire Hazard Severity Zones and State Responsibility Areas. This measure is identical to the unsuccessful SB 474 (Stern) that C.A.R. strongly opposed in the previous legislative session.

Position: Oppose

Status: Pending Referral

7. SB 506 (Jones) Grants for Vegetation Management – This bill would prohibit CalFire from requiring grant applicants to consider greenhouse gas emission impacts of vegetation management projects pursuant to the California Environmental Quality Act as a condition of applying for or receiving a grant made available by the Greenhouse Gas Reduction Fund.

Position: Support

Status: The author decided to no longer move forward with this bill.

8. Board of Forestry and Fire Protection Fire Safe Regulations – The Board of Forestry and Fire Protection is working on updating rules for properties located in High Fire Hazard Severity Zones and State Responsibility Areas. These two mapped areas combined constitute about one third of all land in California. The most recent round of proposed regulations was released on March 21 and are dated March 15, 2021. Concerns with the proposed regulations include requirements for improving roads to properties, including driveways, private roads, and public roads. The road improvements for a given project would be required to the nearest collector road, not just the roadway in front of or along the property. There is also a new half-mile limit on dead-end roads.

C.A.R. is concerned that the proposed regulations will have a tremendous impact to the ability to both rebuild and to develop private properties and that the regulations will either be too expensive or logistically impossible for many property owners to meet compliance.

Position: Oppose Unless Amended

Status: C.A.R. Submitted Comments, however the Official 45-Day Public Comment Period will begin late April or early May 2021.

C. PROPERTY RIGHTS – Linda Carroll, Issue Chair

1. AB 1458 (Frazier) Lake and Streambed Alteration Agreement Exemptions – This bill would exempt vegetation management and fuels treatment projects approved by state or local governmental agencies to prevent or mitigate the threat of wildfire from needing a lake or streambed alteration agreement.

Position: Support

Status: Assembly Water, Parks and Wildlife Committee

2. SB 332 (Dodd) Liability Limits for Prescribed Burns – This bill would shield a certified burn boss and private landowner from liability for any damage or injury to property or persons caused by a prescribed burn authorized by law.

Position: Support

Status: Senate Judiciary Committee

3. SB 627 (Bates) Coastal Erosion Protective Devices Application Process – This bill would require the California Coastal Commission or local government with an approved local coastal program to approve the repair, maintenance, or construction of a shoreline protective device to protect against coastal erosion. If the local government denies the application, they are required to provide supporting evidence.

Position: Support

Status: Senate Judiciary Committee

4. Sea Level Rise Guidance Document for Residential Developments - A guidance document aimed at providing model ordinances that local governments can cut and paste into their Local Coastal Programs.

History of Sea Level Rise Consideration in Land Use Planning:

- **November 2008:** Governor Schwarzenegger signs Executive Order S-13-08 directing state agencies to plan for sea-level rise and coastal impacts.
- **January 2009:** Local governments begin *voluntarily* including Sea Level Rise/Climate Adaptation strategies into their Local Coastal Programs.
- **May 2015:** Coastal Commission prepares *Sea Level Rise Policy Guidance* (for all land use planning).
- **July 2015:** C.A.R. submitted comments.
- **August 2015:** *Sea Level Rise Policy Guidance* adopted without addressing our concerns.
- **October 2015:** SB 379 (Jackson) signed into law. Local governments are now *required* to add climate change planning to the safety element of a general plan or a local hazard mitigation plan.
- **July 2017:** Coastal Commission releases first draft of the *Sea Level Rise Guidance Document for Residential Developments*.
- **September 2017:** C.A.R. submitted comments.
- **March 2018:** Revised Draft of the guidelines was released.
- **March 2018:** C.A.R. submitted comments on the Revised Draft.
- **July 2018:** Coastal Commission releases a **new** document called the *Draft Science Update of the Sea Level Rise Policy Guidance*. This report expands upon scientific findings upholding sea level rise and any policy recommendations prepared by the Commission, including the proposed Residential Development Guidelines (found in Chapter 7). All but one of C.A.R.'s concerns were addressed in this document. Still outstanding is the recommendation that homes built after January 1, 1977 do not qualify for shoreline armoring and protection.
- **September 2018:** C.A.R. submitted comments on the *Draft Science Update of the Sea Level Rise Policy Guidance*.
- **November 2018:** The Coastal Commission unanimously adopted the *Science Update to the Sea Level Rise Policy Guidance*.
- **April 2019:** Coastal Issues Working Group begins.
- **April 2019** C.A.R. launched talking points campaign to highlight remaining concerns with language in *Sea Level Rise Guidance Document for Residential Developments*, which was still not adopted.
- **April 2019** C.A.R. sent an email to Coastal Commissioners and Coastal Commission staff regarding REALTOR® concerns with the Draft Residential Adaptation Guidelines which included a list of outstanding concerns.
- **June 2019:** Anticipated **release of another draft** of the *Sea Level Rise Guidance Document for Residential Developments* **did not occur**. Additional public meetings scheduled instead.
- **June 2019:** C.A.R. prepared and distributed oral and written public comments templates for REALTORS® and coastal property owners to use as a grassroots effort to communicate concerns to Coastal Commissioners and their staff.

- **December 2019:** The Legislative Analyst's Office releases the report *Preparing for Rising Seas: How the State Can Help Local Coastal Adaptation Efforts*. The report recommends that the legislature mandate a new real estate disclosure on Sea Level Rise.
- **2020:** No new actions taken and no new materials or reports released.
- **2021:** Monitoring Coastal Commission agendas and website for potential actions.

Position: Oppose Unless Amended

Status: Pending Final Draft

D. RESOURCES - David Kerr, Issue Chair

1. AB 297 (Gallagher) Fire Prevention – This bill would continuously appropriate \$480 million to CalFire and \$20 million to the California Conservation Corps for fire prevention activities.

Position: Support

Status: Assembly Natural Resources Committee

2. AB 315 (Stone) Voluntary Stream Restoration: Landowner Liability – This bill would shield property owners from liability from property damage or should a stream restoration contractor get injured on their property.

Position: Support

Status: Assembly Water, Parks and Wildlife Committee

3. AB 380 (Seyarto) Fuel Reduction Projects – This bill would require CalFire before December 31, 2022, and each year thereafter, to identify priority fuel projects.

Position: Support

Status: Assembly Natural Resources Committee

4. AB 497 (Waldron) Funding for Fire Prevention Activities – This bill would appropriate \$25 million from the General Fund to fund the CalFire local assistance fire prevention grant program. This bill would prioritize projects that manage vegetation on streets and roads to prevent the ignition of wildfires.

Position: Support

Status: Assembly Natural Resources Committee

5. AB 522 (Fong) Fire Prevention Exemption – This bill would extend the operation of the Forest Fire Prevention Exemption which authorizes CalFire to allow a person to harvest trees for the purposes of reducing the rate of fire spread, duration, and intensity without a timber harvesting plan. This bill would also delete the provision that the tree harvesting area does not exceed 300 acres.

Position: Support

Status: Assembly Natural Resources Committee

6. AB 648 (Fong) Funding for Healthy Forests and Fire Prevention – This bill would continuously appropriate \$200 million from the Greenhouse Gas Reduction Fund for CalFire to fund healthy forest and fire prevention programs, prescribed fire, and other fuels reduction projects.

Position: Support

Status: Assembly Natural Resources Committee

7. AB 792 (Flora) Prescribed Burning Agreements – This bill would state that CalFire is fully responsible for prescribed burns initiated at their request on all lands. Current law states that CalFire is only responsible for prescribed burns on lands owned by nonprofits and other public agencies.

Position: Support

Status: Assembly Natural Resources Committee

8. AB 926 (Mathis) CalFire Local Assistance Grant Program – This bill would expand the definition of “fire prevention activities” to include the removal of hazardous dead trees, creation of fuel breaks and community defensible spaces, and creation of ingress and egress corridors as it relates to CalFire’s Local Assistance Grant Program. Existing law requires CalFire to deliver a report to the Legislature related to outcomes of the local assistance grant program. This bill would require the report to include the total amount of acreage treated by an awarded grant recipient, whether the project was awarded funding for vegetation management activities, the number of communities protected by an awarded project, and the total number of populations receiving a benefit of the project.

Position: Support

Status: Assembly Natural Resources Committee

9. AB 1255 (Bloom) Fire Prevention Grant Programs – This bill would require CalFire to create grant programs to facilitate regional, habitat-specific, and area-specific approaches to fire risk reduction, prevention, and restoration of projects that improve community safety, protect sites and structures, restore burned habitat, reduce catastrophic wildfires, and protect natural resources.

Position: Support

Status: Assembly Natural Resources Committee

E. SUBDIVISION DEVELOPMENT – Steven Small, Issue Chair (*Presented by Teresa Dietrich, Vice Chair*)

1. AB 59 (Gabriel) Mitigation Fee Act: fees: notice and timelines – This bill increases the public notification and protest filing times for fees or other exactions placed on development projects.

Position: Support

Status: Assembly Local Government

2. AB 1174 (Grayson) Development Application Modifications – This bill would require local governments to consider the application for subsequent building permits based on the objective standards and building codes that were in effect when the original development application was submitted. Additionally, it will provide that a development or modification’s approval is valid for 3 years from the date of the final judgment upholding the development or modification’s original approval if litigation is filed challenging that approval.

Position: Support

Status: Assembly Housing and Community Development Committee

3. AB 1559 (O’Donnell) Innovative Renewable Energy for Buildings Act of 2021 – This bill would require the State Energy Resources Conservation and Development Commission to establish and implement a program to provide financial incentives to producers for the

production of renewable propane, renewable hydrogen, and renewable dimethyl ether meeting certain requirements and that it is used as an energy source for buildings in the state.

Position: Support

Status: Assembly Natural Resources Committee

4. SB 319 (Melendez) Development Fee Audits – Current law authorizes a person to request an audit to determine whether a fee or charge levied by a local agency exceeds the amount reasonably necessary to cover the cost of any product, public facility, or service. This bill would require the audit to include each consecutive year the local agency did not comply with the disclosure requirement to furnish this information.

Position: Support

Status: Senate Governance and Finance Committee

5. SB 463 (Dahle) Right to Modify Water Conduits – This bill would authorize a landowner to modify, repair, or replace a conduit where a conduit is constructed across or buried beneath the lands of 2 or more landowners if the modification, repair, or replacement is made in a manner that does not impede the flow of the water to any other property.

Position: Support

Status: Senate Natural Resources and Water Committee

6. SB 791 (Cortese) California Surplus Land Authority – This bill would create the Surplus Land Authority to facilitating the development and construction of residential housing on state and local surplus property.

Position: Support

Status: Senate Housing Committee

III. SMART COAST CALIFORNIA UPDATE

IV. OTHER

V. ADJOURN

*Note: the symbol * next to an item indicates that it is accompanied by Issues Briefing Paper contained in the committee meeting materials.*

Legal Action Fund Trustees

Name

Cameron Platt

NRDS #

183503580

Association

Bridge

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Committee

Legal Action Fund Trustees

Meeting Day/Time

April 21, 2021 / 9am-11am

Action Items

None.

Discussion Items

It was reported for information only that, since the February 2021 meetings, the Trustees have reviewed two cases and approved participation in one.

Emery v. Marchick. Seller sold a house located directly downhill on a lot adjoining seller's home. As part of the sale, the parties agreed to a lot line adjustment to give seller a portion of buyer's back yard, and this was documented in the counteroffer in a separately drafted "cooperation agreement" with enforcement and attorneys' fee provisions. The lot line adjustment wasn't completed so seller sued for breach of contract and specific performance. The parties now dispute who must pay attorneys' fees and whether the mediation clause in the RPA applies.

Legislative

Name

Dorothy Jackson

NRDS #

Property Care Inc.

Email

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Committee

Legislative

Association

Bay East

Phone

(510) 494-9025

Meeting Day/Time

4/28/2021

Action Items**1. ACTION ITEM**

That C.A.R. adopt a "NOT REAL ESTATE RELATED" position on an as yet unnumbered referendum that will appear on the November 8, 2022 state ballot entitled "Referendum Challenging A 2020 Law Prohibiting Retail Sale Of Certain Flavored Tobacco Products."

Taxation and Government Finance**1. ACTION ITEM**

That C.A.R. adopt a "SUPPORT IF AMENDED" position on AB 1203 (Burke), which among other provisions, seeks to reduce the amount of time that former employees of the assessor's office are restricted from serving on an assessment appeals board and expand the categories of persons that can serve on the board. The amendment would require the bill have a sunset date of at least three years. Note: This bill is specific to Los Angeles County. Legislative Committee: Approved

2. ACTION ITEM

That C.A.R. adopt an "OPPOSE UNLESS AMENDED" on SB 323 (Caballero), which would create a 120-day statute of limitations period for certain public utility charge increases unless it is amended to include between a one to three year statute of limitation to challenge the charges. Note: The period shall apply from the date of first billing statement. Legislative Committee: Approved

Transaction and Regulatory**1. ACTION ITEM**

That C.A.R. adopt a "WATCH" position on AB 642 (Friedman), which seeks to increase state fire mapping to include moderate and high fire hazard severity zones, the consequences of which are unknown at this point. The bill also expands building requirements, now only applicable to very high fire hazard severity zones, to high fire hazard severity zones, the consequence being that these areas will have higher building costs, but more resilient housing. Legislative Committee: Approved

2. ACTION ITEM

That C.A.R. adopt a "WATCH" position on AB 968 (Frazier), which seeks to require the Natural Resources Agency to research and provide a report to the Legislature with recommendations on community wildfire resilience certification. Legislative Committee: Approved

3. ACTION ITEM

That C.A.R. adopt a "WATCH" position on AB 1439 (Levine), which seeks to require residential property insurance discounts without, at this point in time, actually detailing how such a requirement would function in the insurance market. Legislative Committee: Approved

4. ACTION ITEM

That C.A.R. adopt a "WATCH" position on SB 63 (Stern), which seeks to, increase fire risk mapping at the state level and expands certain building provisions to the areas newly designated as "high fire severity zones." Legislative Committee: Approved

5. ACTION ITEM

That C.A.R. adopt an "OPPOSE" position on SB 440 (Dodd), which among other things, seeks to fund a new home hardening program. Note: This program would in part be funded (subsidized) by a potential fee placed on non-earthquake insurance policies. Legislative Committee: Approved

Land Use and Environmental**1. ACTION ITEM**

That C.A.R. adopt an "OPPOSE" position on the electrification mandate based on pending regulations from the California Energy Commission.

Legislative Committee: Amended That C.A.R. adopt an "OPPOSE" position along with a coalition on the electrification mandate for new construction based on pending regulations from the California Energy Commission.

MLS Policy

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Phone

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Committee

MLS Policy Committee Meeting

Meeting Day/Time

April 28, 2021 10am

Action Items

No Action Items

Discussion Items

There were three discussion items of which I have detailed in the attachments section of this report

Upload Attachments

MLS Legal Update 4-28-21.pdf
182.23 KB



2021 MLS Data Feed Survey (042821) final.pdf
750.59 KB

CAR MLS Committee Meeting – April 28, 2021

ACTION ITEM – No Action Items at this meeting.

Discussion Items:

Subject: Coming Soon Workgroup Recommendations

C.A.R. MLS Committee formed a Coming Soon Work Group to look into developing recommended guidelines and terminology for the listings that are increasing common in a “Coming Soon” or similar alternative status.

WORK GROUP: The Work Group members are from differing areas throughout the State and belong to a variety of MLSs. Our own, Joe Annunziato is on this Work Group

BACKGROUND: The Work Group examined the “Coming Soon” policies of many MLSs. Some were simple and others lacked clarity. In either case they created a labyrinth of differences. In areas where MLSs served overlapping geographies, or licensees typically practiced across MLS lines, it was difficult to decipher the applicable rules. Inconsistent terminology also created inefficiencies and difficulty in compliance but also inadvertently incentivize “forum shopping.”

At the February 2021 meeting after a lengthy discussion the C.A.R. MLS Committee voted to send this back to the Work Group for further review on the many issues.

At today's meeting the Work Group, after meeting a few times since February, submitted an updated version of what was previously submitted. I have attached the updated list.

Keep in mind that previously these were suggestions/recommendations to be submitted to NAR when they review possible coming soon policies. However it appears that they will not be sending them to NAR, but are suggestions only for MLS's throughout the state to refer to when and if setting policy within the individual MLS's.

After much discussion there were additional points that were raised. It was the consensus of the C.A.R. MLS committee to accept the Workgroups new “suggestions” and also for the Workgroup to meet again to review the “new” points brought up in today's discussion. I want to emphasize that these 13 items are NOT policy but merely suggestions/recommendations.

Subject: MLS Data Survey results

The survey was sent via email to a random sample of 30,492 REALTORS® throughout California. The sample represented the geographical distribution of C.A.R. membership across the state.

The survey asked REALTORS® to provide their opinion on MLS's practices of data feeds of listings to brokers who advertise other brokers' listings through their websites and to companies that do not have real estate licenses.

For those of you that love to read survey results I have attached a copy of the survey results

Subject: Legal Update from Elizabeth Miller-Bougdanos, Senior Counsel

Attached is the Legal Update for your review.



**C.A.R. MLS Policy Committee
“Coming Soon” Work Group Recommendations
April 28, 2021**

This Issues Briefing Paper is for Study only and has not been approved by the MLS Policy Committee, Executive Committee, or the Board of Directors.

.....
INTRODUCTION:

MLS “Coming Soon” practices have been an ongoing subject of discussion and debate across the state, especially once NAR’s mandated Clear Cooperation Policy (“CCP”) created a “1 business day” listing submission standard. Members have asked the C.A.R. MLS Policy Committee to evaluate and suggest guidelines for this practice.

BACKGROUND:

MLSs have put in place “Coming Soon” statuses with different standards, terminology and time frames, making it difficult for practitioners to decipher the varying MLS rules and terminology. Agents working in multiple MLSs with differing rules must deal with the confusion about which rules apply. The differing definitions and standards also create complications due to MLS data-sharing arrangements.

Starting back in the Fall of 2020, the C.A.R. MLS Committee formed a “Coming Soon” Work Group to look into developing recommended guidelines and terminology for the listings that are increasing common in a “Coming Soon” or similar alternative status.

Following several meetings and review of an array of MLS “Coming Soon” policies in place throughout the state, a set of recommendations was formed by the initial Coming Soon Work Group and presented at the Winter 2021 MLS Policy Committee Meeting. There was vigorous discussion of this topic. Some expressed concern that the initial Work Group’s recommendations did not adequately account for practices and dynamics, especially from certain MLSs in the Bay Area. The matter was sent back to the Work Group for further study, and it was requested that the Work Group be expanded to include additional voices from those areas.

Following the Winter 2021 MLS Policy Committee Meeting, additional members were added to the Work Group, and all members are listed in the section below.

WORK GROUP:

The Work Group members are from differing areas throughout the State and belong to a variety of MLSs but were not necessarily speaking on behalf of or in a governance role in the MLS listed Work Group Members are as follows:

MEMBERS:

Newly added members since Winter 2021 meeting:

1. Karl Lee (MLS Listings, Inc.)
2. C. Steven Huang (Region 8, SF)
3. Terry Wunderlich (BAREIS)
4. Casey McLoed (Metrolist)
5. Era Polly (Santa Maria/Santa Barbara)

Initial members:

Joseph Prian, 2021 Chairman (Scenic Coast)
Gaye Rainey, 2021 Vice Chairman (Southland Regional)
Stephen Meade, 2021 Vice Chairman (Pacific West)
Tica O'Neill, 2021 Committee Liaison (Greater Los Angeles)
Peter Greer – Conejo Simi Moorpark
Sandra Miller – Greater Los Angeles
Joe Annunziato – Bay East
Steve Fraioli – San Diego
Anna Grahn-Nilsson – Tahoe Sierra
Donna O'Donnell – Inland Valleys
Marilyn Cunningham, 2020 Chairman (Contra Costa)
Jim Keith, 2020 Vice Chairman (Ventura County Coastal)
Ted Loring, 2020 Committee Liaison (Humboldt)

C.A.R. STAFF: Elizabeth Miller-Bougdanos, Senior Counsel

WORK GROUP PROCESS:

The expanded Work Group convened on March 9, 2021 and went through the 13 points that came out of the recommendations presented at the Winter MLS meeting. Group members determined which ones they accepted as initially recommended and which ones were disputed or needed further discussion. Of the initial 13 points originally recommended, there was agreement on 7 of them. That left 6 sections which were disputed or needed further discussion. Those 6 areas then became the focus of the next two meetings of the expanded Work Group.

Those 6 areas with divergent views or which warranted further discussion are as follows: 1) Time Limit of the Status; 2) Showings; 3) DOM/Tracking Market Time; 4) Inclusion in Data Shares with other MLSs; 5) One Time Only; 6) Active Status at the End of “Coming Soon”.

The Work Group held two additional meetings on March 30 and April 8 and ultimately reached a consensus set of guidelines that could be attached to these 6 items. Their findings on these 6 areas are as follows:

- 1) Time Limit – There was disagreement amongst group members over what the specific time limit should be. Many MLSs set that time at 14-30 days. Others extend to 60 days or further or none. Instead, the Work

Group agreed to encourage simply that a specific time limit be set. “Listing can remain in “Coming Soon” no more than ____ days after the beginning date of the listing with that broker.”

- 2) Showings – The Work Group understands that various MLSs differ regarding whether showings are permitted to occur when a listing is in a “Coming Soon” status, and group members could not reach a united position on that element. Instead, the Work Group agreed to recommend standards in the event showings are allowed. Where an MLS “Coming Soon” status permits showings, whether showings are allowed should be based on seller’s instructions, agents must be clear on whether showings will be permitted, and agents must conduct themselves consistently with that representation. For example, if showings are not permitted, showings are not allowed for any subscriber nor by listing agent. If showings are permitted, listing agent may show and must allow showings to any subscriber. If seller changes course on whether to allow showings, agent must change the status accordingly.
- 3) Tracking Market Time – The Work Group understands that, in general, “Days on Market” (DOM) begins to accrue the first day a listing goes in Active status. The Work Group encourages MLSs to also track days in a Coming Soon status, especially once a property is made available for showing within a Coming Soon status, as part of listing history to provide a full and true picture.
- 4) Included in Data Shares with other MLSs – “Coming Soon” listings will be included in MLS data-sharing feeds with other MLSs and thus viewable to all other MLS participants privy to those data-sharing arrangements. (*Note: this is the initial version presented; no change was ultimately recommended.)
- 5) One Time Only – The Work Group recommends that once a listing has been moved from “Coming Soon” to Active status, it cannot revert to “Coming Soon” with that same broker.
- 6) Active Status at the End of “Coming Soon” – The listing automatically changes to Active status at the end of the “Coming Soon” period if not previously changed to Active status before the end of the period. (*Note: this is the initial version presented; no change was ultimately recommended.)

The above findings are thus to be re-integrated back into the full specter of 13 recommendations as the most recent set of Work Group’s guidelines.

WORK GROUP RECOMMENDATIONS:

The Work Group acknowledges that practices and rules vary locally and that C.A.R. does not and cannot compel any particular standard and that NAR makes MLS policies, not C.A.R. The Work Group issues the following interim set of recommendations to operate as guidelines for a “Coming Soon” status. Care should be taken to make sure the terms are also understood by the public and present a true picture consistent with the Code of Ethics. *NOTE: Items with changes since the Winter meeting are in italics:*

1. **Definition.** “Coming Soon” is defined as a temporary, *optional* starting status that can be selected by listing agent, with consent by the seller, for when the property is not ready for marketing under Active status within the one business day required under CCP (ex: initial staging, professional interior photos, repairs, etc. are pending).
2. **Written Listing Required.** Listing agent must have a signed written listing agreement in place to enter a “Coming Soon” listing which explains the limitations of the “Coming Soon” status.
3. **Unilateral Offer of Compensation.** The MLS requirement of a unilateral offer of compensation still applies while in “Coming Soon” status.
4. **Time Limit.** *MLSs are encouraged to set a specific time limit. For example: “Listing can remain in “Coming Soon” no more than ____ days after the beginning date of the listing with that broker.” Many MLSs set that time at 14-30 days. Others extend to 60 days or further.*
5. **Showings.** *Various MLSs differ regarding whether showings are permitted to occur when a listing is in a “Coming Soon” status. Where an MLS “Coming Soon” status permits showings, whether showings are allowed should be based on seller’s instructions, agents must be clear on whether showings will be permitted, and agents must conduct themselves consistently with that representation. For example, if showings are not permitted, showings are not allowed for any subscriber nor by listing agent. If showings are permitted, listing agent may show and must allow showings to any subscriber. If seller changes course on whether to allow showings, agent must change the status accordingly.*
6. **Offers May be Presented.** Since agents have a duty to present all offers, buyers can make offers on properties in a “Coming Soon” status, and all offers must still be presented as soon as possible, unless seller has directed otherwise in writing.
7. **Tracking Market Time.** *In general, “Days on Market” (DOM) begins to accrue the first day a listing goes in Active status. MLSs are encouraged to also track days in a Coming Soon status, especially once a property is made available for showing within a Coming Soon status, as part of listing history to provide a full and true picture.*
8. **Access to all MLS Participants.** “Coming Soon” listings will be viewable to all MLS participants.
9. **Included in Data Shares with other MLSs.** “Coming Soon” listings will be included in MLS data-sharing feeds with other MLSs and thus viewable to all other MLS participants privy to those data-sharing arrangements.
10. **No IDX or Syndication of “Coming Soon”.**
 - a. “Coming Soon” listings will not be included in the IDX feed.
 - b. “Coming Soon” listings will not be syndicated by the MLS to third party portals.
11. **Public Marketing.** Any broker public-facing marketing (ex: sign, broker website, social media, etc.) during this time must be clearly marked as “Coming Soon.”
12. **One time only.** *Once a listing has been moved from “Coming Soon” to Active status, it cannot revert to “Coming Soon” with that same broker.*

- 13. Active Status at the end of “Coming Soon”.** The listing automatically changes to Active status at the end of the “Coming Soon” period if not previously changed to Active status before the end of the period.

NOTE: These recommendations are presented for report only at this time.

Nominating

Name

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Committee

Nominating Committee

Meeting Day/Time

Monday 4/26 and Wednesday 4/28

Action Items

1. To Approve the slate of Candidates for CAR Officers in 2022 as Presented. Motion-Approved
2. To Approve the three Candidates for CAR Directors for Life as Presented. Motion-Approved
3. To Approve the CAR appointed NAR Directors and Alternates as Presented. Motion-Approved

Discussion Items

Nominating Committee is a closed meeting to review and elect the eligible candidates for Officers of CAR in 2022, and for candidates for CAR Director for Life that are selected in 2021. Also, the committee nominates CAR appointed NAR Directors and Alternates for 2022. (See BOD Minutes for List) Nick Solis from Region 6 is an Alternate to the appointed NAR Director list.

Since the content and discussions are confidential to the Nominating Committee, I can only report on the results of the election process announced at the Board of Directors on 4/30/21:

1. President for 2022: Otto Catrina (Automatic Assentation)
2. President Elect for 2022: Jennifer Branchini
3. Treasurer Elect for 2022: Heather Ozur
4. CEO and Executive Officer: Joel Singer

CAR Director for Life:

1. Michael Riley-Bay East AOR
2. Jeannie Anderson-San Francisco AOR
3. Patricia Hicks-East Valley AOR

President's Report

By Tina Hand

1. Membership continues to grow
2. Our Member Event will be virtual this year and be over 3 days. Tuesday, the 18th of May is Tech Tuesday with many classes on technology to increase and streamline our business
Day 2 we will be welcoming our CAR President, Dave Walsh to our event. We will also be hosting our Candidate forum so everyone can meet the candidates who are running for Treasurer as well as Directors. Day 2 will have tips on Pro Standards by our own Past President, Nancie Allen. Day 3 is Tools of the Trade. Voting opens Friday June 11th and closes Friday June 25th at 2:00PM.
3. Our I.D.E.A. Committee is growing to 14 members now.
4. Our L.D.C. Committee has formed a book club and this month is Color of Law

Professional Development and Education

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Phone

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Committee

Professional Development & Education Forum

Meeting Day/Time

4/19/21 @10AM

Action Items

No Action Items

Discussion Items

C.A.R. Education Update

45 FREE CE Hours

In 2021 so far, over 7,000 people have claimed their FREE license renewal courses. Share this exclusive member benefit with your REALTOR® colleagues using this link: <https://www.car.org/education/licenser renewal>. You can visit the same link for the stand-alone Ethics course that is due by the end of 2021 (but it's also included in the 45 FREE!).

Looking for RPA classes?

You'll find them here: <https://store.car.org/collections/rpa-training-more>

GRADUATE, REALTOR® INSTITUTE is back!

The 14-week course is back under C.A.R. Education administration and available to sign up for at <https://store.car.org/collections/learnmyway-courses>. Be sure to sign in and link your car.org account.

Best Events and Classes

Forum members and Regional Reps recommended a few of the classes in the chat that they took recently:

NINJA SELLING by Larry Kendall

<https://www.amazon.com/Ninja-Selling-Subtle-Skills-Results/dp/1626342849>

Coaching

<https://goodfellowcoaching.com/>

C.A.R. ADU Certification

<https://www.car.org/en/education/prodev/ADUcertification>

Discussion: Winning Multiple Offers and Landing Listings

During the group discussion Multiple Offers, Escalation Clauses, and listing agents ignoring others were all topics that were brought up. Some agents even shared "I've transitioned from show and write, to write and show," and "some properties are getting over 100 [offers] in Sacramento Area." C.A.R. Member Legal Counsel Jana Gardner shared this information on Escalation Clauses: <https://www.car.org/riskmanagement/tools/escalationclauses>. The Buyer Broker agreement changes and the Fire Hardening forms changes were also discussed during the meeting.

How to Raise a REALTOR®

Everyone in attendance was treated to a hilarious rendition of Vice Chair Jeff Campbell attempting to instruct toddler Serenity on how to properly use a PEAD and other common member practices. The video is fun but also raises the valuable point that professionalism and proper processes where agents can improve their practice should be taught from the earliest stages of one's real estate career: <https://vimeo.com/user48639253/review/537093289/59e29cc3f9#>

Ready to submit your own video where you or a colleague educate another small human (or pet???) on some fundamental real estate practices? Record a video and send it in for a chance to be played at our next upcoming forum! More developments on this to come! Click the link below to participate:

<https://car.sharefile.com/r-r7a38165ae02c4cb6bd451ba61a038f88>

Professional Standards

Name

Sandi Gomes

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Committee

Professional Standards

Meeting Day/Time

Apr 28, 8:30am

Action Items

That C.A.R. amend the California Code of Ethics and Arbitration Manual to allow for members of local association professional standards committees and boards of directors to attend disciplinary and arbitration hearings and review hearings as silent observers for training purposes. Observers will be limited to one per hearing.

Motion was Approved

Discussion Items

The Disciplinary Complaint Filing Alternatives Work Group presented an interim report outlining 15 possible proposals to encourage member to file complaints when they observe a violation. These will be discussed further and brought back again at the Fall meeting.



Professional Standards Committee - 4-22-21 - Full Presentation.pptx
2.28 MB

Public Policy Forum

Name

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Committee

Public Policy

Meeting Day/Time

April 21 st 1:00 p.m.

Action Items

none

Discussion Items

Utilizing local advocacy resources to further affordable housing supply

Discussion topics included:

Community Housing, concerning looking for funding and opportunity around building homes and taking care of the issues

Takes Realtors, to get behind issues of promoting more housing.

To be more effective: look at the end result and work backwards.

The term affordable housing has caused issues, the rederrick that isn't true has caused a lot of misinformation and creates lost of funding opportunities.

They feel if they can empower the Realtors and continue partnership with CAR this is very helpful in securing funding.

The conversation was very broad and the struggle to get resources has become very difficult especially with zoom and not being able to truly engage with people. This is a situation that will not go away overnight, it took along time to get here and will take along time to resolve.

REALTOR® Action Fund

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Association

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Committee

RAF

Meeting Day/Time

4/26/21 @3pm

Action Items

No Action Items

Discussion Items

Region 6 had 100% in contributions for 2021.

There is a CAR Director 100% participation target of the \$148 cost of doing business-We are almost there!

Get the word out to CAR Directors!

As a region we are above the CAR RAF goal and continue to grow/Our RAA for both AOR's is at 35%

RAF Acronyms – <https://www.car.org/-/media/CAR/Business-Meeting-Materials/2021/Spring-2021/RAF/03-REALTOR-Action-fund-Acronymns.pdf?la=en&hash=F6D9D3A13141F92CE86D97D7E56EB696CAA0E64F>

Fundraising statewide is also growing but new ideas will be discussed in October including updates on RAF-O-Meter

RAF Fundraiser Guide – <https://www.car.org/advocacy/PACSnRAF/raf/blueprint-to-fundraising-guide>

REALTOR® Risk Management

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(510) 579-8616

Committee

CAR Realtor Risk Mgmt and Consumer Protection

Meeting Day/Time

April 29, 2021

Action Items

None

Discussion Items

Discussion items can be found on the attached report

Upload Attachments

Josh Sharfman Risk Management Forum - subset.pdf
11.04 MB

CAR Realtor Risk Mgmt and Consumer Protection Forum- April 29, 2021

Regional Representative Report for Region 6

Mission Statement

To provide a forum to identify trends and issues that may be, or are, putting REALTORS® and/or their clients at risk, to educate REALTORS®, and to provide information to other C.A.R. Committees as appropriate.

Discussion Items: There are 3 sections

- 1) Report of Affiliates
- 2) Report from the 32 Regions Reps of Calif
- 3) Legal Update Gov Hutchinson

Report of Affiliates Home Warranty Company comments:

- 1) Air Conditioning season is fast approaching. Many Home Warranty Companies have an AC “check up” included in their coverage. Most likely buyers may not be aware of this coverage. As a service to your clients check with the Home Warranty Companies of which your buyer’s received a policy to see if that coverage is included in their policy. If covered your client would appreciate hearing from you advising they have this type of coverage

Regional Rep Reports- 32 Regions

- 1) Some agents are “Marketing” their upcoming listing BEFORE they have a signed Listing Agreement. Thus avoiding the Clear Cooperation rules
- 2) Covid Compliance Issues
- 3) Listing Agents countering out “contingencies” This is a problem when there have not been any pre-inspections.
- 4) Coming Soon Issues
- 5) Rental problem: Consumer leases a property then turns the interior property into a Marijuana growing green house. They tear out sheetrock and walls, etc. When harvest has ended they abandon the property
- 6) High cost of Fire Insurance
- 7) Agents doing Open Houses
- 8) Escalation Clause Issues: This is where the offer contains a clause stating that the offer can be increased to an amount higher than the highest offer submitted by another agent.
Here is the link to CAR info > <https://www.car.org/riskmanagement/tools/escalationclauses>
Gov Hutchinson stated that if there are multiple offers and two or more have “escalation clauses” then they may cancel each other out.

Special Guest Speaker on CYBER SECURITY:

- 1) Presentation from Josh Sharfman, Chief Technology and Innovation Officer
- 2) Data Storage - be sure you always have a backup for your files, recommend Blackblaze
- 3) Vpn - never connect to free wifi, it could be a hacker posing as a safe connection. Always use a VPN
- 4) Passwords - they are easily hacked when you use one password for multiple accounts. You should never use the same password twice. Use the website <https://haveibeenpwned.com/> to check if your password has been leaked. Suggest that instead of using a password, use a passphrase such as multiple words that don't necessarily go together instead of just one word. Recommend using 1password as a tool to manage passwords. Also recommend the following when determining a tool for managing passwords: should generate passwords, site verification to verify website is safe, able to identify reused passwords, blind customer support meaning the company doesn't need to know who you are, encrypted notes, files and documents, and finally support across multiple devices. Slides to be provided in the attachments section

GOV HUTCHINSON'S LEGAL UPDATE:

COVID:

- 1) Changes to opening up after covid pandemic, C.A.R. met with State Health Officials, urging changes to Real Estate. Health officials were receptive, but nothing has been settled yet. C.A.R. will notify us asap of any changes.
- 2) Workplaces can require vaccine but has to take into consideration disabilities or religious views...more info coming.

- 3) Flyers: CDC says not much risk of infection from contamination on surfaces, so dropping flyers is very low risk and is low concern. This does not apply to door knocking. This is not an official ruling but is Gov's opinion.
- 4) Members are urged to check with their county guidelines which takes precedence over state guidelines or whichever is stricter. Some counties refer to state guidelines, but some local counties have their own. It's up to local lobbyists to change covid rules. C.A.R. can assist.

EVICTON MORATORIUM:

- 1) expected to expire July 1, except for local areas that have decided rules on their own.
- 2) New advisory form attached to eviction form to cover federal mandate. If you are using C.A.R. forms as landlord property manager, you are covered.
- 3) Use housingiskey.com or <https://housing.ca.gov/> look up Covid-19 Relief programs for renters or landlords and tenants. As a landlord you can apply for money that a residential tenant might owe you. Legal tools on SP 91 Tenant Relief Act and State Rental Assistance Program: <https://www.car.org/riskmanagement/tools/sb91>
 - a. Other items Gov noted: You can sue starting July but cannot evict if they pay 25%. Only works if income is less than 80% than median income of county. Use C.A.R. FAQ on SB 91 to check by county the median income. Median income can be found at the LEGAL HOTLINE or see Legal FAQ SB 91. Some counties require you to forgive 20% of back pay to be eligible for assistance. Some counties refuse money from state, so they can provide money but make their own rules around providing assistance.

MORTGAGE ASSISTANCE:

- 1) program to compensate property owners who cannot pay mortgage - coming in June. Federal money coming to California.

PROP 19:

- 1) Can I take advantage of prop 19 if sold before April 1 - board of equalizer says that's okay. One transaction can take place before 4/1 and then the other after. Also you can do either transaction just has to be within 2 years of each other.

Forms:

- 1) June 2021 Forms - new and revised: <https://www.car.org/transactions/standard-forms/summary-forms-releases-chart/June-2021-Forms-Release>
- 2) Forms Quick Summary Guide: <https://www.car.org/-/media/CAR/Documents/Transaction-Center/PDF/Standard-Forms/Spring-2021-Meetings/June-2021-Quick-Summary-draft.pdf?la=en&hash=AE209DB0043417080E788F6D7ACC046CED9F516E>
- 3) (CFPB) federal mandate to tenants of their eviction rights.
- 4) (FHDA) - fire hardening and defensible space advisory disclosure and addendum - July 1 this is combined from two forms. Use Home Hardening through July 1. After July use new form FHDA. Webinars coming soon.
- 5) (TOL) Transfer of Listing - listing belongs to broker, when agent transfers listing to new broker, use this form. Gives the option to sign new listing agreement or not. Allows options when transferring such as compensation, agency relationship (new agency disclosure form), escrow, MLS, trust funds, agent name, what to do with transaction documents, release of harm and liability.

C.A.R. Quick GUIDES:

- 1) Non-Contingent Offers <https://www.car.org/riskmanagement/tools/Noncontingent-Offers>
- 2) Escalation Clauses <https://www.car.org/riskmanagement/tools/escalationclauses>

WARNING:

- 1) Agents should be careful when writing contract language including escalation clauses, non contingent offers. Agents can use the quick guides with their clients, and advise clients to speak to their own attorney and not to give legal advice.

PEER-TO-PEER ETHICS INFOLINE

- 1) Members can ask questions about whether their own actions might violate the Code of Ethics or whether the actions of another REALTOR member might violate Code of Ethics. They cannot give legal advice and the advice from the hotline is not binding nor can they use it in an on going hearing. <https://www.car.org/helplines/Ethics>

FAIRHOUSING

Fair housing reports should be filed.

For California: <https://www.dfeh.ca.gov/housing/>

For HUD https://www.hud.gov/program_offices/fair_housing_equal_opp/complaint-process. There are several other places to file as well.

Each of the 32 Regions are called upon to report trends, issues, etc that are occurring within their region.

This is the report I prepared of which I received input from Brokers/Agents within Region 6.

We are required to send this written report to the committee chair “prior” to giving the verbal report at the meeting.

CAR Risk Management Committee Region Rep Report April 29, 2021

Ed Gomes Regional Rep for Region 6

Bay East AOR and Bridge AOR

Areal Covered: Alameda County > Oakland/Berkley south to Fremont & East to Pleasanton/Livermore

1) Not new but still occurring

- * Listing Agent lists property in Coming Soon stating no showings until moved to Active status
- * Listing Agent advertises on Real Estate Portals and shows the property to buyers
- * Listing Agent secures buyer and then status goes Active and Pending in same day.

2) COVID protocols not being followed correctly with Lock Box procedural issues

A) Buyer Agents are sharing CBS codes with other Buyer Agents

Sometimes this occurs when an agent has not made an appt and asks an agent that is just leaving the property what the CBS code because they forgot it or something to that effect

B) Buyer Agents go to property without appt and waits for Showing Agent to finish showing

Then Buyer Agent requests the key from the Showing Agent saying that they will put the key back in the lock when done. The lockbox record will not show that Buyers Agent as entering the property and more than likely no PEAD was submitted as well

C) PEAD issue: PEAD received signed by Agent “Jane Doe”. Lock Box record shows that the property was shown by “James Smith”. Hence an incorrect PEAD. This is discovered AFTER the showing therefore it becomes difficult to get a valid PEAD from the actual showing agent. This happens with teams and/or Agents assistants that book the appts

3) More and more sellers have interior/exterior camera security systems. Occurrences of Agent improper behavior and or conversations that are seen or heard by seller and often a recorded history of same.

4) Brokers are increase in Buyer cancellations of non-contingent contracts. In some cases, Buyer's agent recommends canceling before deposit is delivered to escrow, believing the Buyer will not be liable to the Seller for damages.

5) Lastly an FYI: One of our members brought this to me to share>

Home Hardening Laws CA Civil Codes 51182 & 51189

New CA Code says that local laws can have point of sale mandates that specify what is allowed and isn't. May leaves agent open to future litigation by buyers when loss occurs or inspection by jurisdiction finds violations that require abatement.

Ed Gomes

edgomesbroker@gmail.com

510-579-8616

Standard Forms Advisory

Standard Forms Advisory Committee – Forum on Forms

NOTE: The 2021 RPA & all new, revised, and conditional forms can be found at:

<https://www.car.org/meetings/carmetings/current/Standard-Forms-Advisory-committee/Forum-on-Forms-2021>

The link for the recorded RPA 2021 Preview and Comment Forum can be found at:

https://carorg.zoom.us/rec/share/il590JcViAWWxm71jPbETmmEZ_F2o9zaVU1rKnnlVesmXoz6M1gfyt1MPV8LV1w.ddlwCFESaFxaGAU

The number of forms presented and discussed in this meeting's forum was somewhat limited given the SFAC and RPA study group's focus on the new RPA scheduled to be released 12/21. Given this, there were very few questions/comments during the open forum section of the meeting.

The following forms were presented:

Conditional June 2021 Forms (NOTE – these forms are provisional at this point, pending the NAR/DOJ settlement regarding the buyer broker commission disclosure and non MLS member lockbox access

BRE – Buyer Representation Agreement Exclusive

Move agency paragraph down from 2 to 3. And move compensation paragraph from 3 to 2 so it almost all appears on page 1.

Add paragraph 2C anticipating the results of Dept. of Justice (DOJ) and NAR settlement terms that will require some kind of disclosure of buyer's broker compensation. Two probably options. Disclosure made at time properties are shown. In which case new form ABCD will be used. Other option is disclosure at time of presentation of offer. In which case form BBCD will be used. Possible requirement to disclose final compensation received as this may be a logical implication of 2B so buyer knows what credit against buyer obligation to pay.

Paragraph 8 for Internet Advertising, Internet Bogs and Social Media moved down from current paragraph 4.

BRNE – Buyer Representation Agreement Non-Exclusive

Same changes as above.

BRNN – Buyer Representation Agreement (Non-Exclusive/Not for Compensation)

Same changes as above.

(new) ABCD – Anticipated Broker Compensation Disclosure

To be introduced if settlement agreement requires disclosure at time of showing property. Would apply whether a buyer representation agreement has been signed or not. Discloses how much buyer side broker expects to be paid for identified properties and what the source is for the payment. Payment could come from another broker or a seller. Preprinted options include Multiple Listing Service, Cooperating Broker Compensation Agreement, Commission Agreement or Single Party Compensation Agreement. If buyer side broker has documented that buyer already informed of compensation offer through MLS public remarks then not required to include those properties on the form.

(new) BBCD – Buyer’s Broker Compensation Disclosure

To be introduced if settlement agreement requires disclosure at time of presenting an offer on a property. If so, would likely include a reference in the new RPA. Would apply whether a buyer representation agreement has been signed or not. Discloses how much buyer side broker expects to be paid buyer enters into contract for the property and what the source is for the payment. Payment could come from another broker or a seller. Preprinted options include Multiple Listing Service, Cooperating Broker Compensation Agreement, Commission Agreement or Single Party Compensation Agreement.

June 2021 New Forms –

FHDS – Fire Hardening and Defensible Space Advisory and Disclosure

Modifies existing Home fire hardening form to also address defensible space compliance requirements.

Paragraph 1A identifies the three types of disclosures addressed in the form. Paragraph 1B instructs the seller to review a NHD report to determine if property is in a high or very high fire zone. Paragraph 1C says the form can be used as a voluntary disclosure. Paragraph 2A defaults to property being in a high or very high zone because it is better to disclose when not required than to not disclose when required.

Paragraph 3A is the mandatory disclosure about the importance of home hardening. 3B lists hardening vulnerabilities that the seller only has to disclose if the seller has actual knowledge of the weaknesses.

Paragraph 4 is new. Defensible space laws require brush to be removed, trees to be trimmed and other actions taken in a 30-foot and 100-foot radius around a property to minimize the risk

of a home catching fire. Either buyer or seller will have to provide documentation of compliance. 4 choice exist depending on whether there is a local ordinance or not and whether a buyer is permitted to prove compliance, or the seller must do so.

Paragraph 5 is from the existing form and requires disclosure if reports were already obtained by the seller.

TOL – Transfer of Listing

This new form is created to help brokers in the situation where an agent leaves one brokerage company for another and continues to work on a listing or escrow. Failure to document the transfer to the new broker can be a DRE violation and presents problems for E&O coverage.

Paragraph 1 acknowledges the transfer from original broker to a new broker and termination of the agency relationship with the original broker. Paragraph 2 addresses whether the original broker will be paid for allowing the transfer of the listing. Payment can come from the seller or new broker. Paragraph 5 directs the parties to comply with MLS requirements. Paragraph 7 defaults to the situation where the agent leaves the original broker for the new broker, but other less common situations are possible. The agent is not a party to the agreement, as listing belongs to a broker and not the agent, but the agent acknowledges the agent's responsibility for files.

The three necessary signatures are for the principal, usually seller, and the original and new broker. Agent can sign but the agreement is valid without the agent's signature.

June 2021 Revised Forms –

AGAD – Agricultural Addendum

This form is used when improved property is located on agricultural land, like a ranch or farm. Paragraph 1B was added to address hemp and cannabis cultivation.

CBC – Cooperating Broker Compensation Agreement and Escrow Instruction

Paragraphs 4 and 5 were moved out of paragraph 3 so they are more easily noticeable. The form already required a broker or office manager signature from the seller's die broker if compensation in 3B was increased beyond that promised in the MLS. New language was added to paragraph 8 to require management approval from the buyer's side broker if the offered compensation is being reduced. If so, the added box at the bottom of page 2 needs to be signed.

ESD – Exempt Seller Disclosure

The reference to the form being used, and disclosures being made, by a landlord and not just a seller have been removed. Paragraph 2B was modified to reflect that the changing of non-compliant plumbing fixtures applies to multi-family as well as single family properties.

LL – Lease Listing Agreement

Paragraph 3F is more explicit that cooperating compensation is based upon the entire commission amount rather than as a percentage of the lease listing broker's compensation. For example, 2.5% of the total compensation rather than 1/2 of the listing leasing broker's compensation.

Paragraphs 10M and N were added since the ESD will not be used anymore.

Paragraph 14F is added to limit the broker's duties once the purpose of the lease listing is satisfied and a lease is entered into between landlord and tenant. Other options are present for those agents who perform limited services after the signing of the contract. Most importantly, the lease listing client is informed that the broker is not being hired to perform property management services.

PIA – Property Images Agreement

Paragraph 7 was added to address the increasingly more common situation where drones and ariel photography are used not just static ground-level photos or videos.

RFA – Referral Fee Agreement

The trigger for a referring broker to earn a right to a commission is specified come into effect upon the entering into a contract, not the close of escrow.

RLA – Residential Listing Agreement Exclusive

Paragraph 7C added language which recognizes that there is no statewide policy on how to handle Days on Market, so the best approach is to have a discussion between broker and seller.

Paragraph 10C was added to contractually address buyer letters. C1 discloses the FHDA form as a resource and the purpose of a buyer letter. C1 also mentions the potential for a buyer letter to be used in the wrong way, intentionally or not. Seller is advised that broker will not review the letter so the broker does not have to make the legal judgment of whether the letter contains information that might violate fair housing laws.

C2 is an instruction by the seller not to present buyer letters and to add such an instruction into

the MLS. C2B allows a seller to accept such letters. Note that it is possible, difficult but still possible, to have a letter that does not violate fair housing laws or for a seller to use such a letter for proper purposes. However, because of the difficulty, if the seller chooses to accept such letters, seller is advised to seek legal counsel. As stated in C1, broker will not read the letter or evaluate their contents.

Language is added to 10E to identify additional reports that a seller might want to order at time of listing. One of those is the NHD report. Previously, such reports were only provided to buyers but sellers may need to review those reports so the seller can determine if a disclosure is required for fire hardening or defensible space.

Paragraph 15 will only be added in the DOJ and NAR reveal the terms of the settlement agreement in time for the forms release. Previous discussion focused on disclosure of buyer side broker commission. This paragraph addresses another issue expected in the settlement and that is access to the property by non-MLS members via a lockbox/keysafe.

RLAN – Residential Listing Agreement Open

Same as for RLA.

RLASR – Residential Listing Agreement Seller Reserved

Same as for RLA.

SBSA – Statewide Buyer and Seller Advisory

Format change includes a listing of the 7 broad categories in which all of the many paragraphs belong. Added is an alphabetical index of each and every paragraph and the page where the paragraph will be found.

Paragraph A14 on page 5 is added to provide explanation and resources for disclosures in the revised form Fire Hardening and Defensible Space Advisory and Disclosure. Paragraph C6 on page 9 is added to address wildlife. Paragraph C7 is added to address concerns over sea level rise and issues concerning coastal property.

SPRP – Seller's Purchase of Replacement Property

The change to this form recognizes that a seller may satisfy the condition of the replacement property contingency if the seller identifies a new place to move to which can be a new purchase or a rental or something else, like moving in with a parent or child.

Standard Forms Advisory Committee – RPA 2021 Preview/Comment Forum

The final draft of the 2021 RPA was presented to this forum which had 1600+ attendees. A nearly line-by-line description was presented by the RPA 2021 study group chair, David Kerr.

There are also approximately 60 ancillary forms related to the RPA that were modified accordingly that will also be released in December, 2021.

The following ancillary forms were presented:

RPA 2021 Ancillary Forms – Joe Annunziato III

AOAA - Assignment of Agreement Addendum

Consistent with paragraph 23 of the proposed RPA, paragraph 1D is being added to the form to indicate in the assignee is a wholly-owned entity or trust of the buyer. In paragraph 2, the assignee is instructed to initial the first page of each document. 2C identifies the time to return the documents to the seller, and 2D gives seller the right to withdraw consent to the assignment if the forms are not returned or not initialed.

BCO – Buyer Counter Offer

- Paragraph 1A refers specifically to the Liquidated Damages and Arbitration of Disputes paragraphs rather than generically to paragraphs that required initials. ● The parties are advised to initial in the RPA even if these clauses are separately mentioned in the other terms paragraph.
- Optional preprinted clause are added to 1C, Other Terms, for changes to the purchase price and close of escrow.
- Language added to paragraph 3 makes explicit that unchanged terms of any previous counter offer are incorporated into the BCO.

SCO – Seller Counter Offer

- Same changes to 1A and 1C as with BCO.
- Optional preprinted clause are added to 1D for commonly-used attachments to the SCO, including; Addendum, Back-up Offer, Seller in Possession, Purchase of Replacement Property, Lease After Sale, Seller Exchange Addendum and Other.
- Language added to paragraph 5 makes explicit that unchanged terms of any previous counter offer are incorporated into the SCO, and previous offers or counter offers can no longer be accepted.

SMCO – Seller Multiple Counter Offer ● Same changes to SCO

CC – Cancellation of Contract, Release of Deposit and Cancellation of Escrow

The changes are all in the bottom half of the form addressing release of deposit and cancellation of escrow. 2A was added to explain the purpose of this section. 2B given a heading to make explicit that deposit will not automatically be released. 2C addresses three situations where there is not just a release of deposit but a release of liability. In 2C(1) seller releases the full deposit to the buyer, less buyer costs and fees. In 2C(2) buyer releases the full deposit to seller, less seller fees and cost. In 2C(3), buyer only release a set dollar amount to the seller and the seller is responsible for any unpaid buyer costs, which the seller needs to consider if accepting the set amount to end a potential deposit dispute. 2D is used when the parties no longer want to remain in contract but cannot agree on resolution of the deposit. The parties are only released from the obligation to sell and not a full release of liabilities.

CR – Contingency Removal

- The list of individual contingencies that can be removed tracks the contingencies specified in the revised RPA. 2C, addressing the Investigation contingency gives four options – removing the entire contingency, only removing that part of the contingency for the physical aspects of the property, only removing the non- physical aspects, or removing the whole contingency with certain exceptions.
- A note is added before the buyer signature to remind the buyer that terms of an attachment, such as RR or ADM, must also be agreed-to.
- A note is added before paragraph 6 as a reminder that no seller signature is needed if the seller is not removing contingencies.

DID – Delivery of Increased Deposit and Liquidated Damages Addendum

Former form RID has been renamed to be consistent with the language in paragraphs 3D(2) and 5A(2) of the proposed RPA. The adding of the word “delivery” to the title may help some understand when the form needs to be used; when the increased deposit is made. Also helpful is the subheading that states, “To be used at time increased deposit is paid, not with offer or counter offer.”

NBP - Notice to Buyer to Perform

The list of individual contingencies and contractual actions will track the contingencies and contractual actions specified in the revised RPA. This form was updated in 2020 to reflect the changes to the Sale of Buyer’s property document, C.A.R. Form COP. The paragraph will ask for the entire Investigation contingency to be removed as this is a seller-generated form.

NSP - Notice to Seller to Perform

The list of individual contractual actions will track the contractual actions specified in the revised RPA.

RR – Request for Repairs

- A property address line has been added to the top of the page.
- Paragraph 3 is added to address the removal of the FVA form which was used to request FHA or VA lender required or requested repairs.
- Paragraph 4 is added to identify the additional terms that a buyer automatically agrees to if there is an agreement on the requests. The buyer agrees to remove

the entire investigation contingency AND optionally removes other contingencies specified in a signed contingency removal form AND releases seller from liability from disclosed conditions.

- Paragraph 5 is added to provide for an expiration of the RR, just like an offer expires.
- Paragraph 6 makes explicit that the RR effectively supersedes any previous RR or RRRR form, and that any previously issued RR or RRRR form is no longer capable of being accepted, even if the time has not expired.
- The seller response section provides for 5 types of seller responses to the buyer requests: The seller can accept all of buyer request (paragraph 1); the seller can reject all of buyer's requests (paragraph 5); the seller can agree to some of buyer requests and list those rejected (paragraph 2); the seller can respond by using the RRRR form; or the seller can issue an AEA form, Amendment of Existing Agreement Terms in place of a RRRR form.
- As with the buyer request section, if the seller responds in any way, it prevents a previously issued RR or RRRR from being accepted.
- The buyer still has the opportunity to reply to anything the seller issues

RRRR – Seller Response and Buyer Reply to Request for Repairs

If the seller does not want to respond directly on the buyer's RR form, the seller can use the RRRR.

- Like the RR form, there are conditions attached to the seller's terms. If the buyer agrees to the substantive terms, the buyer also agrees to remove the entire investigation contingency; the buyer agrees to remove the identified contingencies in a signed CR form; and the buyer agrees to release the seller from disclosed conditions.
- Like the RR form, the RRRR expires after the default period of three days.
- Like the RR form, issuing a RRRR form prevent a previously issued RR or RRRR

form from being accepted.

SPQ – Seller Property Questionnaire

Several paragraphs have language added to make explicit that disclosure applies to past events and documents as well as recent or current ones. These paragraphs include 4 (Seller awareness generally), 5 (documents), 10 (water- related and mold issues), 11 (pets, animals and pests), and 18A (smoking). •Substantive changes include moving one of the last paragraphs in the existing SPQ to the first substantive paragraph (#5) in the new one with a title all its own.

The paragraph is titled, “Documents” and concerns reports, inspections, and disclosures.

- New paragraph 18A addresses vaping as well as smoking.

WDFA – Wildfire Disaster Advisory

This existing form is being bundled with the new Fire Hardening and Defensible Space Advisory, Disclosure and Addendum (C.A.R. form FHDS). Since the FHDS is not required on all residential properties with 1-4 units, the WDFA is an optional form that can be added to the RPA. Changes to the form include:

- Paragraph 1 – informing parties that properties that do not catch fire and that are far away from forested areas may be impacted due to smoke and air quality.
- Paragraph 2 – reminders added to investigate insurance issues early in the transaction.

- Paragraph 3 – language added about the possibility of breach if insurance is unavailable and the loan and investigation contingencies have been removed.
- Paragraph 4 – a reminder to check with local governments about the impact of and requirements due to wildfires.

Special Situation Purchase Addenda: COOP-PA, MH-PA, PA-PA, TIC-PA, TOPA

Paragraph 4A of the draft RPA includes optional paragraphs for RPA addenda that should be used by with the RPA so that a different contract does not need to be created that duplicates almost all of the RPA. Instead, only relevant changes or additions need to be addressed by addendum.

COOP-PA – Stock Cooperative Purchase Addendum

- Used when buying shares of stock in a corporation with exclusive right to occupy.
- Unique terms include financing loans secured by the corporation, board approval, transfer fees, and assumption of cooperative agreement.
- Also available a one-page stock cooperative ownership advisory which explains what a stock co-op is, and what ownership interest gets transferred.

MH-PA – Manufactured or Mobile Home Purchase Addendum •Identifies if the home is personal or real property, and if on leased land or in a park, and information about the manufacture of the home.

- Other unique terms for park rules and residency application, seller

additional disclosures, and seller financing and security issues.

PA-PA – Probate Agreement Purchase Addendum

- Defaults to estate property but options for conservatorship, guardianship and receivership.
- Special paragraphs for court confirmation, including removal on identified contingencies before the court date.
- Elimination of Liquidated Damage, Arbitration and Mediation paragraphs.
- Also available a Probate Advisory (C.A.R. form PA)

TIC-PA – Probate Agreement Purchase Addendum

- Used when buying an undivided interest in real property owned with others.
- Unique terms include buyer occupancy rights, review and approval of the TIC agreement, financing – which has 6 options to consider, financial disclosures, sale of other units, and closing requirements. •Also available a one-page tenancy in common ownership advisory which explains that a TIC is different from a condominium, among other explanations.
- Also available a one-page tenancy in common financial disclosure statement that provides much of the same information that would be revealed in the property were a condominium or in a HOA.

TOPA – Tenant Occupied Property Addendum

- If all or part of the property is tenant occupied. Default position is that tenant will remain in possession.
- If optional paragraph for property to be delivered vacant, and seller is unable to remove tenant, (i)buyer may proceed with tenant in possession or (ii)cancel and only get deposit returned and reasonable out of pocket expenses.
- Other unique terms for seller to provide rental documents such as lease, estoppel certificates, and permits.

CAR legal members and staff were monitoring the Q & A and chat boxes and were responding to questions both in real time and at the end of each presentation section. 300+ questions were submitted. Those that could not be addressed will be forwarded to the SFAC for the typical review and response process.

Strategic Planning and Finance

Name

Michael Tessaro

Association

Bay East AOR

NRDS #

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Meeting Day/Time

April 28, 2021 8 AM to 12:30 PM

Committee

SPF-Strategic Planning and Finance

Action Items

That C.A.R. reaffirms its commitment to the Pathway to Homeownership project and its stated objectives. The Pathway to Homeownership Advisory Group and the C.A.R. Leadership Team shall present recommendations for joint venture developments to the Board of Directors in October 2021. •Motion passed by SPF (Not yet presented or passed by Executive Committee or BOD so the actual motion could change)

SPF Voted and Approved the Motion from Local Government Policy Committee (see attached)-Presented by Kevin Brown

Discussion Items

State of CAR by Joel Singer (Gladly share his slide deck after he makes his presentation to the BOD)
Reports, Motions, and Updates

a. C.A.R. Headquarters Property Alternatives and the Pathway to Homeownership Proposal – Dave Walsh

b. Local Govt Policy Committee Mission Statement – Kevin Brown See Motion Below and attached. The staff has already been hired for this position from internal staff in Sanjay's Office

VI. Financial Report 10:00 a.m. (These motions are part of the "Consent Agenda" at the BOD

a. 2020 Audited Financial Statements – Armanino, LLP, Thomas Schulte This is available by contacting the Executive Offices at CAR. We had no management letter or any other suggestions from the Audit Firm at this time

b. 2021 Financial Statements "See Consent Agenda Motions at the BOD"



2021 Spring Board of Directors Alternatives Presentation.pptx
7.17 MB



2021 Spring Board of Directors Alternatives Presentation.pdf 796.87
KB

AGENDA



Wednesday, April 28, 2021

STRATEGIC PLANNING AND FINANCE MEETING

8:00 a.m. – 12:00 p.m.

REGISTRATION LINK:

PRESIDING: **JENNIFER BRANCHINI, 2021 TREASURER, SPF CHAIR**
 ROBERT MOREL, VICE CHAIR
 BJ WARD, VICE CHAIR
 EUGENE PAK, COMMITTEE LIAISON

C.A.R. STAFF: **SARA SUTACHAN**
 ANNE FRAMROZE
 IQBAL BHOLAT
 SHUI-YIN CHEUNG

- I. Call to Order/Welcome/Opening Remarks– *Jennifer Branchini*** **8:00 a.m.**
- II. C.A.R. Mission Statement Task Force Update – *Jennifer Branchini***
- III. Approval of Minutes, February 10 Meeting**
- IV. The State of C.A.R. – *Joel Singer, CEO*** **8:15 a.m.**
- V. Reports, Motions, and Updates**
 - a. C.A.R. Headquarters Property Alternatives and the Pathway to Homeownership Proposal – *Dave Walsh* **8:30 a.m.**
 - b. Local Govt Policy Committee Mission Statement – *Kevin Brown* **9:30 a.m.**
- VI. Financial Report** **10:00 a.m.**
 - a. 2020 Audited Financial Statements – *Armanino, LLP, Thomas Schulte*
 - b. 2021 Financial Statements
- VII. Group Reports on Homework Assignment from Environmental Scan**
- VIII. Adjourn**

Local Government Policy Committee Mission Statement

The mission of the Local Government Policy Committee is to develop and encourage local association advocacy goals consistent with C.A.R.'s goals. It will evaluate government policy on issues of particular concern to local associations, and emerging local policy issues affecting housing including but not limited to build-by-right, zoning, encouraging accessory dwelling unit development, addressing new forms of rental restrictions such as vacancy controls, avoiding point-of-sale mandates, and new taxes and fees as they affect real estate.

The committee will look at ways to encourage and increase local REALTOR® involvement and effectiveness in the political process. This will include: 1) guidance and direction of how to get directly involved in the political process by getting on appointed local committees and boards as well as elected councils, 2) developing local advocacy resources, 3) developing effective strategies, such as developing and utilizing strike teams to accomplish REALTOR® goals on the local level, 4) Learning how to build coalitions with groups and individuals that share REALTOR® goals on issues. The Committee will provide opportunities that educate local associations and REALTORS® on advocacy methods, strategies and arguments which persuade elected officials in favor of policies which expand affordable housing opportunities.

The Committee will make recommendations to the Legislative and/or Federal Committee and will be comprised of a Chair, two Vice Chairs, Local Association Presidents, Association Executives, Government Affairs Directors, Regional Representatives, and Members at Large appointed by the C.A.R. President.

Taxation and Government Finance

Name

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Committee

Taxation & Government Finance

Meeting Day/Time

April 28, 2021

Action Items

AB 1203 - Assessment Appeals Board - allowing a shortened time for former employees of the Assessors' Office to apply for a position on the Appeals Board. Primarily a LA County issue due to volume of appeals.

CAR - Support if amended with a longer time frame

SB 323 - Local Gov't Water & Sewer Services Legal Actions - regarding actions to challenge the statute of limitations for legal action

CAR - support

Capital Gains proposals - there is a motion that came out of the discussion regarding support to eliminate one-time capital gains event, e.g., sale of property, from being included as "annual income" for determining the level of capital gains tax.

CAR - support

Discussion Items

Federal Update -Matt Roberts

SALT cap discussion - on-going with Congress

Transportation / Infrastructure - regarding 1031 exchange & Housing

Capital Gains proposed changes - stepped up basis, SALT, income levels to determine tax rate, etc.

Presentation by Oscar Wei - CAR Economist - on the forecasted effect of the proposed 1031 and capital gains changes

Possible forecasted results could affect 41,000 - 50,000 transaction sides / year

Tracking of 13 CA senate / assembly bills

Proposal to establish a Working Group to monitor Federal Tax changes that can affect real estate transactions and property rights - Supported

Upload Attachments

Young Professionals Network Forum

Name

Felicia Mares

NRDS #**Association**

Bridge AOR

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Committee

Young Professionals Network

Meeting Day/Time

Tuesday April 20 at 1:00 pm

Action Items

N/A

Discussion Items

YPN Forum - During this Forum, the YPN Advisory Board lead a panel discussion on handling stress and protecting your mental health in this industry.

Wake Up YPN - At 7:00 am on Thursday April 29, YPN lead a "Wake-Up with YPN" Session. We wanted to take the opportunity to teach our YPN members "Robert's Rules". We recognize many newer members feel confused by the way meetings are run, so we wanted to shed light on the process. This was one of the most well-attended wake-up YPN sessions we've had.