

C.A.R. Meetings in Monterey

Winter, February 2024

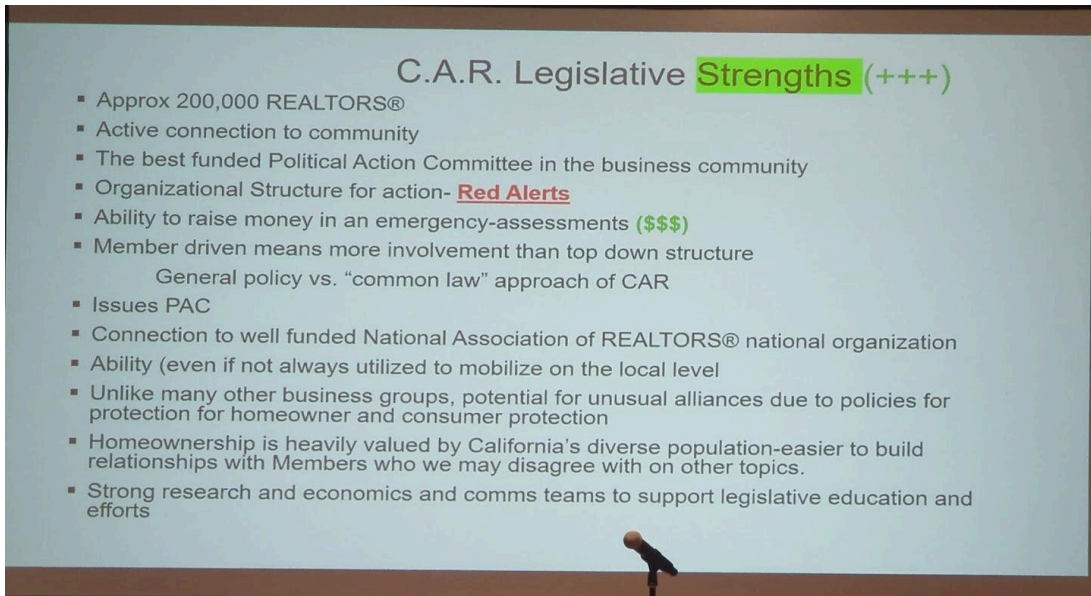
Tim Townley

Strategic Planning Forum

Sanjay Wagle, Senior Vice President of Governmental Affairs at the California Association of REALTORS®

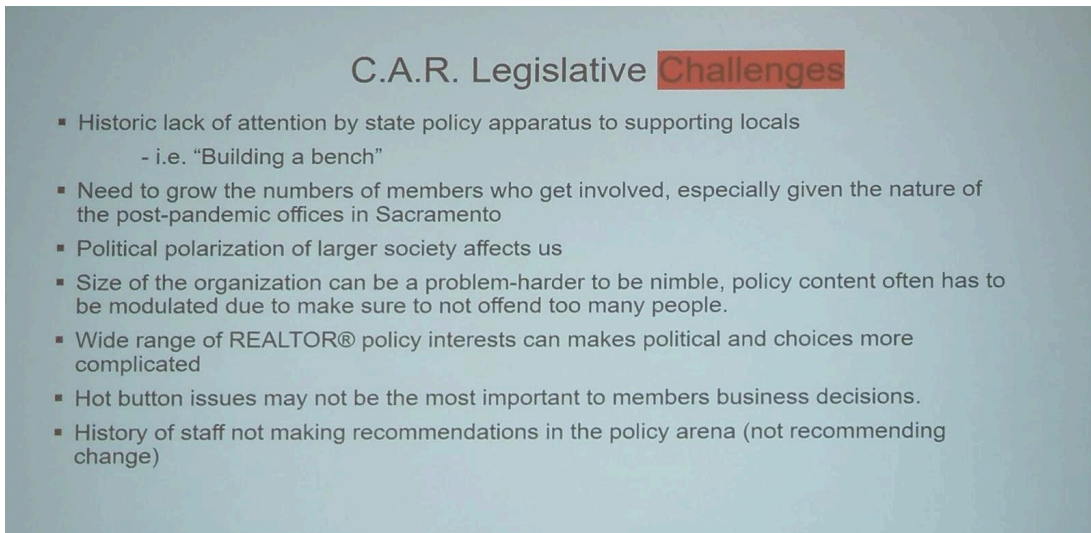
Cal state Senate 32 dem 8 rep

Assembly 62 dem 18 rep



C.A.R. Legislative Strengths (++++)

- Approx 200,000 REALTORS®
- Active connection to community
- The best funded Political Action Committee in the business community
- Organizational Structure for action- Red Alerts
- Ability to raise money in an emergency-assessments (\$\$\$)
- Member driven means more involvement than top down structure
General policy vs. "common law" approach of CAR
- Issues PAC
- Connection to well funded National Association of REALTORS® national organization
- Ability (even if not always utilized to mobilize on the local level)
- Unlike many other business groups, potential for unusual alliances due to policies for protection for homeowner and consumer protection
- Homeownership is heavily valued by California's diverse population-easier to build relationships with Members who we may disagree with on other topics.
- Strong research and economics and comms teams to support legislative education and efforts



C.A.R. Legislative Challenges

- Historic lack of attention by state policy apparatus to supporting locals
- i.e. "Building a bench"
- Need to grow the numbers of members who get involved, especially given the nature of the post-pandemic offices in Sacramento
- Political polarization of larger society affects us
- Size of the organization can be a problem-harder to be nimble, policy content often has to be modulated due to make sure to not offend too many people.
- Wide range of REALTOR® policy interests can makes political and choices more complicated
- Hot button issues may not be the most important to members business decisions.
- History of staff not making recommendations in the policy arena (not recommending change)

External Environment **Positives (+++)**

- On transactional issues, the legislature listens.
- Home Ownership remains a high priority for California's diverse population (e.g. DFA)
- Recognition (if not action) in legislature that lack of home ownership is the primary driver of people leaving CA and then the companies who employ them
- More Democrats, often powerful ones, willing to consider pro homeownership, pro supply agenda.
- Homeowners often more tied to their communities, likely to vote and get involved more than many other groups.
- Voters views often align with us on many issues, property tax, the need for more housing and most transactional real estate issues.
- Except for the most extreme members of the legislature our range of issues, mean we can work with more and varied members than many other business groups.
- Polling for home ownership, changes to property taxes, increasing supply (if only in theory remains high.

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External Environment **Challenges**

- Close to being a renter state. Most large areas are renter majority.
- Rent control popular in many part of the state
- Far left has organized effectively on local level. DSA candidates???!!!
- Supply of housing is loved by all but highly contested as to how we get there. (even within our membership).
- Other business groups tend to only spend money on single issues that affect them (starting to change)
- Republican Party is weak. Senate Candidate only has raised last year about \$600,000. Schiff had \$35 million in January, Porter at last count 25 million. No major declared candidate for Governor



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More than the usual

- Build local strength-build the bench
 - More state support for the locals
- Initiatives are the way that you take on problems the legislature creates or will not address
 - Proactive Initiatives-so you are not constantly fighting on the defense
- Building Relationships binding locals to members
- Focus on key issues-maybe time to leave certain issues to our colleagues in the Capitol.
- Should we think politically (a bit) on certain policy issues

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ACA 1

The official title: **Requires 55% voter approval for local bonds and taxes to fund infrastructure and affordable housing. Imposes accountability requirements. Legislative Constitutional Amendment**

The summary text reads as follows:

- Authorizes local government bonds, sales taxes, and parcel taxes for the construction, rehabilitation, or replacement of public infrastructure, affordable housing, and permanent supportive housing if the bond or tax is approved by 55% of local voters.
- Authorizes property taxes higher than 1% limit as necessary to repay bonds.
- Requires citizen oversight committees and annual independent audits for bond and tax proceeds.
- Prohibits bond or tax proceeds from being used for local government employee salaries or operating expenses.

The fiscal impact summary:

- Increased revenues and debt costs for many local governments, depending on local voter approval of future public infrastructure and affordable housing bonds and taxes. Increased revenues and debt costs could each reach hundreds of millions of dollars annually within a decade.
- Potential long-term savings to the state to the extent that local governments assume greater responsibility for funding public infrastructure and affordable housing.

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ACA 13

Why C.A.R. is OPPOSING ACA 13:

ACA 13 would set two separate requirements for passing a **citizen-led** initiative.

1. ACA 13 states that, if the measure imposes higher than a majority vote (50%+1) to pass (*i.e.*, similar to Prop 13, which requires 2/3 vote on state and local taxes), the initiative is required to pass by the **higher vote** imposed. In this case, all voters in the state would have to pass an initiative by 2/3 vote.
2. The Legislature exempted themselves from this requirement.

ACA 13 was modeled after Ohio's **Issue 1**, which sought to require all initiatives pass by 60% of the voters.

Five other Republican-controlled states have attempted similar measures: Arizona, Arkansas, Florida, Missouri and North Dakota.

Position: Against

Status: Proposition Number Pending

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Business Technology

1. Livable Presentation

- Presentation by a representative from Livable <https://www.livable.com/> (**Dan Sharabi**)
Daniel brings new thinking and a fresh attitude with respect to the property management industry. He translates conversations with real estate stakeholders into viable solutions and better experiences. Daniel's immersive experience working within a multitude of sectors in the Silicon Valley offers a homegrown advantage in his vision of leveraging technology to provide benefits for all: the property owner, property manager, the residents, and our environment.

2. AI Overview by Josh Sharfman

- Our next presenter needs no introduction. by Josh Sharfman, Chief Technology and Innovation Officer. Josh has been with CAR since 1982. If you want more information.

https://store.car.org/products/using-generative-ai-to-improve-your-real-estate-business-what-you-need-to-know-online-anytime?_pos=1&_sid=d7d06b6eb&_ss=r

3. Deep Dive into AI Applications by Anthony Self

- Detailed presentation on AI applications in real estate by Anthony Self
It was a great presentation, if you would like a copy of the slide deck, let me know tim@cometrealty.com

ChatGPT <https://chat.openai.com> •

Canva <https://www.canva.com/> •

Leonardo <https://app.leonardo.ai/> •

Artflow <https://app.artflow.ai/>