



RALEIGH REGIONAL
ASSOCIATION *of* REALTORS®

The Raleigh Regional Association of REALTORS®

2010 Policy Positions

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Introduction

The Raleigh Regional Association of REALTORS® is a local professional trade association representing over 5,900 professionals in the business of listing, selling, buying, renting, leasing and managing real property. Our members, while regionally disbursed, are concentrated in the city of Raleigh, the incorporated municipalities, and Wake County, North Carolina. The Association is committed to providing members with programs, products and services that increase their level of competency and provide the general public with the best service possible in a professional and ethical manner.

In addition, the Association takes a pro-active role in communicating the public policy concerns of the REALTOR® community and the home buying consumer with local, state and federal government officials. The Association has been a major force in helping to shape housing, taxation and land use policy in Wake County and currently enjoys strong and productive working relationships with elected officials at the local, state and federal levels. The Association actively participates in appointed commissions, stakeholder groups and task forces in order to provide critical expertise and feedback to and from elected officials, on various diverse issues.

To this end, the Association supports the following policy positions. Please review the following positions and refer to them in the future as appropriate to your policy-making duties. Any questions should be directed to the RRAR Government/Political Affairs Department, 919/654-5406.

We look forward to continued involvement and success in the public policy arena for the foreseeable future.

Sincerely,

Theresa Clark
2010 President

Ray Larcher, RCE
Executive Vice President

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Adequate Public Facilities Ordinances

The Raleigh Regional Association of REALTORS® supports the use of sound planning tools and municipal cooperation in preparing for and anticipating growth challenges. Adequate public facilities ordinances, or APFOs, assume that stopping development will stop population growth.

- RRAR opposes APFOs because they merely push development away from a certain area and often create sprawl
- School APFOs require that the school system 'sign off' on any new development that would generate more students than there is currently capacity for, and thus places land use and development decisions with the school board and not the elected officials of the local government
- Some APFOs offer the developer to pay into a mitigation fund if there is not school capacity, which is simply an 'impact fee' in disguise

Broad-based Revenue Streams

The Raleigh Regional Association of REALTORS® supports the use of broad-based revenue streams to ensure that the burden of paying for additional community needs are shared by all, including renters, homeowners, business and non-resident users.

- Property taxes are a fair way to spread out the financial burden of paying for community benefits, however, cost saving measures should always be explored before decisions are made to raise property taxes
- Sales taxes, while regressive, are also a broad-based measure that ensures everyone pays, and captures transient revenues from users

Construction and Funding of the Raleigh Outer Loop

The Raleigh Regional Association of REALTORS® supports accelerated construction and funding of the Outer Loop, including the southern portion of said 'Loop.'

- Wake County is growing at a rapid rate and it is critical that transportation routes match this growth to promote levels of safety, quality of life, and economic development in Wake County.
- In order to expedite the construction of the Western Wake Expressway and the Triangle Parkway, RRAR supports the concept of tolling and urges the General Assembly to approve sufficient 'gap' funding to ensure earlier (and therefore less expensive) construction of these important projects.
- The RRAR opposes consistent and unfair 'raids' of the Highway Trust fund, depleting critical funds from important transportation uses.

Directional Sign Ordinances

The Raleigh Regional Association of REALTORS® opposes ordinances that prohibit temporary real estate directional signs. The REALTORS® support ordinances that set guidelines to allow such signs.

- Directional signs are vital to citizens buying or selling residential property when property is not located directly on major thoroughfares. In many cases, the consumer simply cannot access the product.
- Specific guidelines for directional signs help preserve the aesthetics of the community. Reasonable guidelines can be set for sign size, height, location, duration of placement, and number of signs per listing or subdivision.

Home Owners Association (HOA) Operations

The Raleigh Regional Association of REALTORS® supports the community improvements and maintenance often achieved through the use of neighborhood Homeowners associations. We oppose however, excessive costs associated with the operations of these associations.

- Excessive 'file/record change' fees that sometimes can cost several hundred dollars are arbitrary and affect the closing costs of the property and overall affordability of the property.
- Private transfer fees, sometimes called 'initial capital reserve account contributions', penalize home owners for selling and affect the overall affordability of the property.

Housing Opportunities

RRAR is committed to maintaining a leadership role in support of initiatives that will keep safe and decent housing choices available and affordable.

- RRAR supports the elimination of substandard housing through aggressive enforcement of local building codes.
- RRAR supports local zoning classifications for all housing types
- RRAR supports expedited approval and inspection processes, simplified regulations and reduced fees to save time and cost in development and construction.
- RRAR supports incentives and zoning classifications that allow for and encourage development and redevelopment
- RRAR supports municipal, county, state and federal incentives for non-profit and for-profit development of sub-market priced housing
- RRAR supports the usage of Community Development Block grants and HOPE grants to achieve affordable housing and work force housing goals
- RRAR supports federal housing assistance programs like Section 8 rental housing and multi-family and single family rental housing development tax credits - including the American Dream Tax Credit.

Impact Fees on New Development

The Raleigh Regional Association of REALTORS® opposes impact fees on new development.

- Impact fees increase the cost of homeownership, making it unaffordable for more families
- A lack of affordable housing would significantly stunt the area economy and quality of life

Infrastructure Bonds

The Raleigh Regional Association of REALTORS® supports bonds as a means of financing infrastructure improvements, including but not limited to schools and education, roads, water systems, and parks and recreation.

- Financing through bonds allows a community to extend the cost of improvements over a long period of time.
- Financing through bonds allows the cost to be more fairly distributed among present and future users.

Innovative Financing of Development, Redevelopment and Infrastructure Projects

The Raleigh Regional Association of REALTORS® supports innovative financing methods for local governments and public-private partnership developments, when considering original development, redevelopment and infrastructure projects, including:

- Tax Increment Financing (TIF) or Project Development Financing (PDF)
- Public Private Partnerships that allow the private sector to construct and manage facility assets for public use, often
- with a savings of time and money to the local or county governments

Licensure of Landlords and/or Rental Units

The Raleigh Regional Association of REALTORS® opposes landlord licensure and registration of rental units with local governments.

- A person's right to own and use private property is a protected right under the U.S. Constitution. We believe alternatives exist, in the form of existing zoning and nuisance ordinances, which, with proper enforcement, could remedy the need for licensing property owners who choose to rent their properties.
- If accurate owner information is a challenge, local government incentives for landlords to provide contact information updates should be instituted

Moratoria on New Housing and Development

The Raleigh Regional Association of REALTORS® opposes any moratorium on new housing and development.

- The board maintains a pro-growth ideology, encouraging economic prosperity for the communities of Wake County.
- New housing and development creates a need for more jobs and services, thus decreasing unemployment while simultaneously increasing the tax base. By doing so, new housing and development pays for itself.

Predatory Lending

The Raleigh Regional Association of REALTORS® support state and federal actions to combat unfair and deceptive lending practices -- especially the federal rulemaking process. Guidance documents that do not have the authority of rulemaking, give little assurance to the lending consumers weary of deceptive lenders. Responsible lenders play a vital role in helping families achieve homeownership, but consumers need to make sure they are not dealing with a predatory lender. Some of the problems associated with predatory lending are:

- High interest rates and fees;
- Broken promises/Bait and Switch tactics;
- Loans that start with a very low (sub-prime) rate and escalate very high;
- Persuasions to 'flip' or refinance loans several times; and
- Steering by lenders to expensive loans when more clients could qualify for cheaper products

The Raleigh Regional Association of REALTORS® supports the federal rulemaking process for critical oversight of these unscrupulous lenders. We also oppose the pre-emption of (often stricter) state laws, by the federal Office of the Comptroller of the Currency.

Private Property Rights and Eminent Domain

The Raleigh Regional Association of REALTORS® supports policy that protects and enhances private property rights.

- The Fifth Amendment to the U.S. Constitution protects private property rights as follows, “...nor shall private property be taken for public use, without just compensation.”
- The REALTOR® community, recognizing the need of government to acquire land for the public benefit, but urges caution in light of the expansion of the interpretation of 'public use.' As a matter of fairness, government entities should be required to justify condemnation actions in order to ensure as much as possible that, they are both necessary and likely to achieve real and substantial community benefits. Furthermore, considerations of fairness and reasonableness requires that payment of 'just' compensation, as directed by the 5th Amendment, must cover the additional costs incurred by property owners affected by condemnation actions above and beyond the loss of the subject property.

Privatization of Government Provided Services

The Raleigh Regional Association of REALTORS® supports quality privatization of government provided services.

- Privatized services should be provided at a level of quality that is equal to or better than, the level of service provided by the government.
- Privatization creates a competitive market for service providers, which in turn stimulates lower prices and higher quality of services.
- The taxpayer burden is likely reduced.

Professional Services Tax

Currently, the state of NC has a very narrow taxable base, as manufacturing industries have been replaced with more service-based industries. The rate however, is very high. Tax reform proponents argue that all goods and services come under the 'taxable' umbrella, expanding the base and allowing for the reduction of the rate.

- The Raleigh Regional Association of REALTORS® is seriously concerned about the impact of a 'services tax' on the cost of a home. Housing affordability is one of the things that makes this region such a great place to live.
- The number of professional services included are numerous (engineers, attorneys, surveyors, contractors, landscapers, REALTORS®, builders, electricians, plumbers, etc....) and when taken cumulatively account for a rise of approximately 8% in the construction of a \$200,000 home.

Regionalism in Government Provided Services

The Raleigh Regional Association of REALTORS® supports efficient regional approaches to providing local government services.

- Regional consolidation of services significantly reduces costs, thus reducing the taxpayer burden.
- State incentives for local governments participating in cooperative efforts, especially large infrastructure projects, would increase the likelihood of local participation, and is encouraged.

Sales Tax for School Funding

The Raleigh Regional Association of REALTORS® supports up to a one cent local option sales tax to finance school capital projects. Such a tax should not apply to food and medicine.

- A sales tax fairly distributes the cost of capital projects among all users by not restricting the burden to homeowners.
- Research shows that a sales tax would generate greater revenue for capital projects than other types of taxes.

School Construction

The Raleigh Regional Association of REALTORS® supports measures to maintain quality classroom facilities for every student in Wake County.

- Wake County is growing at an unprecedented rate, and it is critical that Wake County schools match this growth to promote the quality of life and the future of its citizens.
- Funding should come from means that distribute the cost fairly among all citizens, not just homeowners.
- The current single-prime construction bidding process for new public school projects is time consuming and provides little ownership and supervision of projects. We support measures for streamlining the bidding and construction process to provide timelier and less expensive construction of schools.
- The Raleigh Regional Association of REALTORS® supports public private partnerships for school construction in the timely and expensive public school construction process. The county or school system can purchase the asset at the end of a lease if there is still need in that area, or can simply terminate the lease and build in a location that has a greater need.

Stormwater Management

Storm water run-off is a leading cause of water quality degradation in Wake County. Federal and state regulations require on-site controls for managing storm water run-off. The Raleigh Regional Association of REALTORS® support reasonable, scientifically based remedies toward reducing run-off.

- RRAR support broad-based funding of storm water utility programs, where projects are prioritized and a reasonable level of service can be attained.
- RRAR urges municipalities to assist, or provide incentives for homeowners associations to coordinate their storm water management efforts with the municipality, the county or professional storm water management consultants.
- RRAR supports municipal, state and county efforts to continue educational efforts with homeowners associations to help achieve compliance with state and federal standards.

Taxes on the Transfer of Real Property

The Raleigh Regional Association of REALTORS® opposes land transfer taxes and any other taxes that discriminate against those buying and selling real property.

- Transfer taxes discriminate against one class of the population.
- Transfer taxes increase the cost of homeownership, making it unaffordable for more families.
- A lack of affordable housing already exists in Wake County and placing additional barriers to homeownership would simply compound an existing problem.

Teacher Salary Incentives

The Raleigh Regional Association of REALTORS® supports teacher salaries and incentives making teacher salaries competitive with other district in North Carolina and the across the United States.

- Competitive salaries and incentives are tools for recruiting and retaining high quality teachers to Wake County, thus promoting the quality of life and the future of its citizens.
- Funding should come from means that distribute the cost fairly among all citizens, not just homeowners.

Technology in Schools

The Raleigh Regional Association of REALTORS® supports initiatives that encourage technological advances and improved learning tools in area schools.

- Use of technology enhances student mastery of basic skills and prepares students for higher education or the work force.
- Technology bonds and incentives for corporations who donate technological tools are sound means of improving technology in schools.

Transfer of Development Rights

The Raleigh Regional Association of REALTORS® opposes the use of Transfer of Development Rights (TDR) programs. TDR programs allow for the transferring of the right to develop rural or farmland (sending zone) to an area where development is more desired (receiving zone) and infrastructure exists.

- TDR programs falsely assume that the two location zones will offer the same development yields with densities that equate to the same value for the developer. Most often the collection zone land is not nearly as valuable or desirable and therefore the development cannot make the deal work.
- A builder has no assurance that the project that was planned on the 'sending property' will be approved for the receiving zone.
- The farmer or landowner from the sending zone is relinquishing all future development rights for the property at any density. Future heirs may not want to conduct farming operations on the property and it calls into question, what the future landowners can do with the property and what the value will be in 20 years.
- The TDR program could place a permanent stigma on the property robbing it of private property rights.