

RRAR Policy Positions

I. PRIVATE PROPERTY RIGHTS, EMINENT DOMAIN AND PLANNING ISSUES

1. Property Rights and Eminent Domain (Rev 4/2018)

The Raleigh Regional Association of REALTORS® (RRAR) supports policies that protect and enhances private property rights. The dream of homeownership and the numerous benefits (both individual and community based), make it a foundation on which most Americans assess success and wealth.

- a. RRAR supports eminent domain authority only for public use (e.g., ownership by a public entity), as well as a broad interpretation of "just" compensation to include all reasonable and necessary costs which result from exercise of such authority, not just the value of the property condemned. States, not the federal government, should establish their own rules and laws governing eminent domain.
- b. In the arena of potential property "takings" by federal or state agencies, RRAR supports the due process requirements upheld in the 2012 US Supreme Court case *Sackett vs. EPA.*, in which the Court unanimously decided that it's appropriate to allow parties to contest agency decisions before having to first comply with the agency order.
- c. As a matter of fairness, government entities should be required to justify condemnation actions in order to ensure 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 subject property.
- d. RRAR supports the legalization of short-term rentals (STRs) that allow homeowners to rent out all or part of their home to generate personal income. RRAR views the capitalization of personal property as one of the basic tenants of property rights and a foundation of building wealth. RRAR also supports the creation of STR rules that ensure the safety of communities with STRs present.

2. Privatization of Services (Rev 7/2012)

RRAR supports quality privatization of certain government provided services that meet or achieve the following criteria:

- a. 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.
- b. Privatization creates a competitive market for service providers, which in turn stimulates lower prices and higher quality of services.
- c. The taxpayer burden is likely reduced.

3. Public Private Partnerships (Rev 7/2012)

RRAR supports public-private partnerships that allow the private sector to design, construct, and/or manage facility assets for public use, often with a savings of time or money to the local or county government. Such project standards must match or exceed those where sole design, construction, and/or management were conducted by the local, county, or state government.

4. Long Term Water Availability (Rev 7/2012)

Long term strategic resource management is key to our region's continued success and our quality of life. Potable water, grey water, and sewer capacity all are key elements of our long-term water needs. RRAR recognizes the need for continued conservation as good stewards of the limited resources we have. RRAR supports:

- a. Federal and state regulatory reform to permit additional water storage facilities, or expanding the capacity of existing storage facilities through a recalculation of the formula used to determine allotment of water uses.
- b. The conducting of a feasibility study and cost benefit analysis of the broader uses of grey water infrastructure required to achieve a high level of grey water usage.
- c. The identification of a funding source and process for the systematic replacement and repair of our aging water mains.

5. Adequate Public Facilities Ordinances (APFOs) (Rev 7/2012)

RRAR supports the use of sound planning tools and municipal cooperation in preparing for and anticipating growth challenges. Certain planning tools, while well intended, have unintended consequences which put private property rights and equality at risk.

- a. RRAR opposes Adequate Public Facility Ordinances (APFOs) as they have the impact of pushing development to areas less likely to accommodate infrastructure needs and often lead to sprawl.

6. CAMPO Transportation Funding and the TIP (Rev 7/2012)

RRAR supports policies that will help cities, counties, MPOs, NCDOT, and the federal government accelerate the planning and implementation of needed transportation projects for our region. RRAR engages in these transportation issues that impact REALTORS® directly via the Regional Transportation Alliance business leadership group and other industry organizations.

7. Transfer of Development Rights (TDR) Programs (Rev 7/2012)

RRAR stands staunchly opposed to Transfer of Development Rights ordinances (TDRs). TDR programs allow a municipality to prohibit development or establish zones for development, called "sending" and "receiving" zones. The ordinance would allow/require a property owner to 'transfer' the right to develop their high value/high quality (often farmland) property to an area where development is more desired and existing infrastructure exists. Whereas this sounds well intended, the following are the practical outcomes of TDR programs:

- a. TDR programs falsely assume that two locations will offer the same development yields and densities that equate to the same development value. Most often the development receiving zone is not nearly as valuable as the 'sending zone' property and therefore the market will not allow for the deal to work.
- b. There is no assurance that a project planned for the sending zone property will be approved in the receiving zone.

- c. The landowner of the original property forfeits all future development rights for his property at any density. Future heirs, who may not wish to farm or work the land, are left with stigmatized or 'unusable' land.
- d. RRAR believes that if this tool is to be used, it must be strictly voluntary.

8. Managing Storm water (Rev 7/2012)

Storm water run-off is a leading cause of water quality degradation in Wake and Harnett Counties. Federal and state regulations require on-site controls for managing storm water run-off, both during construction and after a site is established. RRAR supports fair, reasonable and scientifically based strategies for reducing run-off.

- a. RRAR supports user-fee based funding of storm water utility programs that assess costs based on impervious surface footprints.
- b. RRAR supports prioritizing utility programs with those where a reasonable level of service can be attained.
- c. RRAR supports grant or cost-sharing programs and other incentives for homeowner associations (HOAs) to coordinate their compliance efforts with the city, county, or professional storm water management consultants.
- d. RRAR supports municipal, state, and county efforts to continue educational efforts with homeowners and HOAs to achieve compliance.

II. COMMUNITY NEEDS AND INFRASTRUCTURE FUNDING

1. Revenue Streams (Rev 4/2016)

RRAR recognizes the need to adequately fund our community needs in order to not only provide critical services, but also maintain and enhance our quality of life. Everyone benefits from the amenities and facilities that our community provides and should therefore share in the funding of such enterprises. RRAR supports funding these needs with broad revenue streams so that the responsibility is spread out to residents as well as non-resident consumers.

- a. RRAR supports the use of property taxes as one mechanism to provide for community needs.
- b. RRAR supports a property revaluation system that occurs more frequently than the state mandated every 8 years. A more frequent property revaluation provides for housing assessments that are more in line with housing prices.
- c. RRAR supports the usage of General Obligation (GO) bonds as a mechanism for long term funding of critical needs, especially in the cases of K-12 capital needs and the capital needs of the Community College system.
- d. RRAR supports the use of Sales Taxes as a means of funding community needs. Sales taxes collect revenues from those who use our services, facilities and roads but might not own property in Wake or Harnett County.
- e. RRAR opposes targeted housing fees, impact fees, and taxes that aim to penalize certain consumers when all consumers utilize the facilities and amenities of the community.

III. EDUCATION ISSUES

1. K-12 Educational Positions (Rev 7/2012)

RRAR recognizes that quality public schools are a key factor in attracting economic growth and high quality of life that a vibrant community enjoys. Everyone benefits from a strong public school system and all students are entitled to attend high quality public schools that provide a sound education in a sound environment. As such:

- a. RRAR supports the adequate funding of new schools and renovations of existing facilities to assure a clean, safe, and efficient learning environment.
- b. RRAR supports adequate funding to ensure access to high performing schools in close proximity to every residence in Wake and Harnett Counties.
- c. RRAR supports a transparent, predictable, and consistent student assignment process.
- d. RRAR supports policies that balance parental choice with efficient facility utilization.
- e. RRAR supports cooperative and effective planning among municipalities, the county, and school district to support the expected growth in student population.
- f. RRAR supports competitive compensation for teachers including compensation differentiated by (teacher and student) performance, with considerations for subject and individual student abilities.

2. Local and Regional Community Colleges (Rev 7/2012)

In an ever changing and dynamic economy, job skills will need to change to supply workers for new positions. RRAR supports the adequate funding of capital projects that enable the training and retraining of the workforce with the skills necessary to fill available jobs and attract new, sustainable jobs to the Triangle region. The result will be to increase employment of our resident and an expanded County tax base.

IV. BUSINESS ISSUES

1. Sound Lending Practices (Rev 7/2012)

RRAR supports state and federal lending practices that balance risk and responsibility while allowing for a competitive lending market for consumers. Responsible lenders play a vital role in helping families achieve homeownership, but consumers need to make sure they are not dealing with predatory lenders. Housing consumers must have a clear, affordable, and predictable process that allows for the purchasing of property while avoiding the following conditions:

- a. Inflated interest rates and fees;
- b. Broken promises, bait/switch tactics;
- c. Sub-prime loans with escalating terms;
- d. Persuasion to 'flip' or refinance loan several times;
- e. Steering by lenders to expensive loans when clients could qualify for cheaper products.

2. Real Estate Sign Ordinances (Rev 7/2012)

Homes that sell quickly are a boon to the seller, the buyer, and the community. RRAR, in an effort to aid member's commitment to marketing their client's property, strongly support community signage opportunities. We support signage rules that permit reasonable marketing for properties while protecting the aesthetics of the community. A uniform sign policy would enable competitive marketing and the ability to cross market more easily in several jurisdictions. Specifically, RRAR supports:

- a. Signage permitted both on and off-site.
- b. Off-site directional signage that is permitted on weekdays in addition to weekends.
- c. Equity of enforcement by municipal governments of both REALTOR® signage and for-sale-by-owner signage.
- d. Promoting responsible sign placement and retrieval practices by REALTORS®.

3. Moratoria on New Residential Construction (Rev 7/2012)

RRAR opposes new housing moratoria except in situations of imminent health and safety concerns. The RRAR maintains a pro-growth ideology, encouraging economic prosperity for the communities of Wake and Harnett Counties. New housing and development create jobs, provide for ancillary services, and infuse capital into the local economy while simultaneously increasing the tax base. State statute currently governs the circumstances under which a moratorium can be enforced.

4. HOA/COA Operations (Rev 7/2012)

RRAR recognizes the need for Homeowners Associations and Condominium Owners Association to maintain common facilities and property in many neighborhoods. Increasingly complicated storm water and land use regulations also make a strong case for the existence and usage of HOAs in achieving compliance. We oppose however, excessive costs associated with the operations of these associations. Specifically;

- a. Excessive 'file/record change fees', that are an arbitrary means of raising revenue.
- b. Requiring the homebuyer to make an initial capital investment equating to a 'private transfer fee', which raises the cost of the property.
- c. Any and all fees that are not fully disclosed and made known to both parties of the transaction well prior to closing.

5. Professional Services Tax (Rev 7/2012)

The NC Tax Code is a compilation of tax policies developed in the 1940s and tweaked over the past 70 years. RRAR supports the concept of tax code review and reform. However, taxing professional services can have unintended consequences to the shelter industry and have devastating effects on a recovering housing market.

- a. Licensed professionals would have to absorb the sales tax and pass it on to the consumer in the increased costs of the service.
- b. The cumulative effect of taxing the professional services included in the home building and the home buying experience would raise the costs of the transaction, making the purchase less affordable.
- c. States that have imposed sales taxes on professional services have repealed them.

V. QUALITY OF LIFE ISSUES

1. Housing Opportunities (Rev 4/2018)

RRAR is committed to supporting initiatives that will keep safe and decent housing available to all. RRAR promotes and educates REALTORS® about housing affordability and financing opportunities for the greater benefit of the community.

- a. RRAR supports the elimination of substandard housing through aggressive enforcement of local building codes.
- b. RRAR supports zoning classifications for all types of housing.
- c. RRAR supports incentives that encourage redevelopment and infill projects that contribute to responsible community growth.
- d. RRAR opposes mandatory inclusionary zoning programs, but supports local, state or federal incentives for profit or non-profit development of sub-market priced housing.
- e. RRAR supports the usage of federal, state, and local grants and private funding to achieve affordable and workforce housing goals, and single and multi-family rental housing development tax credits.
- f. RRAR supports policies enabling and supporting the construction of Accessory Dwelling Units (ADUs) as a function of responsible and affordable infill development. RRAR supports the use of ADUs for both rental and non-rental purposes. RRAR further supports common sense regulations on ADUs pertaining to safety and privacy of both ADU tenants and existing neighborhood residents.
- g. RRAR opposes municipal rules or regulations that implicitly or explicitly circumvent state rules or regulations. If municipalities are at odds with state laws, they should work to have them reformed, not circumvent them.

2. Rental Property Registration & Inspections (Rev 4/2016)

RRAR believes that a community thrives when all housing types are affordable to their markets. Rental property plays a large role in meeting the demands of the shelter industry. RRAR supports strong efforts to prevent harboring of criminal activity and failure to provide safe residential rental units in Wake and Harnett Counties. However, investor/owners, landlords, property managers, and their tenants should not be singled out or harassed by government officials. RRAR believes that both tenants and owners have responsibilities in maintaining their property and both should be held accountable for that which they can reasonably control.

- a. RRAR supports housing and zoning code enforcement that is aggressive and unbiased.
- b. RRAR supports property management standards that are equal for owner-occupied properties as well as rental properties.
- c. RRAR opposes mandatory rental registration/licensing programs that provide no services for the annual fee and force landlords or property managers to make public the names of their tenants.
- d. RRAR opposes complaint-based programs that hold the landlords or property managers responsible for tenant behavior without safe-harbor eviction mechanisms.

- e. RRAR supports voluntary registration activities which seek to provide a database of contact information of property managers and owners to the local governments in case of emergencies.

3. Growing the Tax Base (Rev 4/2016)

RRAR recognizes the need for tax base expansion to provide long term sustainable funding of our community needs. The quality of life components enjoyed by Wake and Harnett County residents are a result of sound resource planning and management, and a historically growing local and regional economy.

- a. RRAR recognizes the importance of healthy traditional and Community College systems to provide a highly skilled and technically trained workforce for attracting businesses.
- b. RRAR supports the existing and enhanced working relationship with the local Chambers of Commerce and City/County Economic Development Initiatives.
- c. RRAR strongly supports the identification, recruitment, and expansion of special cluster industries in Wake and Harnett Counties.