As you prepare for the 2020 Week of Advocacy, held in place of the 35th Annual Margaret C Carlson Realtor® Day on Beacon Hill, it is important to review the Realtor priorities for this year so you’re able to discuss it with your Legislators, clients, neighbors, and friends.

**Legislative Priorities Talking Points**

**Realtors® Support**

**An Act to promote housing choices (H.4263)** – MAR supports this bill as part of a diverse coalition of real estate interest groups. The bill promotes community-supported development, aligning Massachusetts with national norms as we are one of only ten states that require a supermajority to change local zoning rules. H.4263 changes local voting requirements from a 2/3rds supermajority to a simple majority for 10 zoning changes that promote best practices for housing growth. Sample zoning changes include:

- Increasing housing production options for smart growth zoning districts, such as allowing cluster development and accessory dwelling units (ADUs).
- Enhancing community ability to add housing with 10% affordable units in commercial centers and near public transportation.
- Promoting starter home and resource protection zoning districts.
- Reducing parking requirements.

**First Time Homebuyer Savings Accounts (H.2456 and S.1628)** – First time homebuyers face unprecedented challenges such as record highs in home prices and student loan debt. First time homebuyer savings accounts will help expand access to the American dream of home ownership. They allow future home buyers or their families to deposit up to $5,000/year into a savings account and claim it as an income tax deduction. Gains are tax exempt and deductions are permitted for up to 15 years and $50,000. Incentivizing home ownership has many benefits. Home ownership contributes to community responsibility; civic, economic, business and employment stability; family security and well-being. In addition, new home buyers average $75,000 in related expenditures.

**GreenWorks Climate Resiliency Bill (H.3997)** – This bill unanimously passed House on July 24, 2019. It funds $1.25 billion in climate resiliency measures through bonding, spreading the burden of paying for this community-wide benefit to everyone in Massachusetts. The bill lays out several measures to help climate resiliency efforts including encouraging electrification of vehicle fleets and helping municipalities take key climate resiliency steps with funds and personnel. MAR opposes a similar bill, S.10, which was proposed by the Governor and would provide $1.3 billion in climate resiliency funding through a transfer tax.

**RAFT Expansion** – The Residential Assistance for Families in Transition (RAFT) program provides funds for households facing instability as a result of COVID-19-related loss of wages or increases in expenses. The severe economic impacts of the COVID-19 state of emergency have taken an immense toll on the real estate industry. Unprecedented numbers of homeowners and renters have fallen behind on their rent and mortgage payments. While they benefitted from temporary protections in the emergency housing law, loss of wages and jobs will have a longer-term impact that only access to additional funds through the RAFT program can repair. Expanding access to and funding for this key program will go a long way to protecting housing stability and transitioning back to a fully functioning economy after the state of emergency.
RAFT provides income eligible individuals or families with up to $4,000 per 12-month period for certain financial needs related to housing stability including moving cost assistance, rent and utility arrears, rental stipends, and utility bills. Eligibility for RAFT is restricted based on household income. At least 50% of RAFT funds must be used by families with incomes at or below 30% of area median income (AMI). Up to 50% of RAFT funds can be used by families between 30%-50% AMI.

MAR Supports:
- an additional $50 million in new RAFT funding
- an increase in the amount each household can receive to $10,000,
- removal of the limitation to receiving one grant per 12-month period, and
- temporarily expanding access to a wider range of incomes, allowing households at or below 30% of the Area Median Income (AMI) and up to 80% AMI to receive assistance

**Permit Extensions** – COVID-19 has caused significant and unforeseen development delays. However, building permit clocks requiring developers to break ground within 6 months of issuance continue to run. In normal times, this assures that projects move along in a timely manner, but today it will likely mean that many are abandoned. To address this issue and encourage much needed housing expansion, MAR supports extensions of building permits.

- Many projects were prohibited from starting because of construction moratoriums.
- Development costs continue to balloon.
  - The price of materials has risen due to pipeline issues.
  - New health and safety measures, such as staffing limits at worksites, have also added expense.

COVID-19 economic and safety issues that undermined the start of projects were not the fault of developers or town officials who granted permits. Instead, they were the result of unprecedented circumstances. With development already facing incredibly high burdens in Massachusetts and the state in desperate need of additional housing to help address its longstanding housing crisis, permit extensions are a simple solution. They will give developers the time they need to adapt to new norms and continue their important work.

**Realtors® Oppose**

**Transfer Taxes (16+ bills)** - Transfer taxes impose a sales tax on homes. They exacerbate Massachusetts longstanding housing affordability crisis by increasing the price of homeownership, often by thousands of dollars. This raises the barrier to homeownership many families already face due to the high cost of housing in Massachusetts. Rentals are also impacted, as increased tax costs will be passed along to tenants. Transfer taxes also undermine the basic tenet of fairness in tax policy by forcing home buyers and sellers, about 2.5% of the population per year, to be the sole direct funders of community-wide responsibilities. Finally, they are not a stable funding source. The housing market is at best cyclical and often volatile. While MAR works to foster the strongest possible real estate market, it is unrealistic to expect stable funding from transfer taxes.

Many communities are attempting to identify revenue sources for affordable housing and MAR applauds their efforts to create more affordable housing. These communities, however, should be using funds available to them from the Community Preservation Act (CPA). The CPA allows the residents of a municipality to raise additional revenue for affordable housing through a property tax surcharge and matching state funds.
Rent Control (H.1316, H.3942) – MAR opposes rent control in all forms. Rent control reduces the quality and quantity of available housing. It disincents property owners and developers from investing in multifamily projects and properties because they will be unable to make those funds back. In addition, while it is designed to help those in-need, it actually un-levels the playing field, harming lower income individuals who will find units in disrepair and shrinking inventory. Finally, rent control is unfair. The costs of affordable housing should be borne by the entire community, rather than a small segment of private property owners.

In addition, MAR opposes several other elements of H.3924 including:

- Condo conversion limitations
- Onerous restrictions on ability to remove problematic tenants
- Limitations on security deposits and last month’s rent collection

Massachusetts has some of the strongest resident protection laws in the country. These proposals are an unnecessary infringement on property rights, and detrimental to the health and safety of many residents.

Mandatory Home Energy Audits (S.1983 and S.1922) – MAR opposes requiring home energy audits. Instead, we support a property owner’s ability to voluntarily obtain an energy inspection. Low audit scores stigmatize properties, with a disparate impact on older homes. Massachusetts has some of the oldest housing in the country, much of them located in less affluent communities where residents have fewer resources to invest in expensive energy efficiency measures. In addition, mandatory energy scoring causes delays, disruptions, and increased costs. The market already accounts for energy efficiency, driven by consumers and Realtors®, with optional audits and MLS listing information. Finally, mandatory energy scoring violates property rights and raises Constitutional concerns by requiring 3rd parties to inspect a home.