



## Episode 24: Legislative Updates

Let's be honest -- REALTORS face an ever-changing industry. With emerging tech, growing trends, and a booming market, it's vital to keep up. Join me, Gilbert Gonzalez, CEO for the San Antonio Board of Realtors, as I get real with experts on what REALTORS need to know about this industry. It's time to get real.

GG (00:22):

The Texas legislature just ended their third and potential final session of the year. Some of what transpired will impact our industry and to explain how I'd like to welcome SABOR's Government Affairs director, Brett Finley. Brett, thank you for joining us.

BF (00:36):

Hey, thanks Gilbert.

GG (00:38):

Brett, before we get started, can you tell us a little bit about yourself and your role here at SABOR?

BF (00:42):

Sure. So, I've been with SABOR for gosh, almost four years now. Probably the quickest four years of my life. But we are charged and sort of the advocacy side of the organization as being I guess the staff facing components for all of its advocacy goals. And it really just starts with what our simple mission is here at SABOR as it relates to advocacy and that's advocating for home ownership, real estate, investment, property rights, and maintaining, or the maintenance of a strong business climate and each of our 10 political jurisdictions.

GG (01:16):

So, it was a very broad question that I started off with that we're going to tell everyone about what transpired. The sessions have been constant and jam packed, but if you wanted to tell our members what's going to impact their industry, what would you lead with

BF (01:32):

HOA reform is certainly probably the biggest apple on the tree. So, to speak, they made substantial changes, not only to capping resell certificates, which, you know, previously before this legislative session, it was always like, well, you know, why can't there be, you know, changes to resell certificates. There needs to be widespread HOA reform. And really, I think the stars align this session to make sure

and input those positive changes. And I think fortunately for both Texas Realtors and all of the other advocates involved in that charge, I think there's still plenty of meat left on the bone to bring about more change in future sessions to go. It passed unanimously in the Senate, it passed with widespread bipartisan support in the house. And, you know, I think you talked about several legislators on both sides of the aisle.

BF (02:25):

They said, Hey, this was good, but maybe we can continue to move the needle further down the road. You know, certainly I think no one would argue that HOAs are, are needed. They, they provide a lot of utility for you know, making sure that there is quality and safety and security and making sure that, you know, homes are obeying rules within reason and homeowners' association subdivisions, et cetera. But I think not having some sort of consensus and some sort of consistency across the board, across the state, we've heard several stories about disputes that would come about. And, you know, as simple as trying to contact an HOA could prove to be a really difficult challenge for homeowners out there where you have a contact phone number from let's say Pennsylvania or New York, who's unresponsive in a timely manner just to handle some sort of dispute that may transpire on an individual's property.

BF (03:21):

And so, there are now a consistent set of standards in place, as I mentioned, that are really going to help alleviate some of those concerns. There's an expedient dispute resolution process that's going to be taking place as well as an ability for homeowners to, if there is a protest that needs to take place, it can happen within a matter of days, not weeks, months drawn out and then tack on potential fees. You know that, that could transpire because of that. So, HOA reform would certainly be the big one, but there are others too that we can certainly get into.

GG (03:55):

Okay. Before you get into the other ones, I want to, I don't think you highlighted clearly that the reason these great reforms came about though, was because of the advocacy efforts at the state level, through the Realtor party, which our members help contribute to and are a part of, can you just go into that just for a second?

BF (04:12):

Yeah, absolutely. So, I don't think, to a person at the state house and the state Senate, anyone would disagree. This was Texas Realtors and Realtor Association's bill from, from start to finish. There was sort of this idea, this concept that, Hey, we want to take action. We need your support on it. There were the requisite number of actors on both sides of the aisle that helped carry the water, but certainly with 140,000 members sharing their story, HOA reform.com was a website that came about that really helped. I think the public was able to also get involved, but certainly with Texas Realtors, their advocacy and grassroots efforts, you know, this is why our members are voluntarily investing their, their hard-working dollars into our political action committee TREPAC. It's because of the relationships that we're able to develop with these fundraising dollars that we're able to raise. And it can go towards these, these policies that can really make a difference, not only for our realtor members across the state and here specifically within SABOR's jurisdiction. But then also for the consumers, it's protecting those property owners who in times of need they can look to the realtors for, for that support.

GG (05:25):

Brett, you mentioned HOA reforms, but there's a couple of other things that I feel our members should know about. So, tell us a little bit more of some of the other changes that happened at the session. Yeah. So

BF (05:37):

Property tax relief was included on the third special session. And, you know, in normal, I would say legislative years the house and Senate will convene in odd numbered years and they're getting together from January till may. Unless there's a special session called and in this event I know with redistricting that's on you know, the agenda, but then also several other items included in that was property tax relief. And it made its way through now a third edition and, and really in, in the late evening hours of, of last week, the third week in October they were able to bring about an item that's really going to be productive. I think for all sides, it's increasing independent school districts allotment of homestead exemptions. So previously in 2015, you may remember that there was a homestead exemption change, the constitutional amendment that the voters approved bumping it from 15,000 to 25,000.

BF (06:32):

Well now with this most recent action by the legislature, it's going to be bumping it from 25,000 to 40,000 for an ISD homestead exemption. So, it's going to be saving taxpayer money and the state's going to come in on the back end and fill in the difference with what the state is seeing in a reduction of funding coming from the state. So, it should be well worthwhile efforts. And then there's, there's also another homestead exemption change. So previously when a home buyer would purchase a property, they would have to wait the following calendar year to, to see the changes and their property appraisal. And so with that homestead exemption, so they couldn't file, let's say what the bear county appraisal district that they purchased that property in February of 2020, they would have to wait the following calendar year in January of 2021 to file that homestead exemption paperwork.

BF (07:24):

Now, as soon as they close on that property and in February, they can file that homestead exemption ASAP and start seeing changes and, and start seeing really the, the benefits and the rewards of filing that, that general residential homestead exemption. So, two really positive changes that we've seen at the state level on top of, as I mentioned, HOA reform, and really, I think in large part to the realtor advocacy in the, in the efforts of the realtor association for all that they've really done to lay the groundwork both on the fundraising side. And then also with the advocacy side as well,

GG (07:59):

You talked about redistricting and how that will affect us locally. Is it going to have a change on the way we're represented because of the redistrict?

BF (08:08):

It certainly will. And, and for those you know, of our audience who are unfamiliar, there's a, obviously the census is, is gathered every 10 years and results are tabulated because the ongoing pandemic, the census results were delayed. And so this sort of pushed the redistricting process. And as they have gathered now population results, and we've seen obviously tremendous growth not only here in greater San Antonio, but across the state, we are going to be gaining two congressional districts because we've gained close to 4 million people since 2010, so tremendous amount of growth, but with that, and with

the redistricting and drawing of boundary maps, and they draw everything, the state is, is charged with drawing congressional maps here in Texas when they also draw their own state house and state Senate maps. And as you can imagine, if you get 181 legislators together, there is going to be a lot of competing interests involved.

BF (09:05):

And as a result, we have seen some retirements. We have seen some individuals, some incumbents who are going to be squaring off against each other because their boundaries or their, their political boundaries, I should say, were drawn into each other. So a home resident and HD 70, that was next to HD 71, that they could have drawn that together counties together, for instance. And so that it's going to see a lot of people shifting around and really sets up. I think what's unusual that we don't typically see, especially here in the bear county area are a lot of open seats for state house and state Senate races. So specifically, we could be seeing you know, an open race and HD one 16 HD 1 22, obviously with the retirement of Lao Larson HD 1 24, there's some questions about the incumbent who could be going away and looking for another office along with the other items that are going to be coming up. And that's right around the corner. I know we obviously are going to talk a little bit about the election season that's going on right now with the joint constitutional amendments and bond and municipal election but then, you know, the results of redistricting and, and that is going to take place. And we'll see how that plays out with Texas primaries, which is right around the corner here. In the middle of February, it is, it is nonstop election season here in Texas

GG (10:26):

Being that it is a non-stop election season. Is there anything going to be on the ballot that we should know about?

BF (10:32):

Absolutely. So here in February with, with Texas primary season, yet you have the governor and Lieutenant governor you'll have Texas Supreme court justices. You'll have your state house, your state senators. You'll have a couple of county commissioners at least here, specifically in bear county. You have county commissioners throughout all of our other outline counties as well. And then you also could see you, you'll have Maine municipal elections coming up shortly thereafter that too. Now obviously granted there is legality challenges to any redistricting process. So barring a court intervention, then we could still be on tap for a February timeline, but obviously we've already seen several lawsuits that have come out and have challenged Texas's current map that has, that has been drawn challenging its legality saying, you know, it could constitute a violation of the 1975 voting rights act which essentially, you know, makes, makes and prohibits you know, maps being redrawn and, and marginalizing people of color. And so we'll see how that plays out and whether or not that is, that is delayed. If it is delayed, there could be actually a court precedent that, that would make the, the Texas legislature come back in session and have to redraw the maps again, which inevitably would delay the Texas primary season. So we will, we'll certainly see how that will play out here in the next several weeks.

GG (12:00):

Now is one of the things on the ballot going to be the city of San Antonio bond?

BF: Yes. So...

GG: Okay. Tell us a little bit about what that's gonna look like if you can.

BF (12:09):

Yeah, so bonds are, I mean, obviously they are they're of much need in an importance for, for several reasons. And, and typically when we think of city bonds both for San Antonio or, you know, any of your smaller, local municipalities who are able to utilize bond funding and in dollars, you're looking at streets and sidewalks public facility funding and, and drainage and parks and recreation, Trailways, Greenways, et cetera. You don't really think of it in, in sort of real estate terms with housing. That actually changed in, in may of 2020, there was a charter amendment election that the voters here in San Antonio approved with, I think, well, over 60% of the vote to be able to change the San Antonio city charter to allow housing, to be a potential core project that can be funded.

BF (13:06):

And so previously in 2017, so city bonds, at least in San Antonio are on five-year cycles. So in 2017, there was a housing component of about a \$20 million a line item there, but that was only going to purchase land that could then be used for some sort of development. Now that the big change here is that with the amount of money that they're setting aside they're actually going to be able to negotiate with developers to go into agreements, to subsidize housing, either for market rate housing and or for affordable housing at a variety of income levels, 20% AMI, 50% AMI, all the way up the board work out these development agreements with this existing land or purchase land, and and be able to, to really help, you know, hopefully dig away at the, the housing affordability issue that here is, is happening here in St. Louis

GG (13:57):

And housing in that way has not been a part of the bond process before. So, this is absolutely new for San Antonio.

BF (14:05):

Yeah. It's new and improved, and it goes beyond just working with a development agreement. So are there are existing home repair programs in place for both homeowners and tenants, this \$150 million portion of the city's 1.2 billion with a B bond project is going towards specifically those housing related projects. So we think about, you know, those legacy generational homeowners who are struggling to maintain a quality roof and four walls. They're going to have funding now through this bond project that will hopefully chip away at some of the affordability challenges. And when I talk about affordability challenges, the city has done a number of studies. One of the things that really stands out is the 95,000 households within San Antonio, proper who are spending more than 30%, 30% or greater on their monthly income. There are certainly a housing affordability need, as I mentioned here in San Antonio. And so we hope within this five-year time span that a portion of this of this bond for housing is going to be able to wait. It's going to be able to chip away at, at that need of those, those 95,000 households,

GG (15:20):

Great information. And what I, one last thing I want to ask you about before we wrap up here is, the city of San Antonio's emergency housing assistance program, because it does fall in line with the local issues, what's the latest with this program and is it still available for landlords and tenants to take advantage of?

BF (15:37):

It's still available? You know, we've been grateful, I think, to live in a city and, and deal with a local city council who has prioritized housing and funding and stability during this pandemic, they were incredibly proactive. We've been partners with them, sort of in this endeavor, working through here at SABOR, we're working through some of the challenges. You know, certainly when they started this program back in April of 2020 and got approved funding for it to bolster what was formally known as the risk mitigation fund that was started in 2018, there were delays in turnaround time funding that was going specifically to housing providers or landlords directly to make sure that, I think most importantly, that there was not widespread displacement across our community has sort of the, the great unknown of, of the pandemic was, was playing itself out with individuals being furloughed or losing jobs and having to file for unemployment.

BF (16:35):

And so, bolstering that funding, making sure that they could cut down on delay times, making sure that there was enough staff in place to, to address, you know, the, the numerous concerns for both tenants and landlords alike about this program. And thankfully now, you know, fast forward 18 months or so forward there was still funding in place. They've, they've given out over \$150 million combination of both federal, state and local monies to individuals in need and in support of and now there are obviously income thresholds are in place, but there's still money out there available. We're, we're trying to get the word out to let people know that, Hey, if, if you have a tenant who is struggling, who's been not being able to, to pay both their utility or, or their internet or their rent for whatever reason, let's see if this program can help them stay in place.

BF (17:30):

And, and I think fortunately, you know, there was a kind of a talk around town that wants the CDCs eviction moratorium was ruled illegal by the, the United States Supreme court that we, we would see sort of this widespread displacement. You'd see a ton of eviction filings with the local Bexar county justice of the peace courts, and you'd see, you know, unfortunately a bunch of evictions take place, but, but thankfully that just has not been the case. And I think in, in, in part, because there's, there's funding, there's funding through the Texas rent relief program at the state level as well as funding here in San Antonio. And that funding is also available, not just for San Antonio proper residents and tenants and housing providers to take advantage of, but also through their partnership and covering the Bexar counties portion as well. So, if you live in Windcrest or if you live and, you know, Shavano park or wherever it is across the community, if you've got an apartment and you're a housing provider or a tenant within Bexar county, regardless of if it says San Antonio emergency housing assistance program if you qualify for their, their income guidelines, their support for you. And we're thankful that the program is going to be sticking around here through, through this next calendar year as long as funding is available,

GG (18:49):

Brett, I want to thank you for taking the time to give some of this valuable information on the successes and the things that look forward for within our government affairs realm.

BF (18:59):

Thanks, Gilbert. I appreciate you having me.

GG (19:01):

Thank you for those of you who are listening. I greatly appreciate all of those of you who have contributed to TREPAC to help us accomplish all of these things and to those of you who haven't contributed but are interested. We hope you will look more into that and see what great work comes from that contribution.

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