

Outer Banks Association of REALTORS®

GOVERNMENT AFFAIRS

2021 ANNUAL REPORT



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Government Affairs – 2021 Annual Report

Absent significant adverse municipal and county regulatory activity in 2021, OBAR undertook defensive and proactive issue advocacy on the federal and state levels.

Throughout 2021 OBAR initiated and renewed durable relationships with partner entities, notably furnishing substantial technical and lobbying assistance to the North Carolina Insurance Underwriting Association (NCIUA), Dare County, the Town of Nags Head, and REALTOR® associations coast wide.

OBAR's external focus importantly enhanced our visibility in the North Carolina General Assembly and relationships with federal lawmakers and staff. These relationships will prove particularly serviceable assets should Republicans achieve congressional majorities in 2022.

The following constitutes a brief overview of OBAR's 2021 government affairs engagement, and of three proposed proactive foci for 2022.

Respectfully,
Porter Graham
Government Affairs Director

Federal Mitigation Tax Parity

OBAR extensively supported and meaningfully advanced NCIUA's efforts to secure an income tax exclusion for residential mitigation grant disbursements.

- Constructed a REALTOR® coalition including the South Carolina, California, Alabama, and Florida associations supporting amendments to H.R. 3684 including H.R. 5494's mitigation exemption language
- Lobbied Reps. Mike Thompson, David Rouzer, and Greg Murphy, and Sens. Feinstein, Burr, and Tillis
- Helped ensure the amendment was revised to include NCIUA-specific language
- While the amendment was ultimately excluded from H.R. 3684, OBAR enhanced our relationships with NCIUA and with North Carolina Insurance Commissioner Mike Causey

NCIUA Coverage Limits

OBAR will continue work to amend GS 58-45-41 (c) to stabilize coastal homeowners' access to subsidized coverage by indexing NCIUA's coverage limits to a housing price proxy.

- OBAR is constructing a coastal REALTOR® coalition to lobby for this amendment
- The coalition has identified Sen. Mike Lee as a potential sponsor

Short Term Rental Preemption

OBAR extensively supported Rep. Dean Arp's H.R. 892 amending G.S. 160D-1207 (c) to preempt prescriptive local short-term rental regulation.

- Organized and drafted a statewide NC REALTORS® Call for Action to support amendments to
- H.B. 105 including H.R. 892's STR provisions
- Organized and drafted a statewide National Vacation Rental Managers Association Call for Action on same
- Lobbied Sen. Mike Lee, Sen. Norman Sanderson, Sen. Bill Rabon, Sen. Bob Steinburg
- While the amendment was ultimately excluded from H.B. 105, OBAR enhanced our relationships with coastal REALTOR® associations, the VRMA, and the North Carolina Senate

Offshore Wind Leasing

OBAR will continue substantial work to ensure the Bureau of Ocean Energy Management (BOEM) observes a twenty-four nautical mile coast-wide viewshed buffer to minimize potentially extensive visitor services industry disruption resulting from federal leasing for offshore wind deployment in North Carolina. The Biden and Cooper administrations have committed to extensively exploiting North Carolina's offshore wind potential and plan to deploy eight gigawatts of capacity by 2040, potentially tripling offshore turbines.

- Lobbied Sens. Burr and Tillis and Reps. Rouzer and Murphy
- Successfully secured a letter to BOEM from all four members of Congress expressing opposition to viewshed impacts and support for a twenty-four nautical mile buffer
- Successfully secured commitments to include in next Congress' Interior appropriations package language codifying the buffer, should Republicans achieve a majority

Rufa Red Knot

OBAR will continue to engage the U.S. Fish & Wildlife Service (USFWS) and members of Congress to clarify impacts including to offshore dredging activity posed by the proposed Rufa Red Knot critical habitat designation and share information as appropriate with relevant local governments.

- Submitted information requests to USFWS and communicated results to Dare and Carteret counties
- Engaged Sen. Burr in monitoring associated impacts

Nags Head Stormwater

OBAR circulated to members a request for comment on the Town of Nags Head's stormwater master plan update to inform our participation in a stakeholder review process.

- Advocated Nags Head consider codifying or otherwise formalizing guarantees that stormwater maintenance and improvement activity on private property not expose property owners to the potential for unrelated code enforcement

NCIUA Expansion Funding

OBAR engaged with NCIUA and Rep. Pat McElraft to help secure an appropriation supporting expansion of the FORTIFIED Roof Grant Program to all eighteen coastal counties.

- \$10 million was provided NCIUA for this purpose via H.B. 105

Southern Shores Signs

OBAR successfully advocated the Town of Southern Shores' withdrawal of proposed sign ordinance amendments that would have rendered standard real estate signs nonconforming.

- Circulated a request for member attendance at the council hearing
- Delivered comments to council
- Secured an informal assurance from Planning Board Chair Andy Ward the language would be dispensed with

NCRB Dwelling Rate Filing

OBAR contributed significantly to the substance of NCR's successful opposition to the North Carolina Rate Bureau's proposed dwelling rate increase.

- Analyzed the filing and NCIUA financial statements to identify and facilitate NCR's use of information contrary to NCRB's emphases on potential statewide assessments

Southern Shores Nourishment Easements

OBAR helped ensure passage into law of H.B. 30 granting the Town of Southern Shores condemnation authority necessary to comply with CAMA nourishment permitting requirements

- Engaged with Southern Shores staff to evaluate homeowner concerns about related property rights impacts and ensure any condemnation was narrowly tailored to nourishment needs
- Engaged with Rep. Hanig and Sen. Steinburg to communicate association support for H.B. 30

Nags Head Nourishment

OBAR identified flaws in Nags Head nourishment planning potentially resulting in the forfeiture of \$3.3 million in federal grant funding and successfully advocated commissioners' reversal of an earlier determination to proceed with an option entailing the forfeiture.

- Communicated concerns to Mayor Cahoon and town staff
- Presented formal comments in the commissioners' hearing

Terminal Groin Bill

OBAR engaged Sen. Steinburg, Rep. Hanig, and Sen. Tillis to clarify circumstances relating to the proposed Oregon Inlet groin that rendered H.B. 44, introduced by Rep. Hanig at Sen. Burr's request, confusing and unnecessary.

- Initiated a conference call with Sen. Tillis's staff from Sen. Steinburg's Raleigh office to educate both legislators on the context of the issue and historical efforts at shoaling control in Oregon Inlet
- Facilitated improved information sharing on the issue between Sen. Tillis and Rep. Hanig
- Ensured that H.B 44 would not be taken up in the Senate

Fiscally Constrained Transportation Planning

OBAR extensively engaged with Rep. Kelly Hastings, Albemarle Rural Planning Organization, Wilmington Metropolitan Planning Organization, and Dare County staff to advocate amendments to H.B. 184 rescinding proposed requirements that licensees disclose a parcel's inclusion in any fiscally constrained transportation plan.

- Secured Rep. Hastings' introduction of a substitute amendment removing the fiscal constraint language
- H.B. 184 passed the House as amended

HOPE Program

OBAR assisted NCR in communicating objectives for HOPE Program reform to NCGA members.

- Lobbied Sen. Steinburg to ensure his comprehension of H.B. 110 provisions supporting improved accuracy in HOPE grant award calculations

FNMA Preferred Stock Purchase Agreement

OBAR assisted NAR and NCR's analysis of the second-home market impacts of Fannie Mae's 7% purchasing limit on single-family second home and investment mortgages.

- Helped inform communication to the Federal Housing Finance Agency of REALTOR® concerns the amendment might diminish the capital cost advantages underlying FNMA's competitive loan rates.

Temporary Event Venue Bill

OBAR successfully organized coastal REALTOR® opposition to H.B. 477, which would have authorized municipalities statewide to impose various prescriptive permitting requirements on private homeowners holding gatherings of more than twenty-seven people on their own property.

- H.B. 477 was withdrawn by the sponsor

Uniform Partition of Heirs Property

OBAR lobbied Sen. Steinburg to support H.B. 367 codifying preferences for judicial disposition of heirs' property via a market-rate sale upon a tenant-in-common's successful petition for partition of the property

- H.B. 367 passed the House but not the Senate

Housing Diversity Bill

OBAR lobbied Reps. Butler, Smith, Pierce, Hanig, and Shepard and Sen. McInnis to garner support for

H.B. 401 providing for diversified housing types permitted by right in residential zones

- Engaged with the North Carolina League of Municipalities to clarify the bill's compatibility with certain local government powers
- Engaged with Town of Nags Head staff for the same purpose
- H.B. 401 did not pass either chamber

Remote Online Notarization

OBAR lobbied Reps. Butler, Smith, Pierce, Hanig, and Shepard and Sen. McInnis on H.B. 776, the Remote Online Notarization Act, which would have authorized North Carolina notaries to remotely perform notarial acts using real time online communication technology.

- H.B. 776 passed the House but not the Senate

Monitored Bills for Nags Head

OBAR furnished assistance sought by the Town of Nags Head to monitor and analyze several bills of interest to the town including H.B. 911, H.B. 865, H.B. 815, H.B. 853, and H.B. 477.

- This was greatly appreciated by Nags Head staff and helped cement a continuing reciprocal relationship

CRC Inlet Hazard Rules

OBAR assisted coastal REALTOR® associations in the analysis of Inlet Hazard Area designations and associated setback rules proposed by the Coastal Resources Commission, NC Department of Environmental Quality.

- Helped draft comment on the rules identifying problematic language omitting certain grandfathering provisions and expressed related concerns to NCDEQ staff

Local Land Use Plan Rules

OBAR assisted coastal REALTOR® associations in the analysis of proposed rules restricting CAMA local permitting officers' enforcement of local land use plan provisions.

- Engaged NC DEQ staff at the Coastal Resources Commission hearing in Atlantic Beach to express support for the amendments

CBRA Fill Mining

OBAR assisted coastal REALTOR® associations and Dare County staff in the analysis of the Department of the Interior's rescission of guidance permitting the relocation of beach nourishment fill material from CAMA zones. OBAR also engaged with members of Congress to request information on and to oppose the rule revision.

- Lobbied Sen. Burr to advocate retention of the rescinded rule
- Explored the potential to replace the rescinded rule next Congress should Republicans achieve a majority

Risk Rating 2.0

OBAR extensively engaged NAR, FEMA, and members of Congress to cultivate as authoritative as possible an understanding of Risk Rating 2.0, FEMA's program for NFIP ratemaking reform, and shared relevant details with Dare County staff and coastal REALTOR® associations.

- Facilitated repeated information requests to FEMA from Rep. Greg Murphy
- Attended a multiday Association of State Floodplain Managers conference to engage with FEMA staff
- Attended the NFIP State Coordinators' conference to engage with FEMA staff
- Corresponded with senior FEMA staff to gather Risk Rating 2.0 details

2022 Government Affairs Priorities:

- OBAR will advocate local municipalities' codification of zoning text amendments modeled on a series of ADU regulations enacted in 2021 by the Town of Kitty Hawk
- OBAR will advocate introduction in the North Carolina General Assembly of language exempting long-term occupied physical improvements to single family dwellings valued at less than 30% of the value of the unimproved principal dwelling from the ad valorem assessment for at least three years subsequent to the completion date of the improvement
- OBAR will develop a proactive focus on flood and storm resilience and develop a relevant policy specialty. OBAR will explore a partnership with the American Flood Coalition, North Carolina chapter of the American Planning Association, and coastal REALTOR® associations to advance a program of state and federal advocacy on this issue, with a particular focus on financing adaptation measures.