



Tuolumne County Association of Realtors®

“The Voice of Real Estate for Tuolumne County”

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Government Affairs Update: November / December 2017

GAD Corner: Ron D. Kopf

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As we wrap up 2017 I hope you had a productive and fruitful year. Thank you for the opportunity to be your Government Affairs Director. I appreciate all your questions and feedback over the year and look forward to 2018 that will be filled with many County, State and Federal issues to monitor and address.

County / City Issues and a look ahead

County Marijuana Working Group and Marijuana Regulations

This is a complex issue that has no easy solution. At the last meeting the Tuolumne County Board of Supervisors voted 5-0 to draft an ordinance that will be stricter on growing cannabis for personal use than what was previously recommended. Under the new proposal, people who reside on less than one acre of land would be unable to grow marijuana outdoors for medical or recreational personal use. All residents would be allowed to grow the statewide maximum of six plants regardless of size of their parcel.

Commercial regulations for land use (growing), transportation, production and distribution will be addressed after the personal use regulations are finalized. The next Marijuana Working Group meeting will be at the Board of Supervisors on December 12th at 4:00 PM.

BOS Major County issues to address in 2018

There is no shortage of challenges for our County and Supervisors and key issues for 2018 will be - Ongoing tree mortality and funding, Deteriorating condition of County roads and funding, Utilization of the 70 mill of the National Disaster Resiliency Grant Funding, Construction and cost control of the new jail facility at the Government Center, Drafting and approval of the County General Plan, Streamlining and simplifying regulations, County user and permit fees and a Master Stewardship Agreement with Forest Service (10 year agreement).

County BOS Retreat to discuss 2018 Goals and Issues

The County has set the dates for the Board of Supervisor Retreat to discuss setting Goals for 2018 and determine how to prioritize and address critical issues. The BOS Retreat will be held at Rush Creek on February 1st and 2nd.

County Building Permit Summary 2018

Building Permits Approved:

New Residence - 85 (included 17 manufactured and 3 duplex/6units)

Remodels and Additions - 209

Accessory Structures - 257

Solar Systems - 61

New Building Commercial - 8 New Building Commercial Shell - 1

Commercial Repairs – 62 Commercial Tenant Improvements - 4



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PACE

Will be on the Housing Policy Agenda on December 13th at 9:30 to decide if the Committee wants to recommend approval for the Board of Supervisors to review.

Caltrans Excess Lands Public Auction

Caltrans held an open house on December 4th to showcase seven excess Tuolumne County parcels scheduled for Public Auction on January 16th at the Opera Hall at 1:30PM. Additional properties are also identified and designated for disposal in the future. For more information and a to be put on the list for additional property information you can contact Charles McKinney at 209 948-7962 or Nancy Quesada at 209 948-3892.

Oscar Wei California Association of Realtors Senior Economist speaker at Tuolumne county Business Council / TCAR on Nov 15 2017

Oscar Wei provided a informative summary. Excerpts from a story by MML are:

GOP tax reform proposal that contains several provisions that weaken the incentive to own homes. These include plans to reduce the mortgage interest deduction (MID) cap from \$1 million to \$500,000 – and to eliminate it on second homes. Homeowners would lose the ability to deduct interest on home equity loans and there would be a \$10,000 cap on property tax deductions. Owners would be required to reside in homes for five years instead of the current two years in order to avoid paying capital gains taxes.

The Economy: Doing Better

GDP reflected a three percent increase for the quarter. Consumer spending was up 2.4 percent. While unemployment inched up in August, it still came in near recent lows at 4.1 percent. While nationally U.S. job growth came in up 1.4 percent, in California it was 1.7 percent. Inflation, trending up since July, was up 2.2 percent. However, even though the housing market is doing okay now, sales growth is beginning to visibly slow in California due to affordability and supply issues. He also notes that while interest rates are still low they should rise in 2018.

Other Housing Trends

“Out-migration” to more affordable areas such as “outskirt” counties like Tuolumne that are within a couple of hours of a major city.

Statewide, the median price continues to grow and came in at just under \$553,500 in September. In Tuolumne County the current median list price is about \$315,000 and the average list price is \$381,000. While CAR estimates that less than 50 percent of Tuolumne County residents are able to purchase a median priced home, in pricey markets like the Bay Area it is more like 25 percent even with higher salaries.

Housing Squeeze Starting to Pinch

Millennials and other first-time buyers are entering the housing market for the first time and that household growth rates continue to support housing demand. While sales are improving in mid and high-priced segments they are declining at the lower price points due to dwindling supply.

Longtime homeowners – especially Baby Boomers — are not moving as much as in the past. Reasons are wanting to maintain their current lower mortgage rate or property tax payment; avoiding a capital gains hit and/or dealing with finding affordability elsewhere. Heavily contributing to California’s housing shortage is a lagging construction pace due to a number of



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issues with getting projects approved. Projections are that the gap between the state's housing needs and demand will exceed two million units by 2030.

Wei's Projections for The Year Ahead

Wei forecasts the economy will wind up at the end of 2017 with an overall 2.1 percent GDP that will perhaps improve to 2.3 percent in 2018. He sees nonfarm job growth at 1.4 percent for 2017 declining to 1.2 percent next year. For California he puts the figures respectively at 1.6 and 1.2 percent. Unemployment, which he says will likely end up this year nationally at 4.4 percent will further shrink over 2018 to 4.2 percent. For California, he says the figures will likely be 4.8 and 4.6 percent.

Regarding disposable income, Wei nationally projects a 2.1 percent rise for 2017, further growing to 3 percent in 2018. The California he says the likely numbers will respectively come in at 4.1 and 4.3 percent. The Consumer Price Index (CPI) he puts at 2 percent for this year and 2.2 percent by the end of next year. As for 30-year fixed rate mortgages, he indicates that the rate will wind up at 4 percent for 2017 and grow to 4.3 percent in 2018.

Proposal to increase the admission price to Yosemite National Park to \$70

Under a plan to raise funding to fix roads, bridges, campgrounds and bathrooms, the federal agency is proposing a \$70 fee for each private, noncommercial vehicle — up from the current fares of \$25 to \$30, depending on the park. The fee for a motorcycle would more than double to \$50 from the current \$15 to \$25. Visitors on foot or bicycle would pay \$30, up from the \$10 to \$15.

The public is encouraged to comment about the National Park Service's proposal to implement peak season entrance fees at 17 national parks. The public comment period will close on December 22, 2017 (extended from November 23, 2017). Comments can be submitted electronically via the National Park Service's Planning, Environment, and Public Comment (PEPC) website: <https://parkplanning.nps.gov/proposedpeakseasonfeerates>

Comcast and Columbia State Park

Comcast is currently wiring Columbia State Park for high speed internet

City Marijuana Regulations

The City is also addressing a personal marijuana use Ordinance that would limit indoor growing and ban outdoor growing. They have a current ban on any commercial (growing), transportation, production and distribution and will address very limited commercial uses in the future.

Other City Issues

Pedestrian Safety Study - Traffic Engineers Wood Rogers will be providing a pedestrian safety study and recommendations for Washington Street from Stockton Road to the Red Church at City Hall on December 14th at 8:00AM

Santa - will be in Sonora at his new workshop (constructed by Sierra Conservation inmates) starting December 9th.

Caltrans Excess Lands Public Auction



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LGR Committee

Our guest this month at the LGR Committee this month will be Supervisor John Gray
County Permit Summary

GAC / League of Cities issues - Stephan Qualls Summary

Political Issues

Outcome of Sen. Newman Recall, 2/3rds Democratic Majority in Senate, Governor's race

Initiatives on June/Nov Ballot

RDA2.0, Authorizing rent control, Local impact fees, Cap & Trade expenditures, Wildfires: prevention, relief & liability, Drought/Permanent Conservation Measures, New Stormwater proposals, Prop 1 Allocations for Storage, Marijuana implementation, incl. tribal compacts
Public Safety Initiative, Pension/OPES sustainability and reform, CalPERS divestment measures, JPA unfunded pension liabilities, 5G Wireless Cell Siting-Redo (S8649) Federal regulation

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