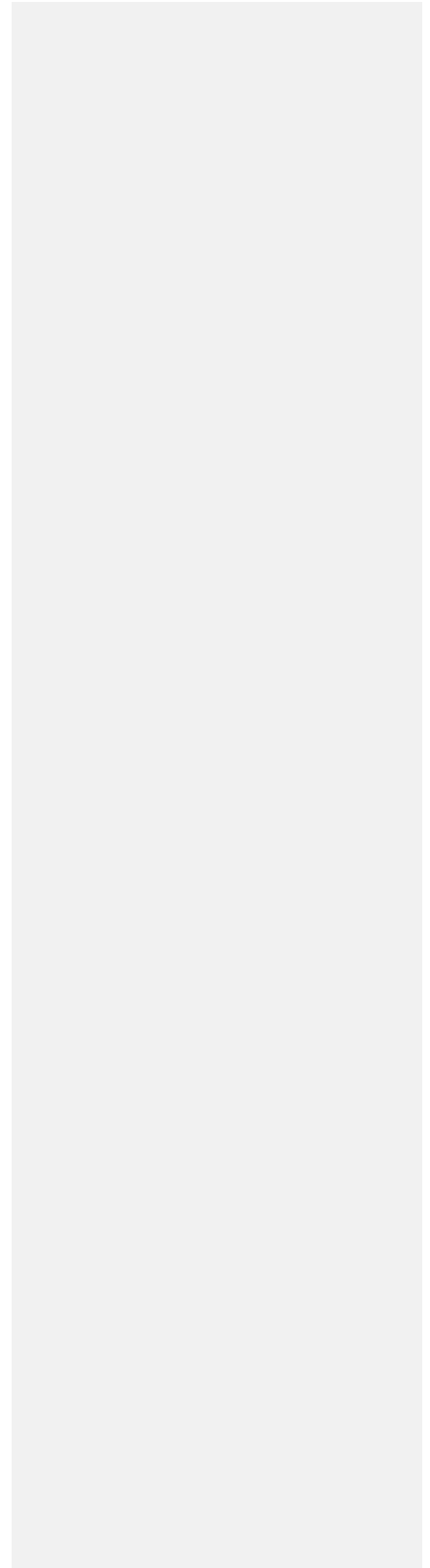


**Annual Report of the Santa Clara County  
Association of REALTORS®**

**2009**

**By Gene Binsbachar, CEO**



The Santa Clara County Association of REALTORS® achieved outstanding accomplishments in 2009, despite continued challenges in the real estate industry.

Our membership continues to be strong, and we have kept improving and adding member benefits through innovation and hard work. We enhanced our traditional services and we broke new grounds. We held free events for the first time, which attracted unprecedented numbers of members. We contacted every current and recent member by phone for membership renewal. We expanded our media coverage exponentially.

On the solid foundation we've been laying out, we are building a bright future for our Association and our membership. In 2009 we created a visionary Strategic Plan for the next five years, one that positions SCCAOR as a leader in the industry, the media and the larger community – regionally and nationally.

We are proud that our Association is stronger than ever. Here's a summary of what we have achieved in every SCCAOR department.

## **Broker Outreach**

The Broker Outreach Program is a valuable, unique resource for brokers and managers, providing support for their day-to-day work. It's also an effective vehicle for the Association to publicize our membership benefits in the REALTOR® community – we made numerous such presentations during real estate office visits in 2009.

Through Broker Outreach, brokers and managers, whenever they need to, may consult more experienced peers or contact a liaison at SCCAOR who directs them to the appropriate resource at SCCAOR, C.A.R. or NAR.

Broker Outreach is dedicated to bringing **VALUE** to brokers and managers. We organize seminars on issues crucial to brokers and managers – legal, compliance and others – and we bring in top experts. Among these events, the one featuring NAR Chief Economist Lawrence Yun and Shannon Jones of the C.A.R. Strategic Defense Team drew more than 120 brokers and agents.

New for 2009, Broker Outreach partnered with the National Association of Residential Property Managers (NARPM) and co-hosted two seminars.

Another component to the Broker Outreach Program, REALTOR® Lunch & Learn Series, remains popular.

## **Education**

The following is some highlights that summarize the Education Department's achievements in 2009:

- 122 classes in total;
- 2,661 students;
- 23 designation and/or certification courses;
- the six-week New Agent Training series (S.T.E.P.) offered 2 times;
- numerous classes on social media;
- highly successful commercial real estate courses;
- 2 evening classes.

Our extensive curricula gave SCCAOR members 23 opportunities to take a designation course, and more than 24 occasions to master the MLS system.

SCCAOR started the year off with the Introduction to CCIM Designation course, a popular class on commercial real estate. We will offer this class again in March 2010. If you didn't have a chance to attend, don't miss out in 2010!

We continue to support the Northern California Regional Education Calendar, a program that allows SCCAOR members to view classes across Northern California and students from anywhere to view our calendar. This program has proved to be a valuable asset to all REALTORS® looking for quality seminars.

The Education Committee works hard to seek out the most accomplished instructors and the most value-packed courses for SCCAOR members. You can expect 2010 to be a dynamic year!

## **Finance**

SCCAOR continues to have the financial ability to develop innovative and valuable resources that help our members thrive in any business climate.

## **IT**

The IT Department made strides on several fronts in 2009: SCCAOR's Web presence, the Data Center, MarketLinx and Tech Support.

We established SCCAOR's presence on social networking media sites, and added features to the SCCAOR website: one-click sharing of site with popular destinations, dynamic news feeds to the front page, and the "Useful Websites" page.

Improvements to the Data Center included converting the network circuit from DSL to FLEX-T, upgrading network switches and routers, enhancing security, and enabling remote access on demand for senior staff.

For MarketLinx, we added query and reporting capabilities, improved related Web-based service site, and enhanced the system's input interface and flexibility.

On Tech Support, the department improved the ticketing system for better tracking and shorter response time to member requests.

## **Government Affairs**

### **Government Relations**

**Speakers** The Government Relations Committee invited the following speakers at committee meetings in 2009:

- Mary Tucker, Energy Manager of the City of San Jose;
- Joe Horwedel, Director of Planning, Building and Code Enforcement of the City of San Jose;
- Jim Kamenelis, the Census Bureau;
- Lisa Lang, the San Francisco 49ers.

**Inclusionary Zoning in San Jose** It was approved after a lengthy procedure that lasted over two years. San Jose did offer plenty of opportunity for input and the final ordinance did exhibit some flexibility that answered concerns from developers and needs of the current economy. It requires 15 percent of on-site affordable units or 20 percent of off-site affordable units. It will take effect Jan. 1, 2013, but the City Council has the option to push back the date.

**Election Season** There were no candidate elections for SCCAOR in 2009, but we took positions on a few land use measures. The passage of Measure A in Morgan Hill would have allowed high density housing in the city's downtown and would have eased the inclusionary zoning requirement for such developments. SCCAOR supported the measure and contributed \$5,000 to the campaign, which constituted a major portion of their budget. The initiative failed as a result of ineffective campaign management. Assuming it would pass, the organizers did not request us to participate.

We opposed Measure G in the Fremont Union High School District, an unorthodox parcel tax that had no sunset – meaning it would have continued in perpetuity – but had inflation escalators – meaning it would have increased over time. The measure did not pass.

**San Jose Foreclosure Task Force** The foreclosure prevention efforts took on a more formal role in 2009 with the establishment of the Foreclosure Prevention Task Force. The task force hosted two foreclosure prevention events in 2009, one in April and one in October. The first event was successful but the second one did not meet turnout expectations. A competing event held days prior affected the attendance at our event.

We founded the Foreclosure Prevention Center, a facility that provides foreclosure prevention services throughout the year. REALTOR® volunteers at the center evaluate cases and send them to non-profits, where they will be reviewed by HUD-certified housing counselors. The center has been a great help to non-profits, because REALTOR® volunteers prepare the documents for each case and counselors can concentrate on counseling.

**City of Santa Clara** We took on two important issues in the City of Santa Clara. SCCAOR supported the development of the old Kaiser Hospital site into 800 residential units. Representatives of the Association spoke on two occasions before the Santa Clara City Council. The city council, despite heavy opposition, approved the development. We supported the move of the San Francisco 49ers from San Francisco to Santa Clara. We spoke before the city council twice to voice our support. The city council approved the Environmental Impact Report for building the stadium and Santa Clara residents will vote on the project in June.

**Santa Clara County Recorders Office** Early 2009 SCCAOR received reports from members that the Santa Clara County Recorder's office was requesting a copy of the full real estate contract to verify discrepancies between the previous sales price of a home and the recent selling price. When we met with staff of the Recorders Office, they admitted that the Santa Clara County Civil Code allowed this request, but that language was vague. We have not heard of similar complaints from members since that meeting.

**Energy Efficiency Point of Sale** Joint Venture Silicon Valley proposed a model ordinance on residential energy efficiency that included a point-of-sale component. SCCAOR, SILVAR and SAMCAR had meetings with Joint Venture over several months. They eventually pulled the point-of-sale element. The three associations are continuing to monitor the actions of Joint Venture to ensure it does not return.

### **Housing Opportunities**

The Housing Opportunities Committee is committed to educating the membership and the public on housing opportunities for everyone. The Housing Opportunities Committee works to creatively address the housing needs in Santa Clara County. In 2009 we invited the following speakers to committee meetings:

- Fabio Madonna, Bank of America
- Dan Lachman, Santa Clara County Housing Trust.

**Homeownership Fair** Given the economic climate, we anticipated that the numbers of sponsors and exhibitors would be down. We reduce costs to make it easier for participants. We cut expenses almost by half from \$40K in 2008 to \$21K in 2009. Unfortunately, our income went down from \$44K in 2008 to \$14K in 2009. For 2010, the committee has decided to scale back the event to three regional fairs, which will be more affordable to our members and more in tune with the needs of different neighborhoods.

**H.E.L.P. (Housing Education & Loan Programs) Symposium** H.E.L.P. is usually held in the spring and the fall. REALTORS® learn about first-time homebuyer financial assistance programs, offered by the state, counties, cities, and non-profits. Member attendance far exceeds our expectation at each event. We plan to offer it again in 2010.

**HomeWords Essay Contest** The committee holds the annual essay contest with financial support from the SCCR Foundation. Middle and high school students are invited to submit an essay answering the question, "What is your American Dream?" The committee organizes the contest, reads the entries, and selects winners.

In 2009 the committee received more than 800 essays. To reach more students, we ran announcements in the Mercury News and sent fliers through the Santa Clara County Board of Education mail system – which proved to be very effective.

A reception was held at the San Jose City Hall, followed by the Mayor and Councilmembers presenting awards to winners and their teachers at a San Jose City Council meeting.

## Membership

Throughout the year Membership Department embarks on various projects, such as the Membership Drive, the Broker Audit, and continuous communications campaigns with current and past members.

We added new members to our Association in 2009: 592 REALTOR® members, 17 secondary REALTOR® members, and 83 affiliates. As a result, SCCAOR continues to have 4 NAR Directors. As of December 31, 2009 we had 6,136

REALTORS®, 283 secondary REALTOR® members, and 308 affiliates, including 45 appraisers.

With 4 membership coordinators servicing 6,727 members, each coordinator services more than 1,600 members! Our membership coordinators answer members' questions on billing, benefits and real estate-related issues, quickly and efficiently, or they refer members to someone who can.

Our membership coordinators contacted every current and recent member during the dues renewal period. They contacted every member again later the year to remind them of the C.A.R. EXPO that was taking place in San Jose.

Membership coordinators are constantly updating the member database and streamlining our day-to-day operation.

We help at other departments' events, such as Broker Outreach seminars and class registrations. We assist with Free Computer Support and at the SCCAOR Store. We attend marketing meetings and other industry events to promote SCCAOR services.

Membership coordinators work hard to stay current on industry changes – such as the developments at MLSListings, C.A.R. or NAR – and hone their sales and customer service skills. We love what we do – that is, serving our members – and we look forward to our future endeavors!

## Professional Standards

Professional Standards are a valuable benefit for SCCAOR members. The Professional Standards Team is made up of the Ombudsman, the Grievance, and the Professional Standards and Arbitration committees, and the Mediation and the Ethics Advocates groups.

Aside from resolving disputes and investigating ethics violations, the Professional Standards Department performs another service – updating the Community Resource List on the SCCAOR website that includes a wide array of dispute resolution resources in our community.

The eight-member Ombudsman Committee is chaired by Wanda Klor and co-chaired by Wanda Buck. It assisted with 147 cases in 2009, a 30 percent increase from the year before. Of these cases, 128 were resolved, 12 were closed for lack for further action from the complainant, and seven are still in the queue. This committee is an asset to staff, REALTORS®, and the public.

Deleted: valuable

The Mediation Group underwent considerable growth in 2009 – now we have five members. Mediation received 15 cases, a 36 percent increase from 2008. Of these cases, two were processed, 2 settled prior to being processed, and 10 closed for lack of response from respondents. There's one still in the queue.

A Mediation working group revised Mediation forms and adjusted fees to be more in line with the market. [The Professional Standards Manager](#) assisted C.A.R. on [a mediation](#) case that took place at SCCAOR.

Deleted: Mediation

The Grievance Committee, chaired by Grace Vaccaro and co-chaired by Richard Gonzalez, met only 12 times due to the lower number of disciplinary cases. The committee received 16 complaints in 2009, a 31 percent drop from 2008. Of these cases, [8](#) were sent to the Professional Standards and Arbitration Committee for a hearing, 5 were dismissed, 2 were withdrawn or settled before a hearing and 1 was sent to another REALTOR® association [to be administered](#). The Grievance Committee adopted the Anonymous Complaint Process for disciplinary complaints to protect the identity of the complainant.

Deleted: for the hearing

The Professional Standards and Arbitration Committee, chaired by Greg Haas, appointed six new members and selected a presiding officer for the hearings.

Among their accomplishments, the committee developed and adopted hearing panel evaluation forms; updated Mediation forms and fee schedules; created the Citation Policy Working Group and the Ethics Advocate Working Group; created attendance spread sheets; implemented instructional templates for director reviews; and provided online training and increased the number of directors capable of hearing director review.

The hearing panel evaluation forms critique the performance of panel members at a hearing. They keep the committee chair informed of what happened at each hearing and enable committee members to share best practices.

The Citation Policy Working Group, after extensive vetting and deliberation, recommended that SCCAOR not adopt the C.A.R. Citation Policy at this time – but wait and see how it works at other REALTOR® associations.

The Ethics Advocate (EA) Working Group met several times to review the Optional Program and recommended it to the Professional Standards and Arbitration Committee, which recommended it to the Board of Directors. The program was launched and six EAs were appointed to it.

In the Optional Program, an EA sits down with the parties involved in a complaint prior to a hearing, explaining the process and giving a neutral perspective on the situation. As a result, the parties are more likely to arrive at the hearing with all relevant documentation, be grounded to the real issues, and leave the hearing with a better understanding of what they did or didn't do wrong. The hearing

becomes more efficient, and what the parties learn is more than the “findings of fact” that comes in the mail.

Professional Standards volunteers are strongly encouraged to take the C.A.R. online Professional Standards training since live training isn't available near SCCAOR. They are required to be trained every two years. Eleven volunteers have taken the online training, including three directors. All directors are encouraged to take the training, such that the pool of directors trained for director's reviews is extended beyond the Executive Committee.

Three Arbitration complaints were received in 2009, a 360 percent drop from 2008. Of these cases, one was declined for being too legally complex, and two were resolved prior to the hearing. The Professional Standards Manager assisted with C.A.R. on an inter-board arbitration at SCCAOR.

Sixteen Ethics complaints were received in 2009, a 31 percent drop from 2008. Eight hearings were conducted, and five complaints are being held in abeyance to allow for arbitrations first. The Professional Standards Manager assisted with a hearing conducted at the Hawaii AOR while the complainant was in San Jose.

The most common Code of Ethics violations concern Article 1 – Fiduciary Duties, Article 11 – Professional Conduct, and Article 12 – Truth in Advertising.

## **Public Relations/Marketing**

Our Public Relations/Marketing Department reached new milestones in 2009: We received unprecedented media exposure in our region and expanded our influence beyond Northern California.

We launched public relations campaigns in all major media formats, including TV, radio, print, online and movie theatres. We reached millions of viewers and readers at zero or low cost to the Association. We created innovative membership benefits at zero or low cost to the Association, which include free information brochures and marketing materials. We saved big for the Association through negotiation with vendors and creative in-house work.

## **PR Newswire**

Our press releases on market conditions and industry trends regularly appear on business news websites across the country, including heavy-weights and countless local sites which are vital sources of information for their respective communities.

We sent out 34 press releases, and on average each press release was picked up by about 160 news websites, which usually include Yahoo!, CNN Money, Forbes, and AOL.

### **Local Media Coverage**

We continued to build our relationships with major media outlets through media luncheons. The PR/Marketing Department received 35 calls from the media this year. In addition, our president was contacted another 15 times by a reporter. Our president has been frequently quoted in TV newscasts and newspaper articles.

To counter negative real estate news coverage, we worked hard to spread positive news. We maintained a positive news page on the SCCAOR website and published positive news articles in our online newsletter. We created marketing materials with upbeat messages for members and offered them online for free downloading.

### **Comcast Commercials**

We launched two PR campaigns on Comcast this year, which were aired 19 channels, including Discovery, Fox, CNN, HGTV, and TLC. This was a \$50,000 value at \$21,000, a saving of \$29,000.

### **Radio Commercials**

We ran three PR campaigns on KSFO Radio in 2009. Our commercials were aired on KSFO Radio for weeks, including during prime time. This was a \$75,000 value at zero cost.

### **Monthly Articles in the Mercury News**

We ran articles in the Mercury News every month. These articles educated consumers on timely housing topics, such as the federal homebuyer tax credit and the CAR homebuyer insurance program. This was a \$169,000 value at zero cost.

### **In-House Projects**

In 2009 we created a wide variety of collateral materials in house – a total of 30 projects – saving tens of thousands of dollars for the Association.

### **Events**

Our Events Department thrived in 2009 despite worsening market conditions. We not only conducted all our traditional events successfully, but also opened some

for free for members. A large number of members attended the FREE REALTOR® Baseball Night in May, the FREE Membership Barbecue in July and the FREE Music in the Park event in August, enjoying wonderful food and camaraderie.

The events serve to boost SCCAOR's image among the general public and members of the industry, provide tangible business opportunities to members, cultivate members' political awareness, and offer them opportunities to network and have fun. These events constitute a core service we provide to our members.

### **SCCAOR Store**

In 2009 the SCCAOR Store strove to generate repeat business by providing members convenience, good prices, and quality custom service.

The new Morgan Hill Satellite Store brings much needed convenience for our members in South County. The satellite store has a large and secure space not just for more inventories, but for other daily operations – all at minimum cost for the Association. We acquired free store displays through creative negotiations, and as a result, beautified the store appearance, and encouraged customers' interest to buy.

We quickly responded to the high demand in custom signs and extended our inventory beyond the 6x24 signs. We launched the Summer Extended Hours and collaborated with the Education Department. We aggressively advertised our services, products and store specials – on the back of the store receipts, in newsletters and eblasts. We spoke about the Store and handed out coupons during New Member Orientations and SCCAOR University classes.

We are always implementing innovative marketing strategies to generate excitement among our members, such as the daily discount, raffles, free gift wrapping, customized magnet calendars, the Wheel of Horror (for Halloween), and the Annual i-Box Sale.