

Government Affairs Update

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Larimer County

Broadband Measure Closer to Ballot: Barring any unforeseen changes in opinion, it is likely the City Council will approve a broadband measure for the November ballot on August 15. The question will ask Fort Collins voters to give the City the authority to issue securities and other debt up to \$150 million to create a broadband network. It doesn't stipulate how the service would be provided because that is yet to be determined. The Council is still discussing two models, a retail model in which service would be provided by the City and a third-party model.

The goal of the broadband project is to develop reliable, high-speed internet throughout the community (the Fort Collins GMA). The basic network would take less than five years to build and would be competitively priced. More information is available here: fcgov.com/broadband.

Council Approves NISP Comments: The Fort Collins Council approved comments on the Northern Integrated Supply Project (NISP) directed to the Colorado Parks and Wildlife Commission regarding the impact of the proposed water storage project on fish and wildlife resources on the Cache La Poudre River. The letter, which was approved by a 4-3 vote, states that "Fort Collins remains highly concerned about the negative impacts on fish and wildlife resources that will result from the system-wide changes that NISP will cause to the Cache la Poudre River ("Poudre River"). Fort Collins expects various negative impacts to occur even with implementation of the Plan."

The letter calls for changes to NISP to improve peak flows, water quality, mitigation and (riparian) restoration and calls for independent monitoring for 50 years. Voting against approval of the letter were Ross Cunniff and Bob Overbeck, who didn't think the letter went far enough in its criticism of NISP, and Ken Summers, who supports the project.

Loveland

More Candidates Announced for City Council: John Fogle (currently serving as Mayor *pro tem*) and Larry Heckel (who previously served on Council) are running to replace Mayor Cecil Gutierrez, who decided not to run again and has endorsed Fogle. Jeremy Jersvig, the Chair of the Planning Commission is running for Ward I. The Ward II race will feature at least two candidates, Gayle Snyder and Jacki Marsh. Steve Olson (the incumbent) will be challenged by John Keil in Ward III. Incumbent Dave Clark will run for another term serving Ward IV. It is likely more candidates will emerge before the deadline to submit petitions on August 28.

Council Approves Flexible Zoning for The Brands: On July 18, the City Council approved a flexible zoning overlay district for The Brands and The Brands West, a 201-acre mixed-use development. The project includes two separate land areas on the east and west sides of I-25, north of Crossroads Boulevard.

The Brands, located south of the Larimer County Fairgrounds, is envisioned as a 1,267,520 square foot high-end life-style center with an urban core that includes a large pedestrian plaza, entertainment uses, restaurants, apartments, offices, retail and hotels. The Brands West, located adjacent to the Fort Collins-Loveland Airport, is envisioned as a 939,100 square foot development with retail, restaurants, hotels, offices and light industrial uses.

The Brands and The Brands West properties were previously zoned Industrial and were subject to traditional, low-intensity development standards in the Municipal Code. The flexible zoning overlay district will allow for the development of a high intensity, mixed-use lifestyle center that is anticipated to act as a catalyst for growth in the area, creating approximately 6,800 permanent jobs and 4,600 construction jobs. City Council had previously approved a Business Assistance Agreement for the project that set forth economic incentives including a limited waiver of City building permit fees, a limited City use tax credit, and additional economic incentives.

Weld County Greeley

Council Discusses Metro Districts: The City Council had an educational presentation on metro districts and heard from developers who want to use these special taxing districts to pay for infrastructure and/or amenities in new subdivisions. There are several existing metro districts in the Greeley area at 10th Street and 71st Avenue and Promontory, and it is likely there will be more in the future due to the rising costs of development. Metro districts finance improvements and services by issuing municipal bonds, which are redeemed by special property taxes. The additional property tax varies district to district, but the implications to a homeowner can be substantial. For example, property owners in Thompson Crossing (Johnstown) pay an additional 81 mills in property tax.

Larimer County currently has 106 metro districts and Weld County has 231, according to the State's Department of Local Affairs (DOLA). Marcia Waters, the Executive Director of the Colorado Division of Real Estate, said her division had not received many complaints from consumers about metro districts, but said such concerns are referred to DOLA. REALTORS® should understand what metro districts are and be aware that the residential contract to buy and sell real estate does have a disclaimer concerning special districts in general, as follows:

8.5. Special Taxing Districts. SPECIAL TAXING DISTRICTS MAY BE SUBJECT TO GENERAL OBLIGATION INDEBTEDNESS THAT IS PAID BY REVENUES PRODUCED FROM ANNUAL TAX LEVIES ON THE TAXABLE PROPERTY WITHIN SUCH DISTRICTS. PROPERTY

OWNERS IN SUCH DISTRICTS MAY BE PLACED AT RISK FOR INCREASED MILL LEVIES AND TAX TO SUPPORT THE SERVICING OF SUCH DEBT WHERE CIRCUMSTANCES ARISE RESULTING IN THE INABILITY OF SUCH A DISTRICT TO DISCHARGE SUCH INDEBTEDNESS WITHOUT SUCH AN INCREASE IN MILL LEVIES. BUYERS SHOULD INVESTIGATE THE SPECIAL TAXING DISTRICTS IN WHICH THE PROPERTY IS LOCATED BY CONTACTING THE COUNTY TREASURER, BY REVIEWING THE CERTIFICATE OF TAXES DUE FOR THE PROPERTY, AND BY OBTAINING FURTHER INFORMATION FROM THE BOARD OF COUNTY COMMISSIONERS, THE COUNTY CLERK AND RECORDER, OR THE COUNTY ASSESSOR.

Prospective buyers and their REALTORS® can assessor property tax records online to determine if a home is located within a metro district. Public records are available through IRESis.com.

STATE

Anti-Growth Ballot Measure Proponents Gathering Signatures: The Colorado Secretary of State's office this week approved the petition format for [proposed Initiative 4](#), which allows its backers, Daniel Hayes of Golden and Julianne Page of Wheat Ridge, to begin collecting signatures to try to get the measure on the 2018 ballot. Hayes argues growth in Colorado is "out of control." If Initiative 4 were to be approved by voters next year it would affect all local governments in along the Front Range, from Northern Colorado down to El Paso County, limiting residential housing growth to one percent a year for two years (2019 and 2020). Initiative 4 supporters have until November 30 to collect 98,492 valid voter signatures, including at least 2 percent from each Senate district based on current voter registration figures.

NATION

EPA Releases Rule to Withdraw WOTUS: Fulfilling a portion of an executive order by President Donald Trump, the EPA and U.S. Army Corps of Engineers have released a proposal to rescind the Waters of the United States (WOTUS) rule that expanded federal jurisdiction under the Clean Water Act. The proposal would nix the 2015 WOTUS rule and reinstate the definition of the streams and wetlands subject to federal oversight under the act that existed prior to its finalization.

The publication of the proposal constitutes the first part of a two-step process to meet the Feb. 28 executive order directing the rule's review. The second step will be "a separate notice and comment rulemaking that will consider developing a new definition" for the extent of federal jurisdiction under the act, say the EPA and Corps in a prepublication copy of the proposed rescission. The embattled regulation was stayed by the 6th Circuit Appeals Court in October 2015. The rule's opponents have said it defined federal jurisdiction too broadly and granted undue control to the government. NAR will have 30 days to comment on the proposal.

NAR Opposes FHA Flood Insurance Regulation: NAR, as part of a broad coalition of housing, lending, insurance and consumer groups, opposes a Federal Housing Administration (FHA) regulation barring lenders from accepting private flood insurance on FHA insured loans, and urged its immediate reversal. NAR also wrote the full Senate requesting support and co-sponsorship of S. 563, “The Flood Insurance Market Parity & Modernization Act” (Heller [R-NV]; Tester [D-MT]). The bill would remove additional barriers to the private market, which increasingly, is offering better coverage at lower cost than the National Flood Insurance Program.

NAR Signs onto Credit Scoring Coalition Letter: NAR signed onto an industry coalition letter in support of the “Credit Score Competition Act,” introduced by Senators Scott (R-SC) and Warner (D-VA). The legislation would instruct Fannie Mae and Freddie Mac to utilize newer, more predictive and inclusive credit models, which will expand access to mortgage financing for many Americans.

National Flood Insurance Program Update: NAR has made enacting a five-year reauthorization of the National Flood Insurance Program (NFIP) a legislative priority for 2017. House Financial Services Chairman Jeb Hensarling has agreed to key changes to H.R. 2874, “The 21st Century Flood Reform Act”, that now allows NAR to support the bill. NAR had previously opposed this legislation.

These two significant changes removed the objections NAR had to the bill. The bill now contains no changes to current grandfathering rules. In addition, additional changes were made to address NAR’s affordability concerns. As a result, NAR has pledged to support H.R. 2874, as amended, when it comes to the floor. H.R. 2874 would reauthorize the NFIP for five years and incorporates six other NFIP reform bills NAR previously supported in committee.

NAR is hopeful that a vote in the House of Representatives could be scheduled as early as next week. NAR will communicate its support directly to Members of Congress once the final bill text is available and NAR has reviewed it. The Senate Banking Committee is expected to markup its own flood legislation before it leaves in August. NAR is hopeful that this movement on NFIP Reauthorization in both chambers will lead to a long-term reauthorization bill before September 30 when the current NFIP expires.