

## **Government Affairs Update**

**April 2018**

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### **LOCAL**

#### **Larimer County**

##### **Berthoud**

**LBAR Endorsements for Berthoud Election:** The Loveland-Berthoud Association of REALTORS® supports Will Karspeck for mayor and Tim Hardy, Kevin Pischke and Pete Tomassi for trustee. This is an important election for Berthoud because voters will select three of the Board's five trustees as well as a new mayor. These four candidates see Berthoud's recent residential growth as positive and want to encourage more commercial growth, so residents can purchase goods and services in town. As a statutory town, Berthoud's general election is scheduled for April 3.

##### **Loveland**

**REALTORS® Comment on Building Permit Policy:** The Loveland-Berthoud Association of REALTORS® recently sent a letter to the Loveland City Council regarding the City's "like-for-like" exemption policy on building permits. Loveland, unlike other regional towns, does not require building permits for the replacement of "like-for-like" items. For example, if a homeowner is replacing an appliance such as a water heater, furnace or an air conditioner or structural items like a roof, deck or pergola.

The City's Construction Advisory Board recommended that the City change this policy, citing safety concerns. However, to date some on Council have balked at this suggestion suggesting that saving homeowners money and limiting growth in the building department's staff were more important.

In the letter, LBAR explained its position, saying, "The idea that a homeowner could have replaced a hot water heater or furnace without getting a permit to ensure proper installation gives us cause for concern. We believe our buyers would prefer the security of knowing the City performed an inspection on a like for like item to ensure the installation was done properly."

"Surrounding jurisdictions require like for like permits. While excessive bureaucracy does not serve citizens well, in this instance we think it is better to be safe than sorry." The City Council has discussed this policy twice in the last year. A final decision will be made when building code updates are formally adopted later this year.

##### **Fort Collins**

**Housing Demand Outstrips Future Supply:** City Plan provides the guidance for Fort Collins' long-range planning efforts. In essence, it creates the City's

vision for the next 5-20 years, determining how and where Fort Collins will grow. City Plan will be revised and updated this year.

It is vital that REALTORS® and other real estate professionals get involved in this planning effort, which had its official kick-off on February 12. Many of the key trends and concerns relate to real estate and housing issues. For example, staff noted that the city is creating more jobs than housing units and that wages are not keeping pace with rent and home prices.

Fort Collins faces demand for new homes, but the supply of available land is decreasing. There has been a 28 percent decrease in vacant land since 2008 and the City is hemmed in by other towns to the north, south and east. Home prices continue to rise as a result of demand and limited supply, with a 4.4 percent increase in home prices each year.

In short, housing affordability is becoming a common complaint and it is sure to be a prevalent theme in this year's City Plan update. Without enough real estate voices in the City Plan conversation, one consequence could be an attempt to implement mandates that artificially create housing affordability. More information is available here: <https://ourcity.fcgov.com/cityplan>

## **COLORADO ASSOCIATION OF REALTORS®**

### **Legislative Update:**

**HB-1261 “Colorado Arbitration Fairness Act” and HB-1262 “Arbitration Services Provider Transparency Act”** CAR Position – Oppose. Status: Introduced and scheduling for hearings in the Judiciary Committee, on Thursday, March 15, 2018.

Scott Peterson, CAR's Attorney, told the Legislative Policy Committee (LPC) that these bills, if passed, would mean that CAR could no longer provide arbitration for its members. CAR's Vice President for Public Policy explained that the bills were a response to construction defects legislation passed last year.

**HB-1128 “Protections for Consumer Data Privacy”** CAR Position: Neutral. Status: Neutral. Status: Passed the House Committee on State, Veterans, & Military Affairs and was referred to the Appropriations Committee.

CAR was one of the few business organizations to oppose the bill. Recent amendments convinced the LPC to change its position to neutral. The bill requires public and private entities in Colorado that maintain paper or electronic documents that contain personal identifying information (personal information) to develop and maintain a written policy for the destruction and proper disposal of those documents.

## STATE

**Backers Push School Funding Measure:** Supporters of a \$1.6 billion tax increase for K-12 schools received approval to gather signatures recently. The measure, Great Schools, Thriving Communities, would increase the corporate tax rate and income taxes for individuals who earn more than \$150,000 a year. In addition, the initiative would change the residential property tax assessment rate.

The change in property taxes would vary, but based on the average statewide school levy, many property owners would pay \$28 more on each \$100,000 of actual value in 2019. Commercial property owners will see a decrease, and total property tax revenue collected by school districts would go down statewide. If approved, the taxes would generate an estimated \$1.6 billion that would go into a new "Quality Public Education Fund." The vision is that this money would be distributed to schools in accordance with a new school finance formula backed by nearly all of the state's superintendents and under consideration in the legislature this year.

"Our measure is addressing the needs of the kids head on," said Donald Anderson, one of the backers of the tax increase. "You can see where we're raising this money and you can see where it's going, and it's very transparent in a way that voters will be able to get behind."

Anderson is a stay-at-home father of two children in the Poudre School District in Fort Collins who has been active on school issues.

Luke Ragland of the conservative education reform group Ready Colorado disagrees. "I don't understand why the presumption is that spending more money will make things better," he said. "Spending money on the same things won't produce different outcomes."

**Growth Measure Cleared to Gather Signatures:** An anti-growth ballot initiative opposed by CAR and the Colorado Association of Home Builders is preparing to gather voter signatures. The measure would limit the growth of new housing units in 10 Front Range counties -- Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, El Paso, Jefferson, Larimer and Weld -- to no more than 1 percent a year and allow other cities and counties to ask voters to approve similar regulations.

Every significant candidate for Colorado governor has come out against the proposal already.

Last month, at a Colorado Association of REALTORS® forum, gubernatorial candidates were asked if they support or oppose the measure, known as Initiative 66. All eight of the candidates who attended or submitted answers for the event came out against the measure, and Rep. Jared Polis, who missed the forum, has also announced his opposition.

A November study from the Common Sense Policy Roundtable, the Colorado Association of REALTORS®, Colorado Concern and the Denver South Economic Development Partnership indicates that capping new housing units would drive up already escalating housing costs. The study also said such a cap would reduce employment in the construction industry in Colorado and could spread growth into rural counties that are not required to abide by the 1 percent cap.

## **NATION**

**President Unveils Infrastructure Plan:** The Trump Administration on Monday, Feb. 12 released its long-awaited infrastructure plan, which proposes at least \$1.5 trillion in new investment across infrastructure asset classes; incentivizing greater state and local funding; shortening the project permitting process to two years; investing in rural projects; and improving worker training. President Trump proposes that the government would spend \$200 billion in infrastructure investment to spur states, localities and the private sector to raise the \$1.3 trillion balance.

According to the proposal, states, localities and the private sector are asked to "step-up" their presence to catalyze a larger, modernized, and broader investment market. New federal funds would be allotted to boost existing federal infrastructure financing (like the TIFIA loan program for surface transportation) and expand federal financing platforms to reach airports, ports, short-line and passenger rail, rural broadband, stormwater, flood remediation and prevention, Brownfields remediation, and others.

Note: Various advocates are doing everything they can to influence the way in which the bill is written, so that it favors their interests when it is introduced in Congress. Local government members of the North I-25 Elected Officials Coalition and representatives from Fix North I-25, the business advocacy group, have met to discuss suggestions on the advice of Colorado Senator Cory Gardner. However, if Colorado's legislature does not allocate more funding to transportation it could imperil our state's chances of receiving federal grants envisioned in the Trump Plan.