

Government Affairs Update

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Barbara Koelzer, Regional Government Affairs Director

barbara@ires-net.com

303.886.5675

LOCAL

Larimer County

Fort Collins

Metro District Discussion Far From Over: The City Council completed its introductory discussion regarding metropolitan districts at the November 28 study session but it is clear that some members of Council remain unconvinced that staff's proposed revisions to Fort Collins' current metro district policy would be satisfactory. Josh Birks, the City's Director of Economic Sustainability explained that metro districts could be used to achieve specific objectives that are not required of typical development proposals. For example, a metro district could meet alternative energy goals articulated in the City's sustainability plan similar to the Geos net-zero community in Arvada.

While Mayor Troxell and Councilmembers Martinez and Summers appeared to support staff's proposal in general, the rest of the Council remains unconvinced. Ross Cunniff said Fort Collins is developing quickly without the use of metro districts. He predicted metro districts would just impact affordability. Bob Overbeck agreed with Cunniff. His concern is losing community character. He wants any metro district proposal to focus on the social aspects of development and said he doesn't see any of that in the staff's ideas.

Kristin Stephens focused her comments on child care, saying the City is in a crisis and "child care must be part of the conversation for new developments whether they are metro districts or other types." Gerry Horak said Boulder has solved the problem of affordability using deed restrictions. He wants a metro district policy that increases the stock of low income housing.

City Manager Atteberry summarized the conversation, reminding the Council that metro districts are not the "default" development position. The proposal offered by staff would allow the City to accomplish "stretch goals." He said the staff will return with more details and answers to questions at future study sessions.

Loveland

Fire Rescue Authority Needs More Funding: The City Council was impressed with the strategic plan presented by the Loveland Fire Rescue Authority (LFRA) at a study session on November 28. The plan includes adding new fire stations, increasing staff and upgrading equipment to keep up with Loveland's growth.

Fire Chief Mark Miller noted the Fire and Rescue Authority has collected over \$1.8 million in capital expansion fees (CEFs) and said he feels there is enough "in the

bank” to pay for future stations although he voiced concerns about rising costs related to building new stations and adding equipment.

It is important to note that CEFs do not pay for hiring additional staff. To implement the strategic plan, LFRA will need a budget increase from Loveland (and other towns within the LFRA boundaries such as Johnstown). That will be a discussion for another day, and force the Council to prioritize its limited budget.

STATE

Familiar Topics on Tap for 2018 Session: According to Liz Peetz, Colorado Association of REALTORS® Vice President for Public Policy, the General Assembly will consider a number of bills in the 2018 Session that should be familiar to Realtors®. Some of the topics likely to be addressed when the Session opens on Wednesday, January 10 include: affordable housing document fees, oil and gas setbacks, mandatory disclosure of broker fees in advertising, construction defects, transportation and foreclosure statute cleanup.

NATION

Tax Reform Compromise: On December 13 Republicans struck a deal on a sweeping tax overhaul, including steep corporate and individual rate cuts, and hope to have legislation on President Donald Trump's desk before Christmas. However, they still need to finish writing the legislative text, and get a final budgetary accounting by the official Joint Committee on Taxation. It was announced that the compromise includes a deal to allow homeowners to deduct the interest on up to \$750,000 in mortgage debt, which is less than the \$1 million maximum currently in effect.

Is 2018 the Year of Transportation? Colorado Senator Cory Gardner says there is bipartisan support for an infrastructure bill in 2018. He has been briefed by White House staff, although the details remain unclear.

Senator Gardner says the White House envisions a \$1 trillion bill with two pots of money. One would be for general projects and the other for rural projects. The money would be distributed via block grants to the states. The senator is committed to ensuring that the bill will fit Colorado's transportation needs and fund key projects such as I-25.

FHA Prohibits PACE Loans

HUD announced it will no longer insure mortgages encumbered with a Property Assessed Clean Energy (PACE) assessment. This reversal of HUD policy is a victory for the National Association of REALTORS® whose members sounded concern at the May meetings that PACE liens would take a first-lien position over FHA in instances of default or foreclosure, undermining the government's collateral position and disrupting the secured lending process.

FHA 2018 Loan Limits

On Dec. 7, 2017, the Federal Housing Administration (FHA) released its 2018 Loan Limits, effective January 1, 2018. FHA's loan limits are tied to the loan limits set by the Federal Housing Finance Agency for conventional mortgages. In high-cost areas the FHA national loan limit "ceiling" will increase to \$679,650 from \$636,150. FHA will also increase its "floor" to \$294,515 from \$275,665. Loan limits increased in 3,011 counties and remain unchanged in 223 counties. Loan limit increases for 2018 are due to a rise in housing prices across the country. <https://www.nar.realtor/washington-report/fha-2018-loan-limits>