

Government Affairs Update

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LOCAL

Larimer County

LBAR Supports County Ballot Measure: The Loveland-Berthoud Association of REALTORS® Board of Directors voted to support Larimer County Ballot Issue 1A. This half-cent sales tax will support the County's infrastructure as growth occurs. If the measure passes, it will fund transportation (including I-25 and regional corridors), transit, and facility upgrades and expansions. The Loveland Chamber of Commerce also supports Ballot Issue 1A.

Loveland

Mayor Continues to Bash Metro Districts: Mayor Jacki Marsh took the unprecedented step of using public comment time at the City Council's meeting on October 8 to allege metro district improprieties against McWhinney in regard to the company's oversight of Centerra. She called for an outside audit of Centerra's books saying McWhinney "is used to bending the rules."

These allegations are damaging and are made without any facts to back them up. Mayor Marsh is fomenting concern among Loveland residents without due cause. She presented her own unscientific "research" to demonstrate how metro districts increase the cost of home ownership.

The Mayor went on to claim the City is responsible for metro district oversight, which is also untrue. Other than having a role in approving a metro district's service plan (or changes to that plan), the City has no role and no responsibility for metro districts because, as special districts, under Colorado law they are the responsibility of the Colorado Department of Local Affairs (DOLA). DOLA requires all special districts, including metro districts, to submit annual budgets and audits. For more information, visit DOLA's website: <https://www.colorado.gov/pacific/dola/special-district-administration>

Council member John Fogle called for an opportunity for McWhinney to respond to Marsh's allegations at the next Council meeting on October 15. Other Councilors said that was a waste of time, since McWhinney has met with the Council numerous times over the past few years.

REGION

Affordable Housing Forum: NoCo Housing Now, a collaborative group of public and private sector entities that includes REALTOR® representatives, will hold a half-day affordable housing forum on Friday, November 8 from 7:30 am until 12:00 pm at the Embassy Suites on Crossroads Boulevard. More information will be available soon!

More Funding for I-25: On September 10th, transportation advocates were pleased to learn that nearly \$7 million in federal grant money was awarded to the Colorado Department of

Transportation's I-25 North Project to fund work around the Colo. 56 interchange in Berthoud.

The Berthoud improvements include rebuilding the I-25/Colo. 56 interchange so the interstate passes over the highway and expanding the bridge over the Little Thompson River to continue the southbound acceleration lane.

To-date, at least \$934.4 million has been committed to North I-25 over the past five years. While \$7 million may not seem like a lot, transportation funding is now a "quilt-making process and Northern Colorado is making great progress towards completing a third lane in each direction from SH 14 (Mulberry) to SH 66 (Longmont).

COLORADO ASSOCIATION OF REALTORS®

CAR Takes Positions on State Ballot Issues: On October 16th CAR's Board of Directors ratified recommendations from the CAR Political Action Committee on two questions referred to the voters by the Colorado General Assembly

Ballot Issue CC "Retain State Government Revenue"

CAR Position – Oppose

This question asks voters to allow the State to retain Taxpayer Bill of Rights (TABOR) surplus revenue permanently rather than refunding it to taxpayers. The revenues would be split evenly between transportation (including transit), K-12 and higher education. The State has not issued a refund in 10 years.

While CAR agrees that transportation, K-12 and higher education are crucial, this measure will not provide reliable, adequate funding streams because TABOR refunds are small and infrequent. For example, there may be a TABOR refund in fiscal year 2020 but estimates of the refund vary between \$150 million and roughly \$348 million. To give one example of why this amount would not go very far, according to the Colorado Department of Transportation, an additional \$9 billion is needed to fund all the projects on its list. In addition, because this is a statutory measure, future legislators could decide to use the revenue to fund other priorities.

Ballot Issue DD "Taxation of Sports Betting to Fund Water Projects and Obligations"

CAR Position – Support

This question asks voters to legalize sports betting in Colorado. A 10 percent tax on casino profits from those bets would be used to fund State water projects and pay for the regulation of sports betting.

Although sports betting is clearly not a REALTOR® issue, water is vitally important in order to fund the growth that Colorado will see in the near future. This measure will help implement the Colorado Water Plan, which was released in 2015 and identifies actions by which our State will address future statewide water needs.

NATION

EPA To Repeal WOTUS: Chair Kathy McQuilkin represented NAR members and the real estate industry at a recent EPA-sponsored WOTUS repeal event. She outlined REALTOR® support of the White House's move to an audience at the National Association of Manufacturers' offices in Washington, DC. EPA Administrator Andrew Wheeler,

Congressmen Sam Graves (R-MO) and Bruce Westerman (R-AR) and representatives from the regulated community were in attendance.

The WOTUS rule, which was initially finalized by the EPA under the Obama administration, overreached its statutory jurisdiction by giving the Federal government authority to regulate isolated and minor water features, such as ephemeral streams and man-made ditches. NAR now turns its attention to securing a replacement rule in lieu of WOTUS, and the REALTORS® on Thursday commended the EPA and U.S. Army Corps of Engineers for moving forward judiciously in this area.

"As proposed, the WOTUS replacement rule will provide clarity on what waters are under Federal jurisdiction and preserves state authority over waters in their respective states," McQuilkin concluded. "Most importantly, the proposed rule offers a common-sense approach that allows for economic development while protecting water quality. "NAR encourages the EPA and the Corps of Engineers to move forward quickly but carefully to finalize the replacement rule, one that will enable more housing to be built so that even more people in this country can have their piece of the American dream."

National Flood Insurance Program Extended: National Association of REALTORS® President John Smaby issued the following statement after President Trump signed H.R. 4378 into law Friday evening, extending the National Flood Insurance Program's funding authority through November 21. "With this CR temporarily ending the threat of a program lapse, REALTORS® urge Congress to resume working toward a long-term reauthorization of the National Flood Insurance Program."

"NAR strongly supports the NFIP Reauthorization Act, which includes a 5-year extension along with significant reforms to improve mapping, enhance mitigation and remove obstacles to private flood insurance. H.R. 3167 strikes a delicate balance between NFIP sustainability and affordability, and we urge both chambers of Congress to take up this legislation after its unanimous approval in the House Financial Services Committee."

Agencies Increase Residential Appraisal Threshold: On September 27, 2019, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation (collectively "the Agencies") adopted a final rule increasing the threshold for requiring an appraisal in residential real estate transactions from \$250,000 to \$400,000. Federally related transactions under \$400,000 will require an evaluation, rather a full appraisal, to determine value of the real estate in question. A Federally related transaction is a non-Fannie Mae or Freddie Mac transaction and a non-Federal financed transaction, such as loans under the Federal Housing Administration, the Rural Housing Service or the Department of Veterans Affairs.

The NAR position was to have these limits indexed like the GSE conforming loan limits.