

Government Affairs Update
September 2019
Barbara Koelzer, Regional Government Affairs Director
barbara@ires-net.com
303.886.5675

LOCAL

Larimer County

County Moving Ahead With Ballot Measure? Larimer County Commissioner Tom Donnelly and two staff members met with the Loveland City Council to discuss the County's proposed half-cent sales tax for transportation and county facilities. Donnelly said the time is now because of the current and projected growth in Larimer County. He warned the Council, saying "This is a serious problem, if we don't take action soon, we won't find a viable solution."

In its current form, the County is proposed that the sales tax formula would be split, with 45-50 percent going to fund County roads, 10-15 percent for transit and 35 percent for facility expansion (human services, justice center and corrections). The City Council had a variety of questions and commented on the timing for the proposal since Loveland is pursuing its own sales tax (see below).

Leah Johnson asked why the Council wasn't hearing about this initiative until now. Donnelly reminded her that City staff are members of the County's technical committee that is selecting the list of projects that would get funding from the tax. In addition, City residents had been asked about the County tax proposal as part of the City's own poll. According to Donnelly, over 60 percent of City voters expressed support for both sales tax measures.

Dave Clark and Don Overcash wondered why the County didn't separate the facilities and the transportation funding into two separate ballot questions. Donnelly argued the two are "more unified than you might think" because it's all about mitigating the impacts of growth.

In the end, the Council did not communicate any formal support or opposition for the ballot measure. Fort Collins staff have likewise been involved in creating a project list but have expressed concerns with the proposal, including a lack of flexibility with the project list, a lack of transit solutions and a lack of public outreach. It remains to be seen if the County will proceed with the ballot question for the November election but information has been posted on the County's website: <https://www.larimer.org/bocc/halfpenny4larimer>

Comp Plan Update Approved: The updated Larimer County Comprehensive Plan was formally adopted after a two-year planning process. The Comp Plan provides a long-range vision for Larimer County. In that sense it does not include a lot of detail; rather, it sets the stage for a variety of new regulations.

Matt Lafferty, the County's Principal Planner, said now staff will begin re-writing the Land Use Code (LUC). The Comp Plan recommends modernizing County regulations because the current LUC is outdated and restricts the flexibility of new housing types and development patterns. For example, language defining and regulating accessory dwelling units (ADUs), smaller housing types, short-term vacation rentals and tiny homes will be added or revised. This work will be significant for real estate professionals.

The issue of housing affordability is highlighted as a key issue in the Comp Plan and affordability is also identified as a priority issue in the County's strategic plan. Staff has just begun to draft a Larimer County Housing Plan. To read the Comp Plan, which includes housing data and implementation strategies, follow this link: <https://larimercompplan.com/read-comprehensive-plan>.

Commissioners Discuss Glade Reservoir Project: The Larimer Board of County Commissioners met with staff and Board members from Northern Water to discuss the Northern Integrated Supply Project (NISP), the most controversial component of which is the proposed Glade Reservoir north of Fort Collins. The County and Northern are preparing an update to an Intergovernmental Agreement (IGA) on the project to satisfy the County's 1041 permitting requirements.

Commissioners Tom Donnelly and Steve Johnson explained that the County had adopted 1041 regulations to make sure the County had a seat at the table and ensure citizens have input on projects such as NISP. Donnelly said he felt NISP would be the commissioners' "most important, longest legacy." Johnson added that the project was "the biggest opportunity this Board will face." Commissioner John Kefalas emphasized that he would approach the deliberations on NISP with "an open mind."

Northern staff reminded the Commissioners that the project would add 40,000 acre-feet of water storage for Northern Colorado and that Northern intends to include \$900 million worth of recreation infrastructure for Glade. The recreational use of Glade will net the County between \$13 and \$30 million a year in economic benefit, according to analysis.

The Commissioners will meet with Northern representatives in September to discuss the updated IGA. In the meantime, public input continues to be encouraged. It is expected that the County's public hearing process on the 1041 permit will begin in January 2020.

Loveland

Council Approves Ballot Measures: On August 20 the City Council gave final approval, in a unanimous vote, to add two ballot questions to the November 5th election to ask citizens to approve funding for the City's "Community Improvement Plan." A city staff-led citizens' task force had recommended one ballot question asking voters to approve funding for multiple projects, including a new rec center,

an expansion of the museum, new library branch, the expansion of US 34/Eisenhower, several other transportation-related projects and two fire stations. However, it soon became clear the City Council would not reach consensus on that recommendation.

Ultimately, the decision to separate the request to fund a new rec center in the northwest part of town from the other items resulted from compelling testimony by private athletic club operators. They argued Loveland isn't big enough to support two city-owned rec centers and their businesses. Councilors who had previously supported one ballot question, like Kathi Wright and Rich Ball, said they were persuaded by those arguments that it would be better to separate the rec center question and ask voters to consider it individually.

While some conservative-leaning members of Council would have preferred two ballot questions that would separate projects that they described as amenities (the rec center, library and the museum expansion) from projects they view as safety-related (transportation and fire), they recognized they didn't have the votes to succeed. In the end, Councilor Jeremy Jersvig suggested the compromise and all nine members of the Council supported the motion to demonstrate their unity to the voting public.

The rec center would cost a total of \$61.7 million. The City has \$8.2 million available in its capital plan. If approved, the new .2 percent sales tax funding could raise the remainder.

The other projects together would cost \$153 million; the City has \$18.4 million set aside for them. If approved, the new .3 percent sales tax funding would raise the remaining funding needed. Both taxes would expire in 2040.

Read more about the Community Improvement Program here:

<http://www.cityofloveland.org/government/public-information/2018-community-improvement-program>.

REGION

Save the Date! NoCo Housing Now, a coalition of private and public sector organizations, has scheduled a housing summit for the morning of Friday, October 18 at the Embassy Suites Hotel in Loveland. Some of the topics that will be covered include housing and the economy, water and the impact on cost of housing, density and culture (not in my backyard) and homebuyer assistance programs. Stay tuned for registration information.

More information about NoCo Housing Now can be found here:

<https://nocohousingnow.org>

NATION

HUD Releases Condo Rule: On August 14 the U.S. Department of Housing and Urban Development (HUD) released the long-awaited final rule on project approval for single-family condominiums insured by the Federal Housing Agency (FHA). After years of advocacy by NAR, HUD's final rule contains several elements that will enable more buyers to be able to use FHA-insured financing to purchase a condominium. Highlights include:

- The return of single unit approval, also known as spot loans, for units in non-FHA approved properties
- Increased certification period from two to three years, plus a six month grace period to submit re-certification materials
- Increased acceptable commercial space to 35 percent of total area
- Reduced requirement for owner-occupancy percentage exceptions

NAR President John Smaby made the following statement: "We are thrilled that Secretary Carson has taken this much-needed step to put the American Dream within reach for thousands of additional families. It goes without saying that condominiums are often the most affordable option for first-time homebuyers, small families and those in urban areas. This ruling, which culminates years of collaboration between HUD and NAR, will help reverse recent declines in condo sales and ensure the FHA is fulfilling its primary mission to the American people."

NAR Comments on FHA Loan Sales: NAR sent comments to the Federal Housing Administration (FHA) in response to an advance notice of proposed rulemaking and request for public comment on the FHA Single-Family Loan Sale Program (the Program). NAR expressed concern that the prior versions of the Program led to a decrease in homeownership and an increase in single-family rental housing in many communities across the country.

In the letter addressed to FHA Commissioner Brian Montgomery, NAR urged FHA to ensure that loan sales prioritize loan purchases that lead to owner-occupied homes over absentee landlord rental houses. NAR supports arranging loan sales in small, geographically specific batches prioritizing sales to entities with demonstrated interest in a community, such as local non-profits. FHA must consider any potential conflicts of interest by purchasers that could lead to harmful outcomes. In addition, FHA should work to ensure any secondary sale of a loan by an investor to another investor would prioritize final sale to owner-occupants and continue to release performance and outcome data on each pool of loan sales.

NAR Supports Credit Reporting Clarity Bills: NAR sent a letter to Chairwoman Maxine Waters in support of multiples bills that were marked up by the House Financial Services Committee on July 16, 2019. The bills provide access to free credit

scores, consistent help for borrowers in distress, and the ability to remedy errors in credit reports among other factors. The bills include:

- H.R. 3618, the “Free Credit Scores for Consumers Act of 2019”
- H.R. 3621, the “Student Borrower Credit Improvement Act”
- H.R. 3622, the “Restoring Unfairly Impaired Credit and Protecting Consumers Act”
- Representative Adam’s “Improving Credit Reporting for All Consumers Act”
- Representative Lynch’s “Clarity in Credit Score Formation Act of 2019”

NAR Briefs Congressional Staff on Data Privacy Priorities: Recently NAR staff participated in a congressional staff briefing hosted by the Main Street Privacy coalition to educate them on how main street businesses collect and handle customer data. The coalition set forth six principles that they wish to see in any federal data privacy law.

These principles include:

- **No Exemptions.** Every industry sector that handles consumer information should have legal obligations to protect consumer data under the law.
- **Direct Legal Responsibilities.** Small businesses should not need to apply privacy standards on other businesses through contracts. All businesses that handle private data should have their own, direct legal obligations under the law.
- **Responsibility for Conduct.** Any privacy law should make businesses responsible for their own conduct – and not expose other businesses, including contractors and franchises, to liability for the transgressions of a business partner. Finally, we believe that any privacy policy should include a data security standard for businesses as well as a uniform process for notifying customers about data breaches.
- **Allow Customer Services and Benefits.** Any federal data privacy framework should preserve the ability of consumers and businesses to voluntarily establish mutually beneficial business-customer relationships and set the terms of those relationships, thus maintaining the option to offer rewards and loyalty programs.
- **Consumer Transparency.** Consumers deserve to know what categories of personal data businesses collect and how that data is used.
- **Federal Standard.** There should be federal policy on data privacy that protects consumers in a nationwide, uniform and consistent way.