

Government Affairs Update

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LOCAL

Larimer County

Issue 1A Fails: The County's proposal to raise the sales tax .5 percent for transportation and public facilities improvements was defeated at the ballot box on November 5. In the final unofficial tally, 1A was opposed by nearly 56 percent of the voters. This shouldn't be surprising because the County didn't mount a strong campaign to explain the need for the tax.

Historically, in Larimer County, repeated attempts are necessary to convince voters to tax themselves and hopefully the County will try again next year or in 2021. With the State Demographer predicting continued growth in this area, roads and facilities will be stressed and it would be better to proactively plan for that future than ignore it. The Loveland-Berthoud Association of REALTORS® supported 1A.

Fort Collins

Council Narrowly Approves Stadium Rezoning: The Fort Collins City Council approved the staff proposal to rezone the 164.5-acre Hughes Stadium property from Transition to Residential Foothills (RF) and Low-Density Mixed-Use Neighborhood (LMN) on first reading. That recommendation is based both on the City's comprehensive plan and majority feedback from public meetings on the development. Mayor Pro Tem Kristen Stephens made the motion in favor of the rezoning and was joined by Mayor Wade Troxell and Council members Ken Summers and Emily Gorgol. Council members Ross Cunniff, Susan Gutowsky and Julie Pignataro voted against the motion.

Why is this important? The stadium property is the last parcel of this size in the City. Neighbors wanted Fort Collins to zone the property as open space, in which case it would never be developed. With the continued growth in the area, the stadium land is one of the few options for meaningful development apart from the parcels in the northeast within the City's Growth Management Area such as Montava.

A CSU representative stated the University's support for Lennar Homes, which is under contract to purchase and develop the property. He reminded the Council that CSU is obligated to recover monetary value for the property, because it is owned by the State and therefore, the taxpayers. He also said CSU hopes to develop affordable housing for staff and students on the site.

Some members of Council preferred a less dense scenario, with more urban estate zoning (2-acre lots), however, as Ken Summers pointed out, these homes would hardly be affordable to residents who are already priced out of the market. The

zoning plan Council approved will feature denser LMN zoning (12 units per acre minimum density) on the eastern half of the property along Overland Trail and RF zoning (one unit per acre in clustered development) on the western half.

Staff explained that the stadium is adjacent to over 800 acres of public open space and 14 miles of trails within a one-mile radius of the property. That was not enough for Council member Gutowsky, who stated she could not support the motion. She said, "I believe CSU could do something heroic and create a legacy for Fort Collins and ... donate the land to open space."

Council member Pignataro said there had been "too many broken promises" but did not explain what she meant. Without any tools to guarantee attainable housing, she explained she could not support the proposal. Note: Apparently, she doesn't understand the zoning process. Any decision to commit the developer to affordable housing does not happen when the zoning designations are approved.

Ross Cunniff argued the zoning mix "wasn't right." He voiced concerns about interfaces with the wild lands to the west and said it could be an opportunity for the City to use general fund dollars to preserve some of the parcel for open space. He explained that "density won't solve anything," and the homes wouldn't be attainable in his opinion, because of the proximity to natural areas.

However, Stephens, Troxell, Summers and Gorgol fought back, saying the project was an opportunity to make an impact and create attainable and affordable homes. Mayor Troxell admonished Cunniff saying, "You're saying we should give up on affordable housing ... I think we should provide all sorts of housing types."

Lennar has not stated if the approved zoning will make the project financially feasible. Initially Lennar hoped to build 600-700 homes. The zoning designations approved by Council would allow for approximately 550 units, according to staff.

Loveland

Incumbents Re-elected: Incumbents won the day in the Loveland City Council election. Controversial Mayor Jacki Marsh easily beat opponents Dave Clark (endorsed by LBAR) and Kathi Wright, winning 44 percent of the vote. Observers had feared Clark and Wright would split the vote, and they did.

Fortunately, Clark and Wright will remain on Council. Both have another two years remaining in their terms. LBAR endorsed incumbents John Fogle, Rich Ball, Don Overcash and newcomer Rob Molloy, all of whom easily won their seats.

As has been widely reported, the race between Nita Starr and Andrea Samson for Ward Two is still undecided. There are four votes separating the two candidates at this time, triggering an automatic recount. State law requires the recount to be finalized by December 10.

Leah Johnson will continue to represent Ward Two until the Samson-Starr race is decided. The election of a new mayor pro-tem and important Council committee appointments have been postponed until the outcome has been finalized.

The bottom line: Even if Samson, who was endorsed by Marsh, is eventually declared the winner for Ward Two the mayor will still be vastly outnumbered, limiting her support for her conspiracy agenda.

Ballot Issues Fail: Voters declined to raise Loveland's sales tax to build a new rec center in Loveland (2B) or fund a list of capital projects that included transportation improvements, two fire stations, a library, the expansion of the Loveland museum and trail underpasses (2A). LBAR had supported both measures.

This is a shame. While Loveland has a tradition of conservatism when it comes to approving new taxes, these projects would have improved the quality of life for current and future citizens in a growing city.

One opponent said the issues weren't citizen-driven and argued "It's the mandate of city government to make road improvements and repairs; that's not something that citizens have to vote on giving money to." This is a short-sided perspective and if common, could explain why the measures lost. Unfortunately, the City does not have the funding for any of these projects, which is why it, like many other local governments in our region, asked voters to approve the tax to pay for them.

402 Plan Adopted: The City Council approved the Highway 402 Corridor Plan, which is the result of a planning process that began in the summer of 2018. Highway 402 is the southern gateway into Loveland needs to provide a good first impression of Loveland through well planned, thoughtful development.

Additionally, staff explained that the new improvements to the I-25 and 402 interchange will make this area more attractive to developers. Without a corridor specific policy document developed in collaboration with the community and local government partners, Highway 402 would run the risk of haphazard, unattractive development patterns that are inappropriate and do not function well. This plan was developed with input from community stakeholders, including residents, businesses, large property owners and oil and gas industry representatives, as well as city, county and state government partners.

In essence it provides a framework for future development along the corridor in the next 20 years. It calls for focusing development around major "activity nodes," the development of corridor-specific development standards and coordination with Larimer County and landowners on annexation and minimal intrusion of new development into existing neighborhoods. 402 is envisioned as a "gateway employment corridor."

The plan notes that the estimated cost to provide water and wastewater services to the corridor is \$25 million and power upgrades would also be required. Staff told the Council that developers would be required to finance the installation of utilities. Now the City's comprehensive plan (Create Loveland) and the new Unified Development Code will require amendments. In addition, staff will draft corridor-specific development guidelines.

COLORADO ASSOCIATION OF REALTORS®

Proposition CC Fails: 54 percent of Colorado voters said no to Proposition CC, which would have allowed the State to keep TABOR excess revenues and allocate them to transportation/transit, higher education and K-12. According to analysis from Colorado Politics, "The tax issue galvanized and motivated a Colorado conservative base still reeling from a pummeling in statewide races last year.

That raises new questions about whether those who would like to fully repeal TABOR — the exceedingly complicated measure that limits government spending — are willing to chance putting it on the ballot during next year's presidential campaign, featuring a U.S. Senate race that could tip the balance of power in the Nation's Capitol."

House Speaker KC Becker who sponsored the measure, said, "I know that there are groups and people that understand how badly we're funding K-12 and higher-ed and roads, and they're going to keep trying to solve that problem. So, if this isn't the solution, not raising taxes, if that's not the solution, they're going to keep proposing tax increases because this is an unsustainable path."

Note: CAR opposed the measure, saying it did not create enough reliable revenue for these important programs.

Legalized Betting Will Fund Water Plan: Proposition DD which will allow sports betting at casinos and use taxes from casino profits to fund Colorado's Water Plan, passed by 114,000 votes. CAR supported the measure because water storage will be important in light of our State's projected growth. The plan was released several years ago but had no funding allocated towards its implementation.

NATION

Changes to FHA REO Policy: BIG WIN!!! NAR expressed concerns to the FHA about HUD's policies regarding commissions and the conflict with NAR MLS policy. Changes are coming December 1.

At NAR's urging, REALTORS® shared comments with HUD, noting that "HUD's platform for REO/HUD homes prevents brokers with an ownership interest from receiving a commission, which ... conflicts with Multiple Listing Service (MLS) policy regarding the payment of commissions."

HUD released a statement saying, “HUD has undertaken further research on the impacts of restricting broker commissions. As a result, HUD is currently working to update our system, to allow brokers to be paid commissions on all competitive sales irrespective of the individual/entity purchasing the HUD REO property. The system will retain the existing question about the Selling Broker/Agent and their ownership interest, to ensure that we can continue to gather and analyze this data; however, entering zero in the Selling Broker Commission field will no longer be required.”

In addition, the following warning notice will be removed: “HUD will not pay a sales commission if the selling broker or agent submitting the bid is also a purchaser or has an ownership interest in an entity identified as a purchaser. In such cases, the selling broker must enter zero in the Selling Broker Commission field (6a) of the Bid Submission Screen.” These system changes will be effectuated no later than December 1, 2019.