

Government Affairs Update

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LOCAL

Larimer County

Septic Transfer of Title Inspections: Larimer County is planning to implement new septic regulations in the Fall of 2020. Properties with on-site wastewater treatment systems (OWTS) will require an inspection by a certified third-party inspector to identify any conditions requiring repair. The inspection will also verify the design of the system is consistent with its current use (meaning it is appropriately sized for the home's number of bedrooms). Inspection reports will be submitted to the County's Department of Health and the Environment prior to closing.

Chris Manley, Environmental Health Officer for the Department's Environmental Health Services Division, said transfer of title inspections are not currently required by Colorado law but will likely be mandatory in the future. Manley and Environmental Health Director Shaun May said their intent is not to delay closings. Once the inspection has been done the responsible party (either the owner or buyer) will have 180 days to complete any necessary repairs. The "Acceptance Document" issued by the Department if the inspection meets the regulations in effect when the OWTS was permitted will be valid for 12 months.

County staff is very aware that the success of the program will hinge on getting septic professionals certified. Hanley and Mays said if there aren't enough certified inspectors, the County will delay the launch the program if needed. It is the County's intent to work with all three local associations to get feedback, as well as conduct outreach to septic professionals. More information will be available in the coming months. 250 listings in IRES have sold or are on the market as of December 6, 2019.

Loveland

Samson Joins City Council: After a recount Andrea Samson was declared the winner of Loveland's Ward 2 seat by three votes. She was sworn into office on December 10. Before leaving the dais that evening, Leah Johnson said she is proud of the collaboration she had with her colleagues. That collaboration isn't "always agreement but it's part of the push and pull ... that makes Loveland amazing."

Mayor Comments on Election: After the November election, in which Mayor Marsh won by a landslide, she gave an interview to a local blog in which she gave the following explanation for her victory: "I believe the election shows that the people of Loveland are not happy with incentives, Metro Districts and blind loyalty to one Developer. People want transparency and accountability and they want managed

growth. People want to know that their dollars spent wisely before giving Council more dollars. I think this election shows that people are concerned.”

The mayor had earlier told the *Reporter-Herald* that she will continue to circumvent the City Council to ensure oversight of the City’s metro districts. This comment prompted a testy exchange with the Council on November 19. The mayor defended her position, saying it is her “moral responsibility” to look out for the people of Loveland. The Council then approved a request by Councilmember Dave Clark to schedule conversation about ethics and the role of Council in terms of representing the City’s official positions based on majority rule. None of this bodes well for the future. It is apparent that the mayor will continue to push her own agenda, creating frustration and ill will for the rest of the Council.

Council To Discuss Metro Districts Again: In an attempt to further educate citizens and push back against Mayor Marsh, on November 19 Councilmember Steve Olson requested another City Council study session to focus on metro districts. Olson got enough support from his fellow councilors to add the topic to a future meeting.

Olson suggested the discussion would include an independent panel of metro district experts to focus on the legal and financial aspects of these districts, including debt and the role of the city council in approving metro district authority. Other Councilmembers suggested additional issues, which as the impacts of metro districts on housing prices and a history of IRS rulings related to them.

Spending more Council time on this topic is unlikely to change opponents’ opinions of them, however. The Mayor and her allies have had multiple chances to educate themselves on metro district structure, regulations and finances/ regulatory oversight and financial requirements in both formal and informal settings; it is unlikely any additional meetings will change their minds.

STATE

New Transportation Funding Strategies Uncertain: Governor Jared Polis told the Northern Colorado Legislative Alliance in November that the region would see benefits from the extra \$625 million he hopes the Legislature will budget for the Colorado Department of Transportation in 2020, on top of the \$300 million he approved in the current state budget.

In 2017, Senate Bill 267 authorized \$1.8 billion in long-term bonds for transportation backed by leases on government buildings. On top of that, the state budget is required to pitch in \$50 million a year. Senate Bill 2018-01 put \$495 million into roads, bridges and alternative transportation in 2018, and \$150 million in 2019.

The Metro Mayors Association are considering regional taxing strategies, effectively giving up on a statewide solution, given recent history. The idea isn't widely supported yet, but the call gets louder every time a statewide ballot measure fails.

However, that strategy has opponents, too. Fix Colorado Roads, a coalition of business groups, takes a dim view of a piecemeal strategy saying it would "balkanize" the state. Rural areas wouldn't be able to raise enough funding through that approach.

It remains to be seen whether the Legislature will consider new long-range funding in 2020 or focus on cleaner, greener vehicles and transit.

NATION

New FHA and GSE Loan Limits: As expected, FHA just published its 2020 loan limits. The FHA high-cost limit is the same as the GSE limit - \$765,000. The FHA floor (the lowest FHA limit) also rose to \$331,760. Nearly every county in the country saw an increase in their loan limits.

The way that loan limits are calculated, all counties within the same Metropolitan Statistical Area (MSA) benefit from the highest limit in that MSA. Over the last year, the government changed some definitions of MSAs. The result is that 11 counties, who were removed from their nearest MSA, will see decreases in their loan limits, but none of these counties are located in Colorado.

The 2020 loan limits are available [here](#). These limits are effective from January 1, 2020, to December 31, 2020.

Limits for MSAs in Northern Colorado:

Boulder County - \$626,750

Fort Collins/Loveland - \$437,000

Greeley (Weld County) - \$385,250

Carson on Affordability: Speaking at the first-ever Real Estate Forecast Summit, U.S. Secretary of Housing & Urban Development Ben Carson called affordable housing "one of the real challenges of our time." Carson said the Trump administration's White House Council on Eliminating Regulatory Barriers to Affordable Housing is looking at a range of solutions, including the elimination of regulatory barriers—such as zoning restrictions, density restrictions, and wetlands rules—that add to the cost of construction.

Carson said the council is looking at what can be done at the federal level to incentivize change, but private industry, he said, will bring the best answers to the housing inventory and affordability challenges. "Real answers don't come from the federal government," he said. "They come from the people with boots on the ground,

who are actually the stakeholders who are involved with the issues we are dealing with.”

Rent Control Lawsuit: A group of national housing organizations are lining up in a show of support for the lawsuit by the Community Housing Improvement Program (CHIP), the Rent Stabilization Association (RSA) and seven property owners in New York City, which challenges the constitutionality of the New York Rent Stabilization law (RSL).

The National Apartment Association, the National Association of REALTORS®, the National Multifamily Housing Council, the National Association of Home Builders and the New York State Builders Association are backing the lawsuit, which is a comprehensive argument for why Rent Stabilization and other rent control laws in New York violate the 5th Amendment's takings clause and the 14th Amendment's due process clause.

Where previous lawsuits challenging rent control have focused narrowly on specific provisions, this case details how a patchwork of bad laws and their inconsistent implementation has resulted in both a physical taking of property without compensation, and a regulatory taking, in which the property owner no longer has control of their possession.

The suit also makes a clear case that the laws violate Due Process because there is no benefit for low-income renters, units are only obtained through good fortune, and there are no financial requirements on who receives this benefit, which is paid for by property owners.

Vince Malta, President of the National Association of REALTORS®, said his organization is "concerned that the expansion of rent control laws across the country will worsen our nation's affordable housing crisis by discouraging investment and reducing supply.

"In addition, the expense of complying with rent control laws and regulations inevitably increases the cost of housing to the consumer, while the expense of enforcing rent controls adds to the cost of local government. NAR maintains our belief that America must face its housing shortage head on by building more affordable homes needed to accommodate the nation's rising population."

The coalition of New York landlords and building owners filed their federal lawsuit against New York City and a New York State official in July. They are seeking to strike down the state's rent control laws, including a series of changes approved by the Legislature in June.

