

## **Government Affairs Update**

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### **LOCAL**

#### **Weld County**

##### **Greeley**

**City Contributes to I-25 Funding:** The Greeley City Council has agreed to donate \$500,000 to the regional effort to expand I-25, according to Fort Collins Mayor Pro Tem Gerry Horak. This is an important decision, because up to this point the City had not given any funding to the highway expansion. Now that CDOT has received approval to proceed with Phase One, adding an additional lane in each direction between SH 14 and SH 402, the I-25 Elected Officials Coalition and the Fix North I-25 Business Alliance are pushing for funding to continue those new lanes to SH 66.

**Council Fills Vacancies:** On April 17 the Greeley City Council interviewed 10 candidates for two vacant seats representing Ward I and Ward IV. The four Ward I applicants included Tommy Butler, Carlos Leal, Jon Smail and Michael Soper. Candidates for the Ward IV seat were Kendall Alexander, Dale Hall, Ron Heil, Dan Meyer, Andrew Segal and Lori Williams. Among these applicants Leal and Hall have the most experience, Leal having served on the District 6 Board of Education and the City Council and Hall having served as a Weld County Commissioner and State legislator.

At a special meeting on April 24<sup>th</sup> the Council announced it has selected Jon Smail for Ward I and Dale Hall for Ward IV by a 4-1 vote with Stacy Suniga dissenting. Smail is employed by the Colorado Air National Guard employee and is a former member of the Greeley Human Relations Commission. In addition to holding prior elected office, Hall serves as the Chair of Greeley's Planning Commission, but will resign that post in light of his appointment to the City Council.

**Citizens Say Schools, Affordable Housing, Crime Top Concerns:** The City of Greeley surveys residents every two years. The City Council received a report about the most recent survey (2017) at Tuesday night's study session. Survey respondents were asked to rate various aspects of quality of life and community. About 7 in 10 respondents felt that the City of Greeley and their neighborhood were excellent or good places to live. About 6 in 10 gave positive reviews to the overall quality of life in the city and to opportunities to participate in social events and activities.

Just over one-quarter of respondents gave favorable ratings to the overall image or reputation of Greeley. As in past surveys, a majority of residents continue to see a need for improvements in community image and promotion. For example, 61 percent felt that it was essential or very important for Greeley to promote itself.

Two aspects saw an increase in excellent or good ratings: including Greeley as a place to raise children and opportunities to participate in social events and activities. More residents had a "mostly positive" perception of Greeley than had a "mostly negative" perception and a majority would be likely to recommend living, working and visiting Greeley. These sentiments were similar to 2015. When asked to identify up to three of the most pressing issues facing Greeley in the next two years, the largest proportion of respondents selected school/student performance (45 percent), housing affordability (33 percent) and crime reduction (32 percent).

#### **COLORADO ASSOCIATION OF REALTORS®**

##### **Legislative Update:**

**HB-1352 "Oil And Gas Facilities Distance From School Property"** CAR Position: Oppose. Status: Scheduled for a hearing April 26 in the House Health, Insurance and Environment Committee.

Two of the sponsors for this bill include Senator Matt Jones and Representative Mike Foote of Boulder County, which is the epicenter of anti-oil and gas sentiment. The bill increases the oil and gas setbacks from schools, stating that the the minimum 1,000-foot distance from any school applies to the school property line and not the school building.

**SB-109 "Authorize Audio-video Communication Notarial Acts"** CAR Position: Oppose unless amended. Status: Not on calendar.

The bill authorizes notaries public to perform a notarial act on behalf of an individual who is not in the notary's physical presence, but only with respect to an electronic document. To perform a "remote notarization", a notary must use a tamper-evident electronic system that conforms to standards established by rules of the secretary of state, including using real-time audio-video communications and keeping an audio-video recording of the notarization for at least 10 years. CAR has concerns about the privacy of individuals who might use this service since their information could be sold by notaries in the bill's current form.

**Call for Action on HB-1195 "Tax Credit Contributions Organizations Affordable Housing"** CAR Position: Support. Status: Not calendared.

For income tax years commencing on or after January 1, 2019, but prior to January 1, 2030, the bill creates a state income tax credit for a donation of cash or securities a taxpayer makes to an eligible developer to be used solely for the costs associated with an eligible project.

The bill defines "eligible project" to mean the development of new residential housing for home ownership consisting of one or more residential units constructed for sale to a buyer whose median income is 120 percent or less of the area median income and for which each unit sold is to be preserved as affordable housing by means of a

specified deed restriction.

CAR held a “Call for Action” on HB-1195 to encourage House Democrats to support this bill and get it moving forward. The bill was in limbo until the the budget bill was passed but has not been calendared for further hearings since the budget passed.

**SB-001 “Transportation Infrastructure Funding”** CAR Position – Support. Status – Passed Senate, introduced in House. Sponsored by Senator Cooke (Greeley) and Rep. Buck (Windsor)

SB-01 would allow CDOT to issue \$3.5 billion in transbonds over the next three (fiscal) years. The bill allocates \$250 million a year to transportation for the next 20 years. Unfortunately, in order to get support from Senate Democrats, the bill was amended to delay voter approval of the bonding to 2019. This is problematic because interest rates are rising and there is no guarantee Democrats will refer the measure to voters if they hold the majority in the House and the Senate after the November 2018 election. Democrats support the delayed vote because they support the Denver Metro Chamber’s proposed transportation sales tax initiative which the DMC hopes to get on the November ballot. However, this is the first time in four attempts that the transportation bonding measure has passed the Senate AND been assigned to a non-kill committee in the House. (See more information, below.)

**HB-1227 “Real Estate Commission Flexibility in License Period”** CAR Position – Support Status – Has passed House and Senate.

HB-1227 is a clean-up bill for the 2017 real estate sunset bill. In the sunset bill, the expiration date of real estate licenses changed from an anniversary date to a calendar renewal on December 31st of the third year after issuance. However, the legislative legal services committee had a few concerns about some rules promulgated to effect this change and therefore a clean-up bill this year will address those concerns to ensure that real estate licenses can be renewed on the calendar date instead of the anniversary date. CAR's LPC and the Division of Real Estate support this legislation.

CAR says, “Several of our rural members and local boards previously did not have the same access to a quality transition course. Some do not have offerings because only one type of education service provider can offer the course and this would mean members would have to travel long distances to meet their requirements. Additionally, depending on the timing of their renewal date during that transition period, some transitioning licensees could be closer to a more current annual update course offering and the transition course would be dated since it is only updated once in five years. The number of continuing education requirements will remain the same under the amendments, but in the transition license period two annual update courses will be required and the rest of the requirements can be met with elective courses. As amended in the House and Senate committees the bill now will allow for calendar renewals of licenses and clear up some of the confusion around the transition period.”

## STATE

**Colorado Succeeds to Survey Gubernatorial Candidates:** Colorado Succeeds (CS) is a business-driven advocacy organization that is pushing to improve Colorado schools to prepare students for the workforce. According to its website, CS “puts business to work for schools, providing a perspective that paves the way to a better public education system. We connect business leaders to the education system and legislative processes – *we’re the only organization in Colorado to bring together these critical players to reimagine our schools.*”

Colorado Succeeds wants to heighten education in the gubernatorial election. It will survey the top 12 candidates on their positions regarding education and release the information later this spring. CS focuses on education outcomes and wants to get government out of the way, allow schools to get more efficient with school funding. Note: CAR is a member of CS. [www.coloradosucceeds.org/](http://www.coloradosucceeds.org/)

**Partisan Battle Over Transportation Bill:** According to the *Denver Business Journal*, hours after the Colorado Senate unanimously passed a formerly divisive transportation-funding bill Wednesday that sets up a potential \$3.5 bonding initiative on the 2019 ballot, House Democrats signaled that the bipartisan agreement may not survive their chamber.

During an all-day budget debate, the House approved an amendment to move the majority of the roughly \$500 million in one-time funds that the Senate had put toward state highway expansion to city and county roadway needs and to multi-modal projects instead. House leaders also said repeatedly that they do not want to tie up future state budgets in what they call irresponsible bond repayments for fear that it will cause funding shortfalls in other areas of the government when the next recession hits.

The House vote seems to leave in peril a bipartisan agreement on how to address what is considered by many business leaders to be the most important issue of the 2018 legislative session — addressing the \$9 billion backlog in transportation funding that has left major arteries like Interstate 25. The Denver Metro Chamber of Commerce continues to look at running a ballot initiative in November that would raise sales taxes to fund roads and transit and is considering multiple ballot titles in that quest.

SB-01 would make that fix by putting \$500 million in the upcoming fiscal year toward new highway construction — a one-time payment requested by Democratic Gov. John Hickenlooper. Then, the bill proposes that voters be asked for permission to sell \$3.5 billion in bonds to address the state’s biggest highway pinch points, paying that back with an annual general-fund allocation of \$250 million.

House Speaker Crisanta Duran, resisted calls from some in her caucus to move some or all of the transportation-funding money to education, but she insisted it be

divided between the state, local governments and a fund for transit to bike lane projects. An amendment added by Duran and Rep. Faith Winter, Chair of the Transportation Committee, divides the allotted \$495 million 35 percent to the state, 25 percent to cities, 25 percent to counties and 15 percent to the multi-modal project fund.

Duran said the division is necessary in order to get the money into the hands of local officials who understand their transportation needs the best. And she continued to argue that the one-time funding proposal is superior to the long-term funding commitment imagined through bonding in SB-01. SB-01 has been assigned to the transportation, finance and appropriations committees but will not be scheduled for hearings until the House completes its budget deliberations.

Note: If Colorado wants to be eligible for federal funding under the proposed infrastructure plan, it must show "skin in the game" (see below). That's why the Democrats plan to move funding in SB-01 to local governments is dangerous. In addition, pushing the referred vote on bonding to 2019 will cost the State more because of rising interest rates. Finally, if the Dems take both chambers in the November election it is entirely feasible they could decide not to refer the measure to the voters at all.

**Appraisal Qualifications in Colorado:** The Appraisal Qualifications Board of the Appraisal Foundation has recently changed the Real Property Appraiser Qualification Criteria. As of May 1, no college level education is required for licensed residential appraisers. Certified appraisers are still required to have a bachelor's degree

The Division of Real Estate will be undertaking Emergency Rule-Making before the Colorado Board of Real Estate Appraisers on April 30, 2018, in order to incorporate and be in compliance with these new appraiser qualifications. Once those rules are adopted, the Division will incorporate the new qualifications on its site.

## **NATION**

**FHFA Review of AMC Appraisals:** On March 26, 2018, the Federal Housing Finance Agency (FHFA) published a working paper entitled "Are Appraisal Management Companies Value-Adding? – Stylized Facts from AMC and Non-AMC Appraisals." The paper compared efficacy of appraisal management company (AMC) appraisals vs. non-AMC appraisals. The main findings were that both types of appraisals have similar levels of overvaluation, but AMC appraisals tend to be more prone to contract price confirmation and super-overvaluation (above 6 percent). Both types have the same level of mistakes, despite AMC appraisals tend to use more comparable properties in their analysis.

NAR, under its Responsible Lending Principles, supports the principles of appraiser independence that AMCs are designed to facilitate, but recognizes that alternatives to AMCs can also provide the same conformity to appraiser independence rules.

**Initiative to Combat Sexual Harassment in Housing:** On Thursday April 12, 2018, the day after the 50th Anniversary of the signing of the Fair Housing Act, the Department of Housing and Urban Development (HUD) and the Department of Justice (DOJ) announced the creation of a new, joint initiative to combat sexual harassment in housing. The initiative consists of (1) a HUD and DOJ interagency task force to combat sexual harassment in housing, (2) an outreach toolkit, and (3) a public awareness campaign.

The newly created HUD-DOJ Task Force to Combat Sexual Harassment in Housing will focus on five key areas: continued data sharing and analysis, joint development of training, evaluation of public housing complaint mechanisms, coordination of public outreach and press strategy, and review of federal policies.

The outreach toolkit provides templates, guidance, and checklists based on DOJ pilot program feedback to help HUD offices and Justice Department's nationwide network of U.S. Attorney's Offices reach victims of sexual harassment.

Finally, the public awareness campaign will bring together stakeholders, develop a social media campaign, and create public service announcements run by DOJ's Executive Office of U.S. Attorneys. More information is available here: <https://tinyurl.com/ydbhjpex>

**Administration Encourages Faster Infrastructure Permitting:** On April 9 the Trump administration announced an agreement to encourage speedier approval of infrastructure proposals, requiring agencies to work together to reach permitting decisions in two years or less. Twelve departments and agencies, including the departments of Transportation, Interior and Energy, the Army Corps of Engineers and the Environmental Protection Agency, pledged to work with each other to speed up decisions on environmental and other permitting. Streamlining environmental and other permitting decisions is a major part of Trump's infrastructure agenda, along with spending \$200 billion of federal money over 10 years to spur \$1.5 trillion in total spending from all levels of government and the private sector.

**NAR Analysis of Infrastructure Plan:** In this recording of March 28, 2018, live webcast, NAR's Advocacy Group looks at the Trump administration's \$1.5 trillion infrastructure plan. What has to happen next? And will there be opportunities for real estate professionals if all or part of the plan is enacted? <https://www.youtube.com/watch?v=Pz1jUDI06mM&feature=youtu.be>

**NAR Supports Short Sale Bill:** On March 26, 2018, NAR submitted a letter of support for H.R. 5237, the "Fast Help for Homeowners Act," introduced by Reps. McNerney (CA-D) and Jones (NC-R). The legislation H.R. 5237 would help to streamline the short sale process by requiring a lender holding a second mortgage on a property to review and make a decision on a short sale agreement within 30

days. If the lender does not make a decision within that time frame, the short sale will be deemed approved on the 30th day.

Enormous amounts of time are spent on potential short sales that result in foreclosures. Even if successful, the process still takes many months and countless hours and often requires re-marketing of the property because buyers lose patience and terminate the contract. The short sale process is even more challenging to complete if the property owner has two mortgages loans on the property. In these situations, cooperation of the first lender and second mortgage lender are needed for the process to move forward, creating unnecessary difficulty and frustration for the property owner.

Establishing a time frame for responding to potential buyer offers will reduce the amount of time it takes to sell the property, improve the likelihood the transaction will close, and reduce the number of foreclosures. This will benefit the lender, the seller, the buyer, and more importantly, the community.

**NAR Supports CFPB Structure Change:** On March 28, 2018, NAR sent a letter thanking a bipartisan group of legislators for introducing H.R. 5266, the "Financial Product Safety Commission Act of 2018." This legislation would transition the governance structure of the Consumer Financial Protection Bureau (CFPB) from a sole director to a five-person, bipartisan commission.

Due to its critical mission of consumer protection related to financial products and services, the CFPB's authority is too important and vast to be controlled by a single individual. With every new presidential administration, rules, guidance, and other decisions made by a sole director at the CFPB may be unendingly overturned by each new director. This creates enormous regulatory uncertainty for financial services and real estate industries, which ultimately harms consumers, small businesses, and the overall economy.

A bipartisan commission at the CFPB would strengthen the governance of the CFPB, prevent it from becoming a political football, allow for a diverse set of voices regardless of who sits in the White House, and ensure its longevity.

Furthermore, in order to safeguard consumers and continue encouraging responsible lending practices, NAR believes the CFPB should remain independent from the Congressional appropriations process, preserving the existing funding from the Federal Reserve. Such independence shields the agency from political pressures and bureaucratic impediments that may inhibit agency operations and protection of consumer financial interests.

In conclusion, H.R. 5266 will improve accountability, transparency and policy consistency at the CFPB. A more reliable consumer financial advocacy agency would bolster real estate professionals' role as trusted advisors to advance our nation's pursuit of responsible homeownership.

