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HOME BUILDERS
ASSOCIATION
of
METRO DENVER®

December 11, 2023

Arapahoe County
Board of County Commissioners
5334 S. Prince Street
Littleton, CO 80120

Dear Arapahoe County Board of Commissioners:

I am writing to submit comments on the proposed increase to the County's Regional Transportation Fees (RTIF) and Rural Transportation Impact fees (RUTIF), scheduled to be implemented early next year.

These comments are being provided on behalf of the Home Builders Association of Metro Denver.

The HBA of Metro Denver represents over 500 homebuilders, developers, remodelers, architects, mortgage lenders, title companies, subcontractors, suppliers, and service providers in the eight metro-area counties we serve.

Throughout Arapahoe County, the HBA of Metro Denver represents numerous builders and developers that are actively constructing homes in your communities.

Based on a recent presentation offered by the Department of Public Works, it appears the County is proposing the following fees increases:

- Increasing the Regional Transportation Impact fee for a single-family home from \$2,345 to \$4,175.
- Increasing the Regional Transportation Impact fee for multi-family housing from \$1,202 to \$2,141.
- Increasing the Rural Transportation Impact fee for a single-family home from \$1,503 to \$2,134 for homes 1000 sf or less.
- Increasing the Rural Transportation Impact fee for a single-family home from \$2,857 to \$4,057 for homes over 2300 sf.

Additionally, it appears these fee increases are intended to go into effect January 1st of next year, giving the building community in Arapahoe County less than months' notice about the proposed increases.

These additional costs, especially if increased all at once, will make the cost of homeownership unattainable for many aspiring residents with moderate incomes. The National Association of Home Builders' latest "Priced-out Estimates" from January 2023 indicate a \$1,000 increase in the cost of a median-priced new home will further price 2,310 Colorado households out of the market.

While the HBA of Metro Denver is generally supportive of infrastructure improvements to support our economy and enhance the quality of life of area residents, we do not support placing the financial burden entirely upon new homeowners in the community. We acknowledge the need for new transportation revenue across our region is badly

needed, but it is important that all residents who access and benefit from the County's streets help support the agreed upon improvements and upgrades.

While we are fully aware these fees have not been increased in over decade, we are also aware that much has progressed in how transportation is funded in Colorado over this time and should prompt further evaluation in how Arapahoe County's continues to finance its own infrastructure improvements going forward.

To that end, a significant number of municipalities throughout Colorado have had success passing tax increases at the ballot box in recent years for a variety purposes - including over three dozen local ballot measures exclusively for transportation. In 2015, fiscally conservative voters in Colorado Springs overwhelmingly passed a .62% sales tax increase to support transportation infrastructure within the municipality with 65% of the vote. Residents then reauthorized the tax for an additional five years again in 2019 by the same margin.

Furthermore, in 2021 the Colorado General Assembly passed SB 21-260, implementing a host of new transportation related fees to help boost transportation funding across the state by \$5 billion over the next 10 years. These revenue sources include:

- 2 cents per gallon on gasoline and diesel fuel starting in July 2022 that increases 1 cent every year up to 8 cents.
- 27 cents on deliveries, including those from Amazon, FedEx and Grubhub.
- 30 cents on Uber and Lyft rides starting in 2022 that would increase based on the federal Consumer Price Index.

The HBA of Metro Denver respects Colorado's long-standing expectation that new growth pay for itself but the way Arapahoe County currently funds its roads has become antiquated and punitively singles out aspiring homeowners to pay for infrastructure designed to benefit everyone. Alternatively, we would enthusiastically support a proposal that asks all county residents and visitors to pay a little bit more to help support infrastructure improvements without sticking a small percentage of the of the population with the entire bill.

In conclusion, we strongly encourage Arapahoe County to consider the implications of the proposed increase to the County's transportation impact fees and its impact on the future attainable residential development. We also hope that the Board of County Commissioners will reevaluate how transportation is currently funded within the County and consider proposing more modern, equitable and constructive alternatives. To this end, the HBA hopes there will be an opportunity for further stakeholder engagement on this important issue before any final decisions are made. We are available for additional consultation with the city staff, as necessary.

Thank you for your time and consideration of our concerns.

Sincerely,

Ted Leighty
Chief Executive Officer
Home Builders Association of Metro Denver

CC: Charles Haskins, Engineering Services Division Manager