



March 28, 2023

Governor Jared Polis
200 E. Colfax Avenue Room 136
Denver, CO 80203

Dear Governor Polis,

The League of Women Voters is concerned about the significant negative impact metro districts have on affordable housing. Cost of the house is higher. Taxes are higher. The residents' access to information and representation on the governing board is challenging at best. Examples of routine voter suppression are astonishing.

SB23-110 is a bill that helps make housing in metro districts unaffordable by legalizing a blatant conflict of interest enriching the developer at the expense of the homeowner. LWVCO believes financial accountability of metro districts needs to be improved.

SB23-110 was labeled a "transparency" bill. But by all representations, section 4 legalizes self-dealing profit paying bond debt issued by the developer, who also controls the governing district board. The bill uses a "municipal advisor" to certify the interest rate is "reasonable". But since the "municipal advisor" is paid by the developer to make this statement, the obvious risk of abuse is so high as to render this provision meaningless. The only real check and balance is review and approval by the voters. But since the developer controls the board at the time these bonds are issued, resident taxpayer check and balance is absent. With no genuine oversight and accountability, this practice needs to stop.

Importantly, stopping this abusive maneuver has no impact on the developer's access to capital. To be clear, metro district bonds pay the developer back. He already had the funds to build the infrastructure. Metro district funds pay him back. And the competitive bond market is available to fund bonds to pay him back with rates set and paid pursuant to a schedule dictated by the marketplace, not the developer. Further, interest would be paid to institutional investors, not the developer who sits on the board deciding the terms of the bond.

SB23-110 will advance, not reduce, the unaffordable housing problem by ensuring residents will always pay more for the same housing in metro districts. We respectfully ask you to veto this bill.

Sincerely,

Maud Naroll, LWVCO Director of Action & Advocacy, Andrea Wilkins, LWVCO Legislative Liaison & LWVCO Legislative Action Committee Local Government Citizen Lobbyists