



# Coloradans for Metro District Reform

## 12/18/2023 Metro District Task Force Meeting Response

[Coloradans for Metro District Reform](#) (CMDR) are citizen volunteers who have experienced abuses caused by the lack of accountability in developer-run metro districts. Our goal is to educate, identify opportunities for reform, and advocate for meaningful legislation that protects residents from abuses.

CMDR has helped residents in over 100 metro districts better understand their districts through analysis of those districts' legal documents. We also work to support the transition of metro district boards to resident control so those boards can restore residents' right to vote and establish accountability for government taxation and spending by the developer.

Below is CMDR's response to the second meeting of the Metropolitan District Homeowners' Rights Task Force held December 18, 2023. We welcome any requests to support the claims below or present our position to the Task Force.

### Topics and Speakers

CMDR was surprised to learn that Julie Stackhouse was the expert selected to provide a Metro District 101 presentation to the Task Force. Ms. Stackhouse began to inquire about metro districts only 9 months ago; she seems to have taken the development industry's talking points at face value. In fact, the same presentation was provided at a recent event and Ms. Stackhouse admitted to having help with her material from the Metro District Education Coalition (MDEC), a lobbying group for developers.

CMDR appreciates DORA's advisement to speakers to leave their personal opinions out of presentations, and we would note Ms. Stackhouse's material contained many industry myths and spin. CMDR is concerned with the lack of transparency shown in the process to select these so-called experts and encourages DORA to resist efforts by the industry lobby to use the Task Force as an outlet for industry propaganda. CMDR, for the second time, requests that the Task Force invite homeowners/residents and victims of metro district abuse to tell their stories and to hear from experts whose income is not dependent on development financed through metro districts.

### Metro District 101 - Myths and Responses

*Myth: Colorado needs metro districts because of rapid population growth (high demand), TABOR, and for development to pay its own way*

These claims are all demonstrably false. Metro districts are intended to be a vehicle for developers to recoup their investment in neighborhood infrastructure. There is no evidence to suggest they help increase supply to meet high demand, current metro district statutes predate TABOR by a decade,

and development has *always* “paid its own way”. The most likely explanation for the proliferation of metro districts is that they are the *most profitable* way for developers to operate.

*Myth: Residents are confused about not being able to vote on bond debt. They can't vote because the debt is locked in before they arrive.*

This is simply false. Developers “vote” to eliminate the residents’ right to vote on bond debt in a TABOR election (which is not a requirement of setting up a metro district). Additionally, the development industry has found or created loopholes in an attempt to establish intergovernmental “agreements” that ensure residents have little to no input on the financial matters of their districts.

*Myth: Metro District housing is cheaper because infrastructure is paid later.*

False. Ms. Stackhouse admitted she has no data to support this statement. Data shows metro district housing is more expensive, there is no discount for paying infrastructure costs later, and residents may be paying twice for infrastructure to provide the developer with more profit.

*Myth: All metro districts are audited once a year.*

False. Audits are only performed after market debt is issued.

*Myth: Taxes are low in Colorado.*

U.S. Census data show that Colorado actually ranks high, 11th, in state and local debt per capita and 14th in property tax collections per capita.

*Myth: Property taxes increase because of change in value from open land to developed land.*

This is true in every development, with or without a metro district. The drastic increase for homes in a metro district, which residents often find jarring, is a result of the issuance of bond debt in the millions.

## **Transparency**

Zachary White, the second speaker, is an attorney with White Bear Ankele Tanaka and Waldron. Mr. White’s presentation was a recital of existing disclosure statutes. CMDR agrees with Task Force members O’Dorisio, O’Flaherty, Matise, and Nadler that current disclosure practices are not sufficiently informative. As these Task Force members pointed out, the current disclosures are not provided to all home buyers, are difficult to understand, and do not even provide the name of the district.

In order to make an informed decision of whether to purchase a home in a metro district, Coloradans must be advised of critical information concerning the specific district, at the time they are considering the purchase (not, as Rep Parenti noted, at the closing table). This critical information must include: the name of the district, the website of the district, the governance structure of the district (master/servant, CAB, inclusion), the service plan, TABOR status, total debt authority, the current debt amount, the planned debt amount, the debt payment schedule, the mill levy for debt and operations, and the impact of the mill levy on the current and future tax bill for the property.

CMDR proposes the attached disclosure be provided to prospective buyers when they are considering the purchase of a home in a metro district. The same disclosure should be housed on the DOLA website for each metro district in Colorado.

[Youtube Recording of 12/18/2023 Task Force Meeting](#)

[Link to CMDR’s Response to the 12/5/23 First Meeting of the Task Force](#)

CMDR Task Force Committee - [info@metrodistrictreform.org](mailto:info@metrodistrictreform.org)

## Important Financial Disclosure Regarding Metro Districts

The home you are potentially buying is in a metro district. The taxes and fees in metro districts are typically higher than taxes and fees in non-metro districts. You have the right to vote and serve on the Board of Directors for the District. Contact the District Manager, Designated Election Official or Attorney for the District to obtain a self-nomination form. Until the residents obtain positions on the Board of Directors, the Directors are family, employees, or business associates of the developer and have a conflict of interest with the residents which is expressly disclosed in the District's Financial Audit, when filed.

Metro districts can issue bond debt to be repaid by property taxes. While TABOR requires that no bonds be issued without a vote of the residents, ballot issues have been passed in your district which deprive the residents of the right to vote on issuing bond debt for up to 20 years. Until residents take control of the board, they have no input on whether or not to issue bond debt.

Developers can attempt to subordinate Metro Districts to unelected authorities via intergovernmental agreement. Those authorities may attempt to control the finances of your district and limit resident input on the financial matters of the district.

**Name of Metro District:**

**District Website:**

**Total Debt Authority of the District** (Total Authorization in Initial Ballot filed with the District Court):

**Current Debt Amount:**

**Planned Additional Debt Estimate:**

**Debt Payment Schedule** (from Service Plan, Financial Plan, or bonds/loans):

**Current Mill Levy** (including debt repayment, capital projects, maintenance, operations):

**Maximum Mill Levy** (from Service Plan):

**Current Annual Tax Payment** (based on current mill levy and anticipated purchase price of home; Please note, these tax payments do NOT include tax payments for schools, police, fire, and other county services, [CMDR Property Tax Calculator](#)):

**Potential Future Annual Tax Payment** (based on maximum mill levy from Service Plan and anticipated purchase price of home):

**Amount of Current Fees Charged to Residents** (in addition to taxes):

**Is the issuance of additional bond debt subject to a vote of residents?**      Yes     No

**Are mill levy increases subject to a vote of residents?**      Yes     No