It was big news in December that the House Republicans caved in and agreed to extend the federal payroll tax “holiday” for two months, as agreed by Senate Republicans.

But what didn’t make the news was where the money would come from to pay for that tax reduction. It’s going to come out of the pockets of homebuyers in the form of increased loan costs.

I was first made aware of this by a Jan. 5 email from a respected mortgage consultant. I confirmed it this past Sunday in a conversation with Rep. Ed Perlmutter in Golden. The mortgage consultant wrote: “For conforming products, it has been determined that something known as a Guaranty Fee that all lenders pay to the Government Sponsored Entities [Fannie Mae & Freddie Mac] will increase by 10 basis points. In other cases, the impact will be as high as 77 basis points. And the impacts will vary day-to-day, depending on the rates and the market’s attitude.” (A basis point = 1/100th of 1%.) FHA loan costs will go up by an equivalent amount.

According to the email I received, it will take 10 years for this mortgage cost increase to offset that two-month payroll tax reduction. I’m amazed that Republican leaders continue to think they can attract votes from the general population by doing whatever it takes to keep taxes low for the top 1% of the population. I suspect they are only providing ammunition that will cost them in the 2012 elections.

What is “smart growth”? In November, the Jeffco Planning Commission approved a revision to the North Plains Area Plan, designating over 1,000 acres of open land west of Highway 93 as a new “Urban Activity Center.” Although this didn’t constitute a rezoning of what is currently agricultural land, it means that a future request for urban-style rezoning would be justified as complying with the revised plan for that area.

I testified against the redesignation, and pointed out that promoting that kind of sprawl — the kind which has transformed the areas through which C-470 and E-470 pass — actually promotes blight in the older developed areas.

Creating more and more suburban opportunities for overbuilding merely promotes sprawl, but it also promotes continued abandonment of older areas. A “smart growth” strategy, in my opinion, would only open outer areas to development as a shortage of developable land is perceived in the inner areas.

The building of transit lines, such as TREX and FasTracks, promotes smart growth. I recently learned, for example, that there has been $6 billion of economic development along the TREX corridor since that transit line opened.

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