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HOA Coalition Backs HB 1279

The bill provides a step forward in providing more attainable housing options

Denver – The Homeownership Opportunity Alliance, a bipartisan statewide coalition of housing advocates, business leaders, metro area mayors and builders, announced Wednesday that it will support HB 1279, the Construction Defect Actions Notice Vote Approval bill, after HOA and the bill's sponsors worked around the clock to find common ground.

“We have worked on passing an informed consent bill for three years, and we are very pleased that this appears to be headed to a vote in the full legislature,” Kathie Barstnar, co-chair of the HOA coalition and Executive Director of NAIOP Colorado, the Commercial Real Estate Development Association. “This bill is not a magic bullet, but it will help provide attainable housing options to Millennials, seniors, public servants, such as firefighters and teachers, and other Coloradans struggling to buy a home. Not only is this good policy for all Coloradans, it safeguards – and in some instances expands – consumer protections.”

The Metro Mayors Caucus – representing 40 cities and millions of constituents – joined with HOA to address the flaws in the state's current construction defects law. Although 17 Colorado cities and one county have passed comprehensive construction defects reform, concerns that state law may pre-empt local regulations has continued to discourage new residential development.

"HB 1279 is a welcome and positive step forward in reforming a system that has stifled attainable housing in our communities for far too long. This bill not only encourages greatly needed condo development, it protects the rights of homeowners," said Denver Mayor Michael B. Hancock. "I'm extremely thankful to Reps. Garnett, Wist and Saine and all of the legislators who pulled together to reach this compromise, to Speaker Duran for keeping this issue at the forefront of this session, and to my fellow coalition partners who have worked tirelessly to encourage action on this critical issue."

This informed consent bill is a first step towards encouraging builders and developers to start building again while protecting the legal rights of individual homeowners. Nothing in HB 1279 stands in the way of individual owners who have a legitimate construction issue from seeking a legal remedy. Additionally, this bill protects homeowners by ensuring they are aware of a potential lawsuit that could impact selling or refinancing their home and tightening up voting procedures so a majority of homeowners must approve initiation of a legal action against a builder rather than leaving that decision to the homeowner association board.

“Today is an important first step for increasing homeownership opportunities for every Coloradan. Diverse housing options are essential for our first-time homebuyers, our seniors looking to downsize, and our young working families,” said Lakewood Mayor Adam Paul. “I am grateful for the tireless efforts of our local jurisdictions, the hard work from the coalition, and the willingness of the legislature to finally lead on this issue.”

“I applaud the legislature for stepping up and taking an action which will have a positive impact on the lives of many Aurora, and Colorado residents,” said Aurora Mayor Steve Hogan. “It will be exciting to see our housing industry catch up with all the other good things happening in the Colorado economy.”

The need for comprehensive construction defects reform has never been more critical. Recently, [The Denver Post reported](#) that Colorado is the nation's epicenter when it comes to housing unaffordability. Specifically, seven of the 12 counties in the entire U.S. where housing affordability is out of balance are along the Front Range.

The near certain risk of protracted, multi-million dollar lawsuits has led to skyrocketing insurance rates and unacceptable business risks for condo builders. In 2005, condos comprised 20 percent of the metro Denver new housing market, while today it has plummeted to just 2 percent.

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The Homeownership Opportunity Alliance is a coalition of affordable housing advocates, business leaders, mayors and economic developers. *Learn more by following [@Housing4CO](#) on Twitter or [Housing4CO](#) on Facebook.*