

House Transportation, Housing & Local Government

03/18/2025 Upon Adjournment

HB25-1272 Construction Defects & Middle Market Housing

Typed Text of Testimony Submitted

| Name, Position, Representing | Typed Text of Testimony |
|---------------------------------------|--|
| Dave Frank For city of Montrose | We support this bill, as it is a reasonable and attainable way to provide remedy for issues as well as providing more housing stock in our communities |
| Nicole Giamundo For themselves | <p>I am Nicole Giamundo and I am here as a mortgage professional as well as a homebuyer. I represent myself and want to bring awareness to the lack of housing affordability in Colorado. I ask you to strongly support House Bill 1272.</p> <p>I commend the bill sponsors for their courage and commonsense approach to housing policy that deeply sympathizes with the people who would benefit most from homeownership – first time buyers, people on fixed incomes, renters, and future generations.</p> <p>On the professional side, I see many homebuyers trying to purchase a home and can't because of the home prices here in Colorado. The HOA rates are out of control! Even down payment assistance can't help first-time home buyers get into a condo. Wages in Colorado do not match rising housing prices. The only benefactors from the current regulatory environment are the attorneys who file suit on alleged construction defects that leave property owners in multi-family settings unable to sell their home because just one unit is tied in litigation. I personally have clients trying to buy homes but cannot because the condos are in litigation. The owners are pigeon-holed because they are ready to sell but sales cannot close on financing until litigation is settled. There is a unit from last year that I worked on personally and it still cannot sell. The owner cannot buy their next home and leave their condo to another buyer!</p> <p>On the personal side, I want to build a real estate portfolio and can't because of the prices. Prices, availability and area are all factors. By having entry level condos available to first time homebuyers, it would change the way the market is today. A healthy housing market requires diverse housing product for-sale and for rent. Please vote yes on House Bill 1272 to help first-time homeowners who desperately want to achieve homeownership. Thank you.</p> |

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| <p>Bob McLaughlin For Mt Carmel Veterans Service Center</p> | <p>I am writing in support of HB 1272. Affordable housing is a critical need in El Paso County for our military veteran and seniors. I have seen firsthand the impact on military connected families for over 16 years. First while I served as the Garrison Commander on Ft Carson and for the last 11 years as the Executive Director of the Mt Carmel Veterans Service Center in Colorado Springs.</p> <p>The current housing crises makes it difficult for our military connected families to afford housing and directly impact our military readiness as it creates stress on families as they struggle to live within a budget.</p> <p>More affordable units will allow our military and veteran families to stay in Colorado and make a positive impact on our economy.</p> <p>Bob McLaughlin COL (R) US Army Executive Director Mt Carmel Veterans Service Center</p> <p>Admin info 530 Communication Crcl 719 309 4718</p> |
| <p>Patricia Montanez For themselves</p> | <p>“Soy una mujer soltera de 57 años que trabaja a tiempo completo y he estado pensando que, al estar soltera, no necesito mucho espacio, así que un apartamento pequeño y asequible sería ideal para mí. Sé que no hay muchos disponibles, y los que he visto en venta son muy viejos y deteriorados, y la remodelación costaría mucho dinero, algo completamente fuera de mi alcance. Espero que esta iniciativa se tenga en cuenta para que personas de mi edad y recursos económicos puedan tener su propio espacio para vivir en paz y saber que la jubilación no será tan difícil ni insegura.”</p> <p>Translation: “I’m a 57-year-old single woman who works full-time, and I’ve been thinking that, as a person who is single, I don’t need a lot of space so a small, affordable condominium would be ideal for me. I know there aren’t many available, and the ones I’ve seen for sale are very old and run-down, and remodeling would cost a lot of money which is something completely out of my reach. I hope this legislation is taken into account so that people of my age and financial resources can have their own space to live in peace and know that retirement won’t be so difficult or insecure.”</p> |

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| <p>Yolanda Chavez For themselves</p> | <p>“Todo ha subido, el costo de vida es demasiado alto. Soy madre y trabajo 32 horas a la semana con tres hijas pequeñas. Me gustaría tener mi propia casa, no la incertidumbre de mudarme constantemente buscando algo más asequible. Me gustaría apoyar esta iniciativa porque creo que las familias de Colorado merecen una vivienda justa y decente, acorde con nuestras posibilidades económicas.”</p> <p>Translation: “The prices have all gone up, the cost of living is too high. I'm a mother working 32 hours a week with three young daughters. I'd like to own my own home, rather than living with the uncertainty of constantly moving in search of something more affordable. I'd like to support this bill because I believe Colorado families deserve fair and decent housing, commensurate with our economic means.”</p> |
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COLORADO

**Department of
Regulatory Agencies**

Division of Insurance

March 18, 2025

Thank you Madame Chair and Committee members for receiving my written testimony on HB 25-1272. My name is Michael Conway and I am the State's Insurance Commissioner. This testimony is in favor of HB 25-1272 and we ask for a yes vote from the Committee.

For more than a decade, the construction defects liability insurance market has been tightening in Colorado, leading to reduced competition among insurance companies. That reduced competition has had the predictable effect of increasing the costs of construction defects insurance coverage, which in turn has meant fewer multifamily homes being built in our state.

I firmly believe that House Bill 25-1272 will lead to increased competition in the construction defects liability insurance market. In particular, the ability of a homeowner to remedy a defect in multiple ways prior to initiation of litigation and the ability for homebuilders to assert reasonable affirmative defenses will lead to increased competition among insurers in two primary ways.

First, the market will be more attractive to insurance companies. While it is always difficult to predict if or when insurance companies will re-enter a market that they have exited, making our market more attractive does make it more likely that they will return.

Second, the bill will increase competition among insurers that are currently in our market because of the structural changes that the bill makes. That increased competition among insurers will help put downward pressure on insurance premiums for multifamily developments.

We find ourselves in uncertain economic times. In particular, inflation and the impacts that tariffs may have on our economy may hit the multifamily developers significantly hard. While it is always important to find ways to reduce the costs of developing multifamily housing, it is vitally important in these uncertain economic times.

For those reasons, we ask for a yes vote on House Bill 25-1272. I apologize that I was unable to be there with you all today but if you have any questions you can reach me at michael.conway@state.co.us or on my cell phone at 303-928-9031 should you have any follow up questions.

Thank you.



TO: Colorado House of Representatives Transportation, Housing & Local Government
FROM: Executives Partnering to Invest in Children (EPIC)
RE: House Bill 25-1272 Construction Defects & Middle Market Housing
Hearing Date: March 18, 2025

Dear House Transportation, Housing & Local Government Committee,

On behalf of our membership of over 70 business executives from a range of industries and communities across Colorado, EPIC would like to request your support for HB 25-1272 to help support housing needs across the state. As the business community's nonpartisan voice for early childhood, EPIC leads efforts to build infrastructure and advance policies that support the workforce of today while developing the workforce of tomorrow.

This bill will pave the way for housing that supports Colorado's workforce. EPIC is particularly interested in this bill because it will support the attainable housing needs of child care providers in the state.

According to a [report by ReadyNation](#), home-based child care is critical for the Colorado workforce, serving two-thirds of the children birth to five who are in child care. Home-based care is particularly important in areas of highest need - infants and toddlers, families with low incomes, and rural areas.

By definition, home-based child care providers provide care out of their homes. This makes the link between housing and child care businesses especially important for this segment of providers. The ability to own a home is critical, as home-based providers who are renters face cumbersome restrictions or prohibitions from their landlords. Anything we can do to help promote the creation of middle-market housing can also help to support an increase in child care supply for the working families of Colorado.

We are asking for your support of HB 25-1272 - to help support the housing needs of the "workforce behind the workforce," our critically important child care providers in Colorado.

Respectfully,

Nicole Riehl, EPIC President and CEO



Colorado General Assembly
c/o House Transportation, Housing, and Local Government Committee
200 East Colfax Ave
Denver, CO 80203

Re: Support for HB 25-1272 – Addressing Colorado’s Housing Affordability Crisis

Dear Committee members,

On behalf of Vail Valley Partnership, Eagle County’s chamber of commerce representing 780 members and 85% of the local workforce, I am writing to express our support for HB 25-1272, “Construction Defects & Middle Market Housing”. Addressing Colorado’s housing crisis is imperative to maintaining a thriving economy, supporting our essential workforce, and ensuring the sustainability of our communities.

Eagle County and communities across Colorado face a critical shortage of affordable housing, impacting businesses, employees, and families alike. Our ability to attract and retain a qualified workforce—including teachers, healthcare professionals, first responders, and service industry workers—is directly tied to housing accessibility. The lack of attainable housing not only stifles economic growth but also threatens the fabric of our local communities.

HB 25-1272 presents an opportunity to advance policies that remove barriers to housing development, particularly by reforming construction-defect laws that have severely restricted the availability of affordable condominiums and townhomes. Expanding access to homeownership through such legislative measures is a key step in fostering economic mobility and long-term stability for Colorado residents.

We urge you to support HB 25-1272 and work toward comprehensive solutions that increase housing availability, promote affordability, and ensure our communities remain vibrant and sustainable. Thank you for your leadership on this critical issue. Please do not hesitate to reach out if we can be a resource in this discussion.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Romer", written over a light blue horizontal line.

Chris Romer
President/CEO
Vail Valley Partnership

97 Main Street, Suite E201, Edwards, CO 81632

VailValleyPartnershp.com

Three-time National Chamber of the Year (2024, 2020, 2016)

**TESTIMONY FOR THE COLORADO HOUSE TRANSPORTATION, HOUSING, & LOCAL
GOVERNMENT COMMITTEE**

Regarding House Bill 25-1272: Construction Defects & Middle Market Housing

Matthew Popkin
City Councilmember - Ward 2, City of Longmont

March 18, 2025

Good afternoon Chair Froelich and members of the House Transportation, Housing, and Local Government Committee. I write to you today both as a resident of Longmont and as a city councilmember for Longmont strongly urging you to support House Bill 25-1272.

Longmont is on the cliff of Colorado's housing crisis. Our city is facing rapid growth and surging demand given our relative affordability in Boulder County and the northern Front Range. At the same time, our housing supply is not only not keeping up with demand but also only getting development proposals for new rental housing - in large part due to Colorado's Construction Defects Law.

Longmont, like most cities, strives for a balanced mix of housing to offer residents greater flexibility, affordability, and accessibility. However, many residents have started calling our city "Apartmont" because of the disproportionate amount of apartments built and under construction (relative to for-sale units). Even though over 51% of Longmont's neighborhood and mixed-use areas are currently used for single-family housing, this unflattering nickname reflects genuine uneasiness that we are growing without a balanced housing supply.

While more housing of all types - including rental properties - is very much needed, the lack of for-sale housing makes it difficult to reign in the rising cost of living, help new generations of Coloradans build wealth, and support more housing options critical to supporting employees of local businesses. Longmont's 2023 Housing Needs Assessment revealed that "there is an affordability shortage of 2,173 units for renters earning less than 50% of the area median income" and "the median sale price of \$611,421 is only affordable to 32% of Longmont households." The affordability challenge is real and backed by data.

House Bill 25-1272 reforms the current Construction Defects Law by increasing the threshold of owners in a homeowners association to challenge defects from a majority to 65%, encouraging reasonable mitigation of alleged defects before initiating legal action, and requiring owners to file a Certificate of Review that describes the alleged negligence and expertise of professionals providing a third party review of the alleged negligence. These meaningful adjustments decrease the perceived and real liability concerns from prospective developers of condos and other more affordable for-sale properties, making it more likely that for-sale housing will be built.

This bill would greatly benefit many in Longmont. Increasing the for-sale housing supply benefits not only current and prospective homeowners, but also current and prospective renters. As more renters are able to transition into homeownership, they also help increase the supply of rental units, which slows rent increases. This is particularly valuable for employees in Longmont looking to affordably live closer to where they work, younger generations of Coloradans looking to buy their first house, and older residents looking to downsize and age in the neighborhoods they've known for years.

To be clear, I do not want to eliminate the ability for residents to hold developers accountable if construction is faulty or flawed, but finding an appropriate balance here is necessary to enable more types of housing for more people at different stages of life. I agree with the Colorado Municipal League that this bill seems to provide reasonable consumer protections while reducing costly litigation to resolve construction defects.

Longmont is already taking a multi-pronged approach to address our housing challenges. This includes creating and implementing a forward-looking comprehensive plan, establishing our inclusionary housing policy requiring 12% of units developed to be affordable, increasing design flexibility to reduce development costs, and even negotiating below-market land deals to develop the innovative HousePAD project - an exclusively deed-restricted affordable and attainable for-sale housing project. But there's only so much Longmont can do within the housing market and state policy landscape that we have. This is why productively reforming the Construction Defects Law is essential.

I sincerely hope you will support House Bill 25-1272. This bill may not move mountains, but it is a productive step in meaningfully alleviating challenges of building much-needed, missing middle, for-sale housing that Longmont and other municipalities in Colorado desperately need. Our state is long overdue to have our housing supply keep up with housing demand to ultimately offer more flexible, more affordable, and more for-sale housing options. Thank you.

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Via Electronic Mail

March 18, 20225

Representative Shannon Bird and Andrew Boesenecker
Colorado General Assembly
200 E Colfax, RM 307
Denver, CO 80203

RE: HB25-1272 Construction Defects Committee Testimony Feedback

Dear Representatives Bird and Boesenecker:

As leader in affordable home building for small towns and rural communities in Colorado, I thank you for your collaboration and leadership to advance the **critically needed reforms to the current State construction defects laws.**

Rural Homes singular goal is to provide an affordable generational home for new homeowners. It is very hard to do this and there are no short-cuts. Common sense construction defects reforms contained in HB 25-1272 will help us deliver on our promise.

The two most critical issues to address Colorado's affordable housing short and long-term shortage is (1) lower the costs of construction, and 2) acceleration of building new homes. Your bill will help to do both. The current construction defects laws drive up costs and slows new housing starts. Without construction defects reforms, we will see construction costs continue to outpace inflation and new starts falling far below the market need.

Your bill not only will help communities and home builders, it importantly acknowledges that construction is a critical part of the State economy (5.9% of the state's GDP vs. 4.5% of U.S. GDP) and that there is also an opportunity to further support innovation and growth in the \$33B industry. Lowering construction costs through sensible construction defects laws, housing costs, will make Colorado more competitive in attracting additional economic development.

The bill's rebuttable presumption is just common sense. As a home builder we work with highly trained and regulated professionals in the engineering, architectural and construction trades with proven track records on delivering the highest standards of construction. Your bill will re-enforce that quality and accountability value chain.

Thank you for your leadership on the draft legislation. I would welcome any questions or suggestions on how to support your bill.

Sincerely,

Rural Homes
Paul Major



City of
Golden

911 10TH ST. GOLDEN, CO 80401
TEL: 303-384-8000
FAX: 303-384-8001
WWW.CITYOFGOLDEN.NET

03/18/2024

Don Cameron
Lisa Vitry
Legislative Subcommittee
City of Golden

RE: HB25-1272- Construction Defects & Middle Market Housing

Dear Committee Members,

The Golden Legislative Subcommittee is writing to express the City Council of Golden's support of HB25-1272, Construction Defects and Middle Market Housing.

Housing affordability remains one of the most pressing challenges in our state, and this bill, by reducing legal barriers that have historically discouraged the development of condominiums and other middle-market housing, could address the affordability issue. By providing a more balanced approach to construction defect liability, HB25-1272 will encourage responsible development while ensuring that quality, attainable housing is available to middle-income families.

The City of Golden is committed to fostering a thriving, inclusive, and affordable community. Expanding housing opportunities is essential to retaining our workforce, supporting local businesses, and ensuring that Golden remains a welcoming place for individuals and families of all income levels. The passage of HB25-1272 aligns with this vision and will help us achieve long-term housing stability.

We encourage committee members and House leadership to advance this bill and appreciate your dedication to addressing Colorado's housing needs.

Thank you for your attention to this matter.

Respectfully,

Don Cameron
Ward 3 Councilor

Lisa Vitry
District 1 Councilor