



Legislation Text

File #: Ordinance 25-2015, **Version:** 2

Agenda Date: 05/05/2015

Subject:

Ordinance of the City of Littleton, Colorado, adding a new chapter 7 to title 4 of the Littleton City Code concerning repair of construction defects.

Presented By: Mike Braaten, Deputy City Manager

POLICY QUESTION:

Does city council support the adoption of an ordinance concerning repair of construction defects?

BACKGROUND:

Council is keenly aware of the issue of construction defects litigation that has limited the number of owner-occupied multi-family projects being built in Colorado for several years. Much of this is related to large verdicts against builders and developers for construction defects that result in insurance companies declining to write policies for owner-occupied multi-family projects.

Council passed Resolution 139 on Dec. 16, 2014 encouraging the Colorado General Assembly to enact meaningful construction defects litigation reform during the 2015 legislative session. Now that the session is winding down with an adjournment date of May 6, 2015, it appears the likelihood of meaningful reform on this issue is nil.

Council requested staff bring an ordinance for consideration, similar to one adopted by the Lakewood City Council, if the state legislature failed to address the issue.

STAFF ANALYSIS:

The ordinance seeks to address construction defects through the city's building regulations, which is an area of unquestionable local control. It also seeks to strike a balance between homeowners' rights and builders' ability to address construction defects that may arise.

Specifically, the ordinance seeks to reduce risk by 1) providing builders the right to repair defects within a specified process upon notice from a condominium board/homeowners' association and 2) requiring condo/homeowners' association boards to obtain the informed consent of a majority of the owners in the association before asserting any claims against builders or developers.

Of additional note, a builder forfeits any protection from the ordinance if it fails to respond in writing to a claimant's notice of construction defect within 14 days after receipt, except if notice and consent of homeowners is required to be obtained.

Second Reading correction: Staff has made a technical correction to address an error in the numbering of the

municipal code citations for this ordinance as it appeared on first reading. No language in the ordinance was changed, only the code citations.

FISCAL IMPACTS:

There is no fiscal impact to the city.

STAFF RECOMMENDATION:

Staff recommends adoption of the ordinance.

PROPOSED MOTION:

I move to approve the ordinance adding a new chapter 7 to title 4 to the Littleton City Code concerning repair of construction defects on second reading.