

Submitter: Maureen Radon

On Behalf Of:

Committee: House Committee On Housing and Homelessness

Measure, Appointment or Topic: HB3746

As a constituent and on behalf of the approximately 580,000 Oregonians living in 234,500 homes in more than 4,100 community associations across the state, I am writing to express strong opposition to HB 3746, which would not only place unreasonable restrictions on the ability of homeowners and community associations to address construction defects but would also risk jeopardizing the quality of housing and property values in Oregon community associations.

HB 3746 includes provisions that would severely restrict homeowners' ability to seek adequate remedies for construction defects in their communities. Under the proposed bill, certain claims would be difficult to pursue, particularly by requiring overly burdensome approval thresholds for homeowners, such as requiring a supermajority of homeowners in a community to support the filing of a construction defect claim. This provision could prevent homeowners from taking necessary legal action, even if their homes or common areas suffer from significant defects.

Oregon homeowners have a reasonable expectation that the homes they purchase will be constructed with good workmanship and free from material defects. However, under HB 3746, homeowners would face significant hurdles in addressing these defects. The bill's language could allow developers or contractors to make repairs that are merely cosmetic or inadequate, without the ability for homeowners or associations to demand more comprehensive fixes that adequately address defects. This "right to remedy" could potentially leave defective issues unresolved, leading to long-term damage and safety concerns.

By mandating the use of alternative dispute resolution (ADR) prior to pursuing legal action, this legislation would only delay the resolution of critical issues, while shorting the statute of limitation to resolve these issues. Forcing lengthy ADR processes in these situations could allow serious defects to go unresolved until they worsen, exacerbating risks to health, safety, and property values. Learn more about Community Associations Institute's public policy on ADR: <https://www.caionline.org/advocacy/public-policies/alternative-dispute-resolution/>.

Moreover, the bill's requirement for a high threshold of homeowner approval to move forward with a construction defect claim, combined with the inability to take collective legal action if just one homeowner is time-barred, creates further obstacles. Community associations are often made up of diverse groups of residents, including absentee owners, renters, and those with limited ability to respond to official communications. Requiring approval from a supermajority places a disproportionate

burden on communities that are already challenged by the logistics of managing collective decision-making.

The current provisions that allow homeowners and associations to take legal action against negligent developers are crucial for protecting their investments and ensuring the safety and stability of their communities. Reducing the ability of homeowners to hold builders accountable will only serve to increase the financial burden on homeowners, as they may be forced to pay for repairs out of pocket, potentially through special assessments or by using reserve funds. But, if passed, HB 3746 would not only place unreasonable restrictions on the ability of homeowners and community associations to address construction defects but also risk jeopardizing the quality of housing and property values in Oregon.

You can find more Oregon Legislative Resources on CAI's website:

<https://www.caionline.org/advocacy/oregon-legislative-resources/> Please oppose HB 3746 and adopt a more balanced approach that preserves the rights of homeowners to seek full remediation for construction defects while still providing builders with a reasonable opportunity to remedy issues before litigation.

Thank you for your consideration of this important issue.