

Senate Committee on Housing and Development
Oregon State Capitol 900 Court St NE
Salem, OR 97301

RE: Opposition for HB 3746

Dear Chair Pham, Vice-Chair Anderson, and Members of the Committee:

My name is Denise Bower. I am writing to express my strong opposition to House Bill 3746, a bill backed by developers and builders that would severely limit the ability of condominiums and homeowner associations to recover damages for construction defects. If passed, this Bill would eliminate critical warranties and homeowner protections, exacerbating the affordable housing crisis rather than addressing it.

Here's why HB 3746 is unacceptable:

1. **HB 3746 is being misrepresented as an affordable housing solution.** Legislators must recognize that **eliminating consumer protections does not create affordability**—it only shifts the financial burden of construction defects onto unsuspecting homeowners.
2. **It weakens the statute of limitations on construction defect claims**, allowing developers and builders to avoid responsibility while leaving homeowners with substandard construction.
3. **It imposes unfair legal hurdles on homeowners**, making it significantly harder for them to seek recourse for faulty construction.
4. **It prioritizes the interests of developers, builders, and architects over the rights of homeowners and community associations.** This bill shields those responsible for poor construction while leaving associations without options for recovery.
5. **It increases the cost of homeownership.** When associations cannot hold builders accountable, homeowners are forced to cover expensive repair costs out of pocket.
6. The bill **imposes unrealistic and burdensome owner notification requirements.** Mandating that litigation notices be sent by certified mail *three times*, at least 90 days in advance, creates excessive administrative and financial strain—especially for large associations. Electronic communication is the industry standard, and requiring hundreds of certified letters per notice is inefficient and costly.
7. The bill uses scare tactics by suggesting it **may limit an owner's ability to sell their home.** While litigation disclosure might impact sales, so too would large special assessments for repairs—especially if legal options have expired.
8. It **adds unnecessary costs** by requiring independent inspections, potentially limiting the Association's rights if not completed—even if defects are discovered within the six-year window. A fairer solution would be to require inspections by a mutually agreed-upon inspector, paid for by the developer.

As a longtime professional in the community association industry, I have dedicated decades to advocating for homeowners. I have served in numerous leadership roles, elected, appointed and on a volunteer basis including:

- Community Association Institute service as follows; Board of Trustees at the National level, Oregon Board member, Vice Chair and Chair, founding member and over 20 years as Chair and member of the Oregon Legislative Action Committee and service on multiple other Committees
- Served on the Home Builders Government Affairs and Legal Action Committee, and as a Board Member
- Appointed to Governor's Energy Task Force
- President of Community Management, Inc. (CMI), an Oregon homeowner association management company in business over 50 years with me being part of the journey for over 35 years

Given my extensive experience, I can confidently say HB 3746 would have devastating consequences for homeowners and community associations across the State.

I **strongly urge you to reject HB 3746** and protect the rights of homeowners by preserving their ability to seek justice for construction defects.

Thank you for your time and consideration.

Yours truly,

Denise Bower

President

Community Management, Inc.

2105 SE 9th Avenue, Portland, OR 97214

Direct: 503-445-1202

Main: 503-233-0300

Cell: 503-710-1116

www.communitymgt.com



ABOUT CAI

CAI is an international membership organization dedicated to building better communities. With more than 40,000 members, CAI works in partnership with 64 chapters, including a chapter in South Africa, as well as with housing leaders in a number of other countries, including Australia, Canada, the United Arab Emirates and the United Kingdom.

CAI provides information, education and resources to the homeowner volunteers who govern communities and the professionals who support them. CAI members include association board members and other homeowner leaders, community managers, association management firms and other professionals who provide products and services to associations.

CAI serves community associations and homeowners by:

- ◀ Advancing excellence through seminars, workshops, conferences and education programs, most of which lead to professional designations for community managers and other industry professionals.

- ◀ Publishing the largest collection of resources available on community association management and governance, including website content, books, guides, *Common Ground* magazine and specialized newsletters.

- ◀ Advocating on behalf of common-interest communities and industry professionals before legislatures, regulatory bodies and the courts.

- ◀ Conducting research and serving as an international clearinghouse for information, innovations and best practices in community association development, governance and management.

We believe homeowner and condominium associations should strive to exceed the expectations of their residents. We work toward this goal by identifying and meeting the evolving needs of the professionals and volunteers who serve associations, by being a trusted forum for the collaborative exchange of knowledge and information, and by helping our members learn, achieve and excel. Our mission is to inspire professionalism, effective leadership and responsible citizenship ideals reflected in associations that are preferred places to call home.

HISTORY

In 1964, the Urban Land Institute (ULI) published *Technical Bulletin No. 50: The Homes Association Handbook*, the first systematic study of planned communities. The principal author was Byron Hanke, one of CAI's eventual founders. The document called for the creation of a national organization to provide education and act as a clearinghouse of ideas and practices for the community association housing market.

In 1965, ULI and the National Association of Home Builders (NAHB) wrote a model planned-unit development statute. In 1973, CAI was organized through the joint efforts of the ULI, NAHB, the U.S. League of Savings and Loan Associations, the Veterans Administration, the U.S. Department of Housing and Urban Development, 23 builder/developers and a number of leading community association professionals.

Thanks to countless dedicated, selfless and inspired member leaders -- CAI is the international center for community association information, best practices, education and advocacy.

FOR MORE INFORMATION, GO TO: <https://www.caionline.org>