

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 14-1093.01 Duane Gall x4335

SENATE BILL 14-219

SENATE SPONSORSHIP

Ulibarri,

HOUSE SPONSORSHIP

Ferrandino,

Senate Committees
State, Veterans, & Military Affairs

House Committees

A BILL FOR AN ACT

101 CONCERNING THE COLLECTION OF DATA ON THE SHORTAGE OF
102 OWNER-OCCUPIED AFFORDABLE HOUSING IN COLORADO.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill makes a legislative declaration regarding the shortage of new owner-occupied affordable housing in Colorado.

The bill requires the division of housing in the department of local affairs, in consultation with other governmental and private-sector entities, to study and assemble data on the effects of certain factors on

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

new owner-occupied affordable housing in Colorado. The bill requires the division to report to the general assembly on or before March 15, 2015.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 24-32-705.5 as
3 follows:

4 **24-32-705.5. Owner-occupied affordable housing study -**
5 **legislative declaration - report - repeal.** (1) THE GENERAL ASSEMBLY
6 FINDS, DETERMINES, AND DECLARES THAT:

7 (a) THE STATE OF COLORADO IS CURRENTLY EXPERIENCING A LACK
8 OF CONSTRUCTION OF OWNER-OCCUPIED AFFORDABLE HOUSING IN MANY
9 AREAS OF THE STATE;

10 (b) THERE IS INSUFFICIENT DATA AVAILABLE TO UNDERSTAND THE
11 CAUSES OF THIS TREND AND THE RESULTING PRESSURE ON THE
12 AVAILABILITY OF OWNER-OCCUPIED AFFORDABLE HOUSING IN THE STATE
13 IN GENERAL; AND

14 (c) THEREFORE, THE GENERAL ASSEMBLY DESIRES THAT THE
15 DIVISION OF HOUSING STUDY THE FACTORS UNDERLYING THIS TREND AND
16 PRESENT DATA ON THIS ISSUE TO THE GENERAL ASSEMBLY SO THE
17 GENERAL ASSEMBLY CAN UNDERSTAND WHAT IS CAUSING THE LACK OF
18 AVAILABILITY OF OWNER-OCCUPIED AFFORDABLE HOUSING IN COLORADO
19 AS WELL AS THE LACK OF CONSTRUCTION OF THIS TYPE OF HOUSING IN THE
20 STATE.

21 (2) THE DIVISION SHALL STUDY THIS ISSUE IN CONSULTATION WITH
22 OTHER GOVERNMENTAL AGENCIES AND PRIVATE-SECTOR ENTITIES AS THE
23 DIVISION DEEMS APPROPRIATE, AND SHALL GIVE PARTICULAR ATTENTION
24 TO THE NEED FOR HOUSING FOR WHICH THE MONTHLY COST FOR

1 PRINCIPAL, INTEREST, TAXES, AND INSURANCE (PITI) DOES NOT EXCEED
2 THIRTY PERCENT OF THE AREA MEDIAN INCOME PER MONTH.

3 (3) THE DIVISION'S STUDY MUST INCLUDE:

4 (a) A REVIEW OF CURRENT MARKET TRENDS IN THE CONSTRUCTION
5 OF OWNER-OCCUPIED AFFORDABLE HOUSING INCLUDING:

6 (I) A REVIEW OF THE MARKET FOR NEW AND RESALE
7 OWNER-OCCUPIED AFFORDABLE HOUSING;

8 (II) A REVIEW OF THE MARKET FOR RENTAL AFFORDABLE HOUSING;
9 AND

10 (III) THE MANNER IN WHICH THESE MARKETS IMPACT THE
11 CONSTRUCTION OF NEW OWNER-OCCUPIED AFFORDABLE HOUSING IN
12 COMPARISON TO THE CONSTRUCTION OF RENTAL AFFORDABLE HOUSING IN
13 COLORADO;

14 (b) A REVIEW OF CHANGES IN DEMOGRAPHICS AND BEHAVIORS OF
15 CONSUMERS OF AFFORDABLE HOUSING AND RENTAL AFFORDABLE
16 HOUSING;

17 (c) A REVIEW OF THE AVAILABILITY OF FINANCING FOR
18 PURCHASERS OF OWNER-OCCUPIED AFFORDABLE HOUSING AND FOR
19 BUILDERS OF AFFORDABLE HOUSING, BOTH OWNER-OCCUPIED AND
20 RENTAL;

21 (d) THE COMPARISON OF COLORADO WITH OTHER STATES AND
22 AREAS OF THE COUNTRY WITH RESPECT TO AFFORDABLE HOUSING TRENDS;

23 (e) THE REVIEW OF FEDERAL AND STATE LAWS THAT MAY IMPACT
24 THE CONSTRUCTION OF NEW OWNER-OCCUPIED AFFORDABLE HOUSING;

25 (f) THE ANALYSIS OF THE AVAILABILITY AND AFFORDABILITY OF
26 INSURANCE PRODUCTS FOR THE CONSTRUCTION OF NEW OWNER-OCCUPIED
27 AFFORDABLE HOUSING AND RENTAL AFFORDABLE HOUSING, INCLUDING:

1 (I) GENERAL CONSTRUCTION LIABILITY COVERAGE FOR
2 CONSTRUCTION OF AFFORDABLE HOUSING, INCLUDING PREMIUMS, AND
3 CLAIMS, SETTLEMENTS, AND PAYOUTS FOR CONSTRUCTION DEFECT CLAIMS
4 MADE ON AFFORDABLE HOUSING UNITS;

5 (II) THE NUMBER OF AFFORDABLE HOUSING MULTI-FAMILY UNITS,
6 BOTH RENTAL AND OWNED, THAT HAVE BEEN SUBJECT TO CLAIMS SINCE
7 JANUARY 2013;

8 (III) INSURANCE RATES AND INCREASES FROM 2007 THROUGH 2014
9 FOR BUILDERS OF AFFORDABLE HOUSING UNITS ON THE FOLLOWING TYPES
10 OF INSURANCE:

11 (A) COMBINED COMMERCIAL MULTIPLE PERIL;

12 (B) OTHER LIABILITY;

13 (C) CONSTRUCTION SURETY BONDS; AND

14 (D) SURPLUS LINES COVERAGE FOR AFFORDABLE MULTI-FAMILY
15 HOUSING;

16 (IV) WHICH INSURANCE CARRIERS SERVING MULTI-FAMILY
17 AFFORDABLE HOUSING PROJECTS LEFT THE STATE AFTER THE ENACTMENT
18 OF HOUSE BILL 10-1394; AND

19 (V) WHETHER IT IS COMMON IN OTHER STATES FOR CONTRACTOR
20 LIABILITY COVERAGE, AS OPPOSED TO ARCHITECT-ENGINEER
21 PROFESSIONAL LIABILITY COVERAGE, TO EXCLUDE COVERAGE FOR
22 CONSTRUCTION DEFECT CLAIMS, NECESSITATING THAT COVERAGE FOR
23 CONSTRUCTION DEFECT CLAIMS BE PURCHASED SEPARATELY AS A RIDER
24 OR THROUGH OTHER COVERAGE; AND

25 (g) A COMPARISON OF COLORADO CONSUMER PROTECTION LAWS
26 APPLICABLE TO AFFORDABLE HOUSING WITH OTHER STATES' CONSUMER
27 PROTECTION LAWS FOR AFFORDABLE HOUSING.

1 (4) THE DIVISION SHALL REPORT TO THE GENERAL ASSEMBLY ON
2 THE DATA ASSEMBLED UNDER THIS SECTION ON OR BEFORE MARCH 15,
3 2015.

4 (5) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2015.

5 **SECTION 2. Safety clause.** The general assembly hereby finds,
6 determines, and declares that this act is necessary for the immediate
7 preservation of the public peace, health, and safety.