



April 24, 2024

The Honorable Steve Glazer
California State Senate
State Capitol
Sacramento CA 95814

Re: Support for AB 1470 (Glazer): Construction defect cases

Dear Senator Glazer:

On behalf of the Council of Infill Builders, a statewide organization of real estate professionals committed to improving California through infill development, I write to express our support for Senate Bill 1470, to create a true “right to repair” as part of the pre-litigation process to resolve condominium construction defect claims.

Our members are committed to building in California’s infill neighborhoods. But condominiums, which are a crucial housing product for compact areas, are too often not feasible to build due to litigation risk. In fact, only about 3,000 condominiums are built each year in California. By contrast, according to Lambda Alpha International, the global land economics society, states such as Hawaii and Washington, as well as the Canadian province of British Columbia, produce ten times the number of condominiums that California annually.

Specifically, our members and building contractors face high financial risk due to litigation from post-construction defect claims. While there is risk for all home construction, there is more risk for condominiums compared to single-family homes because construction defect litigation is brought on behalf of HOAs in class actions. As a result, many developers in California simply choose to build multifamily rental projects instead and avoid the for-sale projects that could create more affordable homeownership opportunities in infill areas.

While current law is supposed to require developers to be allowed an opportunity to repair a defect prior to litigation, frequently builders are not given sufficient time to return and repair. They are also not told what the defect is by the HOA or homeowner and are unable to agree on a repair plan with the homeowner to correct the defect adequately. In many cases, the homeowner rejects repairs by the builder altogether. As a result, HOAs can effectively sue developers for construction defects prior to allowing the developer to make the repairs.

SB 1470 instead seeks to strengthen the pre-litigation process in current law by requiring the homeowner or HOA and the builder to agree on repairs. It provides ample consumer protection by requiring a local building permit for repair and review of the work by a third-party quality assurance inspector. Furthermore, the legislation defines a “standard of care” for home construction as the industry standard for similar construction work and a construction defect as any defect that violates the standard of care or affects the home’s habitability or usefulness.

For these reasons, we support this bill and appreciate your authorship.

Sincerely,

A handwritten signature in black ink, appearing to read "Mott Smith". The signature is fluid and cursive, written over a light blue horizontal line.

Mott Smith, Chair, Board of Directors
Council of Infill Builders