

A photograph of the Denver State Capitol building, featuring a prominent golden dome and classical architectural elements, set against a clear blue sky with some light clouds. The building is surrounded by lush green trees and a well-maintained lawn with a central monument.

Denver City Council State Budget and Legislative Update

Presented by Adam Paul, Policy Matters and BBMK

Lobby Team Refresher

- Policy Matters: Heather Retzko, Tanya Kelly-Bowry, Katie Hancock, Jenise May, Ximena Luna
 - Main Point of Contact for Council Lobbying Needs
- BBMK: Julie McKenna, Jenifer Brandeberry, Mollie Steinemann, Susanna Mizer

Bill Updates

Construction Defects

- HB25-1261, Consumers Construction Defect Action
 - Rep Bacon, Sen Rodriguez & Winter
 - Modifies construction defect standards and consumer protections for real property owners, and requires certain reporting by DORA
 - Status: 3/18 House Transportation, Housing, & Local Government Upon Adjournment
- HB25-1272, Construction Defects & Middle Market Housing
 - Rep Bird & Boesenecker, Sen Coleman & Roberts
 - Creates restrictions and requirements on construction defect claims for middle market housing
 - Status: 3/18 House Transportation, Housing, & Local Government Upon Adjournment

Bill Updates

Housing

- HB25-1169, Housing Developments on Faith and Educational Land
 - Rep Boesenecker & Mabrey, Sen Gonzales & Exum
 - Requires local governments to allow the construction of residential developments on properties owned by faith-based organizations, school districts, or state colleges or universities
 - Status: Passed House Floor on a 40-23-2 vote, will be introduced in the Senate

Transportation

- SB25-161, Transit Reform
 - Sen Winter & Jodeh, Rep Lindstedt & Froelich
 - Updates operations of RTD and creates an RTD Accountability Committee
 - Status: Passed Senate Transportation & Energy on a 6-3 vote

Budget Process

Governor November 1 Budget Request

Staff Briefings (Nov-Dec)

December Revenue Forecast

Hearings (Dec-Jan)

Supplementals (Jan-Feb)

Figure Setting (Feb-March)

Comebacks (March)

March Revenue Forecast



Long Bill

Budget Updates

March
Revenue
Forecast

County
Admin
Comeback

CCAP Update



Questions?





DENVER
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HB25-1261 Consumer Construction Defect Action

FinGov – March 18, 2025

FOR CITY SERVICES VISIT | CALL
DenverGov.org | **311**

- This bill requires the construction professional to provide the claimant or the claimant's legal representative with:
 - Copies of all plans, specifications, soils reports, and available engineering calculations;
 - Any maintenance and preventative maintenance recommendations;
 - The name, last-known address, and scope of work of each construction professional that performed work or services; and
 - Copies of all insurance policies held by the construction professional during the appropriate time
- Requires a court to award pre-judgement interest of 8% to a prevailing claimant who alleges defects in a residential property
- Voids a provision in a real estate contract that prohibits group lawsuits against a construction professional or imposes different or additional requirements than the statutory requirements to bring or join a legal action
- Changes the time when a claim of relief arises to include the discovery of the physical manifestation and the cause of the defect
- Requires DORA to include in its 'SMART Act' report information concerning construction liability insurance and basis for rates

- CPD took no position on this bill as it does not deal with the permitting/inspection process
- It is focused on legal requirements related to construction defect claims



DENVER
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HB25-1272 Construction Defects & Middle Market Housing

FinGov – March 18, 2025

FOR CITY SERVICES VISIT | CALL
DenverGov.org | **311**

- This bill requires a person filing a construction defect action against an architect/engineer to file with the complaint an affidavit of a 3rd party licensed professional indicating negligence or other action, error or omission of the construction professional
- Establishes a rebuttable presumption that a property does not have a construction defect when a state agency or local government has issued a certificate of occupancy
- Establishes a claimant's duty to mitigate an alleged construction defect and specifies how they may satisfy this duty and consequences if they fail to satisfy; requires a construction professional to send/deliver to the claimant an offer to settle or written response to the claim
- Requires a construction professional who is the defendant in a construction defects action to submit specific information to the claimant
- Updates the statute of limitations for construction defect claims to 10 years unless the construction professional provided the consumer with a warranty which changes the statute of limitations to 6 years
- Allows a construction professional that meets certain requirements to use certain affirmative defenses in construction claims brought for construction of middle market housing
- Increases the approval amount from a majority of homeowners to 65% when an executive board of a homeowner's association when initiating a construction defect claim
- Requires a homeowner's association successful in a construction defect claim to first use any monetary damages to repair the construction defect

- CPD took no position on this bill as it does not relate to the permitting/inspection process
- It is focused on legal requirements related to construction defect claims
- It should be noted that all construction should have a certificate of occupancy (except for renovations to existing buildings where occupancy type is not changing) so unclear why that is being used as a threshold



DENVER
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HB25-1169 Housing Developments on Faith and Educational Land

FinGov – March 18, 2025

FOR CITY SERVICES VISIT | CALL
DenverGov.org | **311**

- Requires a subject jurisdiction, on or after Dec. 31, 2026, to allow residential development on qualifying property, subject to an administrative approval process (e.g. no rezoning needed).
- Qualifying property is land smaller than 5 acres that has been owned by a faith-based organization, school district, or a state college or university for at least 5 years.
- The subject jurisdiction cannot disallow residential development on the qualifying property if it is not taller than 3 stories/45 feet tall, or if the residential development complies with height-related standards for the zone district on the qualifying property or any zone district that is contiguous to the qualifying property.

- The subject jurisdiction shall allow residential development on a qualifying property to include childcare uses and the provision of recreational, social or educational services provided by community organizations.
- Some parcels would be exempt from being a qualifying property, including:
 - Land not served by water
 - Land where state regulation, federal regulation, or a deed restriction does not allow residential uses
- Affordability requirement: for jurisdictions like Denver that have an inclusionary housing ordinance, the residential development will need to follow the local requirement – so in Denver, Expanding Housing Affordability, or EHA, is the affordability requirement.

- While many religious organizations and schools are located in complete neighborhoods, the bill could allow residential development where Denver's adopted plans do not recommend it, such as manufacturing preservation areas and places that are not complete neighborhoods.
- Allowing residential development on any qualifying property is not consistent with other state mandates for local land use, and best practice, including reducing vehicle miles traveled (VMT) and sprawl.
- There is no language to ensure that a jurisdiction can enforce local historic preservation/historic design review.

- The bill does not allow a local government to restrict the height if the development would comply with the “height-related standards” for a zoning district contiguous to the subject property. This could have unintended consequences.
 - For example, if a religious body, school district, or university owns property contiguous to an industrial zone, which does not have a height limit but ordinarily wouldn’t allow residential uses, then the residential development could have an unlimited height

- The definition of “faith-based organization” may have unintended consequences due to the broad nature of what can be a religious mission. For example:
 - Religiously-affiliated nonprofit organizations, such as Salvation Army, could qualify
- The bill allows a non-profit faith-based organization to sell this building to a for-profit organization
- “Administrative approval process” and “height-related standards” should be defined in the bill

March 18, 2025

SB 25-161

City Council Finance & Governance Committee



Agenda

1) Bill Summary

2) DRCOG & RTD Positions on the Bill

3) DOTI Observations



SB 25-161 Transit Reform (highlights)

- Authorize RTD to enter into a service partnership agreement
- Requires RTD to align with State GHG targets, including worker retention goals, and FTA General Directive 24-1 re: preventing assaults on transit drivers.
- Requires RTD to create a 10-year strategic plan by April 10, 2026 and complete a Comprehensive Operational Analysis no less than every 5 years
- Requires RTD identify opportunities to increase funding to meet 10-year goals
- Requires RTD to create, maintain, and publish information & dashboards

SB 25-161 Transit Reform (highlights cont.)

- Requires RTD to update transit-oriented development policy, service buy-up policy & create / implement parking and demand-management policies.
- Requires RTD to notify DRCOG and CDOT of infrastructure gaps
- Requires RTD to modernize its EcoPass and low-income fare discount programs
- Adds 2 non-voting Ex-Officio members to RTD Board appointed by CDOT(1) & DRCOG(1)
- Assigns others to analyze “best practices” for RTD
- Creates an RTD accountability committee of 13 members within Colo Energy Office

Agency Responses to this Bill (So Far)



- Board of Directors position is to *Amend*
- DRCOG supports a strong role for MPOs ...equal footing with CDOT and regional transit agencies...for project selection...in a coordinated and cooperative manner



- Board of Directors position is to *Amend*
- Accountability committee should include RTD Board members
- Oppose additional Ex-Officio members from CDOT & DRCOG
- Do not eliminate write-in candidates as a possibility

Denver DOTI Staff Observations

- Bill notably only applies to RTD and not other Regional Transit Agencies.
- Required GHG targets may be redundant to DRCOG-adopted GHG plan for Denver Metro ozone and other pollutant attainment or maintenance.
- Transit ridership, costs, and other reporting metrics required by bill may be redundant to FTAs publicly-accessible National Transit Database.
- FTA General directive 24-1 already requires RTD create a risk assessment of driver assault, and a plan (for Denver metro) to address the risk.
- The requirement for development of a 10-year Plan is potentially duplicative to RTD's 6-year mid-term financial plan (MTFP), CDOT 4-year STIP and longer than DRCOG 4-year TIP and creates unnecessary administrative burden.
- Adding two non-voting members and a separate Accountability Committee may dilute Denver's influence on the Board of Directors and the agency's overall direction.

QUESTIONS & DISCUSSION

