



DATE: April 30, 2019

RE: **HB 3432 Support Letter**

Dear Chair Holvey, Vice-Chair Williamson, Vice-Chair Wilson and Members of the Committee:

My name is Eli Spevak and I am the owner of Orange Splot LLC, a small development company specializing in cohousing projects and other community-oriented infill housing models. These projects include three condominium communities with permanently affordable homes in partnership with Proud Ground.

To create inexpensive home ownership opportunities in multi-family projects, condominium ownership is the only practical option. Yet the mandatory “Wrap” insurance policies I have to purchase for each project to cover 10 years of liability exposure cost much more than what I would have had to pay for an otherwise identical rental apartment development or (through a subdivision) group of single family homes or townhomes. This is unfortunate, since it dissuades builders from providing the condominium option at all - even where it would provide opportunities for first-time homebuyers.

I’ll continue using the condominium model regardless, since I need that legal structure to accommodate the shared common amenities core to resident-owned cohousing communities. But the cost of insurance to cover the 10-year liability period is substantial: ~\$75K for my last 14-home community. And this cost ultimately gets passed through to buyers.

Decreasing the liability period, coupled with stricter envelop inspection protocols during the building process, offer a reasonable compromise that will allow insurance rates to come down to more reasonable levels and thereby support the creation of less expensive housing options. HB 3432 does just that. I’m glad to see that it’s been introduced this legislative session, and I encourage you to give it your full support.

Sincerely,

A handwritten signature in black ink, appearing to read 'Eli Spevak'. The signature is fluid and cursive, with a large initial 'E' and a long, sweeping underline.

Eli Spevak, owner
Orange Splot LLC