



February 27, 2024

Local Government and Housing Committee
Colorado General Assembly

200 E. Colfax
Room 346
Denver, CO 80203

RE: City of Aspen Support Right to Remedy Senate Bill 24-106

Dear Honorable Members of the Local Government and Housing Committee:

The City of Aspen strongly supports the state's commitment to address the affordable housing crisis throughout Colorado and to increase the number of affordable housing units where people work. We believe SB 24-106 is an important step to increase condominium construction throughout the state by creating a path for a repair-based solution over expensive litigation. The provision gives construction professionals a right to make repairs, which protects condo owners and their investment. It also is intended to curb the skyrocketing cost of insurance for condo builders.

The bill also requires increased transparency – requiring more condo owners within a particular project to sign off on litigation filed on their behalf.

Aspen understands firsthand the challenges in developing this important type of housing and believes that meaningful amendments to the Construction Defect Action Reform Act can help to build condominiums. The City of Aspen has been developing a 258-unit affordable housing subdivision, Burlingame Ranch, since the early 2000s. During the second phase of this project – 82 units of deed-restricted, affordable housing - the builder's liability coverage cost a total of \$745,689 or \$9,094 per unit. At the end of 2023, the city completed 79 identical condo units. The insurance policy cost had risen to \$3,284,931 or \$41,581 per unit.

The final phase of this project serves households between 51-240 percent of AMI, provides an opportunity for home ownership, and is helping to ensure that Aspen remains a year-round community.

Without changes to the existing construction defects law, developers that don't have a mandate to build affordable housing will continue to shy away from building condominiums like these.

The changes proposed in SB 24-106 balance protections for condominium owners and buyers, and represent a meaningful step to bring private developers back to the table in building this type of housing.

Sincerely,

Aspen Mayor Torre