



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING**

#23-1133

TO: Honorable Mayor & Members of the Fort Lauderdale City Commission

FROM: Greg Chavarria, City Manager

DATE: November 21, 2023

TITLE: Resolution Urging the Florida Legislature to Identify Available Funding Sources that Could be Used to Create a Grant Program or Low Interest Loan Program or Both, for Condominium and Cooperative Associations and Economically Vulnerable Condominium and Cooperative Unit Owners to Defray the Costs of Deferred Maintenance and Repairs Arising Out of Milestone Inspections and Structural Integrity Reserve Studies, Urging the Florida Legislature to Collaborate with Lending and Financial Institutions to Create Programs that Would Provide Funding Relief to Condominium and Cooperative Associations and Economically Vulnerable Condominium and Cooperative Unit Owners Who are Specially Assessed for the Costs of Deferred Maintenance and Structural Repairs Arising out of Milestone Inspections and Structural Integrity Reserve Studies, Urging the Florida Legislature to Further Amend the Law so that Associations Other than those Operating a Multicondominium may Determine to Provide No Reserves or Less Reserves than Required if an Alternative Funding Method has been Approved by the Florida Division of Florida Condominiums, Timeshares, and Mobile Homes of the Department of Business and Professional Regulation – **(Commission Districts 1, 2, 3 and 4)**

Recommendation

Staff recommends the City Commission adopt a resolution urging the Florida Legislature to identify available funding sources that could be used to create a grant program or low interest loan program or both, for condominium associations, cooperative associations, and economically vulnerable specially assessed unit owners who reside full-time in their units, urging the Florida Legislature to collaborate with lending and financial institutions to create programs that would provide funding relief to condominium and cooperative associations as well as economically vulnerable unit owners who are specially assessed, for the costs of deferred maintenance and repairs arising out of milestone inspections and structural integrity reserve studies, and urging the Florida Legislature to further amend the law so that associations other than those operating a multicondominium may determine to provide no reserves or less reserves than required if an alternative funding method is identified by the Florida Legislature or approved by the Florida Division of Florida Condominiums, Timeshares, and Mobile Homes of the Department of Business and

Professional Regulation.

Background

The Florida Legislature recently passed Chapter 2023-203, Laws of Florida, (Exhibit 1), which requires certain buildings that are three stories or more in height and that reached 30 years of age before July 1, 2022, to have an initial milestone inspection completed by December 31, 2024, and certain three or more story buildings that reach 30 years of age on or after July 1, 2022, and before December 31, 2024, to have an initial milestone inspection by December 31, 2025. However, in Broward County, pursuant to the Broward County Board of Rules and Appeals Policy #05-05, (Exhibit 2), the initial milestone inspection will occur once a structure is 25 years of age and every 10 years thereafter.

The law requires that in addition to annual operating expenses, a condominium association's budget must include reserve accounts for capital expenditures and deferred maintenance. Along with basic reserve requirements, the law requires that the amount to be reserved must be computed using a formula based upon the estimated remaining useful life and estimated replacement cost or deferred maintenance expense of the reserve item. Condominiums and cooperatives must adjust amounts for inflation annually. For budgets adopted after December 31, 2024, the members of a unit-owner-controlled association that must obtain a structural integrity reserve study may not approve a budget that contains no reserves or reserves less than required by the law, except that members of an association operating a multicondominium may determine to provide no reserves or less reserves than required if an alternative funding method has been approved by the Florida Division of Florida Condominiums, Timeshares, and Mobile Homes of the Department of Business and Professional Regulation. By adopting this resolution, the City Commission would urge the Legislature to create an alternate funding source that condominium associations and economically vulnerable condominium unit owners may access.

Senior citizens and others on fixed incomes who live in their units may not be able to pay special assessments for the costs of deferred maintenance and repairs prompted by milestone inspections and structural integrity reserve studies. Some associations may need additional funding sources to be able to proceed with required structural repairs. Identifying alternative funding sources could alleviate the need for condominiums and cooperative associations to levy financially burdensome special assessments on owners to comply with the reserve requirements. Alternative funding sources may also incentivize condominiums and cooperative associations to conduct needed structural and safety repairs.

The City of Lauderhill adopted resolution 23R-07-185 on July 10, 2023. Please Exhibit 3 for more information.

Resource Impact

There is no fiscal impact associated with this action.

Strategic Connections

This item is a *2024 Top Commission Priority*, Affordable Housing

- Increase the availability of affordable housing.

This item supports the *Press Play Fort Lauderdale 2024* Strategic Plan, specifically advancing:

- The Neighborhood Enhancement Focus Area
- Goal 4: Build a thriving and inclusive community of neighborhoods.
- Objective: Ensure a range of affordable housing options

This item advances the *Fast Forward Fort Lauderdale 2035* Vision Plan: We Are Community, and We Are Prosperous.

This item supports the *Advance Fort Lauderdale 2040* Comprehensive Plan specifically advancing:

- The Neighborhood Enhancement Focus Area
- The Housing Element
- Goal 1: The Comprehensive Plan shall support the provision of adequate sites for future housing, including affordable workforce housing.
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Related CAM

23-0750

Attachments

Exhibit 1 – Chapter 2023-203, Laws of Florida

Exhibit 2 – Broward County Board of Rules and Appeals Policy #05-05

Exhibit 3 – City of Lauderhill Resolution No. 23R-07-185

Exhibit 4 – Resolution

Prepared by: Rachel Williams, Manager, Housing &Community Development,
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