



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CONFERENCE MEETING

#23-0750

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

FROM: Greg Chavarria, City Manager

DATE: August 22, 2023

TITLE: Discussion on a proposed 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 and economically vulnerable specially assessed condominium unit owners who reside full-time in their condominium units, urging the Florida Legislature to collaborate with lending and financial institutions to create programs that would provide funding relief to condominium associations and economically vulnerable condominium 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 – **(Commission Districts 1, 2, 3 and 4)**

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. The Condominium 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 determine to provide no reserves or reserves less than required by the law, except that members of an association operating a multi-condominium 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 condominium 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 condominium associations may need additional funding sources to be able to proceed with required structural repairs. Identifying alternative funding sources could alleviate the need for condominium associations to levy financially burdensome special assessments on owners to comply with the reserve requirements. Alternative funding sources may also incentivize condominium 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

This action will not have a fiscal impact on the City's general fund budget.

Strategic Connections

This item is a *2022 Top Commission Priority*, advancing Homelessness and Housing Opportunities.

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.

Related CAM
23-0761

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 – Proposed Resolution

Prepared by: Rachel Williams, Housing and Community Development, DSD

Department Director: Christopher Cooper, Development Services Department