

RESOLUTION NO. 23-

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FORT LAUDERDALE, FLORIDA 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, AND PROVIDING FOR DISTRIBUTION AND AN EFFECTIVE DATE.

WHEREAS, Chapter 2023-203, Laws of Florida, ("Chapter 2023-203"), enacted in the 2023 Florida legislative session, is an act relating to condominium and cooperative associations; and

WHEREAS, Subsection 553.899(3), Florida Statutes (2023), requires condominium and cooperative associations to conduct milestone inspections of "each building that is three stories or more in height by December 31 of the year in which the building reaches

30 years of age, based on the date the certificate of occupancy for the building was issued, and every 10 years thereafter.”; and

WHEREAS, Section 2 of Chapter 2023-203 amended Subsection 553.899(3), Florida Statutes, to provide that a

local enforcement agency may determine that local circumstances, including environmental conditions such as proximity to salt water . . . require that a milestone inspection must be performed by December 31 of the year in which the building reaches 25 years of age, based on the date the certificate of occupancy for the building was issued, and every 10 years thereafter.;

and

WHEREAS, Section 2 of Chapter 2023-203 amended Subsection 553.899(3), Florida Statutes, to provide:

If a building reached 30 years of age before July 1, 2022, the building's initial milestone inspection must be performed before December 31, 2024. If a building reaches 30 years of age on or after July 1, 2022, and before December 31, 2024, the building's initial milestone inspection must be performed before December 31, 2025. If the date of issuance for the certificate of occupancy is not available, the date of issuance of the building's certificate of occupancy shall be the date of occupancy evidenced in any record of the local building official.;

and

WHEREAS, Section 2 of Chapter 2023-203 amended Subsection 553.899(3), Florida Statutes, to provide that a

local enforcement agency may extend the date by which a building's initial milestone inspection must be completed upon a showing of good cause by the owner or owners of the building that the inspection cannot be timely completed if the owner or owners have entered into a contract with an architect or engineer to perform the milestone inspection and the inspection cannot reasonably be completed before the deadline or other circumstance to justify an extension;

and

WHEREAS, Subsection 718.112(2)(g), Florida Statutes (2023), requires condominium bylaws to provide for “a structural integrity reserve study completed at least every 10 years after the condominium’s creation for each building on the condominium property that is three stories or higher in height . . .”; and

WHEREAS, Section 6 of Chapter 2023-203 amended Subsection 718.112(2)(f), Florida Statutes, to provide that,

In a budget adopted by an association that is required to obtain a structural integrity reserve study, reserves must be maintained for the items identified in paragraph (g) for which the association is responsible pursuant to the declaration of condominium, and the reserve amount for such items must be based on the findings and recommendations of the association’s most recent structural integrity reserve study. With respect to items for which an estimate of useful life is not readily ascertainable or with an estimated remaining useful life of greater than 25 years, an association is not required to reserve replacement costs for such items, but an association must reserve the amount of deferred maintenance expense, if any, which is recommended by the structural integrity reserve study for such items.;

and

WHEREAS, according to Section 6 of Chapter 2023-203, for a budget adopted on or after December 31, 2024, the members of a unit-owner-controlled condominium association that must obtain a structural integrity reserve study may not approve a budget that contains no reserves or reserves less than those required for the items addressed in the structural integrity reserve study related to the structural integrity and safety of the building, 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; and

WHEREAS, the possibility of an alternative funding method pursuant to Chapter 2023-203 is limited to multicondominiums, or real property containing two or more condominiums, all of which are operated by the same association that operates at least 25 condominiums; and

WHEREAS, Chapter 2023-203 does not relieve condominium associations that operate condominiums that are smaller than a multicondominium of at least 25 condominiums from providing for reserves for the items listed in paragraph (g) of Section 718.112(2), Florida Statutes (2023), which include the roof, load-bearing walls or other primary structural members,

floor, foundation, fireproofing and fire protection systems, plumbing, electrical systems, waterproofing and exterior painting, windows, and any other item that has a deferred maintenance expense or replacement cost that exceeds \$10,000 and the failure to replace or maintain such item negatively affects the other items, in favor of an alternative funding method; and

WHEREAS, Section 14 of Chapter 2023-203 amended Subsection 719.106(1)(j), Florida Statutes, to provide that,

In a budget adopted by an association that is required to obtain a structural integrity reserve study, reserves must be maintained for the items identified in paragraph (k) for which the association is responsible pursuant to the declaration, and the reserve amount for such items must be based on the findings and recommendations of the association's most recent structural integrity reserve study. With respect to items for which an estimate of useful life is not readily ascertainable or with an estimated remaining useful life of greater than 25 years, an association is not required to reserve replacement costs for such items, but an association must reserve the amount of deferred maintenance expense, if any, which is recommended by the structural integrity reserve study for such items.;

and

WHEREAS, according to Section 14 of Chapter 2023-203, for a budget adopted on or after December 31, 2024, a unit-owner-controlled cooperative association that must obtain a structural integrity reserve study may not determine to provide no reserves or reserves less adequate than required for items addressed in the structural integrity reserve study related to the structural integrity and safety of the building; and

WHEREAS, relief for condominium and cooperative unit owners, especially those living on fixed incomes, is needed to ensure that special assessments do not plunge economically vulnerable seniors and those earning less than the median income level into housing insecurity; and

WHEREAS, on July 25, 2023, Florida TaxWatch reported in "The Taxpayer's Guide to Florida's FY2023-24 State Budget" that, "[a]fter accounting for all the spending in the General Appropriations Act and other substantive bills, the state is expected to have \$5.3 billion in unobligated General Revenue"; and

WHEREAS, the City of Fort Lauderdale supports using a portion of the State's unobligated general revenue as a potential funding source to assist condominium and cooperative

associations and economically vulnerable condominium and cooperative unit owners who reside full-time in their units; and

WHEREAS, the State of Florida should collaborate with lending and financial institutions to provide financial assistance to condominium associations that do not qualify for an alternative funding method; and

WHEREAS, the State of Florida should collaborate with lending and financial institutions to provide financial assistance to cooperative associations; and

WHEREAS, many lending and financial institutions have demonstrated their commitment to improving communities through their community benefits programs; and

WHEREAS, many lending and financial institutions have an important role to play in our communities, and partnerships with the County help ensure that they fulfill that role for everyone;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FORT LAUDERDALE, FLORIDA:

SECTION 1. That the City Commission urges 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 specially assessed condominium and cooperative unit owners who reside full-time in their units, to defray the costs of deferred maintenance and repairs arising out of milestone inspections and structural integrity reserve studies.

SECTION 2. That the City Commission urges 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 repairs arising out of milestone inspections and structural integrity reserve studies.

SECTION 3. That the City Commission urges the Florida Legislature to further amend Subsection 718.112(f), Florida Statutes, 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.

SECTION 4. That the City Commission urges the Florida Legislature to further amend Subsection 719.106(1)(j), Florida Statutes, so that cooperative associations 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.

SECTION 5. That the City Clerk is directed to distribute copies of this Resolution to the City's state lobbyists, Governor Ron DeSantis, Senate President Kathleen Passidomo, Speaker of the House of Representatives Paul Renner, the Broward County Legislative Delegation, the Broward County Board of County Commissioners, the Florida League of Cities, the Broward League of Cities, Broward County municipalities, and any other interested parties.

SECTION 6. This Resolution shall take effect immediately upon its passage.

ADOPTED this _____ day of _____, 2023.

Mayor
DEAN J. TRANTALIS

ATTEST:

City Clerk
DAVID R. SOLOMAN

APPROVED AS TO FORM
AND CORRECTNESS:

City Attorney
THOMAS J. ANSBRO

Dean J. Trantalis _____

John C. Herbst _____

Steven Glassman _____

Pamela Beasley-Pittman _____

Warren Sturman _____