

Florida Condominium & Housing Coop Safety Laws July 11, 2022



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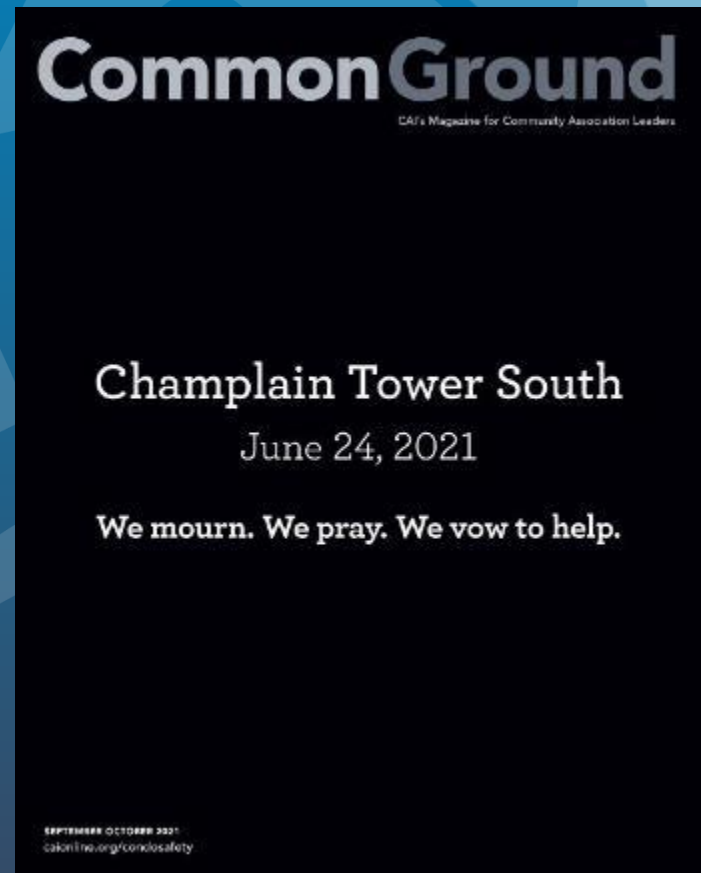
Steven Rappaport, Esq.
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Condominium Collapse Tragedy

- CAI's Government & Public Affairs Committee held its first discussion at the end of June.
- Three Task Forces with hundreds of people from throughout the U.S. and Canada serving on the task forces
- Research of laws and ordinances in the U.S. and internationally (Australia, Ontario, Singapore, and Spain)
- Conversations with Condo Safety Coalition; including NIST, NLC, NSPE, NACO, Building Inspectors, ICC, NAHC, etc.
- Vetting through 43,000 members; including six hundred legislative committee members
- Final approval by CAI's Board of Trustees



CONDOMINIUM SAFETY PUBLIC POLICY REPORT

RESERVE STUDIES AND FUNDING, MAINTENANCE,
AND STRUCTURAL INTEGRITY

OCTOBER 2021



www.caionline.org/condosafety

Condominium Safety Legislation & Regulations

State Legislation

Building Inspections (Florida, Hawaii, Maryland, New Jersey, and Virginia). Florida and Virginia passed.

Reserve Studies and Funding (Florida, Illinois, and Maryland)

Federal Legislation

SAFER ACT – H.R. 7532

Federal Regulatory Issues

Fannie Mae & Freddie Mac Condo and Coop Lending Requirements

2022 Florida Special Legislative Session

Senate Bill 4-D - An Act Related to Building Safety

May 24, 2022
Passed Florida Senate
(Vote 38-0)

May 25, 2022
Passed Florida House
of Representatives
(Vote 110-0)

May 26, 2022
Signed by Governor
DeSantis



Information Reporting to DBPR

Who

When

What

How

Milestone Inspections

- What is a Milestone Inspection?
- Who can perform the milestone inspection?
- Who must comply?
- When must you comply?
- Phase 1 & 2



Structural Integrity Reserve Study

- Required every 10 years for each building three stories or higher
- Required on developer-controlled association prior to turnover
- Required on unit owner-controlled associations prior to December 31, 2024

What components are included in a Structural Reserve Study?

- Roof
- Load-bearing walls or other primary structural members
- Floor
- Foundation
- Fireproofing and fire protection systems
- Plumbing
- Electrical systems
- Waterproofing and exterior painting
- Windows
- Any other item that has a deferred maintenance expense or replacement cost that exceeds \$10,000



Reserve Funding

- For an item in a structural integrity reserve study, the reserve amount comes from that study
- For an item not included in a structure integrity reserve study, the reserve amount is calculated using a formula based on estimated replacement cost and remaining useful life
- A unit-owner controlled association may vote to reduce or waive reserves, EXCEPT
- Effective December 31, 2024, an association may NOT reduce or waive reserves associated with the 10 required items relating to structural integrity and safety
- A developer-controlled association may NOT vote to reduce or waive reserves
- Effective December 31, 2024, an association may NOT vote to use reserves associated with the 10 required items relating to structural integrity and safety for any other purposes other than their intended purposes

Insurance

- **Expectations of Underwriters for compliance with CURRENT laws**
- **Some Underwriters requiring inspections (engineering reports) for renewal**
- **Crime/D&O Underwriter's stance**



SAFER ACT – Securing Access to Funding for Exterior Repairs (H.R. 7532)

U.S. Reps. Crist & Wasserman Schultz



Text the word

SAFER to

50457

SAFER ACT – Securing Access to Funding for Exterior Repairs (H.R. 7532)

U.S. Reps. Crist & Wasserman Schultz

Section 2. Section 203(k) Rehabilitation Loans

Amends Section 1709(k) of the National Housing Act to authorize Federal Housing Administration (FHA) insurance of condominium unit mortgages in combination with qualifying non-regular assessments adopted by the governing body of a condominium association.

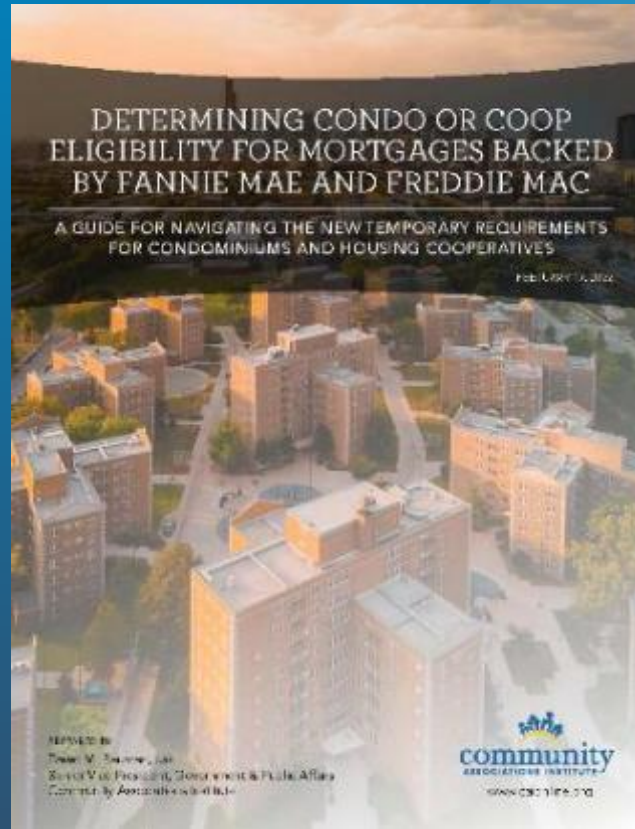
Directs the Secretary of Housing and Urban Development to amend Section 203(k) program rules to account for management of common elements rehabilitation work by the condominium association rather than the individual homeowner.

Section 3. Title I Property Improvement Loans.

Amends Section 2 of the National Housing Act to authorize insurance of loans under the Title I Property Improvement Loan Program funding payment of a non-regular assessment adopted by the governing body of a condominium association, provided the non-regular assessment is dedicated to funding future rehabilitation, alteration, repair, improvement, or replacement of any common system, infrastructure, facility, feature, portion, or area serving the condominium project.

NEW Bill - H.R. 8304 – Loans for Condo Associations

Fannie Mae and Freddie Mac Condominium Questionnaire



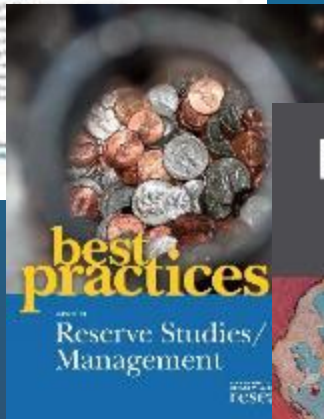
www.caionline.org/condosafety

Free Condo Safety Resources



www.caionline.org/condosafety

www.Foundation.caionline.org/bestpractices



Connect to Your Local CAI Chapters



- Central FL Chapter
www.caicf.org
Reini Marsh
- Gold Coast Chapter
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Garry Porter
- Northeast FL Chapter
www.neflcai.com
Robin Miller
- North Gulf Coast Chapter
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