

C7 Y A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, URGING THE FLORIDA LEGISLATURE TO ENACT LEGISLATION THAT WOULD SUBSTANTIALLY REFORM THE FLORIDA STATUTES APPLICABLE TO CONDOMINIUMS, INCLUDING AN INCREASE TO THE THRESHOLD BUILDING SIZE FOR THE PURPOSES OF THE REQUIRED STRUCTURAL INTEGRITY RESERVE STUDY, A LIMITATION OF THE SCOPE OF THE RESERVE REQUIREMENTS TO ACTUAL STRUCTURAL ISSUES, AN INCREASED TIMELINE FOR CONDOMINIUM ASSOCIATIONS TO ACCUMULATE THE REQUIRED RESERVES, INCREASED ACCOUNTABILITY AND OVERSIGHT OVER CONDOMINIUM ASSOCIATIONS BY THE STATE, A REQUIREMENT THAT CONDOMINIUM ASSOCIATIONS SEEK NO FEWER THAN THREE QUOTES FOR SERVICES REQUIRED PURSUANT TO CHAPTER 718 OF THE FLORIDA STATUTES, AND REPEAL EXISTING PREEMPTIONS SO THAT LOCAL GOVERNMENTS MAY EXERCISE GREATER REGULATORY OVERSIGHT OVER CONDOMINIUM ASSOCIATIONS; AND DIRECTING THE CITY CLERK TO SEND A COPY OF THIS RESOLUTION TO THE SPEAKER OF THE FLORIDA HOUSE OF REPRESENTATIVES, AND THE PRESIDENT OF THE FLORIDA SENATE.

Applicable Area:

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: City Attorney Ricardo J. Dopico

DATE: November 20, 2024

TITLE: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, URGING THE FLORIDA LEGISLATURE TO ENACT LEGISLATION THAT WOULD SUBSTANTIALLY REFORM THE FLORIDA STATUTES APPLICABLE TO CONDOMINIUMS, INCLUDING AN INCREASE TO THE THRESHOLD BUILDING SIZE FOR THE PURPOSES OF THE REQUIRED STRUCTURAL INTEGRITY RESERVE STUDY, A LIMITATION OF THE SCOPE OF THE RESERVE REQUIREMENTS TO ACTUAL STRUCTURAL ISSUES, AN INCREASED TIMELINE FOR CONDOMINIUM ASSOCIATIONS TO ACCUMULATE THE REQUIRED RESERVES, INCREASED ACCOUNTABILITY AND OVERSIGHT OVER CONDOMINIUM ASSOCIATIONS BY THE STATE, A REQUIREMENT THAT CONDOMINIUM ASSOCIATIONS SEEK NO FEWER THAN THREE QUOTES FOR SERVICES REQUIRED PURSUANT TO CHAPTER 718 OF THE FLORIDA STATUTES, AND REPEAL EXISTING PREEMPTIONS SO THAT LOCAL GOVERNMENTS MAY EXERCISE GREATER REGULATORY OVERSIGHT OVER CONDOMINIUM ASSOCIATIONS; AND DIRECTING THE CITY CLERK TO SEND A COPY OF THIS RESOLUTION TO THE SPEAKER OF THE FLORIDA HOUSE OF REPRESENTATIVES, AND THE PRESIDENT OF THE FLORIDA SENATE.

RECOMMENDATION

BACKGROUND/HISTORY

ANALYSIS

The attached Resolution was prepared at the request of the sponsor, Vice-Mayor Alex Fernandez.

FISCAL IMPACT STATEMENT

N/A

Does this Ordinance require a Business Impact Estimate?

(FOR ORDINANCES ONLY)

If applicable, the Business Impact Estimate (BIE) was published on:

See BIE at: <https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notices/>

FINANCIAL INFORMATION

CONCLUSION

Applicable Area

Citywide

Is this a “Residents Right to Know” item, pursuant to City Code Section 2-17?

No

Is this item related to a G.O. Bond Project?

No

Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying? No

If so, specify the name of lobbyist(s) and principal(s):

Department

City Attorney

Sponsor(s)

Commissioner Alex Fernandez

Co-sponsor(s)

Condensed Title

Urge Fla. Legis. to Reform Condominium Laws. (Fernandez) CA

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, URGING THE FLORIDA LEGISLATURE TO ENACT LEGISLATION THAT WOULD SUBSTANTIALLY REFORM THE FLORIDA STATUTES APPLICABLE TO CONDOMINIUMS, INCLUDING AN INCREASE TO THE THRESHOLD BUILDING SIZE FOR THE PURPOSES OF THE REQUIRED STRUCTURAL INTEGRITY RESERVE STUDY, A LIMITATION OF THE SCOPE OF THE RESERVE REQUIREMENTS TO ACTUAL STRUCTURAL ISSUES, AN INCREASED TIMELINE FOR CONDOMINIUM ASSOCIATIONS TO ACCUMULATE THE REQUIRED RESERVES, INCREASED ACCOUNTABILITY AND OVERSIGHT OVER CONDOMINIUM ASSOCIATIONS BY THE STATE, A REQUIREMENT THAT CONDOMINIUM ASSOCIATIONS SEEK NO FEWER THAN THREE QUOTES FOR SERVICES REQUIRED PURSUANT TO CHAPTER 718 OF THE FLORIDA STATUTES, AND REPEAL EXISTING PREEMPTIONS SO THAT LOCAL GOVERNMENTS MAY EXERCISE GREATER REGULATORY OVERSIGHT OVER CONDOMINIUM ASSOCIATIONS; AND DIRECTING THE CITY CLERK TO SEND A COPY OF THIS RESOLUTION TO THE SPEAKER OF THE FLORIDA HOUSE OF REPRESENTATIVES, AND THE PRESIDENT OF THE FLORIDA SENATE.

WHEREAS, a substantial portion of Florida's condominiums are located in Miami-Dade County, and for many residents, condominium ownership represents their achievement of the American dream; and

WHEREAS, condominiums offer a more affordable ownership option than single family homes while giving the added benefit of property-wide community; and

WHEREAS, many condominium owners are facing financial hardships as insurance premiums skyrocket across the State; and

WHEREAS, during special legislative session D in 2022, the Florida Legislature—in response to the Surfside tragedy and in the hopes of preventing a similar calamity—passed the well-intentioned but unduly burdensome 2022 Building Safety Bill (SB 4-D); and

WHEREAS, SB 4-D imposed significant financial burdens on condominium owners in a short timeframe, including a requirement that associations existing on or before July 1, 2022, which are controlled by unit owners other than the developer, must have a structural integrity reserve study completed by December 31, 2024, for each building on the condominium property that is three stories or higher in height; and

WHEREAS, the 2023 Condominium and Coop Safety Law (SB 154) modified the regulations set forth in SB 4-D, but not in a way that adequately relieved the substantial financial burdens that SB 4-D imposed on condominium owners; and

WHEREAS, due to the recent bills imposing new requirements on condominium associations, Miami Beach residents are now under significant financial pressure, and the City Commission is concerned that these challenges will intensify the affordability issues facing South Florida in addition to putting many residents with condominiums in untenable financial positions that may force owners to sell their units out of desperation; and

WHEREAS, the impact of these changes is especially felt by seniors, who potentially face large and unaffordable special assessments to finance these new requirements imposed by SB 4-D and SB 154; and

WHEREAS, the current height threshold of three floors for the structural integrity reserve study requirement set forth in section 718.112(g) of the Florida Statutes is overly inclusive and should be revised to buildings four stories or higher; and

WHEREAS, to promote affordability while still addressing the root issue of safety, the required structural integrity reserve study set forth in section 718.112(g) of the Florida Statutes should be limited to structural issues; and

WHEREAS, to further promote affordability and ease financial pressure on condominium owners, the timeframe for condominium associations to accumulate required reserves should be extended past the current deadline established in chapter 718 of the Florida Statutes, such that the required time to accumulate necessary reserves aligns closer with the timing as to the building's needs and the horizon for expenditures; and

WHEREAS, the Florida Statutes should further be revised to increase accountability on condominium associations, including additional audit requirements and the State's ability to further inquire into an association's finances if discrepancies exist; and

WHEREAS, to ensure that condominium owners are receiving fair prices for required maintenance and studies pursuant to chapter 718 of the Florida Statutes, condominium associations should be required to seek 3 or more quotes for work to be performed on their buildings necessary to comply with chapter 718; and

WHEREAS, currently, the State of Florida's Department of Business and Professional Regulation ("DBPR") exercises sole regulatory oversight over condominium associations; and

WHEREAS, DBPR's regulatory oversight over condominium associations is insufficient, and there would be greater accountability and transparency if local governments were empowered to exercise regulatory oversight over associations; and

WHEREAS, the Mayor and City Commission urge the Florida Legislature address this potential financial crisis and work in a bipartisan fashion to find a sustainable solution.

NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, that the Mayor and City Commission hereby urge the Florida Legislature to enact legislation that would substantially reform the Florida Statutes applicable to condominiums, including an increase to the threshold building size for the purposes of the required structural integrity reserve study, a limitation of the scope of the reserve requirements to actual structural issues, an increased timeline for condominium associations to accumulate the required reserves, increased accountability and oversight over condominium associations by the state, a requirement that condominium associations seek no fewer than three quotes for services required pursuant to Chapter 718 of the Florida Statutes, and repeal existing preemptions so that local governments may exercise greater regulatory oversight over condominium associations; and direct the City Clerk to send a copy of this Resolution to the speaker of the Florida House of Representatives, and the President of the Florida Senate.

PASSED AND ADOPTED this _____ day of _____ 2024.

Steven Meiner, Mayor

ATTEST:

Rafael E. Granado, City Clerk

(sponsored by Vice-Mayor Alex J. Fernandez)

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION



City Attorney

11/12/2024

Date