

The “Balcony Bill” – SB 326/Civil Code § 5551

What You Need to Know

All condominium associations with buildings with three or more multifamily dwelling units must inspect wood-framed, load bearing components and waterproofing systems of randomly selected Elevated Exterior Elements at least once every nine years.

When

First inspection to be completed by January 1, 2025.

Subsequent inspections required once every nine years.

Inspected by Whom?

Association must retain a licensed architect or structural engineer to perform visual inspections, with destructive testing as determined by the Inspector.

Written Report

A report must be submitted by the Inspector to the Board detailing the current physical condition and remaining useful life of the load-bearing components and associated waterproofing systems.

Board receives report immediately upon completion of the inspection, must be held for two inspection cycles, and incorporated into the Association’s reserve study.

If Emergency Repairs Needed

Inspector to inform City within 15 days when emergency repairs are needed. Dangerous conditions posing immediate threats must be repaired “immediately” and can include blocking access to dangerous areas.

What Needs to be Inspected?

A statistically significant sample of all wood-framed, load bearing components and waterproofing systems of Elevated Exterior Elements (EEE) – the load-bearing components together with their associated waterproofing system.

Load-bearing components are the components that extend beyond the exterior walls of the building to deliver structural loads to the building, have a walking surface elevated more than six feet above ground level, and are designed for human occupancy or use. They are supported in whole or in substantial part by wood or wood-based products.

This includes:

- Private Balconies
- Decks
- Stairways
- Exterior Walkways
- Stair Assemblies
- Railings

And their components:

- Floor Joist/Beams
- Deck Boards
- Guardrails
- Waterproof Membrane
- Wood Framing

Board's Role

- Comply with law!
- Accurate budgeting
- Reserve studies
- Communicate with members
- Board should NOT interfere with Inspector's decision-making

Manager's Role

- Educating Board members
- Bringing experts and legal counsel to Board
- Coordinate communications with Inspector, contractor, Board, members
- Encourage accurate budgeting
- Avoid assurances of safety

Attorney's Role

- Analyze Association's maintenance and repair obligations
- Disclosures
- Inspector and contractor contracts
- Assist Association with financing options

Inspector's Role

- Generate random list of locations of each type of EEE for which Association has maintenance or repair responsibility
- Coordinate with the contractor, Board and community managers regarding the inspection and destructive testing locations
- Conduct visual & destructive testing inspection of EEEs
- Prepare and present Compliance Report
- Recommend any necessary repairs
- Prepare scope of repairs including drawings and specifications, if necessary

General Contractor's Role

- Provide communications to homeowners, Board of Directors and manager related to testing/construction
- Open and close testing locations at the direction of the Inspector
- Perform emergency repairs if necessary

Financial Considerations

Meet with Your Reserve Analyst

- Understand upcoming projects and current funding status
- Review upcoming, current or ongoing projects and how to include with inspections
- Include inspection costs in reserve study
- Be aware of unpredictable construction costs

Expected Costs of Compliance

- Initial assessment cost
- Visual inspection cost
- Destructive testing cost
- Compilation report cost

Unforeseen Costs

- Additional destructive testing
- Emergency repairs

Funding Considerations

- **Begin funding reserves now!**
- Inspections and repairs are reserve expenses
- Ensure that reserve funds are liquid
- Special assessment
- Bank loan or credit line
- Under 10 years of age – funded by legal counsel