

## Condo owners being forced out look to legislators for help

Article Courtesy of The Tampa Bay Times

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Published September 17, 2014

Condo owners statewide say they're being forced from their homes by bulk buyers and former Rep. Keith Fitzgerald, D-Sarasota, was one of few who saw it coming.

"Either I'm onto something, or I'm crazy," he thought of his lone vote in opposition to a 2007 condo law change.

Seven years later, Fitzgerald is far from alone. Legislators, lawyers, the governor and his challenger's campaign recently called for change to protect condo owners.

"These are people that are just going about their lives and suddenly their whole life has become this turmoil," said Rep. Carl Zimmermann, D-Palm Harbor. "Every single day their second job is trying to research and find ways to protect themselves."

Owners are fighting what they call a loophole in Florida condominium law. As of 2007, an investor who buys 80 percent of the condos in a complex can vote to convert the complex into apartments and force the remaining individual owners to sell and leave, unless the condo's governing documents state otherwise.

Doreen Rosselli, 52, has lived in her Carrollwood condo that she now shares with her boyfriend since 2006. She planned to stay awhile.

"Till the day I died."

That changed once bulk buyers acquired a large majority of units in her complex.

"It really bothers me," Rosselli said. "It's wrong to be able to take the house just to make money."

Rosselli has protested the statute alongside people in similar situations. Palm Harbor condo owner Stephanie Krasowski formed the activist group Floridians Against Condo Takeover with



**A law enacted in 2007 is allowing investors to buy up the majority of a condominium project and then force the remaining owners to sell so that it can be turned into apartments.**

people from at least 13 complexes statewide. East Lake, Tampa, Winter Springs, Boynton Beach, Boca Raton, Fort Myers, Orlando and Pembroke Pines are all on her radar.

Krasowski reached out to Zimmermann for help last year, explaining her circumstances.

In 2007, she put down \$32,500 on her home. There's \$124,500 left on her mortgage and the investors, Madison Oaks Partners, said they feel they already have the legal grounds necessary to convert the condos to apartments but are waiting to negotiate deals with each remaining owner individually.

"I really do empathize with people who have mortgages that are greater than the current value of the real estate," said Eric Granowsky, one of the four Madison Oaks Partners investors.

When Granowsky and his partners move forward with termination, Krasowski expects them to pay her \$82,000 at most to leave her home. That would go straight to the lender and leave her on the hook for the difference.

"It's been an exhausting year of trying to stay above water and fight with everything we've got," she said at an August news conference Zimmermann held on the statute.

'Deeply concerned'

Zimmermann first raised the issue in the 2014 legislative session, but aside from one minor tweak, he couldn't make headway in changing the law. Now he has others on board to support new legislation next year: Rep. John Wood, R-Winter Haven, Rep. James Grant, R-Tampa, and, most notably, a powerful Senate ally in Jack Latvala, R-Clearwater.

Gov. Rick Scott recently called for a legislative change, writing to Florida Department of Business and Professional Regulation secretary Ken Lawson saying he's "deeply concerned" and requesting recommendations by the 2015 session.

The statute change in question came about because in many cases developers and investors needed consent from every single owner before they could convert condos into apartments. Then, hurricane-damaged and obsolete properties sat vacant because developers had trouble getting consent from elderly and out-of-state owners. All it took was one unreachable owner to thwart a much-needed condo termination.

"It's just not possible to get 100 percent signatures in the larger condos, even for something that was completely innocuous or had to be done," said then-Senate Minority Leader Steve Geller, D-Cooper City.

So in the early 2000s, Geller began working with the Florida Bar to draft legislation that would lower the threshold for condominium terminations to 80 percent owner approval.

"Sen. Geller's motives were absolutely pure," said Pete Dunbar, a real estate lawyer and lobbyist who worked on the change with others in the Florida Bar Real Property Probate and Trust Law Section. "(We) agreed with him and provided technical assistance to him, never realizing that there was something unforeseen that was built into the words."

The change passed both chambers in 2006, but then-Gov. Jeb Bush vetoed it, warning there might be "unintended consequences."

When Gov. Charlie Crist took office the next year, he signed a similar bill into law. The 80 percent threshold stuck, but now 10 percent of owners could veto a termination. The Senate voted 37-0 and the House 117-1, with all but Fitzgerald supporting the measure.

Before the recession hit, most people hadn't considered the possibility of investors buying out homeowners and leaving them in debt, Dunbar said. Had values kept climbing, owners would have made money by selling.

But given the economic turn, Dunbar agreed with Scott and legislators who say the law needs changing, as did a campaign spokesman for Crist. "This is an abuse of the spirit and the intent of the law," said Brendan Gilfillan. "No one should be pressured to leave their home."

Potential fix unclear

If legislators are able to pass a bill next session, it likely wouldn't do much for condo owners like Krasowski, who face termination from bulk buyers now. It's also not clear yet what route they'd take to fix the loophole, whether it's offering more money to owners reluctant to sell, or only allowing owners one vote each, no matter how many units they own.

That debate will come later. For now, Zimmermann's focus is still on trying to raise awareness, since he's noticed people are reluctant to believe condo owners at first, just like he had been last year.

"I thought for sure she had misread the law," he said. "So I looked it up and I read it and I thought, 'Wow, she's right. But this can't be right. She's right, but this can't be right.' "