



HOW TO FUND CALIFORNIA'S SB 721 DECK INSPECTIONS?



by Robert M. Nordlund, PE, RS
CEO/Founder
Association Reserves, Inc.

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www.reservestudy.com

In a [previous post](#), we described how the requirements of California's proposed SB 721 (safety inspections of decks and balconies in multi-family buildings) would not be satisfied by a Reserve Study site inspection. So the question now becomes, if this Senate Bill becomes law, how will associations deal with this new expense?

As it stands now, [SB 721](#) requires the first inspection be performed by 1/1/2024, and every six years thereafter. And because this inspection must to be performed by a licensed building professional, it will likely not be an incidental cost easily absorbed without effect in the association's ongoing Operational Budget.

Per [National Reserve Study Standards](#), Reserve expenses must meet a standard four-part test: that it address a common area maintenance responsibility, that it must have a defined life cycle, that it occurs on a predictable manner, and that it be above a minimum threshold of significance. So the association's cost for a scheduled, regularly recurring significant expense like a safety inspection for common area decks or balconies (even "exclusive use" common area private balconies) clearly meets the National Reserve Study Standard four-part test.

This is a project that the association should discuss with their Reserve Study provider, where they share the cost projections they have received for the inspection project, and their expected timing to perform the first project. Handling this expense through the Reserve budget allows funds to be collected evenly and fairly over six years, resulting in the funds successfully being ready at the appropriate point in time.