

5 FAQs for Homeowners

Do you think a seasoned community association manager has learned it all? Not a chance. This ever-evolving industry continues to educate and challenge community managers with every new year. Not a week, and more accurately, not a day goes by that they are not learning something new.

Becoming a new owner in a community association is equally educational. Purchasing in an association should not only include the escrow process but also classes in HOA Living 101! Not only do managers have the challenge of familiarizing themselves with the uniqueness of each association's governing documents, but new owners also have the responsibility of acquainting themselves with all of these documents—often a stack of several inches of paperwork—and being prepared to comply with all of them. Huge!

Most escrows are introduced to the association through the management company with a request for “HOA Docs,” which includes numerous materials including the Articles, Bylaws, CC&Rs, Rules, Policies, etc. and/or notification of a new owner. This is the ideal time to encourage the new owner to contact the management company for a brief summary of these items specific to their association and/or direct them to a resource where additional information about the community is provided. It may be a website, board meeting or meeting with a welcome committee.

While we live in the electronic age and prefer the easy option of referring owners to a site where they can read for themselves, a good old-fashioned telephone chat can go a very long way in helping educate new owners and dramatically reducing future fallout—which is often the direct result of uninformed owners. Alternatively, a management company may opt to provide monthly HOA 101 classes, perhaps during the lunch hour, to inform and educate new or existing owners. Often, business associates are very agreeable to assisting with this option.

Here are five basic questions and answers a new owner should review. Sharing this information with new owners is ideally part of the standard operating procedure during the escrow process.

1. What are Articles of Incorporation?

Articles of Incorporation identify the corporation as an association formed to manage a common interest development as well as:

- State the business or corporate office of the association
- State the name and address of the association's managing agent, if any

2. What are Bylaws?

The Bylaws establish policies and procedures that address the governance of an association and identify the types of association meetings, notice requirements and qualifications for the election of directors, including:

- Number and term of office
- Powers and duties
- Appointment of officers
- When and how meetings are held
- Quorum and voting requirements
- Appointment of committees, etc.

3. What are CC&Rs?

The Declaration of Covenants, Conditions & Restrictions (aka the “Declaration” or “CC&Rs”) describes the rights and obligations of the membership to the association and the association to the membership. CC&Rs contain restrictions to real property and generally cover the following:

- Restrictions on the use of property
- Member and association maintenance duties
- Enforcement powers
- Lender protection provisions
- Assessments obligations
- Lien/collection rights
- Duty to insure
- Dispute resolution and attorneys' fees provisions

CC&Rs are like California's constitution – only voters can amend the State's constitution and only members can amend the CC&Rs.

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4. What are Rules?

Just as legislators in Sacramento pass laws consistent with the constitution, boards may adopt operating rules consistent with the CC&Rs. An association's rules and regulations typically cover, but are certainly not limited to:

- Pets
- Parking
- Signs
- Nuisances
- Use of recreational facilities, etc.

Rules are intended to complement the CC&Rs, not contradict them.

5. What are Policies & Procedures?

Policies and procedures are an excellent way to educate and inform owners on the necessary steps for some of the following procedures:

- Architectural process
- Satellite dish installation
- Plumbing/water issues, etc.

For example, in the event of water intrusion (a very stressful situation) owners can easily reference the plumbing policy and follow the user-friendly instructions for shutting off water, contacting their insurance agent, etc.

While these five frequently asked questions are important, they only scratch the surface of an extensive educational process. One last important piece of advice—attend the meetings of the board to stay informed on decisions and issues affecting your community.



Based on an article by Brian Blackwell, CCAM