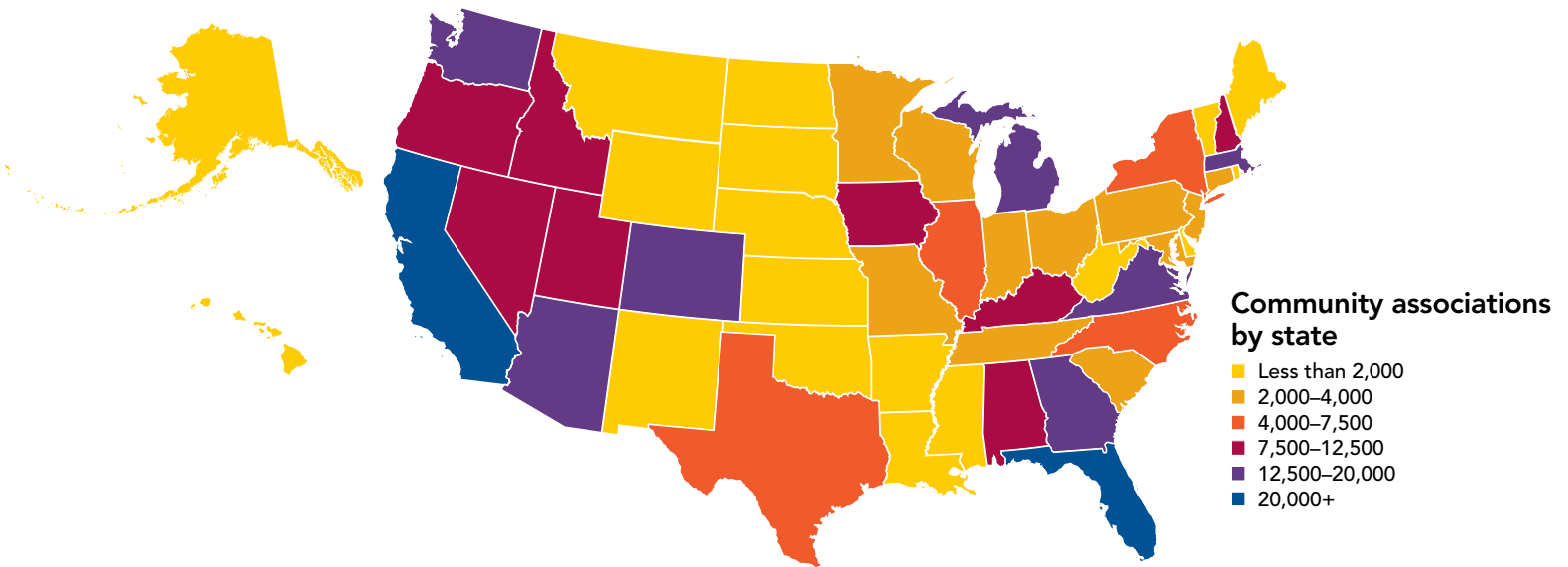


advocacy issues

2019 STATE &
FEDERAL



For the 70 million people living in America's community associations (homeowner associations, condominiums, and housing cooperatives).



COMMUNITY ASSOCIATIONS ARE RAPIDLY GROWING

Year	Community Associations	Housing Units	Residents (in millions)
1970	10,000	700,000	2.1
1980	36,000	3.6 million	9.6
1990	130,000	11.6 million	29.6
2000	222,500	17.8 million	45.2
2010	309,600	24.8 million	62.0
2017	345,000	26.6 million	70.0

AN INTRODUCTION TO COMMUNITY ASSOCIATIONS

More than 70 million people live in America's community associations (homeowner associations, condominiums, and housing cooperatives). Community associations across the country directly deliver services that were once the exclusive province of local government, including trash pickup, street paving, lighting, and snow removal. This transfer, or privatization, of services has become commonplace as the demand for housing has outpaced the ability of many local governments to provide services. Not only has privatization relieved local municipal budgets, but it has proven economically efficient for homeowners. This win-win proposition has led to the rapid growth of association-governed communities—from just 10,000 in 1970 to more than 345,000 today and is expected to become the majority form of housing in the United States by 2040.

LEGISLATION AND REGULATION

Community associations are subject to state laws that control how associations are established, governed, and managed. The state-based regulatory framework is successful in promoting healthy, vibrant communities because it is predicated on the principle of local control over land-use and real estate decisions.

CAI supports effective state regulation that ensures community association housing is developed, maintained, governed and managed with sound public policy objectives and standards that protect homeowners, volunteer board members, management, and the community association.

In addition, CAI advocates for the adoption of Uniform Common Interest Ownership Act (UCIOA). In those states where it is not possible to adopt the act in its entirety, CAI supports and recommends consideration of appropriate portions of this law.

This brochure highlights the federal and state advocacy issues CAI is watching in 2019 and beyond to protect community residents and homeowners.



U.S. COMMUNITY ASSOCIATIONS BY THE NUMBERS

345,000

Community associations in the U.S.

70 million

Residents and professionals live and work in community associations

23%

U.S. population live in community associations

85%

Residents who rate their living experience as positive (63%) or neutral (22%)

2040

The year community associations are expected to become the majority form of housing in the U.S.

COMMUNITY ASSOCIATIONS AND U.S. ECONOMIC IMPACT

\$5.88 trillion

Estimated value of real estate in community associations

\$90 billion

Value of assessments paid by community association residents to support their communities

5–6%

Higher property value of homes in community associations compared to homes not in a community association

80 million

Number of volunteer hours association leaders devoted to serving their communities

\$1.98 billion

Estimated value of volunteer time spent by homeowner board and committee members

COMMUNITY ASSOCIATIONS THRIVE

Successful community associations are governed by effective volunteer boards leading residents and municipalities to place a higher value on the community association model of housing. Homeowners and local governments value community associations because:

1. **Expanding affordable homeownership.** Homeowners and residents make decisions that affect their neighborhoods and determine community rules.
2. **Privatizing public functions, relieving municipal budgets.** Associations are created often with the expectation from the local government that they will assume many services that traditionally are provided by municipalities – road maintenance, utilities, trash pickup, and storm water management among others. This allows local governments to develop without the need to fund additional infrastructure.
3. **Homeowner benefits and control.** Homeowners and residents make decisions that affect their neighborhoods and determine community rules, which improves community satisfaction.
4. **Sharing the cost of community amenities.** Access to many of today's desired community amenities like pools, exercise rooms, and playgrounds are affordable when costs are shared.
5. **Dispute resolution.** Community associations often provide means to solve homeowner complaints within the association, without the need to involve elected officials.



COMMUNITY ASSOCIATIONS AND U.S. EMPLOYMENT

As community associations grow, employment and professional opportunities grow too.

7,000+

Community association management companies

50,000+

Professional community association managers

95,000+

Individuals employed by management companies

\$43,725–\$107,795

The average salary range of a community manager, from an assistant manager to a large-scale community association manager (1,000 homes or more). These salaries are higher than the national average salary of other U.S. workers.

85%

Percentage of community association management professionals surveyed, view their career prospects as good or very good.

our residents, your constituents

Community Associations Institute (CAI) is the leading expert in association governance.

Here's what you can do to learn more about your constituents who live in community associations, how you can support them, and how you can assist in resolving constituent concerns:

- Visit our legislator resources page at www.caionline.org/LegislatorCorner
- Learn about the community association housing model by visiting constituents in your community
- Review related community association laws in your state at www.caionline.org/StateStatutes
- Contact your local CAI chapter or CAI headquarters to learn more about the advocacy priorities for your district and state
- Encourage your constituents to contact their association's board of directors with issues or concerns

For additional resources, visit CAI's Resources for Legislators at www.caionline.org/LegislatorCorner or call (888) 224-4321 for more information.

CAI provides education and resources that benefits all community members.



About Community Associations Institute

Since 1973, Community Associations Institute (CAI) has been the leading provider of resources and information for homeowners, volunteer board leaders, professional managers, and business professionals in 346,000 homeowners associations, condominiums, and housing cooperatives in the United States and millions of communities worldwide. With more than 40,000 members, CAI works in partnership with 36 legislative action committees and 64 affiliated chapters within the U.S., Canada, South Africa, and the United Arab Emirates as well as with housing leaders in several other countries, including Australia, Spain, Saudi Arabia, and the United Kingdom.

A global nonprofit 501(c)(6) organization, CAI is the foremost authority in community association management, governance, education, and advocacy. Our mission is to inspire professionalism, effective leadership, and responsible citizenship—ideals reflected in community associations that are preferred places to call home.

Visit us at www.caionline.org and follow us on Twitter and Instagram @CAIadvocacy, and Facebook @CAISocial.



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2019 COMMUNITY ASSOCIATIONS INSTITUTE STATE ADVOCACY ISSUES

More than 70 million people live in America's community associations (homeowner associations, condominiums, and housing cooperatives). Learn about CAI's advocacy issues:

- **Warranties for New Construction:** CAI advocates for legislation and regulations strengthening protections for purchasers of new construction with laws that adequately balance the rights and responsibilities of community associations, their governing boards, homeowners, builders, and construction affiliates.
- **Dispute Resolution for Residents:** CAI advocates for communities to adopt policies that offer resolutions for disputes between individual homeowners and the association.
- **Priority Lien for Collecting Delinquent Assessments:** CAI advocates, at a minimum, for states to adopt the 2014 revised version of the Uniform Common Interest Ownership Act (UCIOA). Priority lien statutes serve to effectively preserve property values and balance the interests of homeowners in community associations and lenders, and they are the reasonable solution to abandoned property, community blight, and zombie foreclosures.
- **Community Values:** CAI advocates for legislatures and regulatory agencies to acknowledge the right of self-determination by owners who elect volunteers and have a vested interest in their communities. Communities should have the power to decide policies on issues such as vacation rentals, solar panels, electric vehicle charging stations, landscaping requirements, and more.
- **Regulation of Community Managers:** CAI advocates for industry-developed professional certifications or designation programs for community managers so they can self-regulate. If regulation is bound, CAI supports a regulatory system that incorporates protections for homeowners, mandatory education, and testing on fundamental community association management knowledge, standards of conduct, and appropriate insurance requirements.
- **Reserve Requirements:** CAI advocates for developers to transition communities with a current reserve study, budget that includes both operations and reserves and initial funding of reserves for future maintenance, repair/replacement of facilities/equipment. CAI advocates for laws that allow governing boards to determine the appropriate reserve level and method for funding long-term maintenance, repair/replacement of facilities/equipment and related disclosure.
- **HOA or Uniform Acts:** CAI advocates for the adoption of Uniform Common Interest Ownership Act (UCIOA). In those states where it is not possible to adopt the act in its entirety, CAI supports and recommends consideration of appropriate portions of this act.



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2019 COMMUNITY ASSOCIATIONS INSTITUTE FEDERAL ADVOCACY ISSUES

More than 70 million people live in America's community associations (homeowner associations, condominiums, and housing cooperatives). Learn about CAI's advocacy issues:

HOUSING POLICIES

1. **Housing finance:** CAI advocates for federal legislative and regulatory initiatives that support responsible access to fairly-priced mortgage credit for community association homeowners. Policies should promote the financial stability of community associations through robust enforcement of mortgage servicing standards and respect for state association lien priority statutes.
2. **Growth and stability of the Federal Housing Administration (FHA) condominium program:** CAI supports responsible growth of the FHA condominium unit mortgage insurance program and will advocate for administrative reform that improves creditworthy condominium homeowner and consumer access to FHA-insured mortgage credit.
3. **Affordable housing:** CAI advocates for federal financial incentives to increase responsible homeownership opportunities for consumers through the construction or rehabilitation of affordable housing units within the community association housing model. CAI will monitor the conditions of federal funding when streamlining state and local permitting requirements
4. **Fair Housing Act and assistance animals:** CAI supports legislative and regulatory action to clarify housing providers reasonable accommodation obligations concerning assistance animals. CAI supports federal guidance on actions a community association may take to ensure residents' rights are protected and diminish the impact of fraudulent or deceptive documentation used by people to avoid association animal fees and restrictions.

COMMUNITY ASSOCIATION VALUES AND OPERATIONS

1. **Disaster response and recovery:** CAI believes for all community association residents have the right to the benefit of federal disaster response, recovery and mitigation resources.
 - CAI will advocate for policy changes to qualify municipal and state government disaster debris removal activities on community association roads/waterways.
 - CAI will advocate for policy changes to allow condominium unit homeowners use of FEMA's Individuals and Households Assistance Program for repairs to critical common elements.
 - CAI will advocate for community associations and FEMA coordination to ensure community interests are reflected in the design of federal disaster mitigation grants.
2. **Federal flood insurance reform:** CAI supports reauthorization of the National Flood Insurance Program (NFIP) for a period of at least 5 years.
 - CAI will advocate to improve NFIP's financial stability, the accuracy of federal flood maps, flood mitigation resources, and competition in the flood insurance marketplace.
 - CAI will support establishment of a premium affordability credit for means-tested households, including condominiums, located in special flood hazard areas.





2019 COMMUNITY ASSOCIATIONS INSTITUTE FEDERAL ADVOCACY ISSUES CONT.

3. **Community values:** CAI strongly supports self-determination of community associations through lawful self-governance by elected community leaders and volunteers who exercise authority on behalf of all homeowners pursuant to state law and their community's covenants. CAI opposes federal legislative or administrative actions that pre-empt lawful association board authorities.
 - **Amateur radio and association architectural standards:** CAI opposes federal legislation or regulation that restricts a community association from requiring prior approval of amateur radio broadcasting infrastructure to ensure external radio towers and antennas are reasonably sized and placed, do not constitute a legitimate safety hazard, and reasonably reflect the aesthetic character of the community.
 - **Communications infrastructure development:** CAI members support the deployment of broadband wireline and wireless communications infrastructure. CAI will advocate that broadband infrastructure development involving association-owned or controlled assets be undertaken in coordination with association leadership and that no federal legislative or regulatory action be taken to impair the rights of associations by unreasonably limiting local government permitting processes or private property rights.
 - **Short-term rentals:** CAI supports the rights of community associations to establish policies governing short-term (vacation) rentals. CAI supports federal policies that protect local control over decisions to permit short-term rentals.
 - **Energy efficiency:** CAI supports the rights of community associations to establish policies concerning installation of energy efficiency technology and renewable energy sources. CAI will advocate in support of including community associations as eligible entities under federal grant or incentive programs to ensure associations that choose to participate in such programs may do so.
4. **Community financial stability:** Community association assessments are fundamental to the functioning of the association and the financial interests of all association property owners. To ensure association and household financial stability, CAI will support:
 - **Debt collection:** CAI supports provisions to the Fair Debt Collection Practices Act (FDCPA) that protect debtors from abusive practices and ensures due process while preserving the rights of private property owners to pursue delinquencies. CAI supports legislation to provide a limited exemption from the definition of "debt collector" for community association attorneys seeking to collect a bona fide debt on behalf of a client community.
 - **Post-petition assessments in Chapter 13 bankruptcy proceedings:** CAI will advocate for legislative changes to ensure post-petition assessments may not be discharged following a debtor's successful completion of a Chapter 13 payment plan.
 - **Priority lien for collection of delinquent assessments:** CAI supports efforts to preserve the Uniform Act language adopted in 21 states and the District of Columbia providing a limited priority for community association lien.
5. **Data security and breach notification:** CAI will monitor the development of federal standards for custodians of personally identifiable electronic records maintained by participants in the community association housing model. CAI supports state regulation of data security by community association and business partner operations.



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