



The Community Associations Institute: the Voice of Common- Interest Communities

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In The Beginning

- CAI founded in 1973 by ULI, HUD and NAHB
 - 10,000 associations nation-wide
 - 700,000 housing units
 - 2.1 million residents

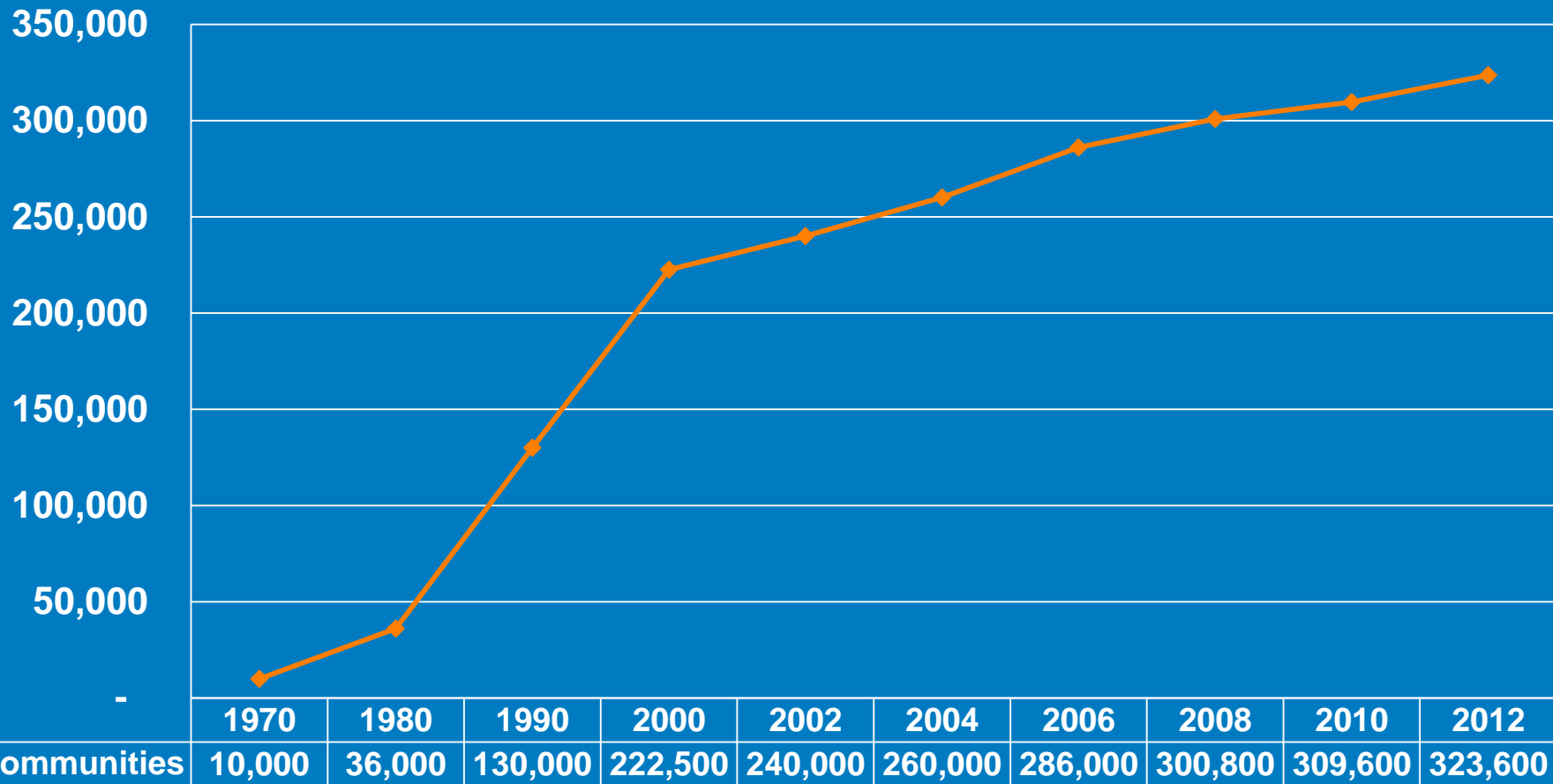
The Industry Today

- 323,00 community associations
 - Planned Communities = 55%
 - Condominiums = 40%
 - Co-ops = 5%
- 25.9 million housing units
- 63.4 million residents
- More than 2 million board and committee members serving their communities

The Industry Today

- \$4+ trillion in property value
- \$51 billion assessments collected from homeowners by associations
- 2,000 - 3,000 new communities per year
- More than 80% of new housing starts in some form of community association

MATURATION OF THE COMMUNITY ASSOCIATION HOUSING MODEL



ORIGINS OF A HOUSING MODEL

- Municipal governments mandate the incorporation of associations.
- Transfers the obligation to provide municipal services but increases municipal tax revenue.

SERVICES PROVIDED

- Regular municipal services such as trash disposal, road maintenance, and infrastructure development.
- Associations are non-profit organizations.
- Every homeowner “buys-in” to the association model, paying their share for the maintenance and operation of the association.

Community Association Governance

- Associations are the most local form of representative democracy, with leaders elected by their neighbors to govern in the best interests of all residents. Associations ensure that the collective rights and interests of homeowners are respected and preserved.

Advantages of Associations

- Associations provide services and amenities to residents while protecting property values of residents.
- Residents agree to live under established covenants designed and developed by neighbors, for neighbors.
- UCIOA Amendment – 67%

Enforcement of Covenants

- Fines for violating covenants are not intended to serve as a punishment to homeowners. They exist to enforce the legal framework of the community.
- UCIOA serves as the legal framework.
- Every state has laws that govern community associations, either through a non-profit act, horizontal property act, a uniform act, etc.

Legislative Responses

- One angry homeowner can have a devastating effect on an association when seeking a legislative fix to a problem.
- Ombudsman Programs - When laws mandate a state collect complaints, it's found typically the person filing the complaint never actually read the documents.

Solving Conflicts

- Due process is already in place – 98% of homeowners favorably rate their HOA.
- Consumer Protection Rights
- Importance of Resale Disclosure Documents

CAI's Advocacy Structure

- 35 State Legislative Action Committees (LACs)
- 1 Federal Legislative Action Committee
- State Lobbyists Assist LACs
- CAI serves as a conduit to provide best practices information to state legislators and homeowners.

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