



COLORADO

Department of
Regulatory Agencies

Division of Real Estate

Stakeholder Process to Examine Community and Homeowner Associations

1560 Broadway, Denver, CO 80202

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AGENDA

Stakeholder Meeting to Examine Community and Homeowner Associations

Meeting Topic: Strategies to promote homeowner rights and consumer protections through an evaluation of the Colorado Common Interest Ownership Act and other related acts or rules

Division of Real Estate
Department of Regulatory Agencies
Colorado State Capitol
200 E. Colfax Ave.
Room 271 (Old State Library Room)
Denver, CO 80203
Tuesday, October 8, 2019
9:00 AM to 11:00 AM

- A. Introduction
- B. Brief overview of stakeholder survey results
- C. Public testimony (Stage I)
 - a. Testimony limited only to meeting topic
 - b. Must sign up to speak
 - c. Testimony is limited to 3 minutes per person
- D. Division feedback
- E. Public Testimony (Stage II) - If time allows
 - a. Testimony limited only to meeting topic and stage I testimony
 - b. Must sign up to speak
 - c. Testimony is limited to 3 minutes per person
- F. Adjournment





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Background and Purpose

HB 19-1212: Recreate Homeowners' Association Community Manager Licensing - extended community association managers licensing program for one year.

Vetoed by Governor Polis over concerns of:

- Missing Sunset Report Recommendations;
- Only one-year extension; and
- Narrow definition that did not include HOAs.

Governor Polis issued Executive Order D 2019 006.



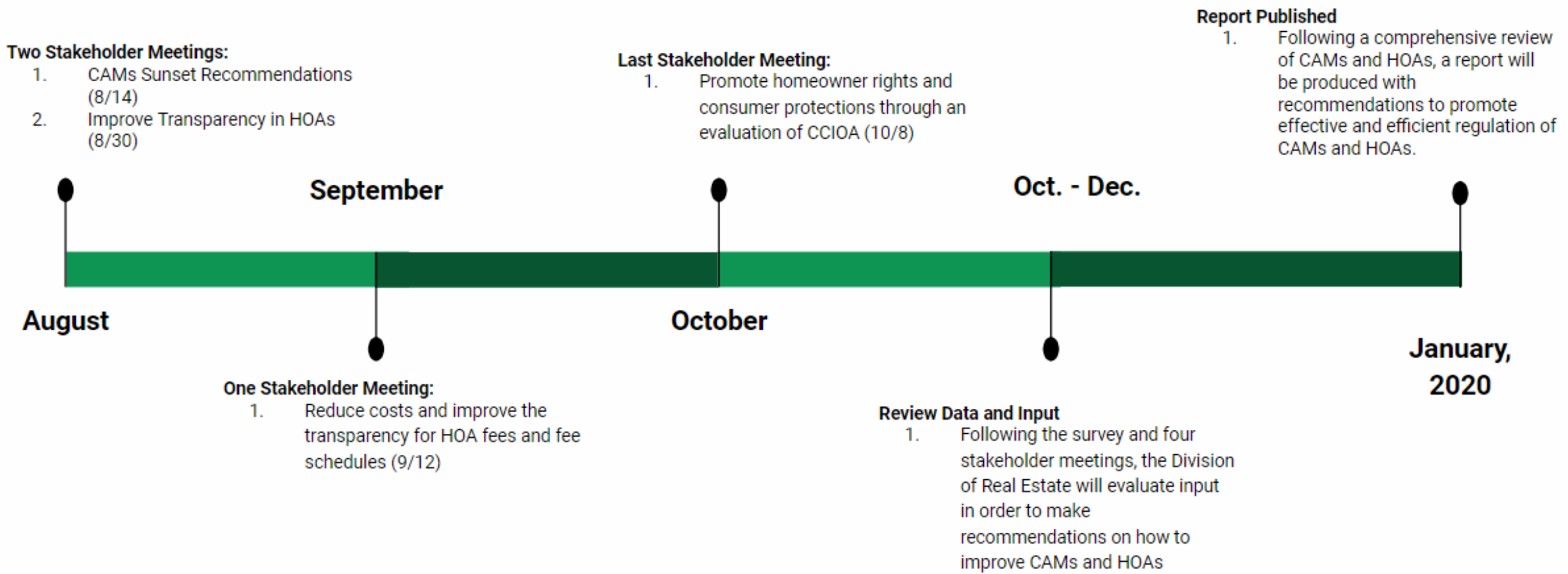
Governor Directives

Consider, develop, and make recommendations by January 1, 2020 on matters including:

- A. The licensure of CAMs, considering recommendations from the 2017 DORA sunset report, and whether licensure is needed to protect consumer safety and is cost effective;
- B. Approaches that improve transparency among HOAs;
- C. Methods to reduce costs and improve the transparency of HOA fees and fee schedules; and
- D. Strategies to promote homeowner rights and consumer protections through an evaluation of the Colorado Common Interest Ownership Act and other related acts or rules.**



Stakeholder Process Timeline





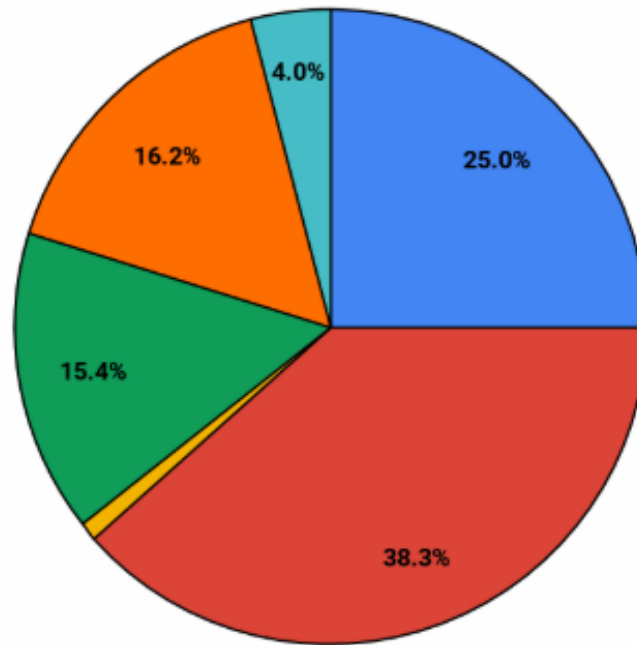
Recap: Methods to reduce costs and improve the transparency of HOA fees and fee schedules.

1. Excessive Fees or Assessments and/or not transparent fees
2. Lack of a Reserve Study or not Following the Recommendations
3. Accessible documents / HOA website
4. Out of court enforcement mechanism - Binding dispute resolution
5. Mandatory education and training for board members



519 Survey Respondents

How would you describe yourself?



- Community Association Manager
- Homeowner in an HOA
- Attorney
- Real Estate Broker
- Board Member for an HOA
- Other



Strategies to promote homeowner rights and consumer protections through an evaluation of the Colorado Common Interest Ownership Act ("CCIOA") and other related acts or rules.

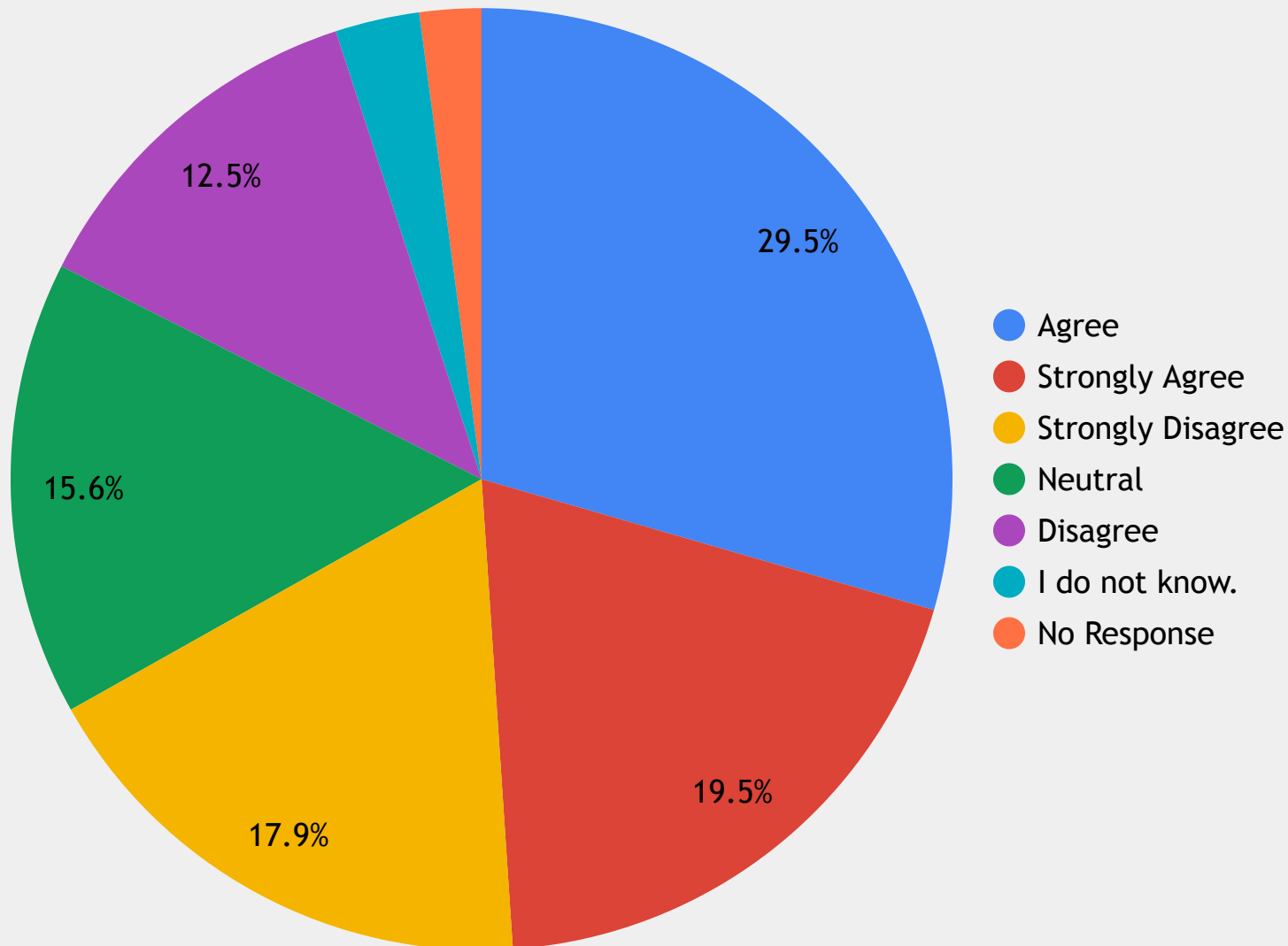


Enforcement (§38-33.3-123, C.R.S.)

Please rate your level of agreement with the following statements regarding the evaluation of CCIOA.

Enforcement (§38-33.3-123, C.R.S.)

My Common Interest Community enforces its covenants, rules and regulations in a consistent and fair manner.

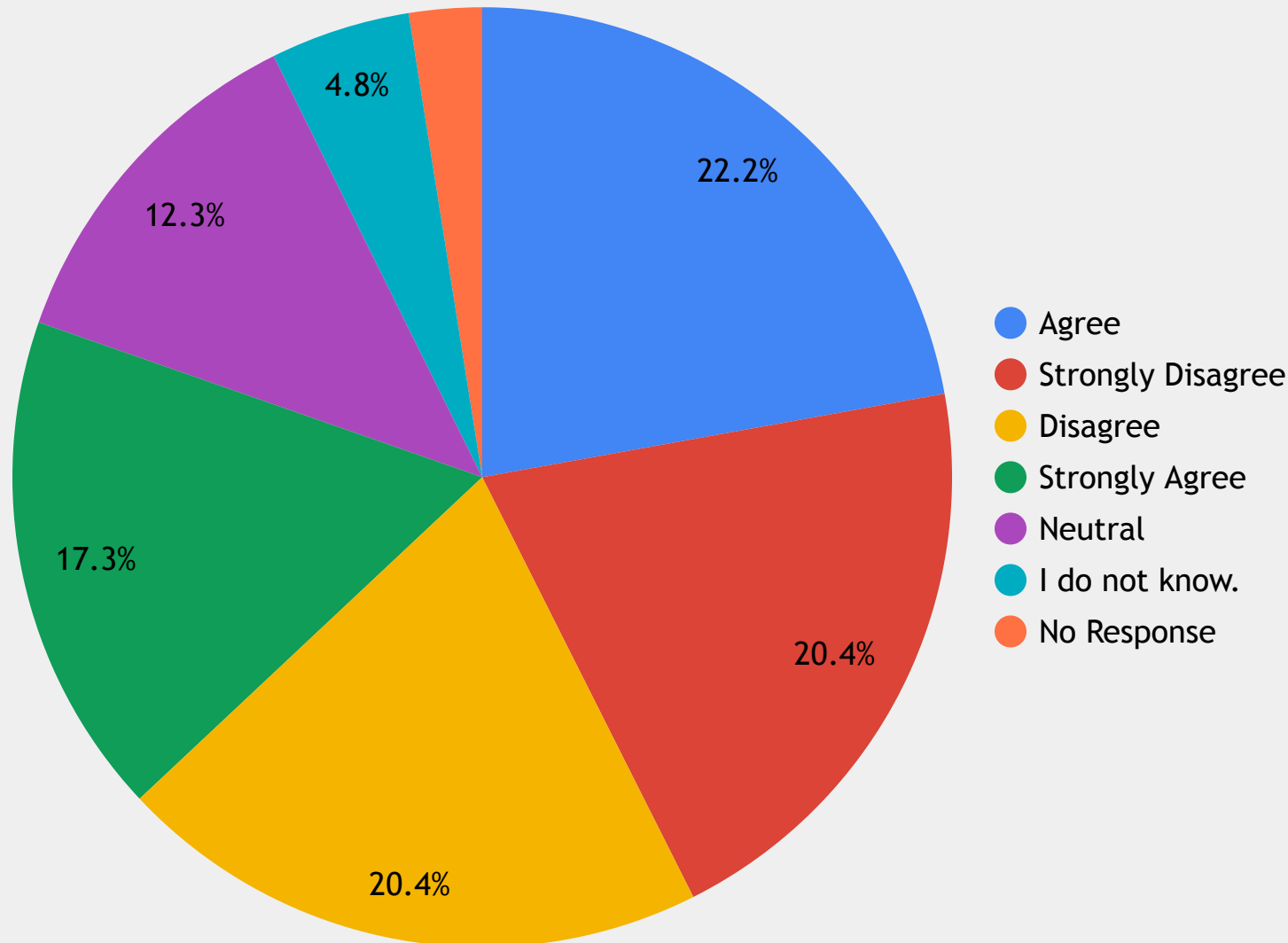


49% of Survey Respondents indicated a level of agreement with the statement.

33.5% of Survey Respondents indicated a level of disagreement with the statement.

Enforcement (§38-33.3-123, C.R.S.)

My Common Interest Community often times engages in the selective enforcement of its covenants, rules and regulations.



39.5% of Survey Respondents indicated a level of agreement with the statement.

40.8% of Survey Respondents indicated a level of disagreement with the statement.

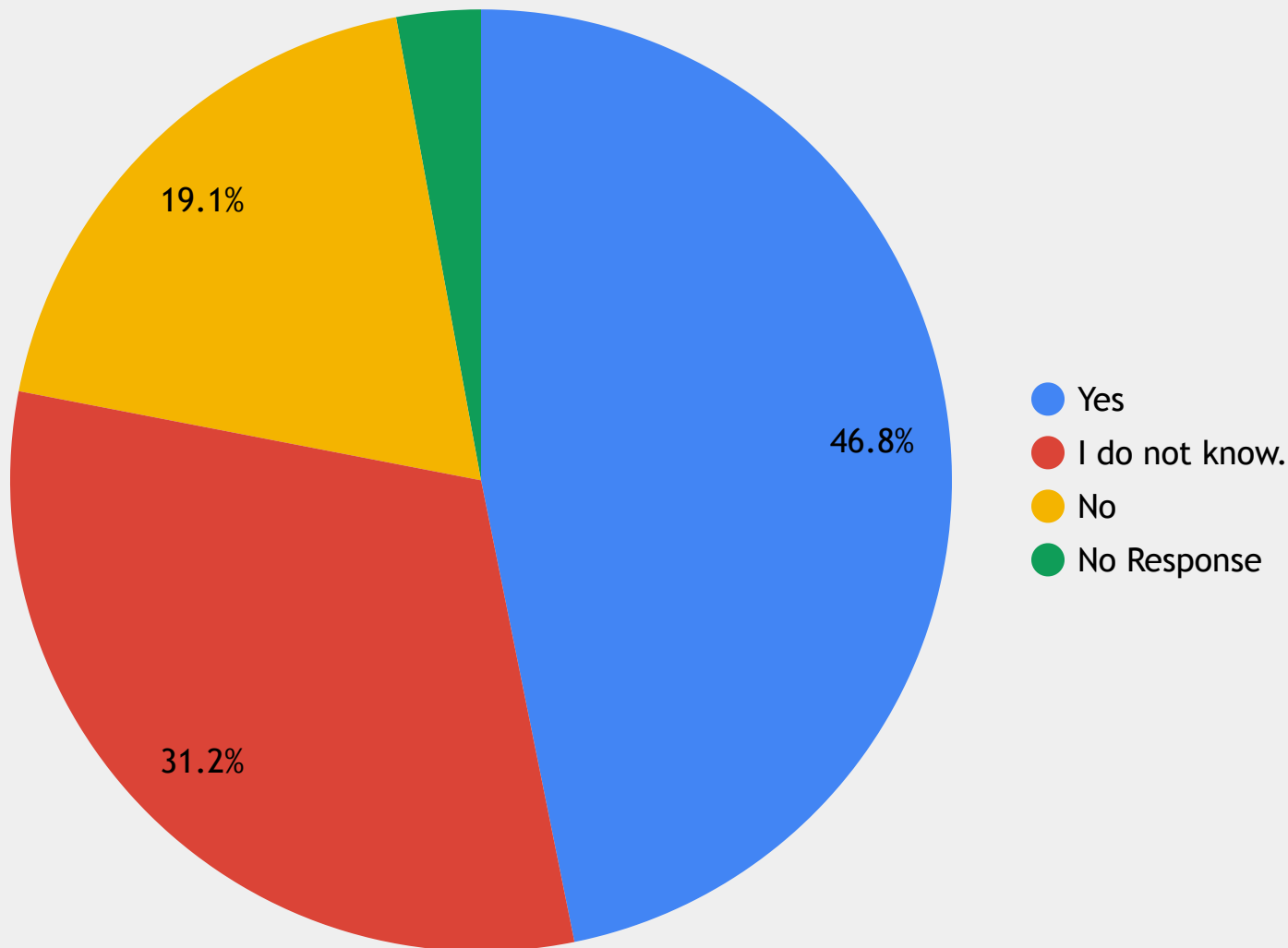


Alternative Dispute Resolution (§38-33.3-124, C.R.S.)

Please rate your level of agreement with the following statements regarding the evaluation of CCIOA.

Alternative Dispute Resolution (§38-33.3-124, C.R.S.)

My Common Interest Community has a policy for alternative dispute resolution to resolves disputes between homeowners and the association.

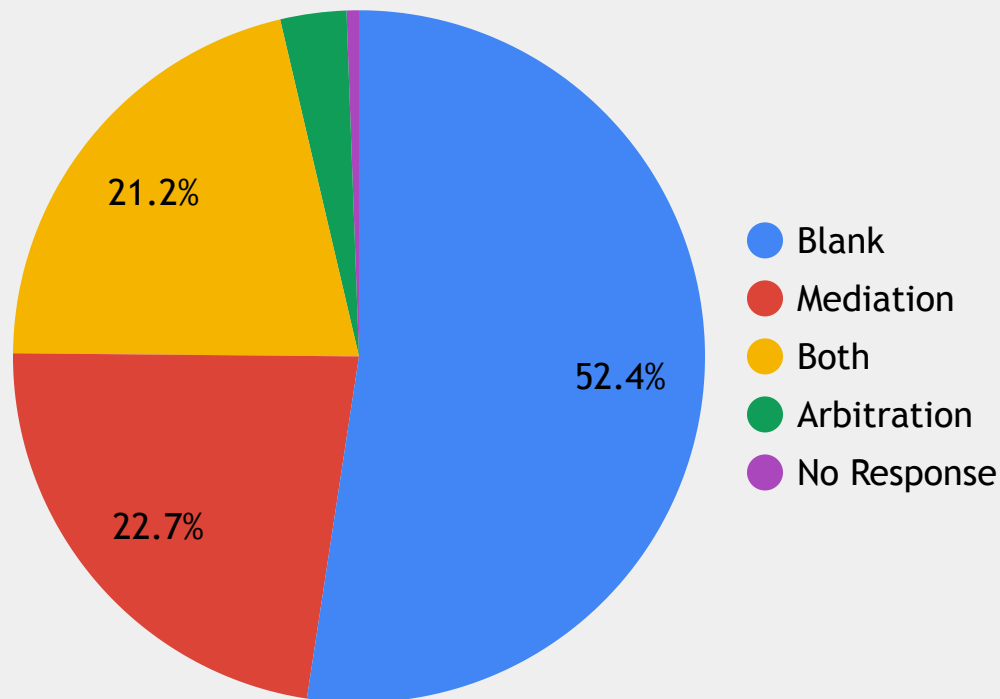


46.8% of Survey Respondents indicated a level of agreement with the statement.

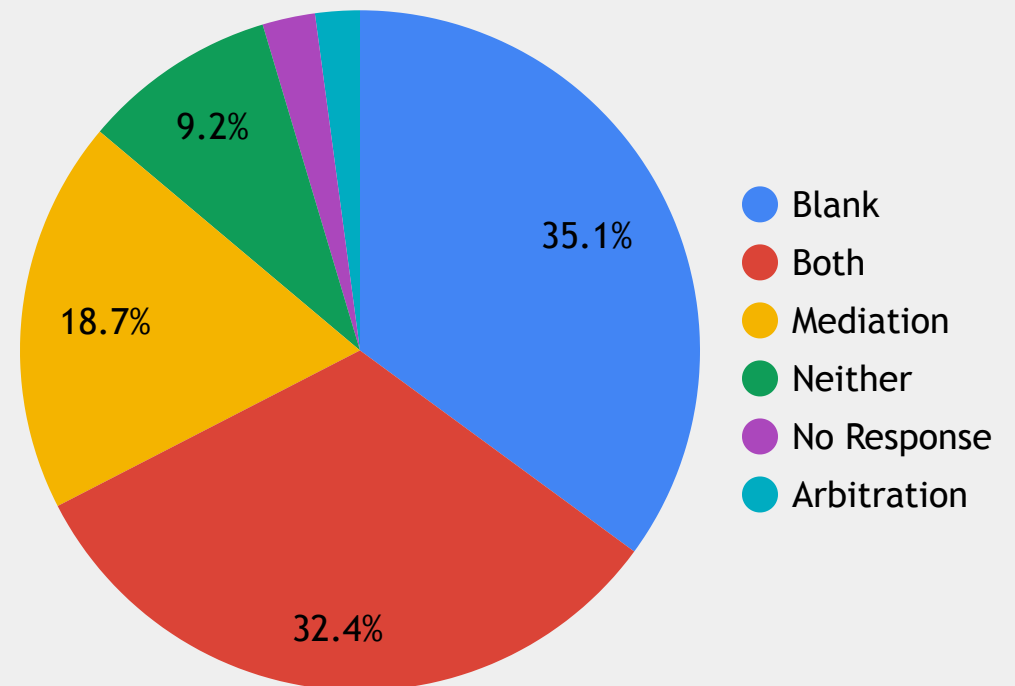
19.1% of Survey Respondents indicated a level of disagreement with the statement.

Alternative Dispute Resolution (§38-33.3-124, C.R.S.)

If you answered "yes" to the previous question, is it:



If you answered "no" or "I don't know", would you prefer your Common Interest Community to implement a policy for:



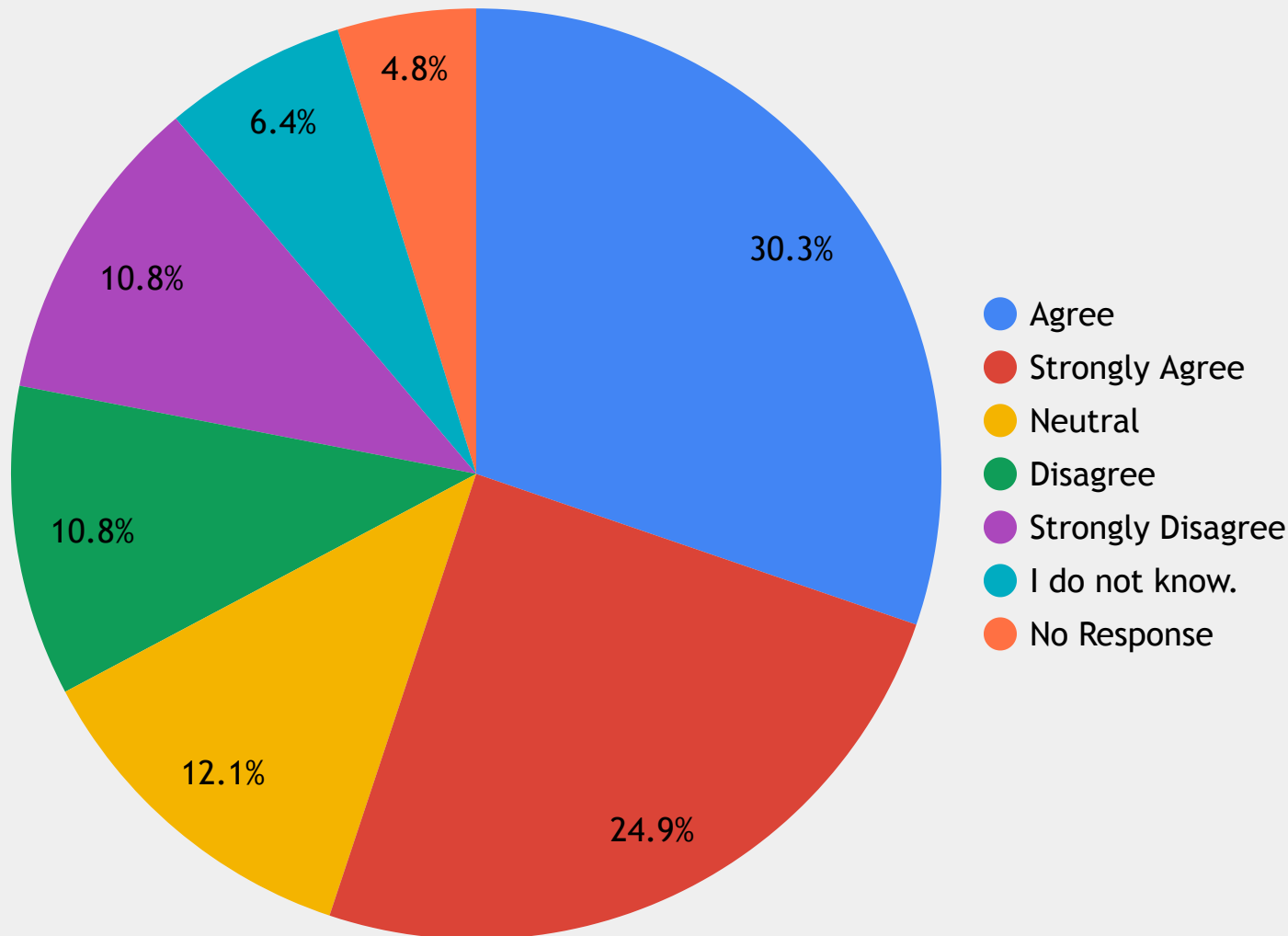


Disclosures (§38-33.3-209.4, C.R.S.)

Please rate your level of agreement with the following statements regarding the evaluation of CCIOA.

Disclosures (§38-33.3-209.4, C.R.S.)

My Common Interest Community timely provides me the required annual public disclosures.



55.2% of Survey Respondents indicated a level of agreement with the statement.

21.6% of Survey Respondents indicated a level of disagreement with the statement.

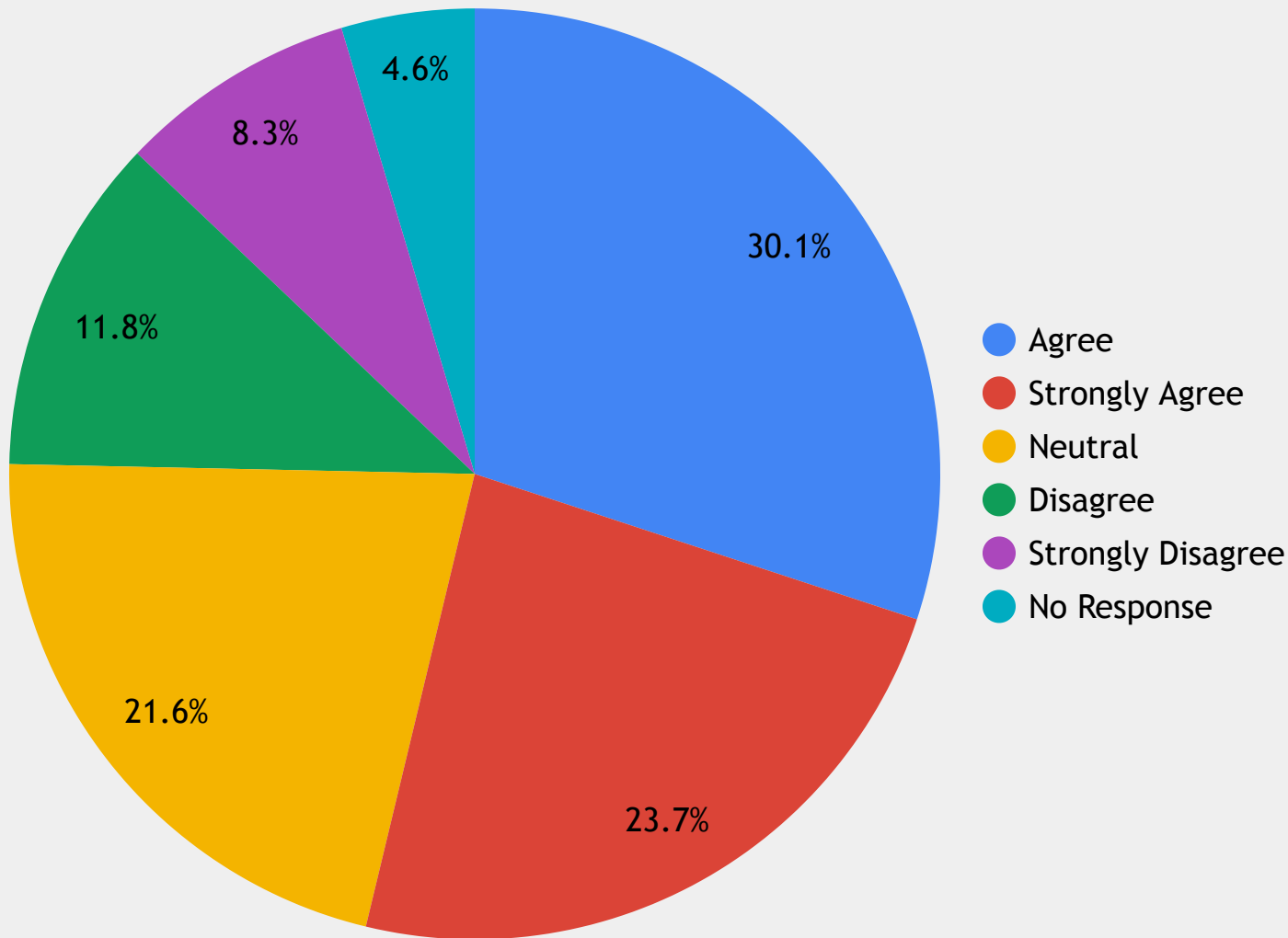


Responsible Governance Policies (§38-33.3-209.5, C.R.S.)

Please rate your level of agreement with the following statements regarding the evaluation of CCIOA.

Responsible Governance Policies (§38-33.3-209.5, C.R.S.)

My Common Interest Community's policies promote responsible governance.

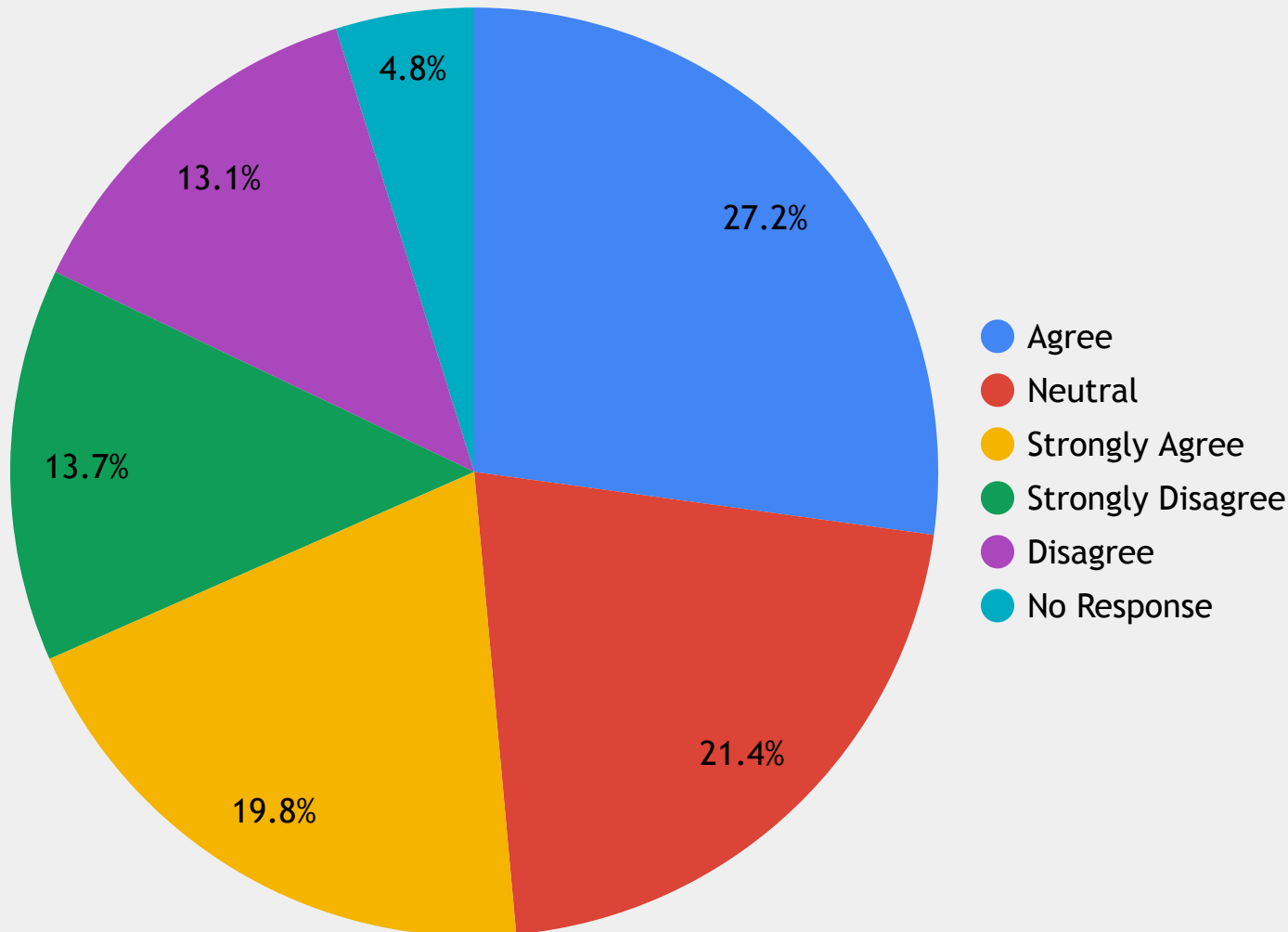


53.8% of Survey Respondents indicated a level of agreement with the statement.

20.1% of Survey Respondents indicated a level of disagreement with the statement.

Responsible Governance Policies (§38-33.3-209.5, C.R.S.)

My Common Interest Community adheres to and uniformly enforces its governance policies.



47% of Survey Respondents indicated a level of agreement with the statement.

26.8% of Survey Respondents indicated a level of disagreement with the statement.



What governance policies should your Common Interest Community adopt to better promote responsible governance?

1.	unpaid hoa fees, towing fees,
2.	there are some -- more detailed review of finances would be nice
3.	required to have up to date policy,procedures, rules/regulations
4.	parking issues, unlicensed vehicles, traffic
5.	none
6.	more homeowner involvement
7.	home owners need an out of court binding dispute resolution process managed by the State HOA Office, not mediation as that has been a failure and simply adds cost and time to dispute resolution with no guarantee of decision, empower the State Office to investigate and make enforceable decisions on violations of State law and HOA governing documents, this would cost HOAs and home owners nothing, filing fees and registration fees could be used and studies have been completed to verify this
8.	frankly, no one really understands policy governance or any other type of governance so not sure how to help this problem
9.	follow the by-laws, rules and regulations, and apply them promptly
10.	follow the Rules and Regs as stated in the governing docs. The Board is not looking out for everyone.
11.	everything needs to be enforced fairly on all and without bias.
12.	Without a Vision, mission, values, short and long term planning is difficult to manage any organization. Responsible governance starts with Board and management. However, when there are no clear goals, how can the board provide solid governance to the Association.
13.	We have policies but they are not actively used by our HOA Board.
14.	We are all volunteer and the volunteers lack the time and expertise to do some of these things well.
15.	Use of technology and access to information when not all homeowners utilize the internet. Want to make sure no one is left out.
16.	Updating and distributing New Rules & Regulations vs. just sending a letter notifying of changes(for example, changes to parking rules).
17.	Update web site quicker
18.	Update rules regularly.
19.	Uniform CSS guidelines to assist HOAs enforce their CCRs
20.	Understand what fiduciary responsibility means in spirit as well as practice.



General Themes from Open Responses

1. Follow the governing documents and apply them consistently and fairly.
2. An out of court binding dispute resolution process .
3. More Homeowner Involvement and Participation
4. Board Education and Training

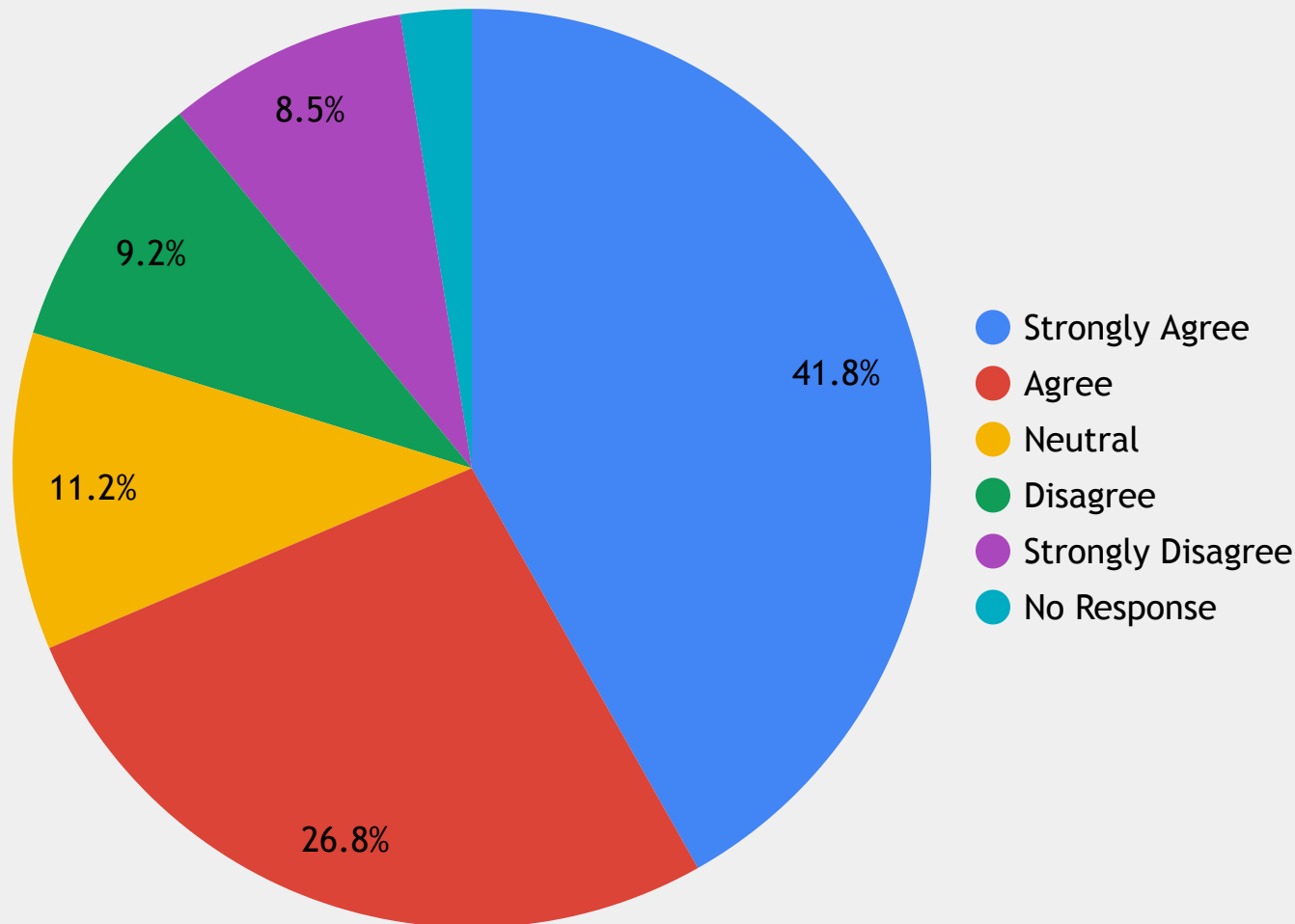


Board Member Education (§38-33.3-209.6, C.R.S.)

Please rate your level of agreement with the following statements regarding the evaluation of CCIOA.

Board Member Education (§38-33.3-209.6, C.R.S.)

Board members should be required to undertake mandatory education concerning the Colorado Common Interest Ownership Act (CCIOA) and related laws that affect the association.



68.6% of Survey Respondents indicated a level of agreement with the statement.

17.7% of Survey Respondents indicated a level of disagreement with the statement.

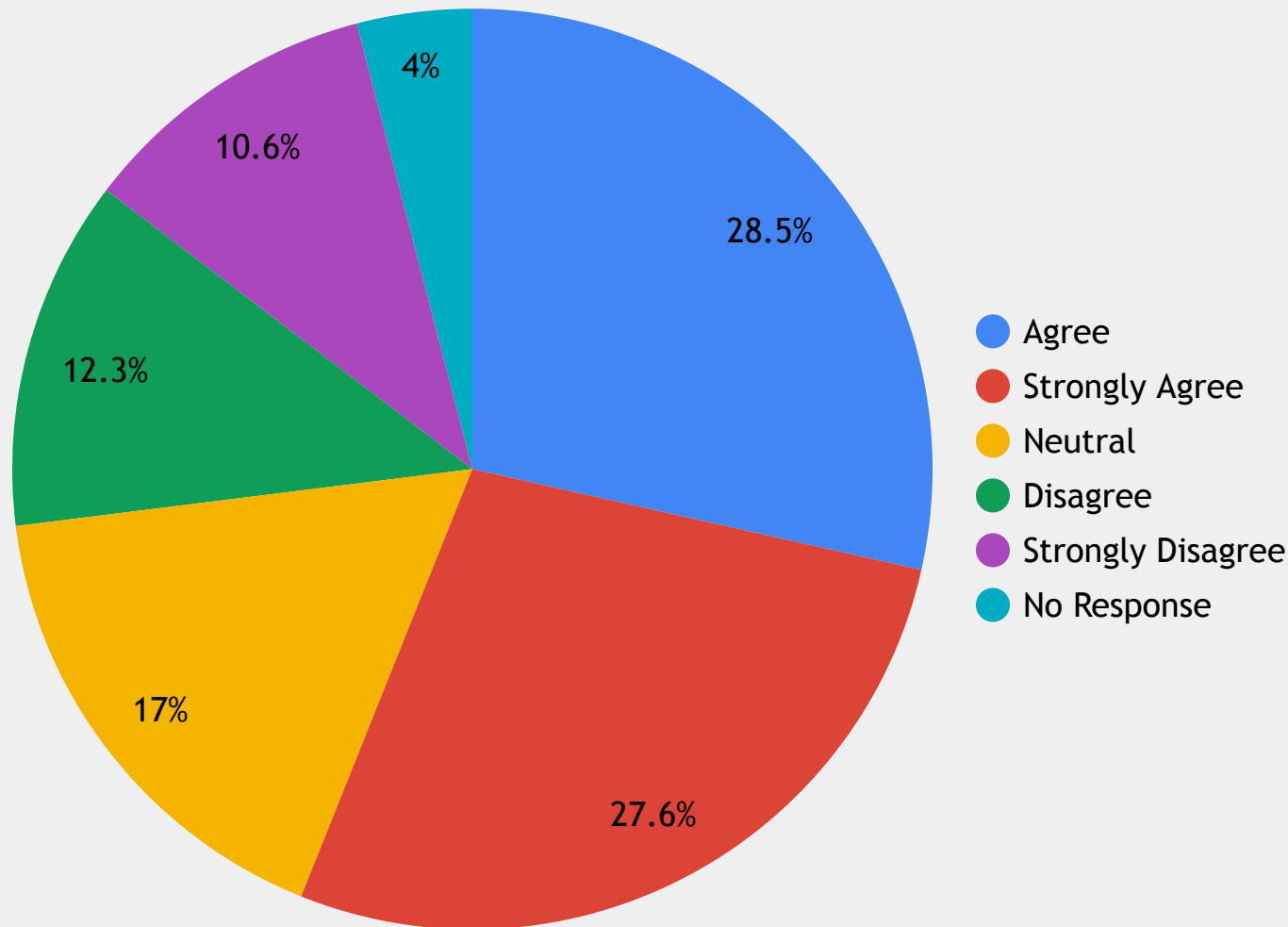


Financial Condition of the Common Interest Community (§38-33.3-303, C.R.S.)

Please rate your level of agreement with the following statements regarding the evaluation of CCIOA.

Financial Condition of the Common Interest Community (§38-33.3-303, C.R.S.)

My Common Interest Community maintains and discloses adequate information for me to understand and evaluate its financial condition.

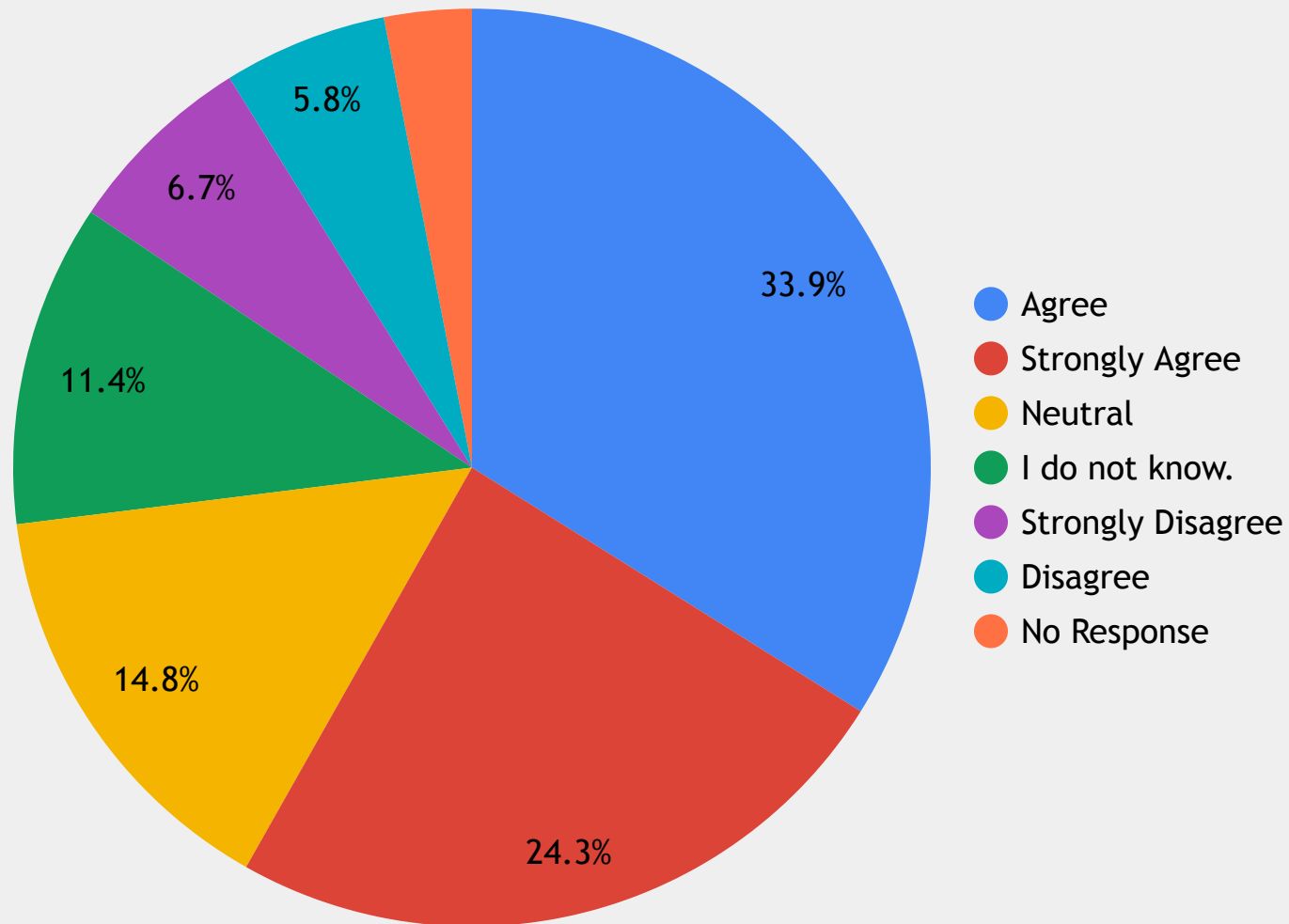


56.1% of Survey Respondents indicated a level of agreement with the statement.

22.9% of Survey Respondents indicated a level of disagreement with the statement.

Financial Condition of the Common Interest Community (§38-33.3-303, C.R.S.)

My Common Interest Community is financially stable.

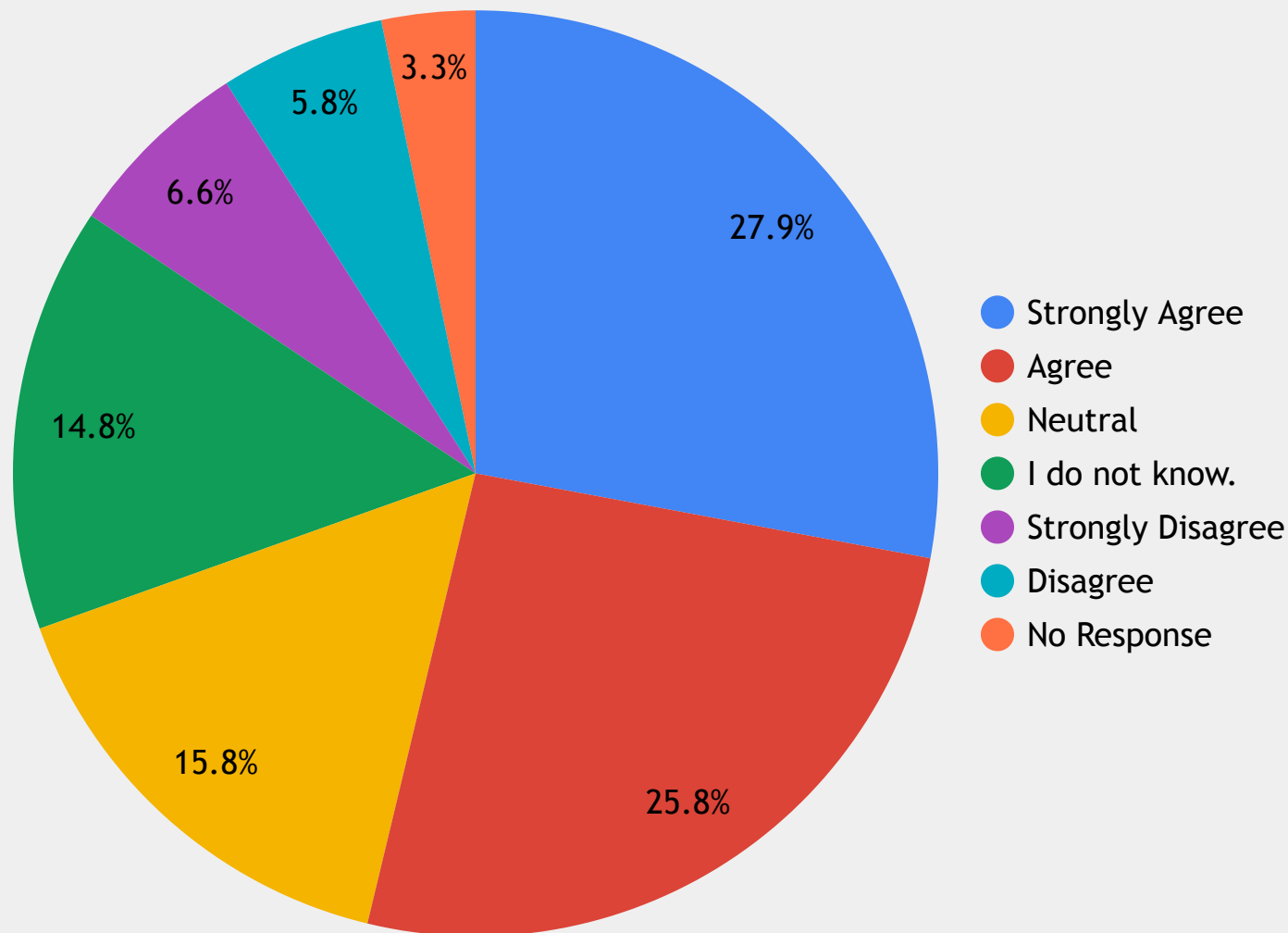


58.2% of Survey Respondents indicated a level of agreement with the statement.

12.5% of Survey Respondents indicated a level of disagreement with the statement.

Financial Condition of the Common Interest Community (§38-33.3-303, C.R.S.)

My Common Interest Community follows good accounting practices.

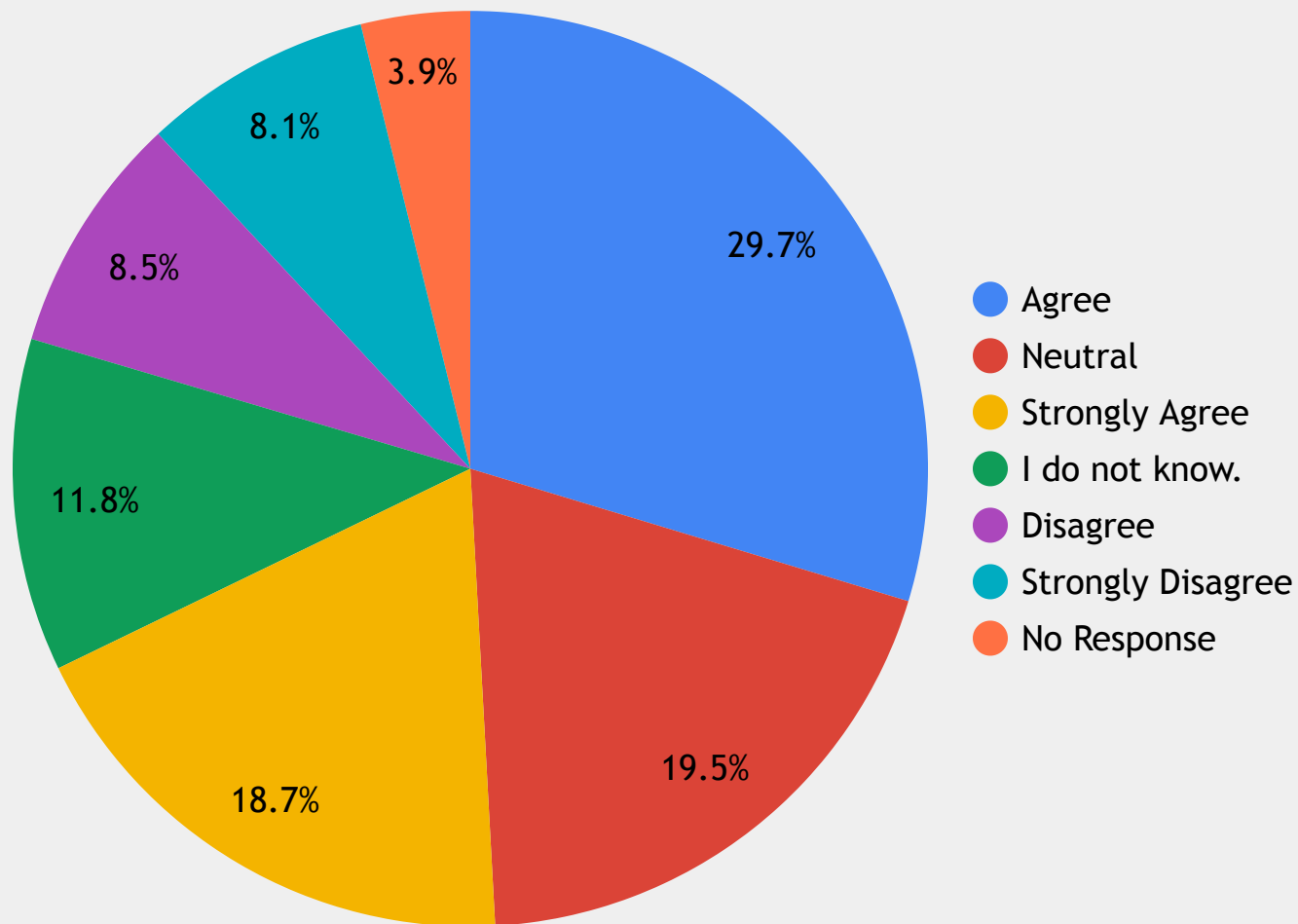


53.7% of Survey Respondents indicated a level of agreement with the statement.

12.4% of Survey Respondents indicated a level of disagreement with the statement.

Financial Condition of the Common Interest Community (§38-33.3-303, C.R.S.)

My Common Interest Community maintains an adequate amount of reserve funds.

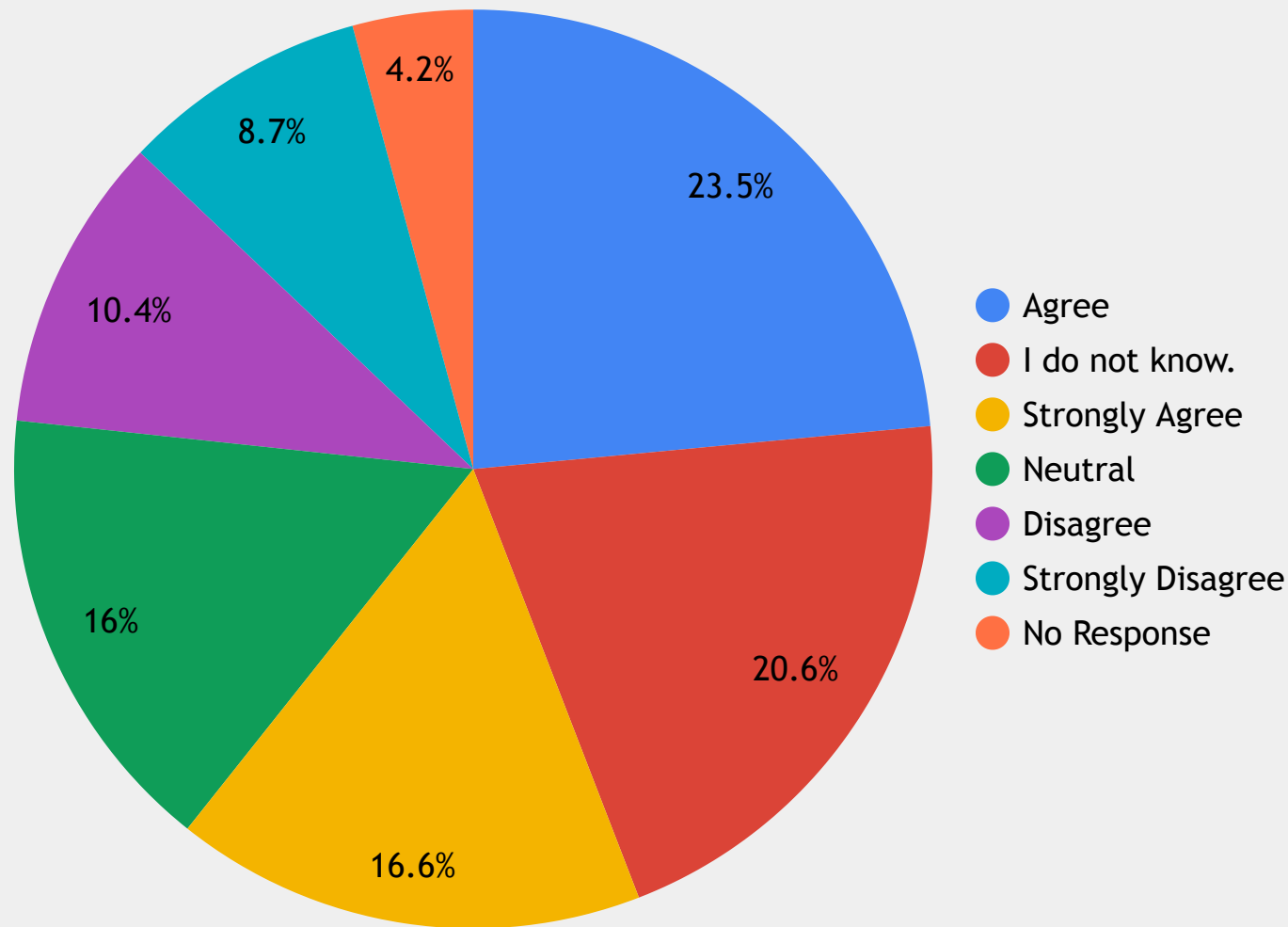


48.4% of Survey Respondents indicated a level of agreement with the statement.

16.6% of Survey Respondents indicated a level of disagreement with the statement.

Financial Condition of the Common Interest Community (§38-33.3-303, C.R.S.)

My Common Interest Community undertakes audits of its financial affairs.



40.1% of Survey Respondents indicated a level of agreement with the statement.

19.1% of Survey Respondents indicated a level of disagreement with the statement.

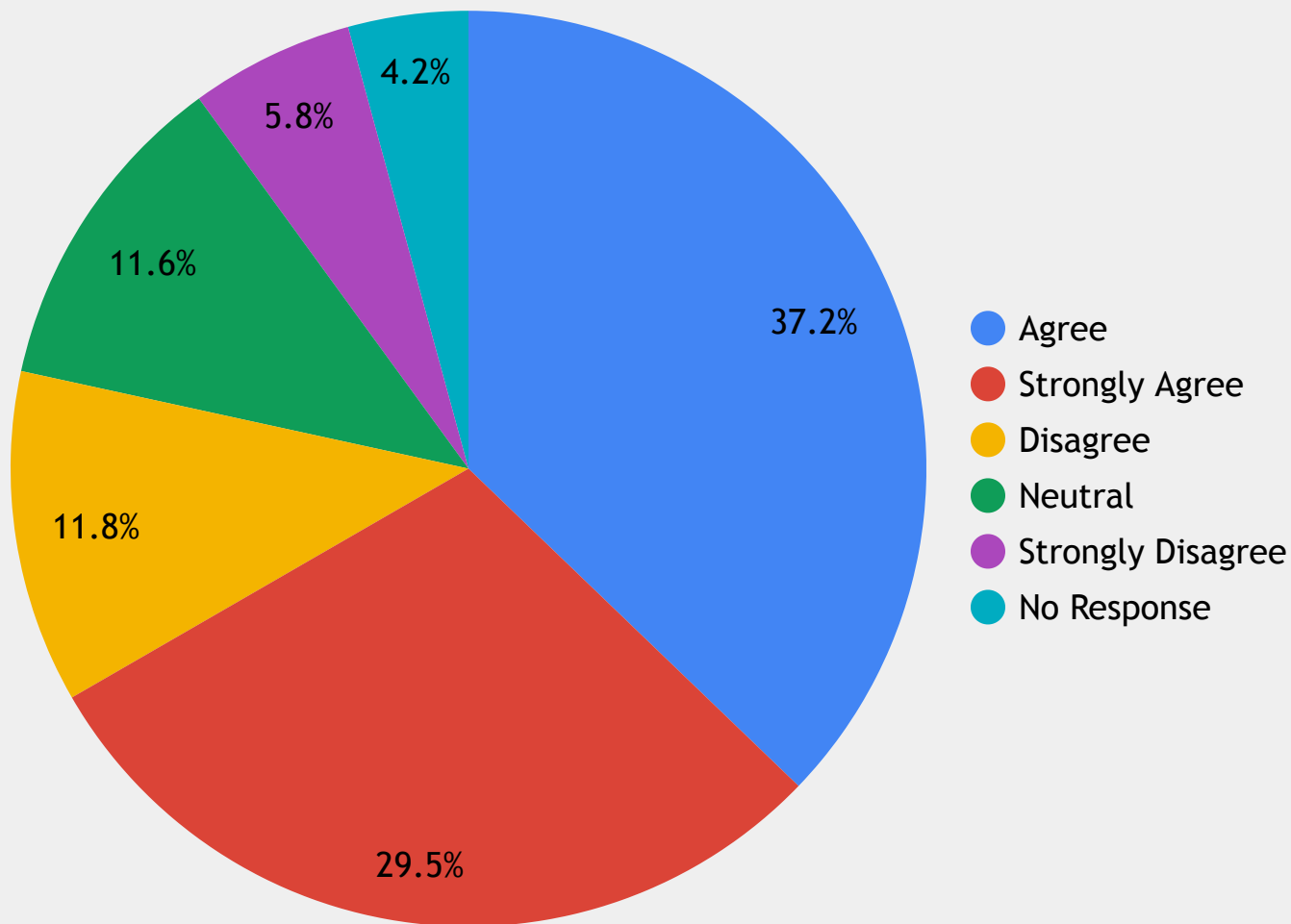


Meeting issues (§38-33.3-308, C.R.S.)

Please rate your level of agreement with the following statements regarding the evaluation of CCIOA.

Meeting issues (§38-33.3-308, C.R.S.)

My Common Interest Community provides adequate notice of any upcoming board or annual meetings.

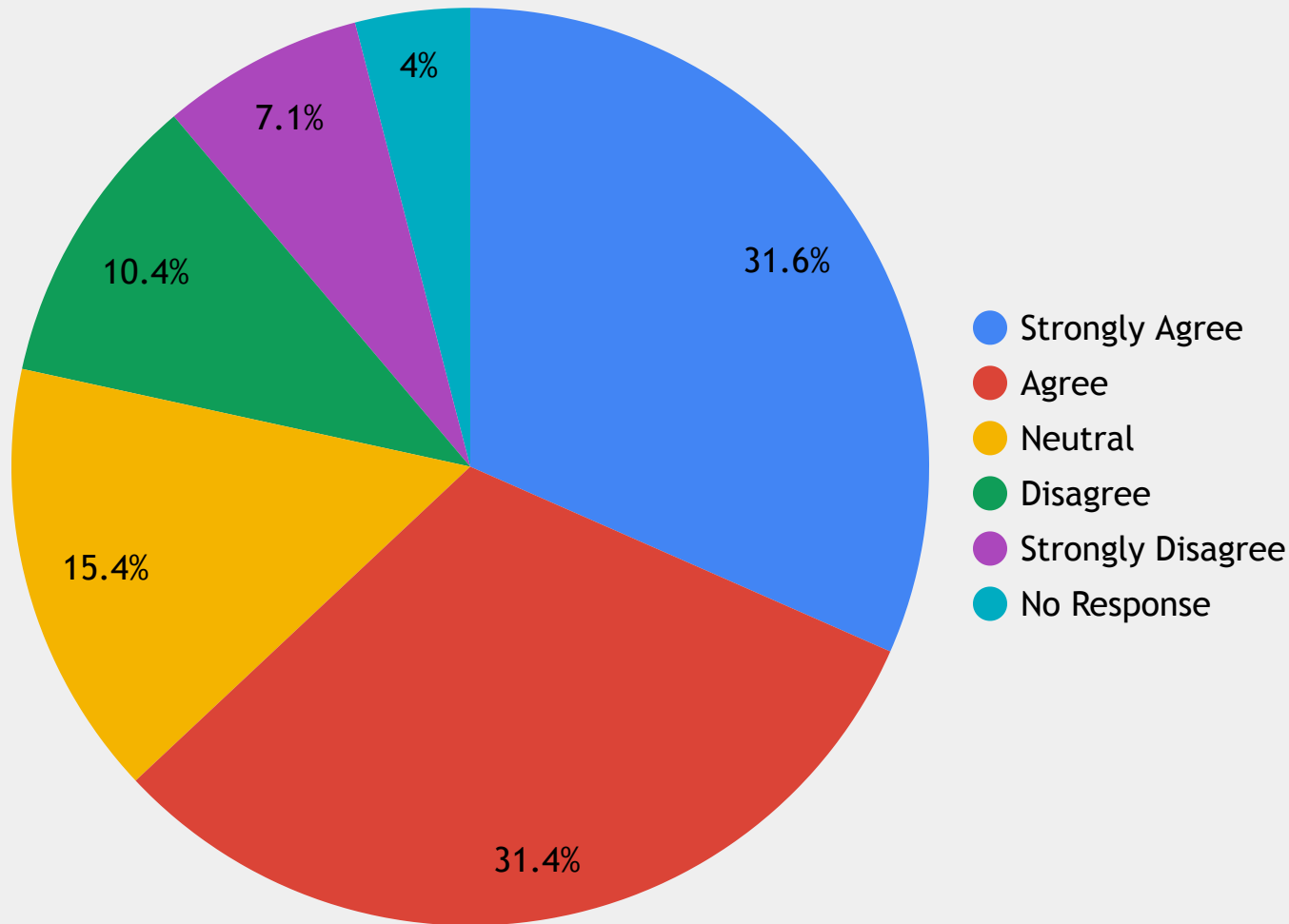


66.7% of Survey Respondents indicated a level of agreement with the statement.

17.6% of Survey Respondents indicated a level of disagreement with the statement.

Meeting issues (§38-33.3-308, C.R.S.)

My Common Interest Community conducts their regular board and annual meetings in an open and transparent manner.

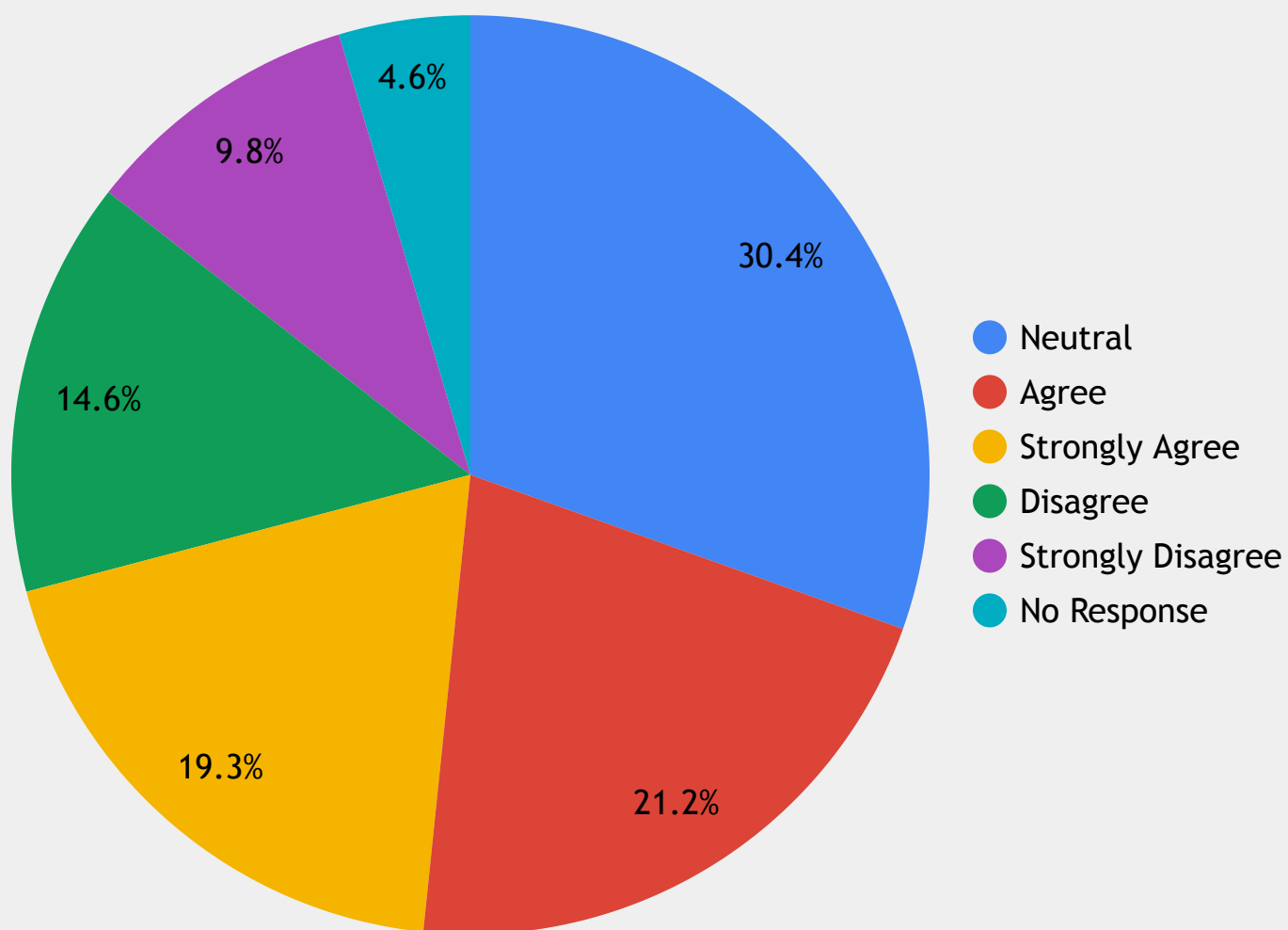


63% of Survey Respondents indicated a level of agreement with the statement.

17.5% of Survey Respondents indicated a level of disagreement with the statement.

Meeting issues (§38-33.3-308, C.R.S.)

My Common Interest Community conducts its executive/closed board meetings in an open and transparent manner.



40.5% of Survey Respondents indicated a level of agreement with the statement.

24.4% of Survey Respondents indicated a level of disagreement with the statement.



What could your Common Interest Community do better in being more transparent during regular board, executive/closed board, and annual meetings?

1.	we normally do not have closed door meetings -- monthly board meetings are open to any home owner who would like to attend.
2.	we also have monthly luncheons
3.	videotape all sessions for those who want to see the process but cannot attend
4.	there is no space here to say how they could be more transparent. They are dishonest. They are the OPPOSITE of transparent. The BOD President is dishonest, verbally abusive to some residents, especially elderly ones and charming to those younger and wealthier. He is charismatic enough to have convinced many residents he is the only one to "save" our community (which was not in danger before he arrived). There is NO transparency. When I and my friends ask for financials, we are told it will cost us \$100 or \$200 dollars just to view them for a half hour in a closed room with the BOD President present.
5.	post dates and locations
6.	on line voting
7.	nothing
8.	no changes as we just started with an aggressive program of transparency
9.	more homeowner involvement
10.	have not seen any notices for monthly meetings posted or on website.any records on websitr are old
11.	get a better management company, one that isn't also trying to sell real estate as a primary income stream AND has more than one community manager and one office employee that aren't related.
12.	executive/closed board meeting only Human Resource and some not all legal issues should be held private. Otherwise everything else should be open to the stakeholders. Stakeholders should have access to full information regarding legal issues were there is financial risk involved for the Association.
13.	everything
14.	email minutes and documents to homeowners after meetings
15.	do away with the "executive/closed board meeting" Everything should be open
16.	better scheduling - these are often held during work hours when most cannot attend
17.	Your last question was silly. Executive/closed meetings are not open and transparent. Because they can't be! DOINK!
18.	Yes
19.	With regard to Exec/Closed meetings, they should disclose the general issues/topics and let us know when they have been resolved and how they were resolved.



General Themes from Open Responses

1. Better Notice of Meetings
2. Posting online minutes or distributing them in a timely manner
3. Better Communication - Website, webcast of meetings, advise the community of changes or decisions, allow for more homeowner input
4. Disclose the topic being discussed in executive or closed sessions

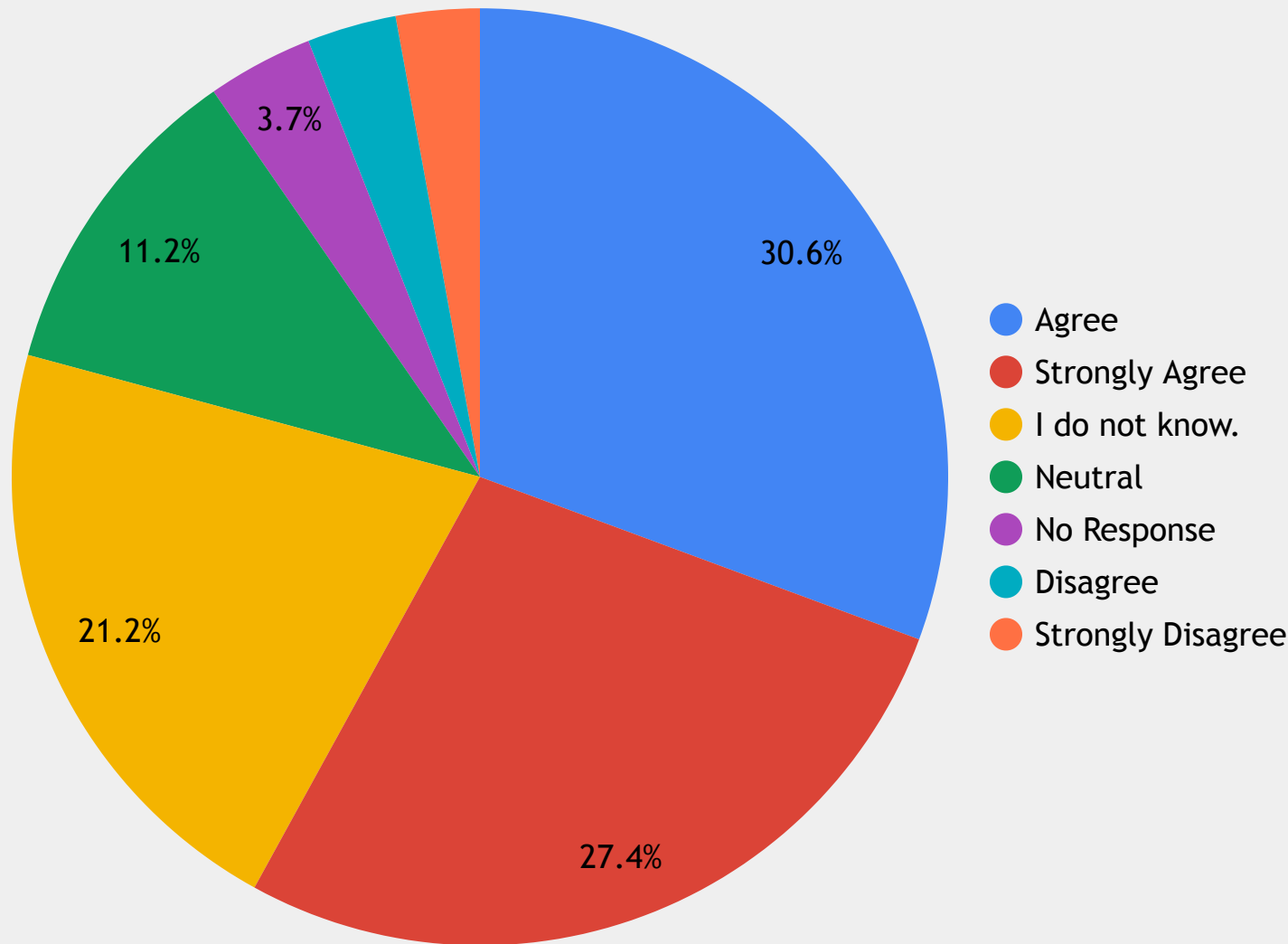


Insurance Requirements (§38-33.3-313, C.R.S.)

Please rate your level of agreement with the following statements regarding the evaluation of CCIOA.

Insurance Requirements (§38-33.3-313, C.R.S.)

My Common Interest Community maintains adequate insurance coverage for its protection and that of its members.



58% of Survey Respondents indicated a level of agreement with the statement.

6% of Survey Respondents indicated a level of disagreement with the statement.

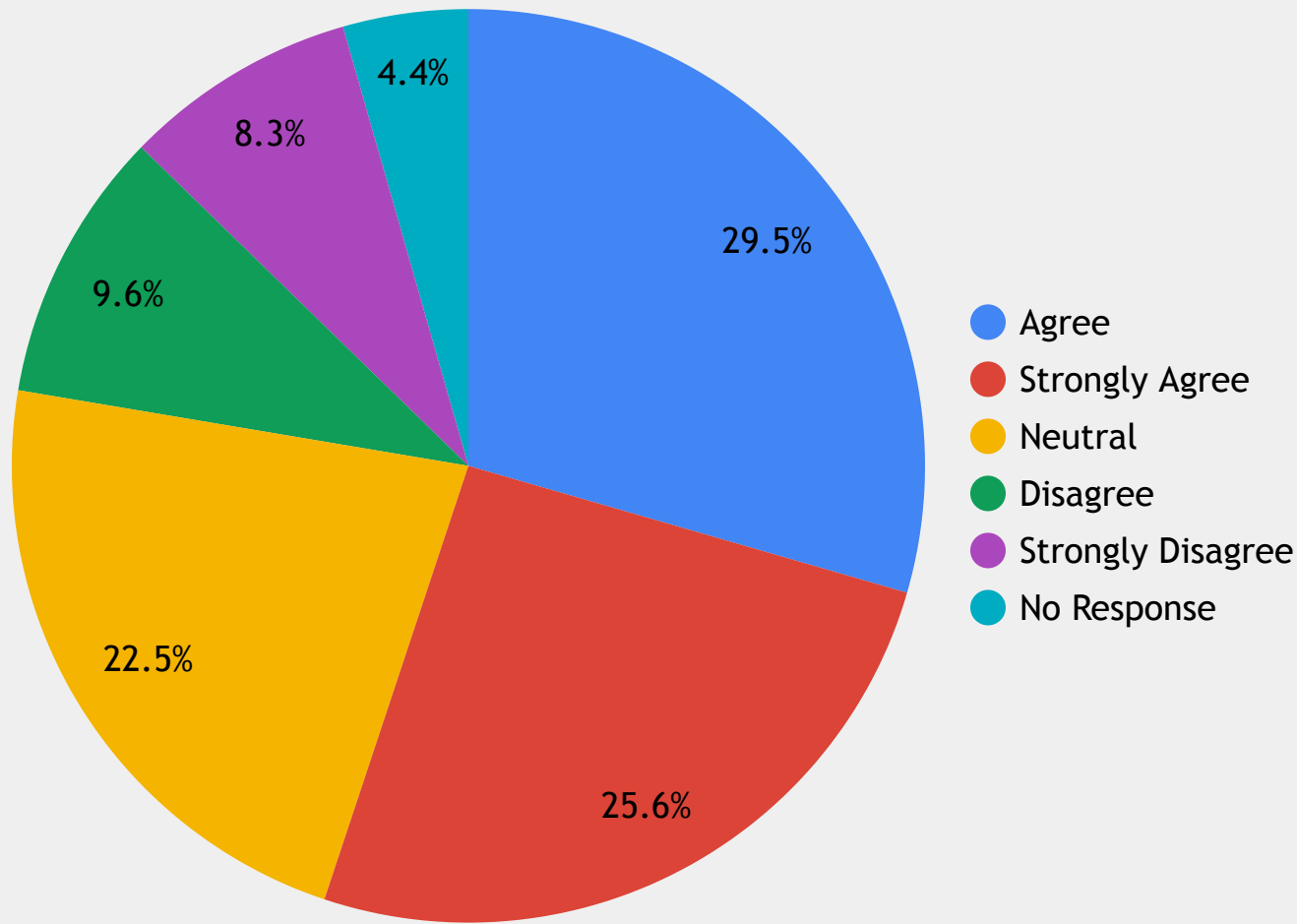


Assessments, Liens & Collection (\$38.33.3-315, 316 and 316.3, C.R.S.)

Please rate your level of agreement with the following statements regarding the evaluation of CCIOA.

Assessments, Liens & Collection (§38.33.3-315, 316 and 316.3, C.R.S.)

My Common Interest Community properly sets annual assessments based on an accurate budgetary analysis.

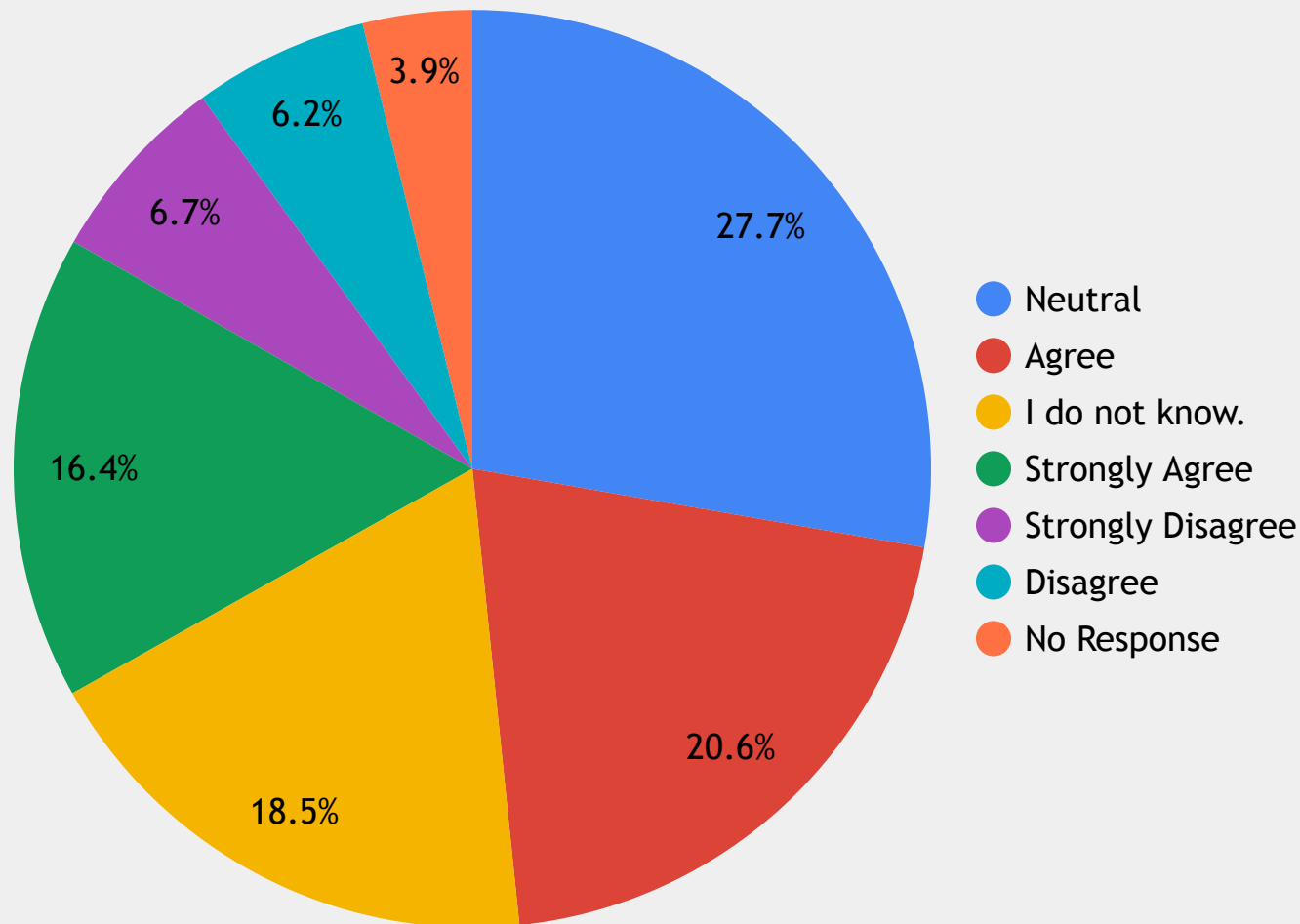


55.1% of Survey Respondents indicated a level of agreement with the statement.

17.9% of Survey Respondents indicated a level of disagreement with the statement.

Assessments, Liens & Collection (§38.33.3-315, 316 and 316.3, C.R.S.)

My Common Interest Community properly adopts special assessments.

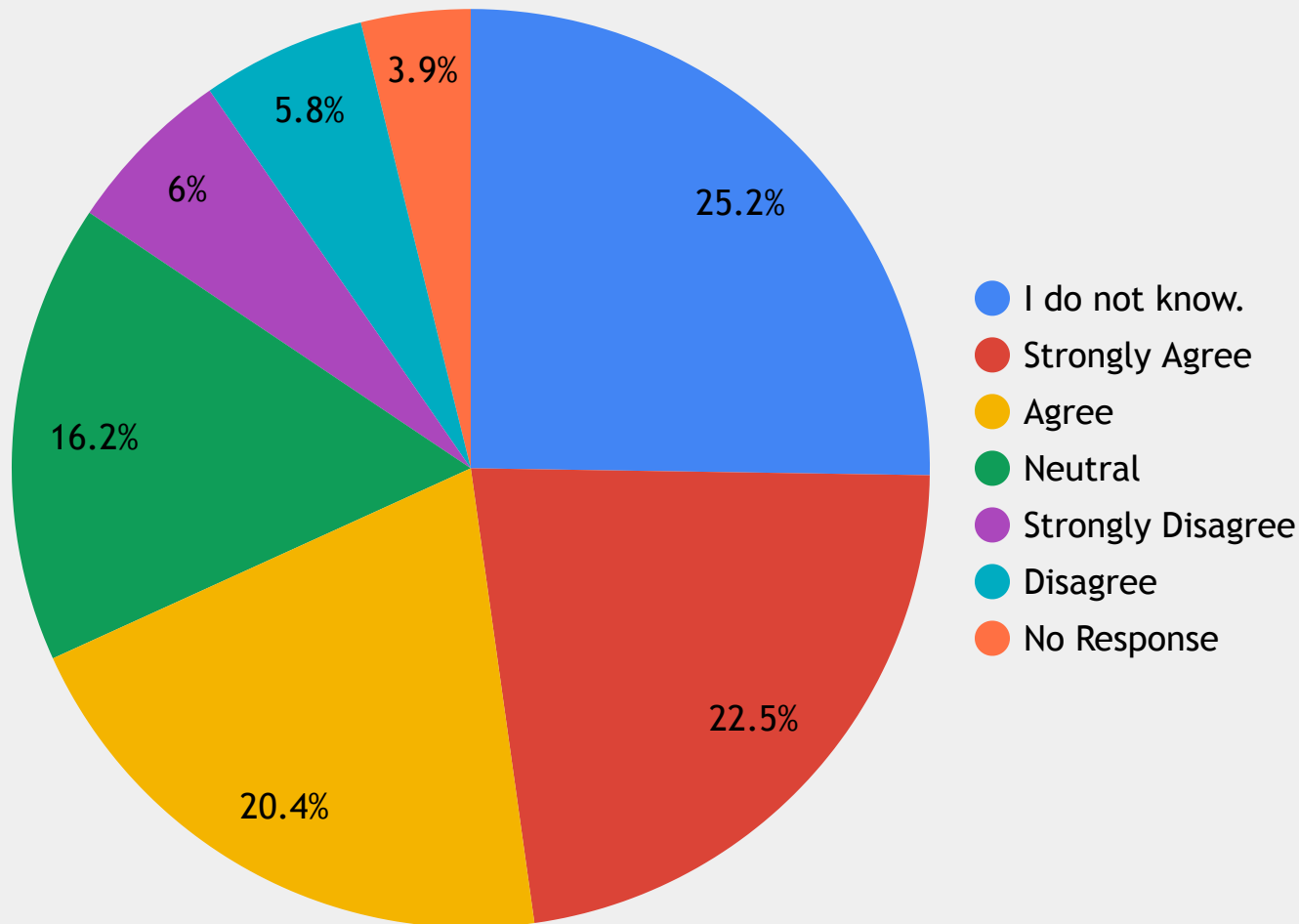


37% of Survey Respondents indicated a level of agreement with the statement.

12.9% of Survey Respondents indicated a level of disagreement with the statement.

Assessments, Liens & Collection (§38.33.3-315, 316 and 316.3, C.R.S.)

My Common Interest Community utilizes its lien and collection practices in a consistent and fair manner.



42.9% of Survey Respondents indicated a level of agreement with the statement.

11.8% of Survey Respondents indicated a level of disagreement with the statement.

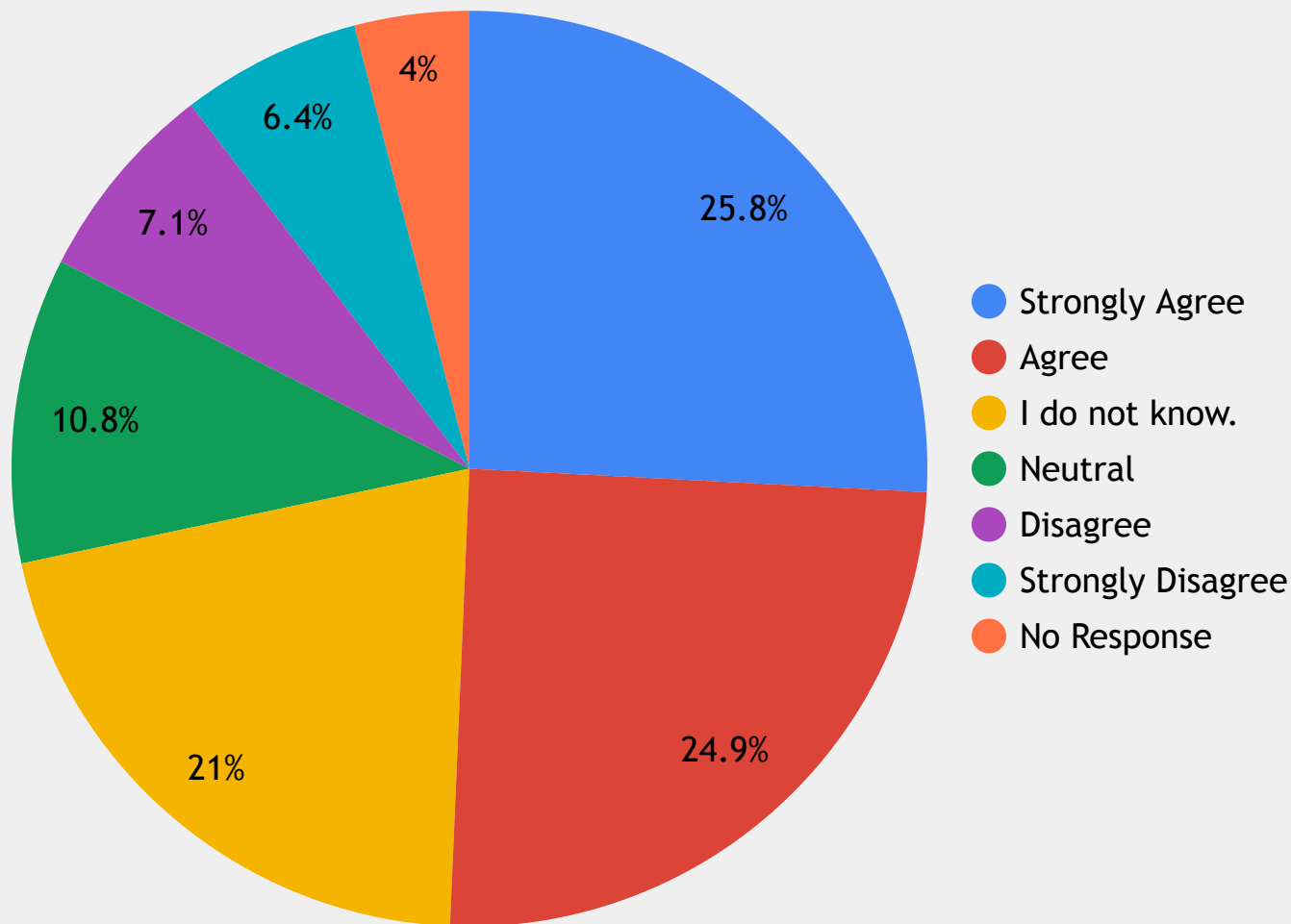


Disclosure and Production of Records (§38-33.3-317, C.R.S.)

Please rate your level of agreement with the following statements regarding the evaluation of CCIOA.

Disclosure and Production of Records (§38-33.3-317, C.R.S.)

My Common Interest Community properly maintains its records.

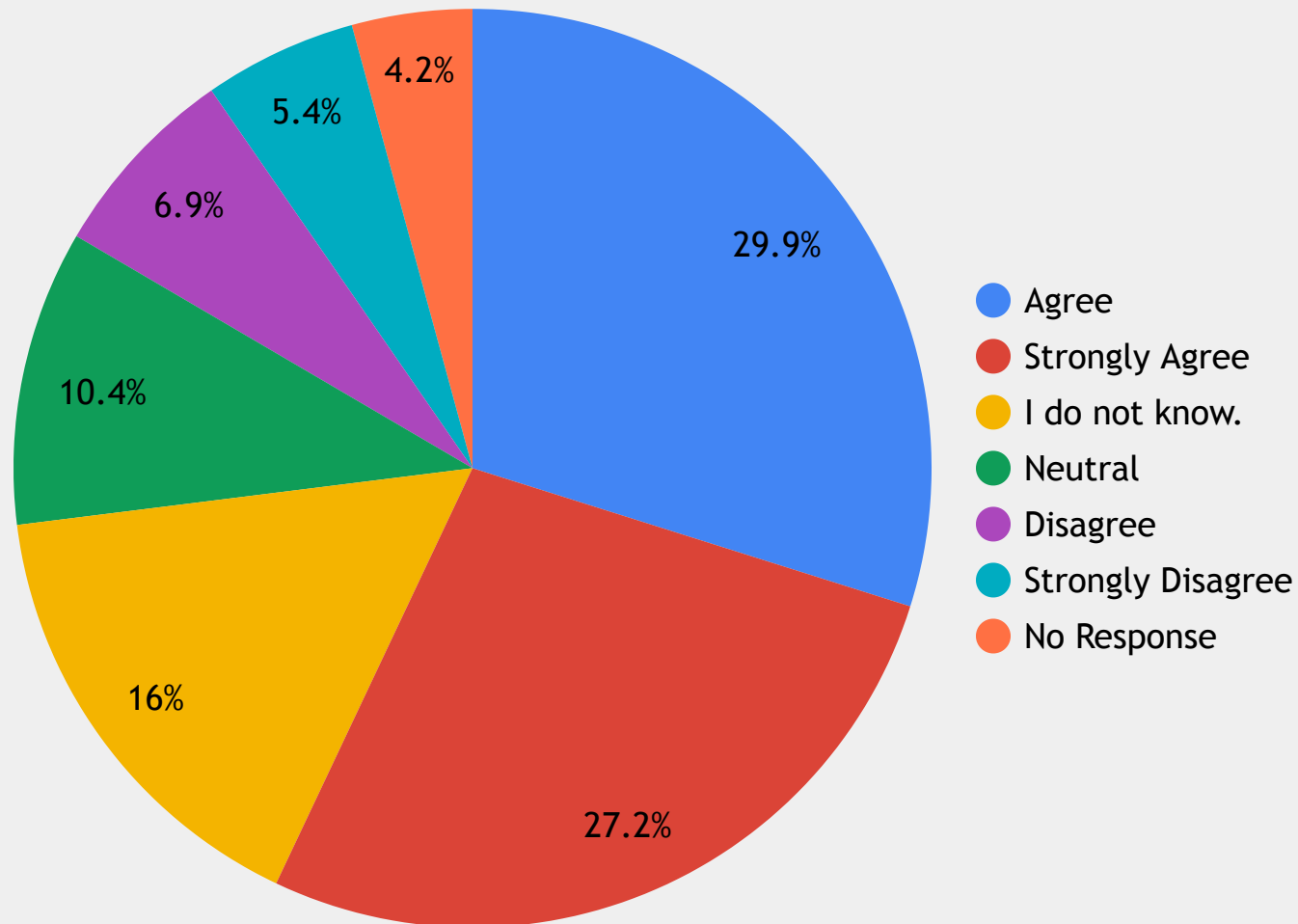


50.7% of Survey Respondents indicated a level of agreement with the statement.

13.5% of Survey Respondents indicated a level of disagreement with the statement.

Disclosure and Production of Records (§38-33.3-317, C.R.S.)

My Common Interest Community makes available to unit owners the examination or copying of its records.

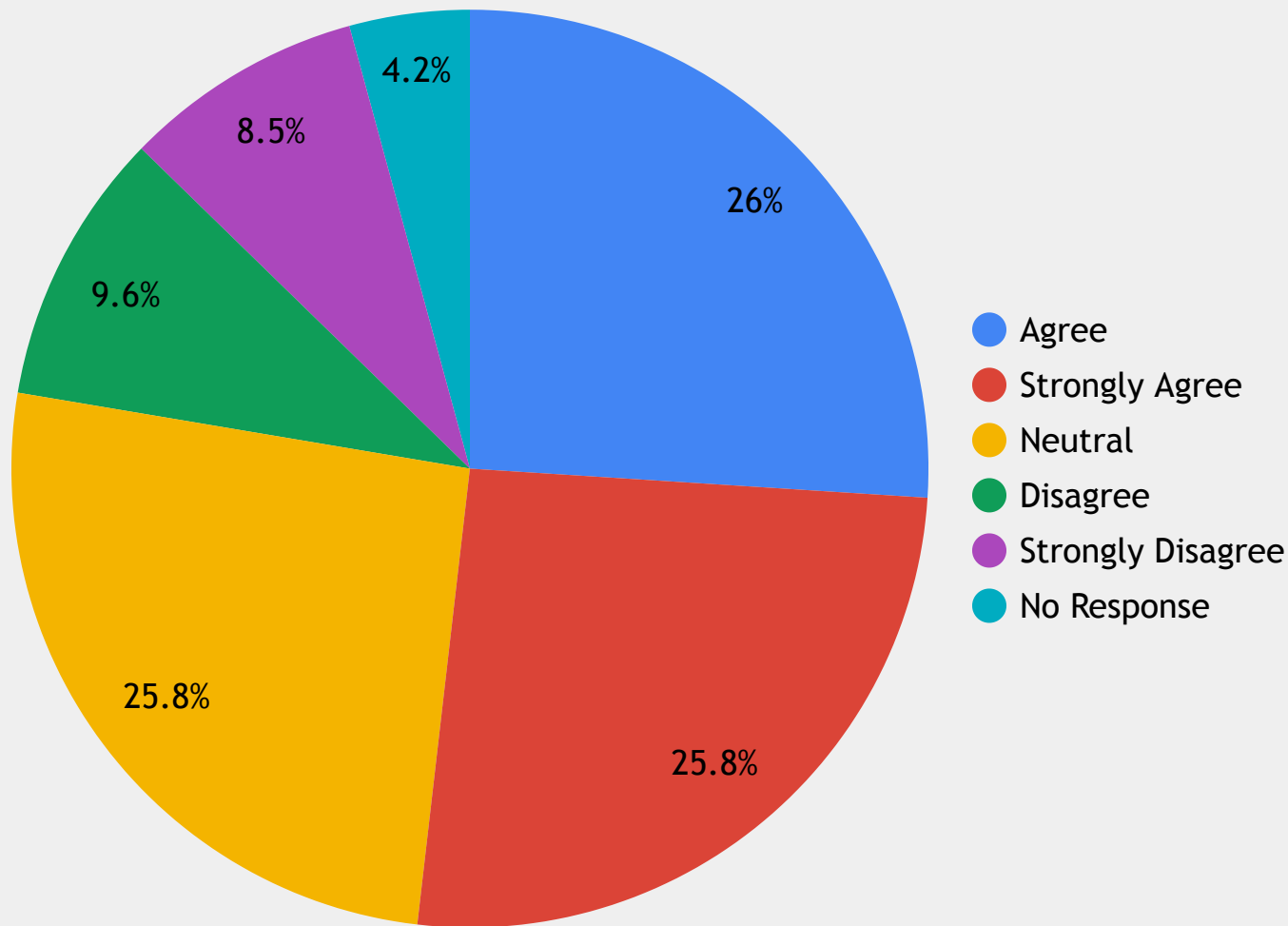


57.1% of Survey Respondents indicated a level of agreement with the statement.

12.3% of Survey Respondents indicated a level of disagreement with the statement.

Disclosure and Production of Records (§38-33.3-317, C.R.S.)

My Common Interest Community provides requested documents to unit owners in a timely manner.

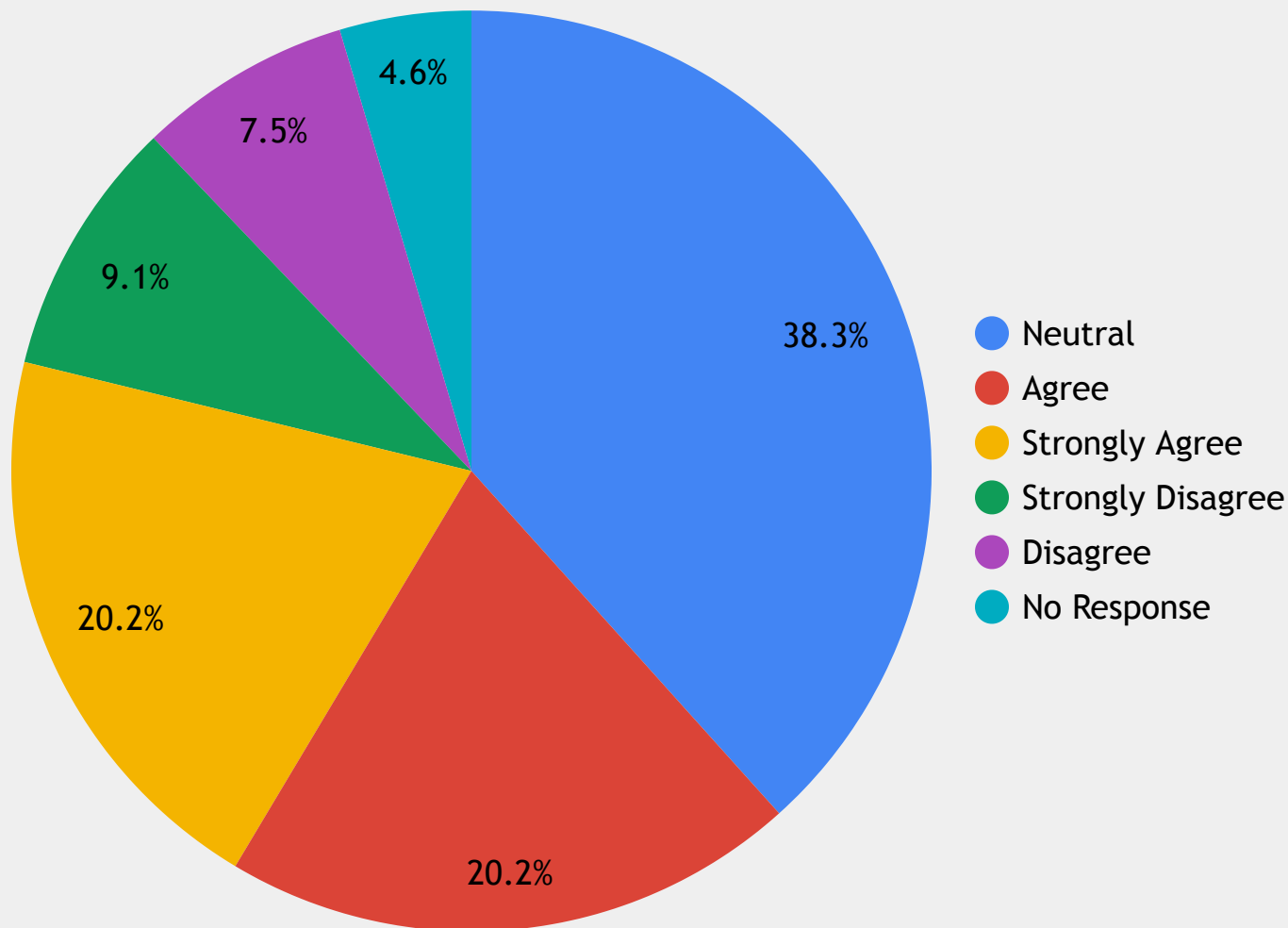


51.8% of Survey Respondents indicated a level of agreement with the statement.

18.1% of Survey Respondents indicated a level of disagreement with the statement.

Disclosure and Production of Records (§38-33.3-317, C.R.S.)

My Common Interest Community charges a reasonable fee for the examination or copying of its records.



40.4% of Survey Respondents indicated a level of agreement with the statement.

16.6% of Survey Respondents indicated a level of disagreement with the statement.

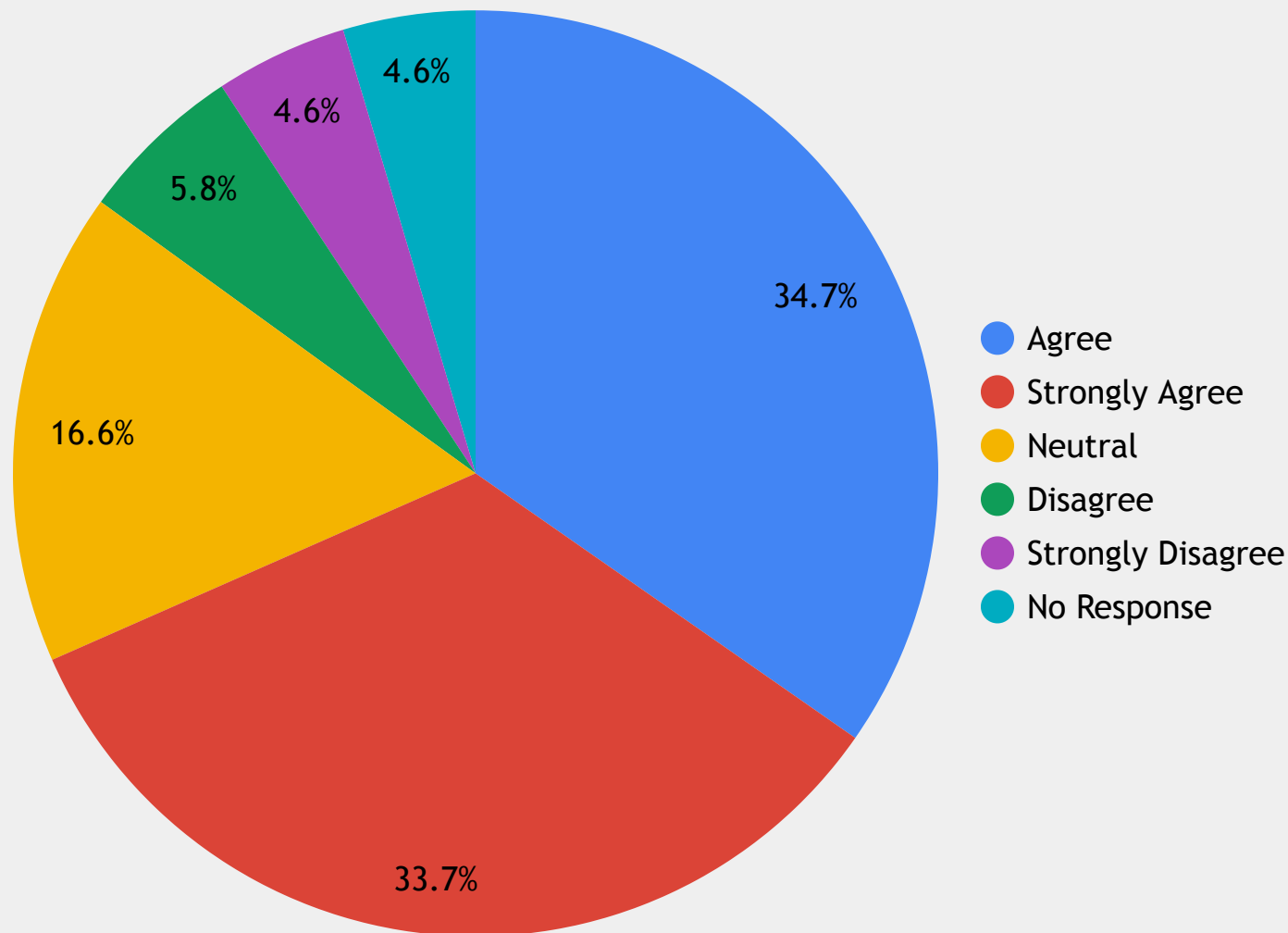


Elections and Voting (§38-33.3-310, C.R.S.)

Please rate your level of agreement with the following statements regarding the evaluation of CCIOA.

Elections and Voting (§38-33.3-310, C.R.S.)

My Common Interest Community provides proper notice of upcoming board member elections.

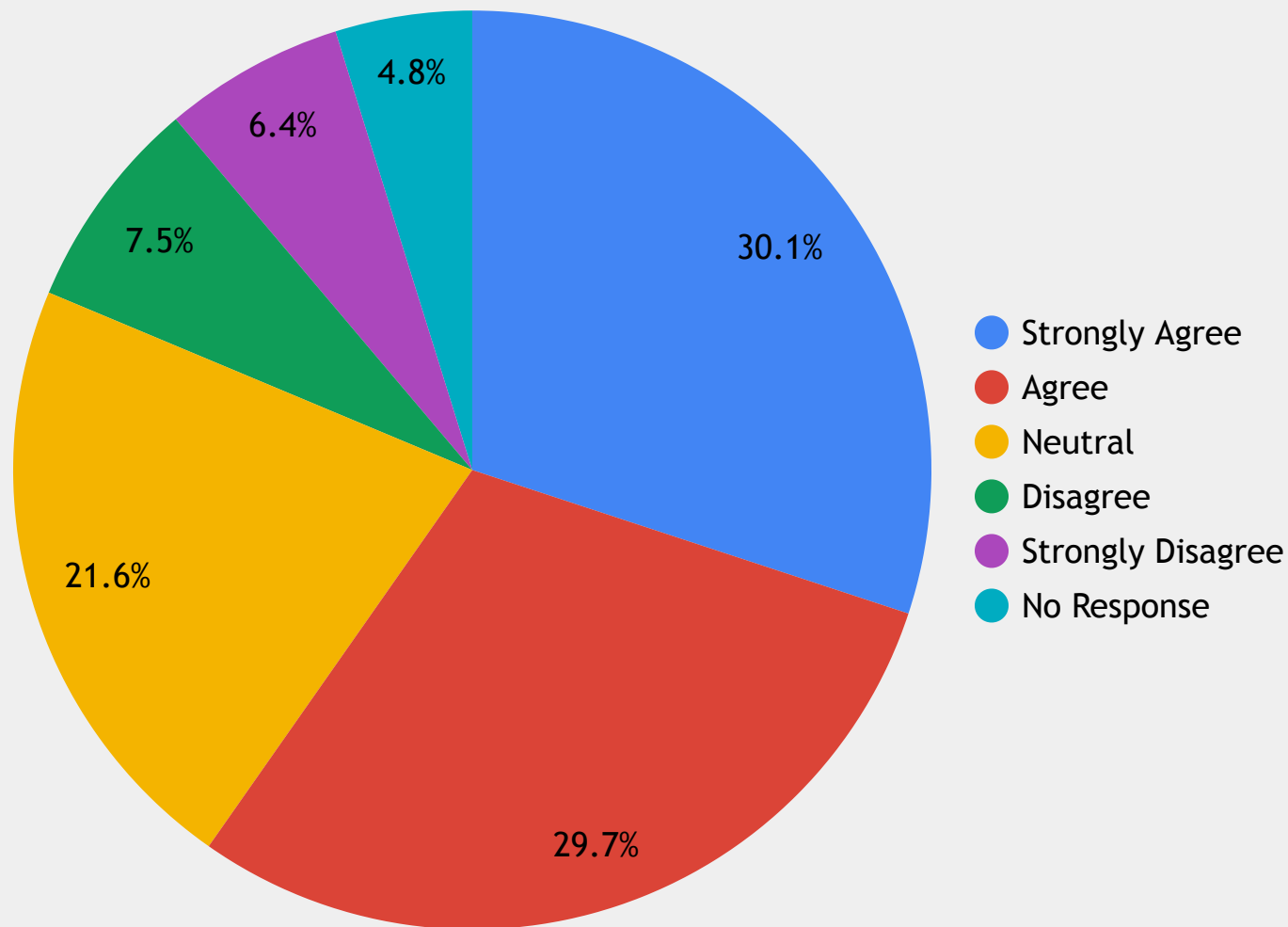


68.4% of Survey Respondents indicated a level of agreement with the statement.

10.4% of Survey Respondents indicated a level of disagreement with the statement.

Elections and Voting (§38-33.3-310, C.R.S.)

My Common Interest Community properly follows its governing document procedures and the CCIOA law regarding its election and voting process.

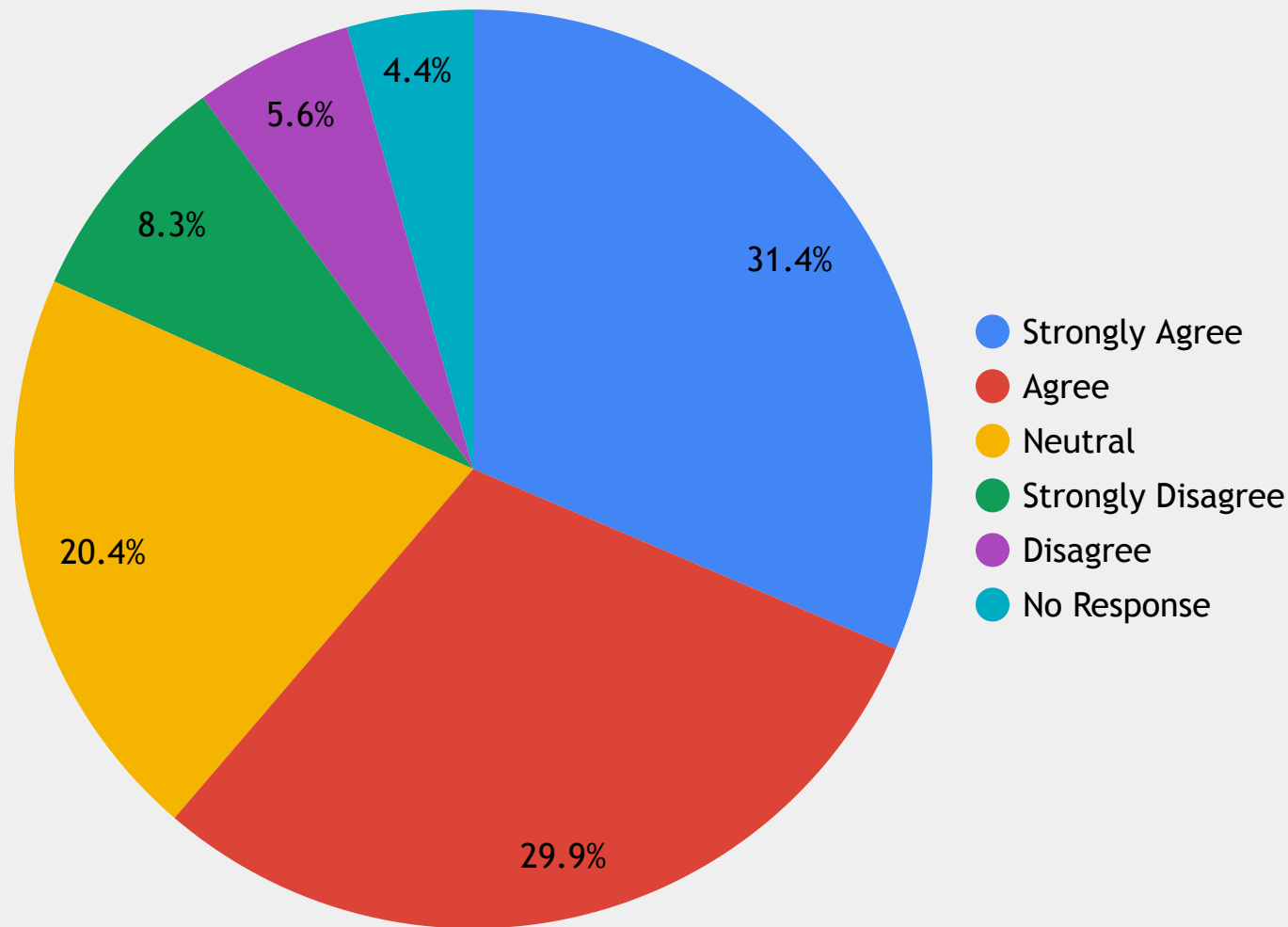


59.8% of Survey Respondents indicated a level of agreement with the statement.

13.9% of Survey Respondents indicated a level of disagreement with the statement.

Elections and Voting (§38-33.3-310, C.R.S.)

My Common Interest Community holds fair and transparent board member elections.



61.3% of Survey Respondents indicated a level of agreement with the statement.

13.9% of Survey Respondents indicated a level of disagreement with the statement.