



The Regenesis Report



National

Innovative Homeowner Association Management Strategies

Priceless

Regenesis means making new beginnings using eternal principles in innovative ways.

Regenesis believes that the goal of every homeowner association board should be to promote harmony by effective planning, communication and compassion.

The Regenesis Report provides resources and management tools for just that purpose. Every month, articles of common interest to homeowner associations nationwide are offered along with innovative strategies for addressing common problems.

Managing an HOA can be a lonely and frustrating task. Take heart. Help is on the way.



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Just Do It!

Having a homeowner association website is a tremendous plus when it has all the right stuff and kept current. Members access the budget, rules, policies and governing documents with a few button clicks. Prospective owners learn about the community before closing the deal. Need to know information is available 24/7 so saves time, money, provides a platform for efficient communication and helps define a community identity. HOA websites come in different formats and slants, depending on who is paying the bill:

Developer Marketing Website. Developers spend considerable money marketing HOA projects online. The sites are beautiful, intended to attract buyers and increase profitability. They usually include floor plans, architectural renderings, 360 degree panoramas and other hot buttons for buyers. They rarely include information about the HOA operations, what really matters in the long haul. State laws usually requires written disclosure of this information in a phonebook size stack of documents which is carefully perused by each buyer before closing (NOT!).

Developer websites often wisely choose a web address that reflects the HOA's name like www.NottacareCondos.com. This address can be transferred to the homeowner association upon turnover or, at least, when the developer has no further use for it. The HOA can often transform it for operations use while retaining the high quality graphics.

Fill in the Blanks Website. Template based websites are designed for ease of use. This is particularly important when using volunteers to maintain the website. Simply fill in text, documents and pictures into predetermined fields and upload the result quickly. Some of these "fill in the blanks" websites are more focused on HOA business than others that include distractions like advertising, weather and stock reports. Ad supported websites are generally cheaper but annoying for the users.

The truly effective HOA website requires thought and planning. Here are some tips for achieving success:

Define the Benefits:

- Enhance property values
- Communicate information quickly
- Transmit maintenance and service requests
- Platform for neighbor communications
- Notification system for HOA meetings and social events
- Reduce supplies, labor and postage costs
- Conduct polls and surveys
- Inform buyers and real estate agents
- Save money

Engages the Members. When critical information is included on the websites, members can be directed there frequently. In time, it will become a matter of habit for many. A real bonus of the internet is that it's open for business all the time. No more phone tag.

Fast Track Communications. Having the ability to broadcast email the members is more than just efficient. Many communications never happen at all because of the time and money it takes to assemble a mailing. Email eliminates those hurdles by allowing newsletters, meeting minutes and notices to move fast and free of charge.

To encourage use of HOA email communication, offer HOA members a rebate or credit of, say, \$25 a year if they agree to accept email communications. The HOA will be money ahead.

Maintain Fresh Content. As the central information distribution vehicle, the website requires regular update to remove the old and add the new. It needs to be at the top of the To Do List. If the website is out of date, traffic will soon fall off and folks will return to their old ways. Fresh content tied with broadcast emails pointing to the website will encourage members to use it.

Include Basic Information

- HOA Name
- Address, location, directions and

map

- Mailing address
- Community description (like, 86 condominiums with clubhouse, pool, park and walking paths)
- Management Information. (company name, manager, contact information)
- Board Information (names, office held, contact information)

Include Special Features

- Downloadable Documents and Forms
- Activities Calendar
- Resident Directory (get privacy release from all listed)
- Newsletter Archive
- Minutes Archive
- Pictures of Social Events
- Online HOA fee paying

Do It Right

- Get a web address of your very own. While free website services are enticing, committing to a private URL will make it much easier to find and demonstrate long term commitment.
- Budget Time & Money. Commit adequate manpower and funds to produce a professional result.
- Include all the "right stuff".

Having a homeowner association website has so many advantages, it's foolhardy to do without one. The affordable and user friendly options are many so there is little excuse for not making the move. The Web Tip of the Day is "Just Do It". 🗓

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Ask the HOA Expert

Q At our annual meeting, the board advised that the monthly fee was increasing by \$50. Some argued that some services could be discontinued and that they would rather pay a special assessment to do a renovation project next year. What's the answer?

A The board is required to establish a budget adequate enough to pay the bills, current and future. The governing documents also stipulate that expenses be divided among owners according to a prescribed formula. Special assessments are a terrible way to pay for future expenses because they unfairly fall on future owners that don't owe them. Those owners weren't in ownership when the expenses were incurred.

If a member vote is required to increase the annual budget (usually not the case) and the owners vote to put off paying some expenses to the future, the matter is out of the board's hands. But the consequences will come back to haunt the entire HOA if some future owners refuse to pay the special assessment. The debt is simply not theirs to pay.

Put another way, special assessments are the consequence of not reserving adequately in the past. The roof wears out over years as does the paint and other long life components the HOA maintains. If all owners over those years aren't paying their fair share of those future expenses, special assessments result. Special assessments are simply an illegal reallocation of expenses. A fully funded reserve plan divides up those future expenses fairly and eliminates the need for special assessments. For more on Reserve Planning, see Regenesi.net.

Q My neighbor has a willow tree that makes a big mess in my yard. Does the board have that right to require removal?

A As a general rule, the HOA and board have the authority to control landscape issues that impact neighbors. The problem with willow trees is that pruning will not address the problem you describe, only total removal.

The bigger question is: Are you advocating removal of all trees? Trees do what trees do and wind does what wind does. All neighbors experience some degree of inconvenience because of tree debris. While it is reasonable to require owners to keep trees trimmed, removal is unreasonable unless there is

a life/property damage threat or if the tree in question has clearly overgrown the location.

Q Our HOA is considering renovating our landscaping. We have a number of trees that have overgrown, impede views and are too close to the buildings. How do we figure the percentage of increased unit resale value that would come with new and improved landscaping? We need to resolve this prior to investing thousands of dollars.

A Developing such a percentage is impossible. That said, keeping the landscaping looking good will help maximize property values since curb appeal has much to do with value and landscaping has much to do with curb appeal.

I suggest you invest in a professional landscape designer who can develop a comprehensive plan that will consider bush, plant and tree removals and additions. Modern designs combine larger planting beds, less grass and hardscape like boulders plus water features so maintenance and water costs can be reduced. The use of xeriscaping selects low water need plants to reduce the need of irrigation. Hiring an arborist to do corrective pruning and selected removal of trees may satisfy the view needs.

Q Meeting minutes are supposed to be approved at the following meeting (board or annual as applicable) But in either case, a lot of time can pass and who can remember the details? Should the minutes be sent out shortly after the meeting in "raw" form?

A Meeting minutes can, and should, be distributed in "draft" form within a week of the meeting so that all are informed what happened. The actual approval of those minutes doesn't happen until the following meeting. They should be previewed by the board for typos or discrepancies before distribution.

Q My HOA's Design Review Committee conducts approval and denials on homeowner requests using email with no face-to-face meetings. What about the

open meeting concept?

A Committees are not under the same restraints as the board to meet in open sessions which are accessible to members. Email is okay for the Design Review Committees when the answer is "Approved" but when there is a denial, the petitioner has the right of appeal and a face-to-face meeting with the Committee and, ultimately, with the board if necessary. The Committee should report and summarize its actions to the board at regularly scheduled meetings.

Q One of our homeowners petitioned the Architectural Review Committee to add a dog pen along the side of his home. Before the Committee could respond, he installed a chainlink enclosure. The Committee informed him by certified mail that he needed to replace the chainlink with wood fencing but he has refused the certified letter. Can he avoid the requirement by simply not accepting the letter?

A Legal notice requirements vary from state to state. But as long as the notice was delivered legally, it is binding whether it's accepted or not. It's best to serve notice several ways (First Class Mail, Certified Mail and door posting) to defeat the "I didn't know" defense.

Another suggestion: The Committee clearly has no objection to the dog pen, just the look. Since the chainlink fence is already up, why not consider allowing him to add wood slats to it rather than have to rebuild the whole thing? If shielding the contents is the goal, it can be achieved without a total rebuild and will probably encourage quicker homeowner cooperation too.

Q Our HOA is considering hiring a handyman for random maintenance type jobs. The board is concerned that this person might be considered an employee. Does it make sense to have the management company run him through the company's payroll system and bill costs back to the HOA?

A It is common for smaller HOAs to use handyman services provided by the management company on an as needed hourly basis. The management company then controls and assigns work to various HOA clients and keeps the individual fully employed while each HOA gets a good value from a part-time service.

Q Our HOA maintains a road that costs a lot to repair. We heard that a neighbor HOA recently transferred ownership of their road to the city and disbanded the HOA in order to eliminate this burden on the homeowners. Have you heard of this before?

A Before wasting a lot of energy, contact the city and see if there is any truth to the rumor. Most cities and counties welcome HOAs because they can transfer maintenance responsibility to the HOA for parks, streets, street lighting and other things they traditionally supply. Even if it's true, you're still a long way from completing a dissolution of the HOA. It is a legal entity that impacts the title of every homeowner and lenders that have liens on that property.

You need to consult with a knowledgeable HOA attorney in your location for what is required to accomplish this. It is usually very expensive and next to impossible. ☹️

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Ask the HOA
Expert

Clauses with Cause

Each year, thousands of homeowner associations across the country engage in complicated renovation projects that run the gamut from siding replacement to roof overhauls to dryrot repair to new decks and fences. Aside from the complexity of the tasks themselves, all need a carefully crafted construction contract that not only describes the scope of work and price but includes the fine print.

Contractors typically present contracts that address what's most important to them: the money. The scope of work described is usually very general, like "paint buildings". The contract rarely includes the "how" details, which is the part most critical to the HOA. For this, get independent consultants to provide the scope of work. Local paint suppliers, for example, will provide custom specifications to fit your surface and location. They will even provide a free progress inspection service to ensure the work is being done properly so that the material warranty is not voided.

Similarly, take advantage of other knowledgeable consultants for complex and costly projects. While they aren't free, they are generally worth their weight in gold in making sure the work gets done right. They can often steer you to reliable contractors and substantially lower costs..

Below is a list of contract clauses that should be included. Simply attach them as an addendum to your contractor's contract and make them a condition of acceptance. You should have a knowledgeable attorney review the contract as well.

1. Names and business addresses of the parties.
2. Date that the contract is signed.
3. A short narrative that summarizes the agreement. For example, "Nottacare Condominiums is hiring I.M Manly Contractors to remove the old siding and install new siding on Buildings A-D followed by a total repaint of all buildings. (see Scope of Work for specifics)"
4. Obligations of Each Party: For example, the Contractor agrees to provide the labor and material to complete the scope of work (attached) in a timely and professional manner. All changes or additions must be approved in writing by the HOA President. The HOA is obligated to pay the Contractor in four progress payments within seven days of billing.
5. Deadline for Performance. This

clause usually includes the phrase, "Time is of the essence" to imply that work must be completed barring only unforeseen circumstances like material delay or weather. Working six different jobs at the same time is not a valid excuse for delay.

6. Time Effectivity of the Contract.

7. The Cost of the Work and Materials. This could either be a set price or an hourly labor rate with material at, say, cost plus 10%.

8. Payment Schedule. Is it due on completion or in installments?

9. Late Payment Penalties. Can interest be charged?

10. Warranties. These come in two forms, material and labor. Material warranties come from the manufacturer and are subject to proper installation. That means that even though the material warranty is, say, 20 years, improper installation will void the warranty. Labor warranties are offered by the installation contractor and are usually relatively short, a few years at most. In either case, be crystal clear what the conditions for honoring warranties are and get them in writing.

11. Terminating the Contract. Define under what condition either or both parties could terminate the contract. Breach of contract can be enforced by either. There should also be a mutual agreement clause to terminate.

12. Arbitration or Dispute Mediation. If there is a problem that cannot be worked out, it's usually in both party's interest to have a trained mediator help sort it out rather than engaging dueling lawyers.

13. Paying Attorney Fees. If the matter lands in court, the prevailing party should be entitled to payment of attorney fees and legal costs.

While the fine print seems cumbersome and unnecessary, these clauses ensure either performance or consequences for failure to perform. These are clauses with a true cause.🐶

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Volunteer Recruiting Tips

One of the main causes of burnout among HOA volunteers is the fact that they're doing too much for too long. The reason you need volunteers is that you don't have the time to do everything yourself. Here are six tips for identifying potential leaders and techniques you can use to woo them into getting involved.

1. Start the conversation early. Provide new owners with essential need-to-know information and invite them to the next board meeting to meet the board and to discuss issues of personal interest. If you can identify those interests, you can find a committee fit and start grooming them for board service.

2. Be sensitive to personal schedules. Some members are very busy professionals who, while they have skills useful to the HOA, have limited time. They may be able to serve on a committee. Alternatively, having a limited number of board meetings with time limits of, say, two hours, will encourage busy professionals to take part when they understand the time commitment.

3. Recognize effort. Since volunteers are not paid for their service, reward them frequently with recognition. Even with paid employment, recognition typically ranks higher than compensation. People love to be noticed. Do it often and let the rest know in the HOA newsletters.

4. Empower your volunteers. Give them authority to make decisions within their scope of work. For example, the Landscape Committee should have authority to oversee the contractor and give him specific direction.

5. Monitor their progress. Ask

committee volunteers for periodic progress or status reports to make sure things are happening. An ad hoc committee has a single purpose, like making a budget recommendation, while a standing committee like Landscape has ongoing duties. Whether ad hoc or standing, progress reports are needed to make sure all is on track.

6. Keep communications open. Take the time to communicate with the members regularly through email, newsletters and meeting minutes. Ask for their feedback and suggestions. The more you engage them, the more likely they are to volunteer.

Volunteers are the lifeblood of every homeowner association. To ensure you have a steady supply, put these six tips into practice and improve the odds.🐶

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HOAs and the Disabled

Federal requirements and court cases involving the disabled impact homeowner associations. The Fair Housing Act definition includes a wide range of conditions that qualify including major physical disabilities, mental retardation, emotional or mental illness, some learning disabilities, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, multiple sclerosis, cancer, heart disease and HIV. While HOAs have not been the prime target of the Fair Housing Act yet, it's clear that the board needs to deal fairly with disability issues.

Homeowner associations are supposed to make "reasonable accommodations" for disabled residents. Examples include suspending a No Pets Rule for a seeing eye dog or reassigning parking spaces to accommodate a disabled person. These actions cost no money but are within the board's authority. However, "reasonable" does not include the HOA funding installations for the disabled or authorizing

exceptions to the rules that do not substantially enhance the disabled resident's use and enjoyment of the facilities. For example, suspending a No Pets Rule for a blind person who wants a cat is not related to the disability and could be denied by the board.

One disability issue involving HOAs is group homes for mentally or physically disabled within a "single family, residential use only" homeowner association. Court cases make it clear that HOA cannot prohibit group homes.

A prime example of disability accommodation involved a woman suffering from Multiple Sclerosis who purchased a condominium. Shortly after moving, she informed the manager that she was going to install a through the wall air conditioner due to "doctor's orders". She was informed that she needed board approval and should make a written request. Several days later, the request with a short statement from her doctor attached was received and promptly forwarded to the Board President for consideration.

Several days later, a new through-the-wall A/C installation appeared at the unit in question. The Board reacted aggressively to the unapproved installation and sent a written demand to the resident for immediate removal. A disability advocacy group soon contacted the board and "suggested" that it might be in the HOA's best interests to accommodate the resident.

The attorney recommended a compromise that the A/C be allowed to stay under a special medical exception but that the resident was to remove and restore the exterior wall upon vacating. The manager agreed. The board disagreed and hired another lawyer who advocated more aggressive handling. A year later, the A/C was still in place, the HOA had spent considerable money on attorney fees and a threatened lawsuit from the advocacy group convinced the board to back down.

Disabilities are a fact of life and, now, law. So far, the Americans with

Disabilities Act has not specifically targeted homeowner associations so the boards still have considerable latitude on disability questions. However, boards that unilaterally deny reasonable accommodations may be targeted to close the loopholes in the law. It is good policy not to test these waters.

When it comes to disability questions, the board is challenged to include compassion, reasonableness and creativity in its decision making. It's an exciting challenge. Take the ADA bull by the horns and show what a progressive HOA can do. 🐘

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Dealing with Difficult People

Dealing with difficult people in any setting can be a real challenge. But in volunteer-based homeowner associations, where there is none of the leverage managers have with employees, there is an entirely new level of difficulty. And, believe it or not, a new level of opportunity. The key is common interest.

Where we live means a lot more to us than any other physical environment. Our territoriality buttons are more easily pushed. Our investment is greater. We can easily get defensive of our personal space and quickly lose sight of community issues. It's worth recognizing that, to one degree or another, we all have this in common. What unites us seems to divide us and vice versa. In a community association we are challenged to balance our individual and collective needs.

Most of us believe it's a good thing to work toward achieving that balance, but some people seem oblivious to it. And some people seem downright determined to undermine it. It's easy to

imagine that the folks who obstruct or dismantle our meetings have malicious intent, or at least thoughtless disregard.

Why are some people so difficult? Because they learned how -- and because they didn't learn how not to. The seriously difficult person is significantly dis-inhibited. He or she didn't learn the typical social inhibitors that make for balanced exchanges. Most of us know how to "make nice," even when we don't much want to. Some people simply don't know how.

We can name some of the more difficult behaviors and we can speculate about what motivates them. In general, fear is the prime motivator. Extremely difficult people are extremely dis-inhibited in their response to fear.

Terrorist Behavior literally holds a group hostage. In extreme cases, this includes streams of abusive language, threats or emotional outbursts (yelling, crying, banging). There is frequently a relentless nature to all of this, so it's clear to the group that nothing else stands a chance of going on.

Aggressive Behavior is domineering, offensive, in-your-face and is easily triggered. In fact, the threat of aggression hangs over the group and creates an underlying tension. This behavior is more controlled than the first category in that it is less all-over-the-map and probably more directed at individuals than at the entire group.

Passive-Aggressive Behavior avoids full-blown confrontation but strikes out covertly. Hidden agendas and character assassination attempt to sabotage normal, above-board group process and interaction.

Unyielding Behavior is unable or unwilling to set a past issue aside. The issue or emotion keeps coming up, even when the subject is different and the cast of characters has changed. Everything is referenced to an unresolved past. While this behavior is less invasive and threatening than those above, its continued presence is an energy drain and source of frustration.

Persecuted Behavior is the victim response -- blaming, whining and complaining. Although most of us enjoy complaining and grouching about things from time to time, persecuted behavior stems from a non-stop, perennial point of view. And since the victim perspective predominates, it's easy for your group to join the list of persecutors.

Polarity Response is a behavior unfamiliar in name but not in most everyone's experience. Whatever the issue or opinion, the polarity responder takes the opposite view. Disagreement is automatic. This can include and goes past the devil's advocate role some people take on in groups. Most polarity responders seem unaware of their behavior and its impact on others.

What can you do? While you were reading the descriptions above you were probably thinking of specific examples from your own experience, and that may have left you wondering what you can do to stay focused and flexible in the face of such behavior. That's not surprising. A change of focus is in order.

Here are five things you can do:

1. Notice your response. Is the behavior one that really "pushes your buttons"? Your first step is to consider what's going on with you in this unpleasant situation. Be responsible for your own reactions -- after all, that's one of the things you wish that difficult person would do.

2. Change what you're doing. Since you can't really change someone else, change what you can. The results can be surprising and rewarding. First of all, it shifts you from being at the mercy of the situation. As soon as you begin to consider exercising new options, you step out of the problem frame and onto a larger canvas. This re-framing is an important shift in perspective.

3. Ask the person "What do you want?" You may think you know but you may learn a few things you didn't know by asking. Of course, it's hard to ask the question after things have

spiraled out of control. Hopefully you can find a good time to ask, because it's the ideal starting point for building rapport and trust.

4. Focus on outcomes. Your group needs to ask itself the "What do you want?" question. Spend whatever time it takes to generate a set of goals and objectives as well as how to meet them. Now comes the really important part of this formula (in bold italics): Once you have specified your outcomes, decide what behaviors will support getting them like: *Patience. Assuming Positive Intent. Willingness to Listen.* Generate your list of behaviors during meetings in a conspicuous place.

This will be a great reminder for even the positive contributors in the group. And when the negative behaviors erupt, you can point to the list, not at the person. Stay focused on what you want. If the difficult person is unwilling to change behavior, you will also need to specify how the group will respond.

5. Consider alternatives. What will you do if the difficult behavior persists? One option could be to take a five minute break. (This is sort of like pushing the group re-set button). During the break, clarify for the difficult person what the goals for the meeting are and which behaviors support those goals. Then state what the next step will be if the difficulties arise again. Be prepared to quickly adjourn your meeting if the behaviors continue. For the extreme behaviors, it may be the only useful choice. Consistently applied, it will send the message that certain behaviors aren't acceptable.

Common interests are the basis for improving cooperation. The more clearly you identify how your interests overlap and become shared, the stronger you'll be in your response to the whole range of difficult behaviors.
By Ken Roffmann 🌱

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What's Up?

We all know about UP, meaning toward the sky, but why do we wake UP in the morning?

At a meeting, why does a topic come UP? Why do we speak UP and why are the officers UP for election and why does the secretary to write UP a report?

We call UP our friends. We warm UP leftovers and clean UP the kitchen. We lock UP the house.

Some people stir UP trouble and think UP excuses. To be dressed is one thing but to be dressed UP is special.

At times it's confusing: A drain must be opened UP because it is stopped UP. We open UP a shop in the morning but close it UP at night. When it threatens to rain, it's clouding UP. When the sun comes out, it's clearing UP.

Well, my time is UP. Make UP your own UPlifting list. You will likely wind UP with UPwards of a hundred or more. What's UP with you? 🌱

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