

Working Group on Common Interest Communities (CICs) and Homeowners Associations (HOAs)

Meeting 1

Tuesday, September 10, 2024



**Legislative
Coordinating Commission**

Andrew George, LCC Research Analyst

Representative Kristin Bahner, Convener

Abra Pollock and Stephanie Klein, Management Analysis and Development

Welcome and purpose

Working group purpose:

“To study the prevalence and impact of CICs and HOAs in Minnesota and how the existing laws regulating CICs and HOAs help homeowners and tenants access safe and affordable housing” ([Minnesota Laws 2024, Chapter 127, Article 15, Section 48](#)).

Meeting 1 agenda

1. Welcome and purpose (5 min.)
2. Introductions (20 min.)
3. Election of chair and vice chair/co-chairs (25 min.)
4. Legislation and Open Meeting Law (15 min.)
5. Administrative topics (20 min.)
6. Work group responsibilities: In-scope vs. Out-of-scope (20 min.)
7. Next steps and adjourn (10 min.)

Introductions

- In 2-3 sentences (max. one minute), please share...
 - Your name
 - What role or perspective you bring and/or your interest in the working group

Election of chair and vice chair/co-chairs

- Nominations
- Motion to nominate
- Roll call vote
- Remarks from chair and vice chair/co-chairs

Legislation: Minnesota Laws 2024, Chapter 127, Article 15, Section 48 (1 of 2)

Duties:

- A working group is created to study the prevalence and impact of common interest communities (CICs) and homeowners associations (HOAs) in Minnesota and how existing laws regulating CICs and HOAs help homeowners and tenants access safe and affordable housing. The working group shall study:
 - How many CICs and HOAs exist, how many people reside in them, and where they are located
 - Governing documents commonly used by CICs and HOAs and whether the governing documents or common practices create barriers for participation by homeowners in the board of directors for CICs or HOAs
 - Fees and costs commonly associated with CICs and HOAs and how those fees have increased, including the cost of outside management, accounting, and attorney fees that are assessed to owners and residents;
 - Whether there should be uniform, statutory standards regarding fees, fines, and costs assessed to residents

Legislation: Minnesota Laws 2024, Chapter 127, Article 15, Section 48 (2 of 2)

Duties:

- How the organization and management of CICs and HOAs, including boards and management companies, impact the affordability of CICs and HOAs
- The impact of CICs and HOAs on the housing market and housing costs
- The racial disparity in homeownership as it relates to CICs and HOAs
- The accessibility and affordability of CICs and HOAs for Minnesotans with disabilities
- How other states regulate CICs and HOAs and best practices related to board transparency, dispute resolution, and foreclosures
- How the current laws governing CICs and HOAs may be consolidated and reformed for clarity and to improve the experience of homeowners and residents in CICs and HOAs.
- The focus and duties of the working group shall be to recommend legislative reforms or other methods to regulate CICs and HOAs, including the consolidation or recodification of existing chapters regulating CICs and HOAs.

Working Group Membership (1 of 2)

The working group consists of the following:

- two members of the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader
- two members of the senate, one appointed by the senate majority leader and one appointed by the senate minority leader
- one member from the Minnesota Homeownership Center
- one member from the Community Associations Institute
- one member from a business association that supports, educates, or provides services to CICs and HOAs in Minnesota designated by the commissioner of commerce
- one member from a legal aid association familiar with housing laws and representing low-income clients designated by Mid-Minnesota Legal Assistance
- one member from the Minnesota Association of Realtors
- one member who is an attorney who regularly works advising homeowners or residents in CICs and HOAs and is familiar with the state foreclosure laws designated by the State Bar Association
- one member who is an attorney who regularly works advising CIC and HOA boards designated by the State Bar Association

Working Group Membership (2 of 2)

- one member from a metropolitan area government who is familiar with issues homeowners and tenants face while living in CICs and HOAs in the metropolitan area designated by League of Minnesota Cities;
- the commissioner of the Minnesota Housing Finance Agency or the commissioner's designee;
- one member from the attorney general's office designated by the attorney general
- one member designated by the North Country Cooperative Foundation and one member to be designated by the Senior Housing Cooperative Council
- four members who are current or recent owners of a residence that is part of a CIC or HOA designated by the Housing Justice Center.
- Eligible members may receive compensation and reimbursement for expenses as authorized by MN Statutes, section 15.059, subd. 3.

Consultation and Report

- The Working Group shall consult with experienced organizations and individuals that may assist the Group in fulfilling its responsibilities, including entities engaging in additional stakeholder input from those with experience living in CICs and HOAs and working with boards of directors for CICs and HOAs.
- The Working Group will submit a final report to the Legislature by February 1st, 2025. This report will include recommendations and draft legislation based on the duties of the Working Group.
- The Task Force shall expire upon submission of the final report or February 28th, whichever is later.



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Open Meeting Law – MN Chapter 13D

Open Meeting Law (1 of 2)

- The OML requires meetings of governmental bodies to generally be open to the public
- OML applies when at least a quorum of the task force is gathered – in person, by telephone, or by interactive technology – and discusses any topic related to official business, whether or not action is taken or considered
- The law does not apply to smaller groups discussing official business when the group size is less than a quorum
- Avoid discussing official group activities via email, one-way communication between chair/staff and members is permissible

Open Meeting Law (2 of 2)

- A meeting is open if: proper notice is given in advance of the meeting, the public can attend and observe the meeting, and if relevant meeting documents are available
- Open meetings do not require public comment
- For advice, individuals may contact: personal attorneys, Commissioner of Administration
- For advice, government bodies may contact: the governmental entity's attorney, the Attorney General, or the Commissioner of Administration

Questions?

- Andrew George, LCC Research Analyst
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- 651-297-7143

Administrative topics

- Member list with contact information
- Working group meetings:
 - Length
 - Frequency

Working group scope

(Refer to handout for complete list of duties.)

- **Study...**
 - Number of CICs and HOAs
 - Fees and costs
 - Organization and management
 - Etc.
- **Create/decide...**
 - How current laws may be consolidated or reformed
 - Recommendations and draft legislation
- **Out of scope...**
 - Barriers to homeownership
 - Racial disparity in homeownership not related to CICs and HOAs

Next steps and adjourn

- Meeting 2:
 - Date/time TBD (based on Doodle responses)
 - Presentation on current state of CICs and HOAs in Minnesota

