

Work Group on Common Interest Communities and Homeowner Associations

Comments and Recommendations
November 26, 2024

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HOA LEADERSHIP
NETWORK

By Board Leaders. For Board Leaders.



HOA Leadership Network

1. Lynn Boergerhoff has 9 years HOA board experience
2. Lynn founded the HOA Leadership Network in 2018
3. Mission to connect and support HOA board leaders through education, collaboration, and research
4. Free monthly HOA educational meetings in four metro locations: Eagan, Eden Prairie, Maple Grove, and Oakdale
5. Networking and learning from content expert guest speakers
6. Website: www.hoalnet.com.



My Assumptions

1. HOAs are more alike than different
2. HOA board leaders need and want to be successful
3. HOA homeowners have a right to benefit from HOA living
4. HOA board leaders need and want support
5. HOA homeowners also need and want support
6. Policy-makers can and should support HOAs & homeowners



Types of HOAs

Townhome



Condominium



Cooperative





Metro Area HOAs

3,800 HOAs

194,000 housing units



HOAs protect and maintain HOA property values

HOA Board Leaders:

1. **Govern**

- Apply laws and governing documents to oversee the HOA

2. **Manage finances**

- Collect assessments from homeowners
- Purchase services and fund reserves

3. **Promote community of homeowners**

- Act and communicate for participation and cooperation



HOA Governing Documents

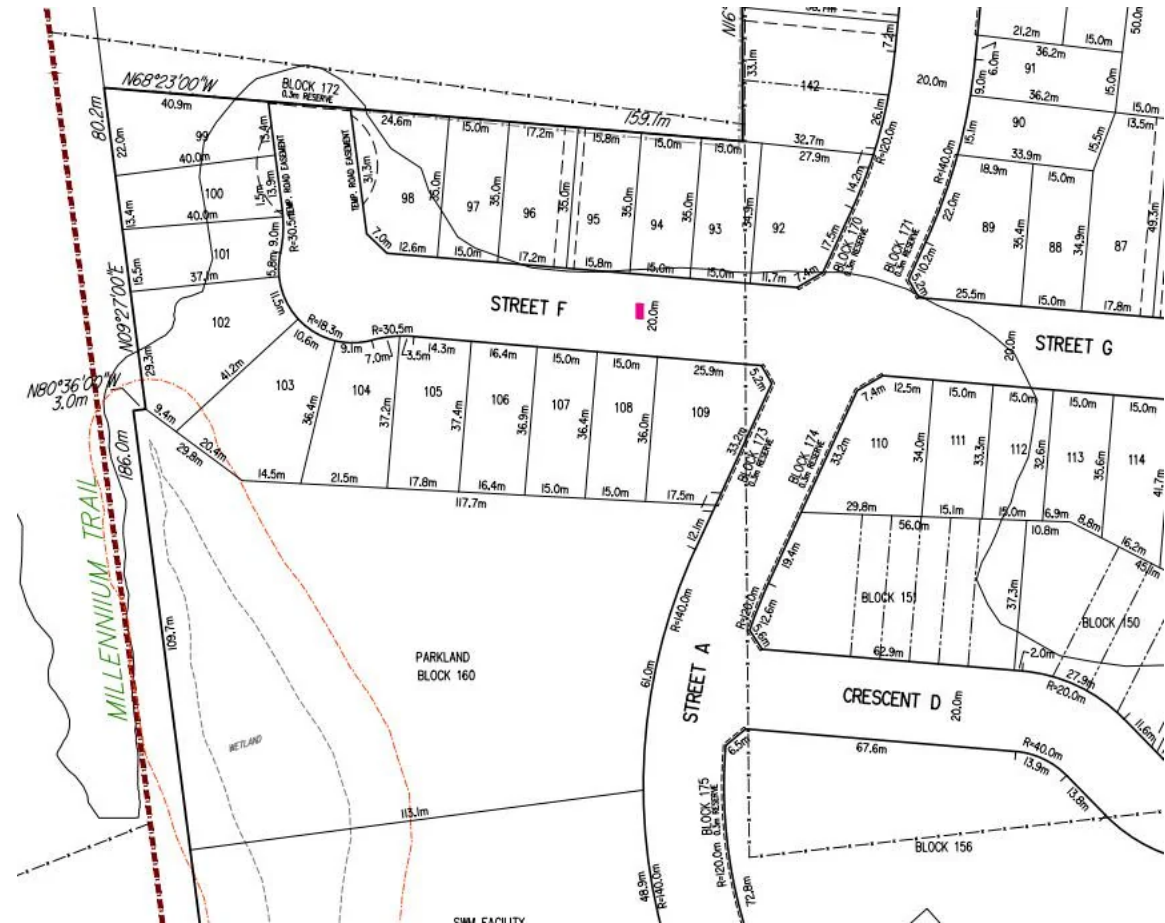
1. Create the HOA as a non-profit corporation
2. Legally bind homeowners to their HOA
3. Give boards authority and duty to govern and manage finances
4. Describe homeowner duties and rights
5. Detail meetings, elections, maintenance, grievances and more
6. Permit rules and regulations
7. Can't conflict with federal and state laws and local ordinances



HOA Governing Documents

Plat Map

- HOA fundamental legal real estate record
- Included properties
- Property descriptions
- Amenities and infrastructure





HOA Governing Documents – a hierarchy

Declaration

- Purpose of HOA
- Included property
- Common elements
- Binds homeowners
- Assessments
- Insurance
- Use restrictions

Articles of Incorporation

- Creates HOA
- Board of Directors
- Budgeting
- Assessments
- Architectural control
- Maintenance

Bylaws

- Board duties
- Meetings
- Elections
- Grievance



HOA Governing Documents

Rules and Regulations

- Boards adopt, change, and remove at board meetings
- Clarify governing documents
- Respond to emerging concerns
- Are needed, within board scope, reasonable, and enforceable
- Cannot conflict with laws and governing documents
- Can restrict homeowner behavior and lead to conflicts



HOA Governing Documents - Homeowner Protections

1. Provide for collection of operating funds and reserve funds
2. Define board fiduciary duties and scope of authority
3. Provide for HOA meetings and board elections
4. Allocate maintenance, repair, and replacement responsibilities
5. Provide master insurance
6. Enable architectural control of unit exteriors and common areas
7. Enable rules and regulations
8. Establish grievance procedure



HOA Governing Documents – Homeowner Barriers

1. Outdated documents
2. Unreasonable restrictions
3. Lack modern provisions
4. Board may create unreasonable rules or unfairly enforce rules
5. Board may misinterpret or not follow
6. Board may act without authority



Policy-Makers

Which policy-maker
represents my HOA?

What should they know
about HOAs?

How can policy-makers
help HOAs?



Recommendations

1. Codify Minnesota HOA board leader education
2. Codify Minnesota HOA homeowner grievance mechanism
3. Promote certification of Minnesota HOA association managers
4. Strengthen HOA registration in Minnesota Secretary of State
5. Strengthen regulatory oversight of Minnesota HOA insurance

THANK YOU

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