

Homeowner Association Collaboration in Rosemount

Prepared by

Jacob Lundborg

Student in LAW 7750: Community Law Practice and Policy Development

University of Minnesota Law School

Instructor: Nancy Cook

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Resilient Communities Project

University of Minnesota
330 HHHSPA
301—19th Avenue South
Minneapolis, Minnesota 55455
Phone: (612) 625-7501
E-mail: rcp@umn.edu
Web site: <http://www.rcp.umn.edu>



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Background

The University of Minnesota and the Resilient Communities Project (RCP) were asked by the City of Rosemount to help improve the connection between the City and its homeowner's associations (HOAs). I became a part of this effort through my enrollment in the Community Practice and Policy Development Clinic at the Law School. In our first meeting with city officials, they explained to us a goal of increasing communication with HOAs. We were invited to speak with HOAs, management companies, and homeowners in order to develop recommendations for building communication channels between the City and HOAs.

Issue

Currently the City faces a difficult time connecting with HOA leadership in a meaningful way. HOAs also face the same problem communicating with the City. As a result, residents may miss services and it becomes difficult to restore services to residents. Furthermore, important maintenance projects go uncompleted as HOAs may not know they are responsible for those projects and the city may not know who to contact. Before the City of Rosemount can fully utilize the untapped potential for community involvement and organization that the HOA structure provides, it must work to create systems that facilitate communication between HOAs and the City itself.

Actions and Findings

To determine some root causes of the communication breakdown, we explored the HOA foundation agreements between the City and developers, called planned-unit development (PUD) agreements. We then met with HOA members and leadership to get a better sense of what changes they believe might increase connections between the City and HOAs. Finally, we attended a meeting of the Evermoor development's master HOA—one of the more active HOAs in Rosemount—to get a sense of how HOAs work and how they can potentially work together.

Throughout this process, it became increasingly evident that there was a lot of potential for community engagement through HOAs. However, that potential remains untapped because there are a number of barriers to successful communication. The first of these is the PUDs themselves. Because PUDs are legally binding development agreements, they require a reasonably high level of specialized knowledge to understand, which makes them nearly inaccessible to the average HOA member. From a practical standpoint, confusing PUDs make it hard to understand and separate City responsibilities from HOA responsibilities. They can also make it difficult to properly run an HOA because members may find it difficult to determine what is and is not allowed under the PUDs. Indecipherable PUD agreements could be largely responsible for HOAs failing to complete required maintenance, because they are unaware of what they are supposed to maintain.

One of the key points we found that tends to lead to a breakdown in communication is the handoff of control of the HOA from the developer to the residents. PUD agreements are written by management professionals for other management professionals. Thus, often at this point, a relatively sophisticated and experienced organization turns control over to residents who may have no background or training in community management. To maximize the potential of HOAs, this transition needs to be managed as smoothly as possible, and HOA responsibilities and rights must be very clearly and definitely laid out to ensure future HOA members understand them.

One of the final key reasons that communication between the City and HOAs has been difficult is that HOAs are naturally autonomous. Moreover, communication between HOAs and the City usually happens only when one side needs something from the other. Because the groups only interact when difficulties arise between them, they tend to associate one another with problem creation. Resentments can build and constructive, organic communication becomes more difficult. Future issues between HOAs and between HOAs and non-HOA homeowners are likely to develop as the city grows. Therefore, to foster a greater sense of community, the City might seek to engage HOAs on a community-building level.

Recommendations

Because of HOA autonomy, if the City wishes to build good will within HOAs and develop their potential, it will need to invest in those relationships. One possible way to achieve this is by designating a City staff person to be the liaison between the City and HOAs. The liaison would be able to attend HOA meetings and serve as a clear point of contact between HOAs and the City. This would allow information to flow between the City and HOAs through predictable channels, rather than in the undirected manner by which it currently flows. The liaison could also be proactive in facilitating communication with HOAs that might otherwise be uninterested in talking with the City absent a pressing need. In addition, a liaison could maintain a storehouse of HOA information, including an up-to-date list of the names and contact information for HOA leadership and membership (which currently does not exist). A liaison could also serve to facilitate cooperation and mediate any disputes which arise between HOAs or between HOAs and the City. Finally, as new HOAs transition from developer control to homeowner control, a liaison could serve to educate new homeowner leadership about HOA management and the HOA's responsibilities.

In addition to a liaison, the City could benefit from requiring that every prospective buyer be given copies of their HOA governing documents and agreements. This would empower buyers by letting them know what to expect with regards to the HOA. A follow-up invitation to attend an HOA meeting or to get involved would also encourage active participation in the HOA. This policy could go a long way to successfully welcoming new community members into their HOAs.

Another policy the City could implement to strengthen the bonds between it and the HOAs would be to require that annual updated HOA governing documents be filed with the City. Currently these documents are required to be filed with Dakota County (where Rosemount is located), but requiring them at the City level would provide another opportunity for HOA members to communicate with the City. Furthermore, it would allow the City to maintain an active list of officers and members, eliminating future problems of not knowing whom to contact.

Finally, it will be important for the City to consider creating a more uniform and easily understood synopsis of each PUD, in addition to the formal PUD. This will allow future HOA leaders to know more clearly what services they are required to provide to their residents, as well as what sorts of easements and setbacks are present in their housing development. Ideally this would consist of an additional document that emphasized the *outcomes* of the agreement (who is responsible for doing what and when) rather than the *rules* of the agreement. For instance, if the City agreed to waive setback rules in exchange for the original developer and the HOA agreeing to build and maintain a boulevard through the development, the separate document would contain the substance of that agreement (i.e., what maintenance the HOA is responsible for providing and how often, as well as what maintenance the City is responsible for providing). This will prevent future disputes about who is responsible for specific maintenance items, and will also allow HOA members to be more proactive regarding the future of their neighborhoods and homes.

Adopting the above policies will help to facilitate relationships within HOAs, between HOAs, and between HOAs and the City by creating clarity about their respective responsibilities, as well as clear lines of communication and clear processes by which problems may be resolved. Communication is the first step in bringing HOA members together in order to build a stronger community and create a better, more civically engaged Rosemount.