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FOR IMMEDIATE RELEASE

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National Community Housing Survey:

IS YOUR CONDOMINIUM BOARD OR HOA MANAGEMENT RUN BY CAPTAIN BLIGH?

Second of two reports on community-association living.

CHICAGO—Imagine you are British seaman Fletcher Christian serving under the lash of the evil Captain William Bligh while on a 1789 voyage to Tahiti in the South Pacific.

Popular historians and “Mutiny on the Bounty” movie buffs would view Captain Bligh as an over-bearing monster and Christian as a tragic victim.

Fast forward to 2015, when some condominium and homeowners association (HOA) residents say they feel as if Captain Bligh is reigning over their community association—imposing hefty fines for rule violations, then taking them to court to collect, and possibly foreclosing if they don’t pay up.

A new national survey by the Coalition for Community Housing Policy in the Public Interest (CHPPI), found that 77 percent of all respondents said they have been involved in a “significant dispute” with a condo or HOA.

“The president ran the HOA like Captain Bligh,” said an owner in an HOA community in Rancho Palos Verdes, CA. “He imposed fines, doubled them and then took me to court. He ran out my tenant prior to Christmas because he didn’t like him. It took four months to find a new renter and my house was near foreclosure.”

The CHPPI survey also found that 84 percent of community association residents feel that “lack of transparency” and “poor communication” was a “very serious problem.”

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One of the myths of condo and HOA shared-community ownership is the so-called “carefree living” aspect. There are no yards to maintain, grass to cut, snow to shovel, windows to wash, decks to stain or roofs to repair. All an owner has to do is sit back, pay his or her monthly assessment, and enjoy the recreational amenities.

However, the condo lifestyle often isn’t always pretty. CHPPI’s mission is to unite Americans to establish consumer-friendly community housing policy that restores, upholds, and preserves the constitutional and civil rights of all residents living in association-governed communities. And, CHPPI seeks to educate housing consumers about their rights and responsibilities, should they choose to live in an association-governed residential community.

The CHPPI survey rated the level of concern on 26 commonly reported issues within condo associations and HOAs—from voting and election procedures to power of the board to fine owners,” noted housing advocate Sara Benson, a CHPPI board member and president of Association Evaluation, LLC, a Chicago-based real estate technology firm that rates condo and homeowner associations.

“Ninety-three percent of survey respondents reported there is at least a moderate problem with the power of the board to issue fines,” noted housing advocate Deborah Cassano Goonan, a CHPPI board member based in Florida.

More than 300 owners residing in association-governed communities in Illinois, Texas, California, Florida, Nevada and Arizona, and a host of other states responded to the survey.

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"A huge number of HOA boards are out of control," said an owner of single-family home in a Texas HOA. "Many HOA board members have not read or do not understand their own governing documents so they are failing to comply with them. Some board members, committee members and management companies are involved in conflict of interest situations."

Several survey respondents said there is a lack of HOA and condo association oversight by state, county or city governments. Association members should have an avenue available to help them recoup legal fees if their court action against an HOA succeeds, they suggested.

In Chicago, a long-time resident owner in an iconic high-rise condominium building in Streeterville, complained about "an absurd 48-member board that is a prescription for mischief," including breach of fiduciary duty and fraud. "Even if the board membership was reduced to 15 members, it would still likely be the largest condo board in America," he said.

Other survey respondents said many condo association and HOA board members lack experience in managing finances. Some said abusive and unethical boards, property managers and attorneys have too much power to fine, lien, foreclose and evict owners with the goal of pocketing substantial fees.

"Management companies are stealing from condo owners via the over-utilization of vendors, inflated prices and kickbacks," charged an owner and board member in an older high-rise condo on Sheridan Road in Chicago's Belmont Harbor neighborhood.

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"Detailed financial records should be easily accessible to all owners in condo associations and HOAs, and the board of directors and management companies should be transparent to all owners," said an owner in a townhouse community in Houston, TX.

Another owner said states should create an office under the Attorney General that takes HOA complaints in detail and then compile a database so that the legislature can pass more meaningful reform initiatives.

Many suggested that mandatory board-member training be required and members be regulated by city, county or state government. Some said federal laws needs to be enacted to stop foreclosures based on non-payment of assessments and fines.

"There's so much wrong with the HOA concept. It's the blind leading the blind," said a condo owner in Fort Myers, FL. "Many HOAs are a con game, like a Ponzi scheme, devised and implemented by crafty lawyers, unqualified property managers, and inexperienced board volunteers."

One angry owner advocated prosecution, conviction and jailing of any and all "HOA criminals" in America.

"All criminal and corrupt HOA boards, attorneys, judges, former judges, property managers and bankers need to be tried, sentenced and jailed," said a former unit owner in a Pennsylvania HOA. "Then, their assets should be sold and the proceeds directed to compensate their victims. No one should be above the law."

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HOUSING SURVEY: IS YOUR CONDO OR HOA BOARD RUN BY CAPTAIN BLIGH?—ADD 4

CHPPI firmly believes that every consumer deserves transparent, full disclosure of community governance standards, ongoing documentation of fiscal health, and the right to reside in a safe, healthy, and welcoming community.

For more information on the Coalition for Community Housing Policy in the Public Interest, or for a copy of the CHPPI survey, visit: www.Chppi.org

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(CHPPI.HOA.SURVEY.REACT.2015)