



Assembly Committee on
Housing & Community
Development

November 3, 2005
San Mateo, CA



Informational Hearing

**What role should the state
play in providing oversight
of homeowners
associations?**




Overview of CID Ombudsperson Proposal

**Brian Hebert,
Assistant Executive Secretary
California Law Revision
Commission**



What is the California Law Revision Commission?

- ***An independent state agency.***
- ***That assists the Legislature.***
- ***By studying problem areas in the law.***
- ***And recommending reforms.***



What is the benefit of a Commission study?

- ❑ ***The Commission is nonpartisan and objective.***
- ❑ ***The Commission's process is completely open.***
- ❑ ***All interests are considered.***

What is the goal?

- ***Make the law easier to understand and use.***
- ***Fix problems.***
- ***Consider whether the state should be involved in regulating CIDs.***



Fundamental challenges with CIDs.

CID governance is very complicated.

Mistakes are inevitable.

Checks and balances are weak.

Burden falls on volunteers.

Consequences Can be Serious

- ***Inadequate reserves = large special assessments***

- ***Financial mismanagement***

- ***Lawsuits***



Law Reform Not Enough

□ ***Improved laws can help.***

□ ***But law alone can't
eliminate the problems.***

State Assistance

- ***The Commission recommended that the state collect a modest fee from homeowner associations and use the money to provide assistance.***
- ***Direct assistance can help to avoid or resolve many problems inexpensively.***



What services would the Ombudsperson provide to HOAs?

- Educational materials*
- Internet website*
- Toll-free help line*
- Informal “conciliation” service*
- Formal mediation service*
- Data collection*



Other states provide similar services:

Florida

Nevada

Hawaii



Contact Information:

Brian Hebert

**California Law Revision
Commission**

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Role of Education in Common Interest Developments

Sandra Bonato

Legislative Committee Chair

**Executive Council of
Homeowners**



Role of Mediation in Common Interest Developments

Jennifer Bullock

Manager of Mediation Programs

Peninsula Conflict Resolution Center



Management of Common Interest Developments

- Linnea Juarez, CEO
Condominium Financial
Management**
- Sue Lambert, General Manager
Woodlake Association**



Common Interest Development Board members

□ Elaine Murphy

Village Serramonte, Daly City

□ Jerry Bowles

Brookvale Terrace, Santa Cruz



Upcoming Hearing:

Joint Committee on Boards, Commissions & Consumer Protection

November 17, 2005

12:00 p.m. to 3:00 p.m.

State Capitol, Room 3191

Sacramento, CA



For More Information Contact:

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