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CAI-CLAC Announces Positions on 2018 Legislation

*SB 1265 threatens Privacy Rights of more than 13 million Californians living in
Community Associations*

*Duplicative SB 721 Imposes Significant New Costs while doing nothing to improve Safety
of Homeowners*

Sacramento, CA – The Community Associations Institute’s California Legislative Action Committee (CAI-CLAC), a non-profit organization that serves as the voice for more than 13 million Californians living in any of the more than 52,000 managed community associations statewide, has taken positions on several state bills that will impact its members.

Opposed to SB 1265 (Wieckowski): A Threat to Privacy Rights

If passed, Senate Bill 1265 would allow any neighbor to access the personal information and copy the signatures of residents who vote in their associations' board elections.

As explained by CAI-CLAC Chair John MacDowell, an attorney with Irvine-based Fiore Racobs & Powers: “With so many community associations already facing significant challenges with regards to participation in board elections, SB 1265 will further suppress turnout by exposing the personal information of residents who do vote.”

Additionally, SB 1265 would eliminate local control over decisions as to who can serve on association boards.

“Many associations choose to establish reasonable safeguards as to eligibility for serving on their governing boards,” explained MacDowell. “This may include barring members, for example, who are serving time in prison for violent felonies, from running for their board, or someone who regularly skips out on paying their dues.”

“Sacramento should not dictate something that should rightfully be decided at the local level,” MacDowell concluded. “We hope to work with the author to address these grave concerns.”

The bill will be heard by the Judiciary Committee on May 8.

Supports SB 1128 (Roth): Financial Relief for Association Residents

Each year, community associations unnecessarily spend thousands more dollars than necessary to hold board elections when the number of candidates running for board positions is less than or equal to the number of board spots up for election. SB 1128, if passed, will allow associations to elect members to the board by acclamation in this scenario.

“SB 1128 will save association residents thousands of dollars that would otherwise be spent on printing multiple ballots, postage and independent inspections,” said MacDowell. “What most people don’t realize is that because of traditionally low turnout for association board elections and legally-mandated quorum thresholds, ballots often have to be mailed out to members multiple times. In an uncontested election, this is a waste of dues dollars.”

This bill will also be heard by the Senate Judiciary Committee on May 8.

Opposed to SB 721 Unless Amended (Hill): Duplicates Existing Safety Processes, Imposes New Costs on Homeowners

If passed, Senate Bill 721 would significantly impact those living in condominium associations by imposing duplicative and expensive inspection and maintenance standards on balconies, decks and elevated walkways in those communities.

“The Davis-Stirling Act already requires that association boards develop and budget for deferred maintenance in their communities,” explained MacDowell. “SB 721 slaps on new requirements that duplicate these processes and, as such, unnecessarily imposes new costs that will be incurred by the homeowners living in those associations.”

“While we certainly appreciate the spirit of this bill,” continued MacDowell, “it doesn’t improve the safety of residents living in community associations beyond that of existing requirements, but it certainly hurts the pocketbook of those it intends to help.”

Opposes AB 2353 (Frazier): Limits Homeowners’ Ability to Sue for Shoddy Construction

Assembly Bill 2353, however, could significantly impact the structural integrity of buildings in California’s managed associations by reducing the statute of limitations for construction defects from 10 to five years.

“What’s particularly dangerous about this bill is that many defects are not noticed within the first five years,” explained MacDowell. “If associations have no financial recourse against these damages, it may delay repair; unless, of course, boards turn to special assessments, then this becomes an undue expense on homeowners.”

“I’m confident that legislators will see through this clear attempt to circumvent safeguards meant to protect the structural integrity of community association buildings and the financial security of residents living there,” concluded MacDowell.

AB 2353 is currently being held by the Judiciary Committee.

Supports AB 2912 (Irwin): Fortifying Finances of California Community Associations

Assembly Bill 2912 is designed to protect the finances of over 52,000 community associations in the state by requiring them to purchase fidelity bond insurance in an amount equal to or exceeding current reserves, plus three months of assessments. The bill also requires board members to review financial statements monthly rather than quarterly and prohibits electronic transfers of association funds without board approval.

“This common-sense bill will further safeguard association dues dollars while ensuring that boards maintain firm controls over finances,” announced MacDowell when announcing CAI-CLAC’s support for AB 2912.

This bill is in the Assembly Judiciary Committee however no hearing date has been set.

About CAI’s California Legislative Action Committee

Community Associations Institute, or CAI, is an international organization providing education and resources to community associations, their volunteer leaders, and the industries that serve them. CAI’s California Legislative Action Committee (CAI-CLAC), advocates for the interests of the over 52,000 community associations in California and educates legislators about homeowner association living and governance. CAI-CLAC’s delegates, appointed by the eight CAI chapters in California, include homeowner volunteers, community association managers, and other industry professionals. Visit <http://www.caiclac.com> to learn more.

In addition to state and national legislative advocacy, CAI provides information, tools and resources to community association volunteer leaders, community managers and management firms and other professionals who provide products and services to community associations. For more information, visit www.caionline.org or call (888) 224-4321.

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