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The 27th Annual Real Estate Symposium
Keystone, Colorado
Friday, July 17, 2009

**Issues Affecting Common Interest Communities
in the Current Economic Times**

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ISSUES AFFECTING COMMON INTEREST COMMUNITIES IN THE CURRENT ECONOMIC TIMES

The past few years have presented common interest communities with challenges that were not prevalent five or ten years ago. The impact of the mortgage crisis on common interest communities is reflected in strains on association budgets. Barbara Corcoran, real estate contributor to NBC's Today show, recently named Denver as America's number one city on the verge of recovery from the real estate slump. While this is welcome news, Colorado common interest communities are likely to continue to deal with the economic crisis for some time to come.

Outlined below are several issues facing many common interest communities. While these issues may impact some communities more than others, few common interest communities are completely immune from any of these issues.

I. FORECLOSURES

A. Association Options to Collect Assessments

The Colorado Common Interest Ownership Act* (hereafter referred to as "CCIOA") provides for a statutory lien for delinquent assessments and fines. The lien also includes fees, charges, late charges, attorney fees, fines and interest. Generally, the association's statutory lien is superior to all liens except a first priority security interest in the unit that was recorded before the assessment sought to be enforced became delinquent as well as being subordinate to liens for real estate taxes and other governmental assessments or charges. Additionally, these amounts are also the personal obligation of the owner. (C.R.S. §38-33.3-316)

When a unit owner becomes delinquent, most frequently, the association will bring an action in county court to enforce the personal obligation and then pursue collection efforts on the personal judgment. When this is not productive or if there is equity in the unit, the association may elect to foreclose on its lien. (Sometimes, associations seek to foreclose even when there is no equity in the property.) Historically, foreclosure of the association lien was an effective approach since property values were steadily increasing and owners frequently had more than enough equity in the property to satisfy the association's lien.

B. Effect of Economic Conditions on Association Budgets

A personal judgment is more likely to be uncollectible when the unit owner has no job and no money in his or her bank account. The economic downturn has also left many owners owing more on their property than its value, thus limiting the viability of foreclosure of the association's lien.

* CCIOA became effective July 1, 1992. Some provisions are applicable to all common interest communities unless expressly exempt and some provisions are applicable only to communities created after July 1, 1992. This article will refer to pre-CCIOA and post-CCIOA as those created prior to or after July 1, 1992.

The mortgage crisis has had a substantial impact on common interest communities with high foreclosure rates. When the first lien lender or the association forecloses, the lender is responsible for the so called “superlien.” When the lender forecloses, the lender is also responsible for assessments after the lender takes title to the property. The first lien lender’s foreclosure cuts off the association’s lien for assessments prior to the date title is transferred, except to the extent of the “superlien.”

CCIOA defines the value of the superlien as follows:

An amount equal to the common expense assessments based on a periodic budget adopted by the association adopted by the association under Section 38-33.3-315(1) which would have become due, in the absence of any accelerating, during the six months immediately preceding institution by either the association or any party holding a lien senior to any part of the association lien created under this section of an action or a nonjudicial foreclosure either to enforce or to extinguish the lien.

This statute is presented in the form of a quote since there is debate between lenders and associations as to exactly what amounts are included in the superlien and how it should be measured.

In many cases, owners are delinquent in their association assessments prior to a lender’s foreclosure being instituted. The association may have also incurred costs in attempting to collect the association’s assessments. Consequently, the association is often left with bad debt that must be subsidized by those owners who still own property in the community (including the lender). As foreclosures have increased over the past several years, the economic impact of the loss of assessment income on associations has concurrently increased, albeit with varying impacts in different communities based on the foreclosure rates in their communities.

C. Impact of Foreclosure Legislation

The impact of House Bill 09-1276, the foreclosure moratorium bill, on associations is not clear. If the bill is successful in achieving its goal of allowing owners an opportunity to keep their homes and avoid foreclosure, it should also have a beneficial impact on associations (assuming those owners also cure any assessment delinquencies with the association that operates and governs their common interest community). On the other hand, if the property forecloses anyway, in most cases the 90 day delay only means the loss of an additional three months of assessments for the association.

In addition to the foreclosure moratorium bill, new notice provisions of foreclosure legislation adopted in 2006 and 2007 that took effect in January, 2008 affect common interest communities. The legislation provides under the terms of C.R.S. § 38-38-103(1)(c) that if a recorded instrument does not specify the address of the party purporting to have an interest in the property under the recorded instrument, “the party shall not be entitled to notice and any interest in the

property under such instrument shall be extinguished upon execution and delivery of a deed...” The statutory lien arises upon recording of the declaration; however, the declaration generally does not contain any address for an association, let alone a current association address.

If the association has already recorded a notice of assessment lien that includes the association address, the foreclosing party will be obligated to provide notice; therefore, this is primarily an issue for associations that want notice even if there is no delinquency in the association assessments and for associations that have not filed an additional notice of assessment lien with the Clerk and Recorder’s office. To ensure receipt of notice of foreclosure, an association must record in the office of the county Clerk and Recorder a notice of the association’s address referring to the recording information of the declaration and the legal description of the units or lots.

D. Impact of Delinquencies on Ability for Purchasers to Obtain Fannie Mae Insured Loans

Late last year, Fannie Mae announced new underwriting guidelines for loans in condominium communities. One of the guidelines states that no more than 15% of the total units (not 15% of the total fee payments) in either a new or established project can be 30 days or more past due on the payment of their condominium/association fee payments.

With the state of delinquencies in many communities, this guideline caused much concern that owners in communities with delinquency rates in excess of 15% would find that their properties were not marketable. However, this threshold has been in place for established projects and has only recently been applied to new projects due to increasing numbers of early payment defaults occurring before a new project sells out.

Fannie Mae states that failure to meet the 15% threshold alone would not disqualify a condominium project from meeting Fannie Mae’s project requirements and that exceptions are typically granted if the project can sustain itself with greater than 15% of the total units delinquent in payment of assessments.

This delinquency policy presents a dilemma for developers who may not pay their portion of the unit’s assessments until the unit is sold. This policy also presents a dilemma in communities with lenders holding title to units after foreclosure. Frequently, such lenders delay payment of regular monthly assessments until they sell the units.

E. General Impact of Delinquencies on the Community

As a result of associations writing off of bad debt to foreclosures and uncollectible debt from other owners, the remaining owners are likely to experience higher assessments to cover services that the Association provides. In a community in which 25% of the owners are delinquent, the result is that 75% of the owners must pay 100% of the budget if the association is to provide the same services.

Alternatively, associations are faced with cutting services or spending monies set aside in reserves to provide services. The association will have to take care of certain obligations such as paying the water bill and paying insurance premiums. However, some communities are considering closing the pool and reducing the landscaping budget. While the latter may not be “essential” services, they contribute to the value of the community to its residents as well as to potential purchasers and lack of these services is likely to negatively affect property values in the community.

Neither of the above two results is good for common interest communities.

II. DEVELOPER INSOLVENCIES

A. Governance

Headlines of major developers in the Colorado market filing bankruptcy and construction lenders foreclosing on construction loans have accelerated in the past few years. Developer insolvencies frequently have a substantial impact on the common interest community and the association.

One of the first things the existing owners in a community with an insolvent developer consider is who will continue to govern their community. Under CCIOA, homeowners are to be elected to the board based on the percentage of units sold compared to the total number of units that may be created. Except in large planned communities, the declarant control period terminates no later than the earlier of 60 days after conveyance of 75% of the units that may be created (not that have been created) to unit owners other than a declarant, two years after the last conveyance of a unit by the declarant in the ordinary course of business, or two years after any right to add new units was last exercised. (C.R.S. § 38-33.3-303(5)(a)(I)).

What happens when the developer leaves or becomes insolvent or files bankruptcy before the date that the homeowners are entitled by statute to control the board? CCIOA addresses this issue in part. CCIOA provides that upon foreclosure of a security interest, sale by a trustee under an agreement creating a security interest, tax sale, judicial sale, or sale under bankruptcy act or receivership proceedings of all of the interests in the common interest community owned by a declarant:

1. the declarant ceases to have any special declarant rights; and
2. the period of declarant control terminates unless a written instrument specifying the special declarant rights being transferred is prepared, executed and recorded at or about the same time as the judgment or instrument by which such person obtained title to all the property being foreclosed or sold that specifies the special declarant rights transferred is executed and recorded.

(C.R.S. §38-33.3-304)

In practice, there is typically a “power vacuum” for some period of time and the first person to grab power may win the prize – i.e., controlling the board. For example, as noted above CCIOA states that the period of declarant control of the board terminates unless a recorded instrument retaining that right is filed about the same time as the transfer of title. This may leave a gap of time where other options may be pursued. The declarant could voluntarily surrender control of the board (if not precluded by the security instrument) or there may be a delay between the developer’s default and the lender’s foreclosure during which time, if a receiver does not assume the declarant’s role on the board, the owners may assume control of the board. The owners’ assumption of control may in some instances be without express statutory authority, but supported by the adage that possession is 9/10 of the law.

B. Resources to Govern

Control of the board may give the owners some sense of control of the community. However, homeowner board members may be faced without the resources to support amenities and services that were built and planned based on a larger assessment base.

When there is not enough money to maintain the private streets or insure the playground areas, the owners may look to a governmental entity to take over the streets that they cannot afford to repair and the playground they cannot afford to insure. Generally, local governments decline. Local governments have their share of financial woes and are often not in a position to assume financial obligations without the tax base to support the services. Thus the reported stories of half built communities with overgrown vacant lots and closed amenities.

C. Other Consequences

In the current environment, a partially complete project may remain undeveloped for some time to come. When the economic environment supports new development, the homeowners in the developed portion of the common interest community may not have any assurance that the expansion property will become part of their community and even if it is part of their community, there is often no assurance that the same product will be built. Both of these situations may negatively impact property values in the existing community, as well as dictate annexation strategies for developers and buyers.

III. RESERVES

A. Background

As in most states, there is no requirement in CCIOA that associations fund reserves; however, reserve funding is a topic that is increasingly receiving attention around the country. There are now many companies that prepare reserve studies to assist associations in evaluating reserve requirements.

The importance of funding reserves varies depending on the maintenance obligations of the association. In a community where the only thing the association maintains is the entrance

monument, reserves are not a significant issue. In a community where the association maintains amenities such as a clubhouse, pool and tennis courts as well as performs other exterior maintenance on roofs, siding, patios, decks, fences, and private roads, it is prudent to have some type of reserve study and plan to address repair and replacement of these items that will involve significant expenditures.

Although commentators have encouraged association reserve funding for many years, association boards (under both developer control and homeowner control) have a tendency to try to keep assessments as low as possible and sometimes do not appreciate the immediate value of budgeting for expenses that will be required in 10 or 20 years from the date they are preparing their annual budget. The theory of reserves is that every owner over time will contribute some amount toward repair and replacement of major components of the property even if the component is not repaired or replaced during the period of their ownership. Failure to set aside reserves funds, or substantially underfund reserves, results in earlier owners taking equity out of the property at sale that subsequent owners will have to fund. However, when associations have difficulty funding general operating expenses, reserve funding may be negatively impacted.

A California study in 2003 of 687 associations revealed that the average funding for reserves was 54% of what was required with a gap of approximately \$1,400.00 per unit. A larger survey of 1,254 units in 2006 revealed a similar gap, 53%, but the gap had increased to \$5,600.00. This represented a total deficit of approximately \$5.1 billion in 2003 and \$25 billion in 2006. (Survey conducted by Berding & Weil and Levy, Erlanger & Co., CPA's in conjunction with ECHO (Executive Council of Home Owners in California.))

B. 2009 Colorado Legislation

House Bill 09-1359 recently signed into law addresses association reserve studies, among other issues. As introduced, the bill would have required a reserve study consisting of a physical analysis and a financial analysis to be conducted every three years and creation of or updating a funding plan for repair or replacement of the reserve assets. The funding plan was to list all projected costs and indicate what percentage of those costs would be funded through regular assessments, special assessments, or other funding methods. This proposal was rejected.

House Bill 09-1359 as signed into law includes, requires associations to adopt a reserve policy. (There are eight other responsible governance policies mandated by SB 05-100 and SB 06-89.) House Bill 09-1359 requires associations to adopt policies, procedures and rules and regulations concerning:

1. when the association has a reserve study prepared for portions of the property maintained, repaired, replaced and improved by the association;
2. whether there is a funding plan for any work recommended by the reserve study and, if so, the projected sources of funding for the work; and
3. whether the reserve study is based on a physical analysis and a financial analysis.

The approach adopted in this recent legislation provides flexibility for different types of communities. It also focuses more attention on the issue of reserves and should force boards to think about whether they want to save over time so they have funds for capital projects or whether they want to pay for capital projects at the time the work is required.

C. Fannie Mae Guidelines

Depending on the community, Fannie Mae guidelines for the purchase of loans are important. Owners trying to sell their homes benefit from purchasers that have wide availability of lending options.

Historically, Fannie Mae underwriting guidelines for condominiums required associations to maintain “adequate reserves.” In reaction to the recent mortgage crisis, Fannie Mae has modified its guidelines regarding reserves. Presumably, their concern is that an owner may not be able to afford a high special assessment and may end up in foreclosure.

Fannie Mae adopted new guidelines that require associations to have at least 10% of their budget allocated to reserves. Since this guideline is prospective, it will not address existing underfunding of reserves, but it may have some impact in the future. Boards and owners may be more likely to appreciate the value of funding reserves if lack of current funding makes it more difficult for owners to sell their homes to purchasers utilizing Fannie Mae loans.

D. Association Options when Reserves are Underfunded

The current economic environment is impacting options for associations in older common interest communities with expensive capital expenditures and inadequate funds to pay for the work. Associations for common interest communities without adequate funds will look to other options. Typical options for funding such repairs are outlined below.

1. Regular Assessments. Depending on the amount of money required, it may be feasible to increase regular annual common assessments to generate additional funds for capital expenditures.

The procedure for levying annual assessments for post-CCIOA communities generally wholly governed by CCIOA which sets forth a veto procedure; i.e., the assessment is ratified unless vetoed by a majority of the owners. (C.R.S. §38-33.3-303(4)(a)) However, many some post-CCIOA governing documents also include additional affirmative voting requirements if the annual assessment is increased some specified amount above the prior year’s assessment. Pre-CCIOA requirements for annual assessments are document dependent, with some not requiring any owner vote and others requiring some type of owner vote.

2. Special assessments. In many communities, a common approach to generate funds for large capital expenditures that cannot be covered by the operating budget is to propose

a special assessment. Owners typically pay the special assessment out of personal funds or by obtaining a home equity loan to pay for the special assessment.

The procedure for levying a special assessment for post-1992 communities may be the same as for the annual budget. However, many post-CCIOA governing documents also include additional affirmative voting requirements for special assessments. Pre-CCIOA requirements for special assessments are document dependent, with some not requiring any owner vote and others requiring some type of owner vote.

The current economic times may have an impact on this option. If a vote is required, it may be difficult to obtain the requisite owner consent. Even if the special assessment is approved, collection of the special assessment presents challenges when there are members of the community who are not even paying their regular monthly assessments. These owners are also less likely to be able to obtain a home equity loan to pay the special assessment if they live in a community where property values are decreasing resulting in less equity to secure a loan.

3. Borrowing. Borrowing money to make up the underfunded amounts may be an option. CCIOA includes among powers of a common interest community, the right to assign assessment income, but only to the extent permitted by the governing documents (C.R.S. §38-33.3-301 (1)(n)). Most post-CCIOA governing documents include this authority, but many require some vote of the owners. In the case of pre-CCIOA communities, requirements for borrowing are document dependent.

Borrowing may be an attractive option since it allows the entire project to be completed at the same time and may allow the association to get more competitive pricing. This option may also be attractive because it spreads the cost over a number of years and does not place the entire burden on the owners at the time the funds are required.

Challenging economic times may also impact an association's ability to borrow. Since the lender's security is dependent on a stream of assessment income, underwriting guidelines for lenders consider the delinquency rates in the community. Repayment of the loan may also require a special assessment or an increase in annual assessments, again presenting the challenge of obtaining owner approval when required.

4. Deferred maintenance. When there are inadequate funds to take on the project, the board's remaining option is to prioritize the work with the most critical work addressed first. This approach relies on the assumption that there is not an immediate need to make repairs or replacement. Ultimately, this approach may be more expensive since emergency repairs in addition to ultimate replacement may be required. Also, a large project over a short period of time is more likely to be less expensive in total than spreading the project over several years.

5. Any combination of the above. It is not unusual for associations to employ a variety of the options outlined above to fund large capital project expenses.

IV. INSURANCE

A. Impact of the Economy on Insurance for Common Interest Communities

Insurance in detached housing communities is not a substantial expense for the association since the owners typically maintain property insurance on their dwelling. However, in communities with attached and stacked housing, in most instances, the association maintains insurance on the structures. Owners are obligated to maintain insurance on their personal property and those portions of the units that the association does not insure.

Insurance professionals who work with common interest communities have forecast that associations should expect to see their insurance premiums increase. When the markets are good, insurance companies may benefit from other investments and premiums may not be raised as much as when the other investments are not yielding the same return.

In an effort to control costs, many associations have accepted substantially higher deductibles. For many years, the deductible on most association policies was \$1000. Master policy deductibles are now commonly set at \$5,000 to \$10,000 and some may be even higher. In addition to or sometimes in lieu of obtaining policies with higher deductibles, associations reduce the level of association coverage as permitted by law and/or the governing documents.

B. Insurance Requirements

CCIOA requires post-CCIOA associations to maintain property insurance on the common elements for broad form covered causes of loss. (C.R.S. §38-33.3-313) This insurance must be for not less than the full insurable replacement cost of the insured property, less applicable deductibles. In the case of a building that contains units having horizontal boundaries (i.e., stacked units), the insurance must include the units, but not the finished surfaces of the walls, floors and ceilings of the units. Insurance requirements for pre-CCIOA communities are set forth in the Association's governing documents.

CCIOA specifically addresses the authority of post-CCIOA communities to adopt insurance guidelines allocating deductibles. Under such guidelines, the cost of the deductibles is frequently passed along to the individual owners, although the ability to pass the deductible to the owners may depend on the association's governing documents.

C. Coverage

Historically, secondary mortgage market guidelines required "single entity" coverage on the structure. This type of policy covers most of the building property in the structure including cabinets, floor and wall covering and other fixtures. Most such policies would replace damaged property to the level of original construction. However these policies evolved in many instances to "all in" coverage that insures all permanent fixtures, including those added or substituted by owners.

As associations consider options for reducing premiums, they sometimes consider reducing coverage to “bare walls” coverage. Under a bare walls approach, owners of the individual units are responsible for insuring building property within the units they own and use exclusively such as cabinets, sinks and flooring, including betterments and improvements made since original construction, in addition to insuring their personal property. Even when initially, there is not a substantial difference in the premium between the higher levels of coverage and bare walls coverage, there are fewer claims against the association policy when everything inside the unit is the owner’s insurance responsibility. Ultimately, claims affect claims history and premiums. Perhaps in recognition that more associations are opting for “bare walls” coverage, Fannie Mae has modified its guidelines regarding insurance. Rather than requiring an association to have single entity coverage, Fannie Mae will accept loans in projects with “bare walls” coverage as long as there is documentation that the owner has an individual policy to cover portions of the unit in which the lender has a security interest (i.e., “walls-in coverage also referred to as an HO-6 policy).

D. Deductibles

As noted, associations are more often electing higher deductibles to limit costs of the policy. Higher deductibles also reduce the number of claims since claims below the deductible should be eliminated.

The common interest community’s governing documents may address deductibles. If not, associations may adopt guidelines to address deductibles as long as the guidelines do not conflict with the governing documents. Many associations are shifting deductibles from being a common expense of the association to being an individual owner expense. Sometimes deductibles are allocated to the owner who would have maintenance responsibility in the absence of insurance, unless the association or another owner negligently caused the damage. Sometimes deductibles are allocated to the party where the cause of the damage originated.

Associations will generally still have the obligation to pay the deductible for common element damages or damages to areas of association maintenance responsibility, and, therefore should still budget for payment of deductibles. However, generally deductibles allocated to the association will be fewer in number than those allocated to owners.

E. Impacts on Owners

This economic response to reducing association costs can have unintended impacts on the community. The association may be able to keep down its assessments if it can control its insurance premiums. However, there are owners in these communities who either do not understand their insurance obligations or elect to self insure. If the owner does not have adequate funds to finish the interior of the unit, it remains as a shell and can have an economic impact on the rest of the community if the owner has to sell the unit below market value in the community or even loses it to foreclosure, which typically yields a lower price.

It is also quite possible that owners will see their individual premiums increase. Some insurance professionals object when associations take on a higher deductible with the assumption that the added exposure will be picked up by the owner's policy. Historically, the owners' individual insurance premiums were not that high because the association's insurance would cover the bulk of the loss to the structure and the association deductibles were not very high. Therefore, the owner's insurance carrier had less to cover, both in terms of the building structure and in terms of a deductible. However, if the individual owner has to insure their cabinets, floor coverings and other fixtures, the building coverage on their individual policy may increase and to cover what the association does not insure as well as the higher deductible for which they may be responsible.

F. Impact of the Economy on Insurance Claims

While claims for property damage may be less likely to increase, the allocation of insurance proceeds may be an issue. Many associations transfer to the owner the insurance proceeds received on the association policy and the owner assumes the responsibility for making and paying for the repairs. While there is generally an incentive to complete repairs so that amounts that may be withheld by the insurance company are paid, owners facing foreclosure are more likely to keep the money and use it for purposes other than repair of the unit that may not be their home shortly. This situation increases the importance of association involvement to ensure that insurance proceeds are used for the intended purpose.

Unfortunately, desperate times sometimes result in desperate measures. A manager in Virginia was convicted of stealing \$3 million dollars from over 350 associations. Recently, in Colorado a former manager was arrested for allegedly stealing approximately \$90,000.00 from one association. Board members have a duty to protect the assets of the community. Under the terms of CCIOA applicable to post-CCIOA common interest communities, if an association with 30 or more units delegates powers of the executive board of officers relating to collection, deposit, transfer, or disbursement of association funds to other persons or to a managing agent, the bylaws of the association must require the following:

1. That the other persons or managing agent maintain fidelity insurance coverage or a bond in an amount not less than \$50,000.00 or such higher amount as the board may require;
2. That the other persons or managing agent maintain all funds and accounts of the association separate from the funds and accounts of other associations managed by the other persons or managing agent and maintain all reserve accounts of each association so managed separate from operational accounts for the association; and
3. That an annual accounting for association funds and a financial statement be prepared and presented to the association by the managing agent, a public accountant or a certified public accountant.

(C.R.S. § 38-33.3-306)

To better assure that the association has access to coverage, rather than relying on the manager to purchase fidelity insurance, which may be applicable to a number of associations and may not allow the association to make a first party claim, associations are better protected by ensuring that any persons handling association funds are covered by the association's employee dishonesty or fidelity coverage. Associations should also review the adequacy of coverage. Some governing documents set guidelines for coverage. The association with the manager who has been arrested for stealing approximately \$90,000.00 of association funds had coverage for only \$50,000.00. Even if the manager is convicted, the likelihood of recovering the additional \$40,000.00 may not be great.

V. ENERGY GENERATION AND ENERGY CONSERVATION MEASURES

Rising energy costs and attention to alternative energy sources provided some of the impetus for legislation in 2008 (H.B. 08-1270) to require that restrictions, covenants and guidelines that effectively preclude the use of renewable energy generation devices and energy efficiency devices are void and enforceable. Such restrictions as applied to solar energy devices have been in place since 1979.

The 2008 legislation expanded C.R.S. § 38-30-168 to include "renewable energy devices" including solar energy devices and wind-electric generators that meet interconnecting standards established in rules promulgated the Public Utilities Commission. Aesthetic provisions that impose reasonable restrictions on the dimensions, placement or external appearance of a renewable energy generation device that do not significantly increase cost of the device or significantly decrease its performance or efficiency are permitted. Additionally reasonable restrictions on installation and use of wind-electric generators to reduce interference with the use and enjoyment as a result of the sound of such devices are permitted.

The 2008 legislation also added a new public policy section to CCIOA addressing unreasonable restrictions on energy efficiency measures. Energy efficiency measures include: awnings, shutters, trellises, armadas or other shade structures; a garage or attic fan and associated vents or louvers; an evaporative cooler; an energy-efficient outdoor lighting device; and a retractable clothesline. As with energy generation devices, reasonable aesthetic provisions governing dimensions, placement, or external appearance of an energy efficiency measure are permitted.

VI. CONCLUSION

The associations in common interest communities are affected by economic issues in much the same way as any other small business. When anticipated sources of income are not realized, boards must consider how to fund services and in some instances how to fulfill legal obligations at a lower cost while still striving to maintain and enhance the quality of life in the community and property values. It is not always an easy task, but common interest communities, unlike many other types of businesses, cannot simply close their doors. Hopefully, foreclosures will decrease, the stream of income for associations will increase and some of the financial challenges faced by common interest communities addressed in this article will abate.