



The recent shelter-in-place orders due to COVID-19 have placed enormous stress on our economy and many people have had reduced income, lost their jobs, or are nervous about losing their jobs.

The following information is provided to explain why assessments are important and what options are available for members experiencing financial hardships related to the corona virus.

Why are HOA Assessments important?

Your homeowners association is a non-profit mutual benefit corporation, of which you are a member. The common areas in your community are the assets that this corporation (your HOA) is responsible for managing. Therefore, your assessments directly support the programs and services that preserve the property values of the homes in your community. As a non-profit mutual benefit corporation with a volunteer board of directors, none of the members on your community's board receive compensation for their service—all of the membership assessments are funneled back into amenities and services that protect your home's equity.

Where do HOA assessments go?

There are two parts to your HOA's annual budget: operations and reserves. Both play a critical role in preserving your home's value. Operations are the monthly expenses that fund the daily operations of the association and includes things like the landscaping contract and materials, pool maintenance, patrol, insurance fees, administrative costs, management company services, utilities and legal fees. Reserve funding is typically a very large part of what comprises your monthly assessments. Reserves represent the long-term savings plan that your HOA uses to proactively cover major repairs and replacements of common area components. Because your board has a fiduciary responsibility to manage your funds and property, setting reserves is an important part of responsible planning and maintenance. Reserve covers replacement of most of your HOA's major maintenance components, including major pool repairs & replacements to heaters, decking, and restrooms, new fencing and gates, painting projects, repaving common area roads and driveways.

What are my options if I am struggling to pay my assessments?

COVID-19 has had a huge effect on our daily lives including many people's income. The Board of Directors must balance their compassion for their fellow neighbors with their fiduciary obligation to protect the financial well-being of the association. The association must be able to maintain cash flow to pay utility bills, insurance, landscape maintenance costs and other expenses necessary to protect property values and provide for a safe community. Therefore, associations are typically unable to waive monthly assessments. That being said, the Board does have some options to help homeowners. These options include waiving late fees and interest, limiting foreclosure actions, and helping members by working out payment plans in the event they cannot pay their assessments on time. If, as a result of the corona virus, you feel you will not be able to pay your monthly assessment when due, it is of the utmost importance that you contact the Management office as soon as possible to discuss your situation and to explore any available payment options.