



## NEWS & VIEWS for Homeowner Associations

Providing HOA News and Views since 1990

### Common Interest Development Manager Certification

By David Brock, PCAM

In 2003 California passed a law regarding the certification of *Common Interest Development managers*. The law provided for a means by which a person can call themselves a “*certified common interest development manager*”, but it fell short of requiring those who manage Common Interest Developments to actually be certified. The law requires that, prior to providing services and each year thereafter, the manager or management company provide a disclosure to the Board of directors as to whether they have met the requirements of the law. Simply stated, the law DOES NOT require certification, but only the DISCLOSURE of that fact.



The management of Common Interest Developments (aka Homeowner Associations) involves multiple skills and technical knowledge that continually changes as the California state legislature passes new laws affecting Common Interest Developments. Homeowner Associations are led

“*Common Interest Development Manager Certification*”: continued on page 3.

### New Law: Rental Restrictions (AB 3182) [Spoiler Alert: Community Associations Will Survive]

By Kelly G. Richardson, Esq. CCAL,  
Richardson Ober DeNichilo LLP, Pasadena

It was a tumultuous year in Sacramento due to the pandemic. Only one major HOA bill made it to the Governor’s desk, and that was Assembly Bill 3182. The Bill was signed into law by the Governor and will take effect January 1, 2021.

Promoted as part of the effort to ease California’s housing shortage, the bill creates a new Civil Code Section 4741, which **bans “unreasonable” restrictions on rentals** in HOA’s. The new law creates some uncertainties, but for the most part is manageable.

#### The Facts

The new Section 4741(a) prohibits HOA governing documents from containing anything which prohibits, or unreasonably restricts rentals of homes, *accessory dwelling units* (“ADU’s”), or *junior ADU’s* (“JADU’s”). It is clear that “prohibiting” means HOAs cannot completely ban rentals. However, it may be harder to define the “effect of prohibiting” or “unreasonably restricting” rentals.

Most likely, the two issues (effect of prohibiting or unreasonably restricting) are close to synonymous. Is a rental provision in the governing documents a thinly veiled effort to halt rentals, or is there a legitimate explanation showing a reasonable restriction that many owners can meet? This will be the critical question when evaluating present and future clauses in governing documents relating to rentals.

Associations may wish to be conservative regarding rental

restrictions. If the HOA is found to have unreasonable restrictions, it could be liable for a \$1,000.00 civil penalty as well as attorney fees to the complaining party.



#### The Good News

One positive result of the new Section 4741 is its specific approval of rental caps as low as 25% of the HOA. The 25% limit excludes ADU’s or JADU’s. The law allows a cap of 25% or higher, so HOAs that currently have a rental maximum of 25% or more are OK in this regard.

Another positive addition from Section 4741(c), is the confirmation that HOA’s may ban short term rentals (30 days or less). It is not yet completely clear if this will have any impact on HOAs that have lease term minimums in their documents regarding normal non-vacation rentals (often 6 months or one-year initial lease term). However, since short term rentals are considered non-residential use by many cities, there is a strong likelihood that minimum lease term requirements will be defensible in court if the HOA can show the requirement is reasonable.

#### Amending CC&Rs? Our Perspective

The requirement in the new Civil Code Section 4741(f) that all HOAs must amend their governing documents to conform to the law prior to the end of 2021 has

“*New Law: Rental Restrictions (AB 3182)*”: continued on page 2.

*“New Law: Rental Restrictions (AB 3182)”*: continued from page 1.

received major attention in the legal community. Many lawyers are suggesting this means that HOA's must amend their CC&R's, but this is a misreading of the statute which would make it too hard for HOAs to comply without great expense. If an association has CC&R's that violate the law (for example, having a 20% rental cap), that provision is unenforceable, as many outdated provisions often are in older CC&R's.

As such, an association could adopt a rule change complying with the law and contradicting provisions in the CC&R's which violates the law. Rules, along with CC&Rs, also are “governing documents” under the law (Civil Code Section 4150). The rule would not violate the CC&Rs,

since the illegal CC&R provision would be overridden by the law. This approach would still involve the rulemaking process, but would be far less burdensome, difficult, and expensive than the task of getting members to vote for technical CC&R amendments.

One very problematic part of this bill is that it also amends the law outside the Davis Stirling Act, specifically Government Code Section 65852.2. This statute, addressing how municipal building and safety departments handle applications to build ADU's or JADU's, will now state that if the agency does not respond to an application to build an ADU or JADU within 60 days, the application is deemed “approved.” This means that associations subject to creation

of ADU's (primarily planned developments) should adopt solid architectural standards, which among other things incorporate local building codes. If the public agency application is deemed approved by default, the HOA may still insist that minimum building standards be met before it allows construction. Of course, HOA's also must be vigilant and prompt to respond to such applications to avoid having its own approvals issued by default.

### **In Conclusion**

While there is still uncertainty, reasonable associations, led by competent professional managers and attorneys, should be able to handle this new law.

To review the bill or any California law, visit [www.leginfo.legislature.ca.gov](http://www.leginfo.legislature.ca.gov). ❖

## **Common Interest Development Tax Filing Requirements**

by Tim Bradley, CPA

Common Interest Developments, when incorporated, are organized as “*non-profit mutual benefit corporations*” and are subject to taxation only on their net non-exempt function income. The most prevalent types of *non-exempt function* income are interest income, laundry income, filming income, and royalty income. Laundry income is offset by utility expenses and should not result in a tax liability. Insurance and other settlement income, in most instances, are deemed *exempt function income* and do not represent a tax liability for an association.

All associations must file **Federal** income tax returns, whether incorporated or not. There are two options associations have for filing Federal income tax returns:

### **Form 1120**

This is the *form* that all corporations must file in the United States. If an association files Form 1120 it is no longer viewed as a *homeowner association* but rather as a *general corporation*. Further, associations who file a Form 1120 must insure that they are well informed and understand the nuances of the Internal Revenue Code sections 118 and 277. These requirements include extensive

bookkeeping and identification of both operating and reserve funds and non-capital versus capital transactions. Further, the association's membership (not the Board of Directors) must timely and annually elect Revenue Ruling 70-604, a now fifty-year-old Internal Revenue Service revenue ruling. It is the opinion of many CPA's that this revenue ruling only allows a one year deferral of net member-source income, not an indefinite deferral. As such, an association could incur a tax liability based on its revenues exceeding its expenses in a similar fashion to other general corporations.

The first \$50,000.00 of taxable (non-member source) income is taxed at a 15% rate. The next \$25,000.00 is taxed at a 25% rate. In the opinion of Timothy Bradley, CPA, very few, if any, associations should file this form as it exposes an association to unnecessary risks.

### **Form 1120 H**

This form is unique to homeowner associations (thus the H). Net non-exempt function income is taxed at a flat rate of 30%. The only requirement to filing this form is its timely filing. There are few, if any, Form 1120H's currently under audit by the Internal Revenue

Service.

There are two different **State** tax forms which all associations are subject to filing:

### **Form 100**

In general, all associations (both incorporated and unincorporated) must file this form. If non-exempt function is less than \$100.00, incorporated associations are not required to file this Form 100. All unincorporated associations must file this form regardless of income.

### **Form 199**

All incorporated associations are required to file Form 199. A \$10 annual filing fee applies to those associations with gross revenues over \$50,000.00. Unincorporated associations are not required to file this form. All California corporations must pay a minimum \$800.00 corporate tax. Certain organizations, including homeowner associations, are exempt from this minimum annual tax requirement. Form 199 is filed each year in order to insure that the association's exempt status is maintained.

If an association loses its tax exempt status, or upon incorporation, a Form 3500

*“Common Interest Development Tax Filing Requirements”*: continued on page 4.

*"Common Interest Development Manager Certification": continued from page 1.*

by a volunteer Board of Directors, who are already busy and have other interests in life, and generally are unable to keep up with the intricacies and nuances of HOA leadership, and changing legal requirements.

There are several points of concern worth noting in regards to uncertified managers. First, a person who manages associations, who is not certified, may not be aware of this requirement. If they are aware, they may not be inclined to disclose this as it would make it seem that they are not qualified. The penalties, if any, for non-disclosure may not exist, or be significant. Secondly, if an association does receive the disclosure, the Board may not fully understand the implications of it, and fail to appreciate the need for a certified manager on their team. Therefore, it is important for Boards to realize that this requirement exists.

Manager certification requires the completion of thirty hours of course work initially and recertification of continuing education every three years. The coursework consists of a number of areas broadly related to Common Interest Development management, including a course in ethics. Managers must then pass an examination that would test knowledge, skills, and aptitude. In addition, *letters of reference* are required and at a minimum of six months of experience prior to becoming a certified manager.

The responsibility and work required by Board members is best accomplished by a certified manager. No Board member should view their *voluntary* role on a Board as a second job. A Board, when partnered with a trained and certified manager should have a more manageable experience.

As a volunteer Board member your inclination should be to work as efficiently as possible for your association. Making the best long-

term decisions about vendors is how Board members reduce their labor as volunteers (remember the hourly rate you are earning as a Board member). If the job of a Board member appears to be a lot of work, then no one will ever want to serve on the Board.

For many, their home represents their most valuable asset, and for that reason it would make sense to work with a certified manager. Working with a certified manager affords the best protection for associations as these knowledgeable managers help steer their associations through the maze of regulatory compliance. Additionally, a benefit also is that potential liability is reduced which makes it easier for volunteer directors to meet their fiduciary duties.

A CID manager who makes the investment of time and money to become certified is clearly committed to this industry and has plans to remain in this industry for an extended period. A *certified* association manager is uniquely qualified from those in the industry from those who simply applied for a job and were hired without any training or experience.

In summary, here is why it is advantageous to work with a certified manager:

1) **Ethics** - HOA Boards should be concerned that their management company/manager has integrity and operates honestly. Both the Community Associations Institute (CAI) and the California Association of Community Managers (CACM) have Codes of Ethics and Standards of Practice. Only Certified managers are bound by these codes. Board members who work with a manager who is not certified are not able to seek help from one of the trade organizations.

2) **Conflicts of interest:** Both managers (and Board members) can have potential conflicts of interest. A 2018 law, requires management companies to disclose relationships with affiliated companies where the manager or management company

have an ownership interest. As a Board member, you should know when the manager benefits in other ways from your relationship.

3) **Knowledgeable** - the CID (aka HOA) industry is continually impacted by new laws every year. As a volunteer Board member, you should not have to keep up on new law changes. You should expect your management company to be doing this for you.

In closing, consider the value of your investment and the value of your time. When looking to hire a manager you must make the strongest decision you can make, and that should be for a *Certified Common Interest Development* manager. ❖

**LOCK-UP INC/SAN MARINO LOCK & KEY**



SPECIALIZING IN  
AUTOMATED  
GATES & DOORS,  
SECURITY CAMERA  
SURVEILLANCE  
SYSTEMS, TELEPHONE  
& INTERNET ACCESS  
SYSTEMS, LOCKS & KEY  
SERVICES

CALL OR EMAIL FOR FREE ESTIMATES  
**(626) 844-0307** [LOCKUP@LOCKUPINC.COM](mailto:LOCKUP@LOCKUPINC.COM)

**ADVERTISE HERE**

If your company specializes in HOA's and you would like to advertise in our newsletter please contact Roman Esparza (626) 243-4158 [roman@bevenandbrock.com](mailto:roman@bevenandbrock.com)



Call us for sewage clean-ups, water & fire restoration services, mold remediation, or any disaster clean-up



**1-HOUR EMERGENCY RESPONSE**  
**855.457.9669**  
[WWW.PRCINC.COM](http://WWW.PRCINC.COM) • LIC#931249

**CONSTRUCTION  
DEFECT LITIGATION**  
FULL SERVICE REPRESENTATION FOR  
COMMUNITY ASSOCIATIONS

**BERDING | WEIL**  
ATTORNEYS AT LAW

**COSTA MESA • SAN DIEGO**  
**800.838.2090**

**HOA LIGHTING EXPERTS**

**ELECTROWAVE**

Residential • Commercial • Industrial

**Mynor Orellana**  
323-578-7687  
electrowave.services@gmail.com  
LIC # 901069


Lighting retrofits Thermal Imaging  
New Circuits HVAC  
Trouble Shooting Emergency Repairs

**Majority Rules, LLC®**



**Tommy Ouzoonian**  
President

Post Office Box 608 • Yorba Linda, CA 92885  
(714) 777-7073  
Majority\_Rules@SBCGlobal.net  
Professional Elections at the Lowest Possible Costs®



**Michelle Urbina**  
Property Services Representative  
BOMA / CACM / CAI  
(323) 215-7897  
michelle.urbina@dunnedwards.com

Specifications • Job Walks • Color Renderings



**STEVEN G. SEGAL INSURANCE  
AGENCY, INC.**

Over 33 years of experience specializing in:  
Condominium Associations • Planned Unit Developments  
Hard to Place Associations • Earthquake Coverage  
High Rise Condominiums • Workers Compensation

Toll Free 800-345-8866 • Toll Free Fax 800-262-0973  
Email: SSegal@farmersagent.com  
www.farmersagent.com/ssegal • License #0E24660

*“Common Interest Development Tax Filing Requirements”:* continued from page 2.  
(California Exemption Application) is required to be filed.

Associations must file Form 1120H and Form 100 within 3 1/2 months after its tax year end. As an example, calendar year end filers with a December year end must file these Forms by April 15 or file an extension. Form 199 is due 4 1/2 months after an association’s tax year end.

As always, it is best to work with a CPA who knows and understands the unique filing requirements for Common Interest Developments.

**ANNUAL REVIEW REQUIREMENTS**

Homeowner Associations with gross revenues greater than \$75,000.00 are required to have a review performed by an independent California CPA. This requirement is mandated by the California Civil Code (Davis-Stirling Act) and makes no exclusion for any revenue items, including special assessments, insurance claims, or various settlements. Audits are not required for Homeowner Associations unless required in the association’s legal documents. Reviews first became a level of service in 1976, and any association with older documents must still comply.

The purpose of a review is for a CPA to attest that the financial statements of an association are fairly stated in accordance with *Generally Accepted Accounting Principles*. The purpose of a review is not to detect fraud or other acts of malfeasance. However, all CPAs are trained to identify circumstances which have the appearance(s) of irregularity.

While this is only a requirement of associations with incomes greater than \$75,000.00, every

association should be concerned that their books are being handled properly. The potential for improper financial activity can still exist in small and self-managed associations. In fact, the risk may be greater. If all the accounting functions are handled by one Board member and no statements or bank reconciliations are being provided to the other Board members, there is a much greater opportunity for theft of association funds.

At a minimum, monthly financial statements are legally required to be provided to all Board members and reviewed monthly by at least two Board members. Some of the more common abuses are a Board member not paying their own assessments, or bills being paid that cover more than just the common area, such as individual units.

The following are examples of problematic areas which arise during the performance of reviews:

- The use vendors who do not carry workers compensation and liability insurance. One workers’ compensation claim can ruin an association.
- The Civil Code requires that every bank statement be reconciled (including reserve statements) at least quarterly. Using the *out of sight, out of mind mentality*, it is very difficult to follow up when statements have not been received for months and the damage has been done. This is easily resolved if all statements are sent to the management company.

The annual review must be distributed to all owners 120 days after the end of the year.

**Tim Bradley, CPA exclusively performs review and tax preparation services for professionally managed homeowner associations in the Los Angeles County area. ❖**

**CID Insurance: Best Practices**

Insurance costs typically represent the highest percentage of annual budgets at just over 11% on average. Given this, it is advisable to pay attention to the issue of insurance and make sure that you are paying for the best and most appropriate coverage for potential

losses. The types of insurance include general liability, peril (i.e. fire), earthquake, fidelity coverage, directors and officers and worker’s compensation insurance. Over the last twenty years of providing this

*“CID Insurance: Best Practices”:* continued on page 5.

*"CID Insurance: Best Practices":  
continued from page 4.*

newsletter, we have featured articles on various insurance related issues. This article will assimilate the best thinking from the past years into one article.

### WORK WITH THE RIGHT AGENT

Find and work with the right agent. CID insurance is complicated, and there are a number of options to consider. You need an agent on your team who is experienced in the field of Common Interest Development insurance. Your automobile agent may be a great guy, and can sell you a policy for the association, but you really need someone who has years of experience and multiple CID clients already.

### REVIEW YOUR POLICIES REGULARLY

Insist that your agent review your policy every year, preferably at a board meeting. Some important questions that should be reviewed: does your coverage match the requirements in your C.C. & R.'s, particularly in terms of coverage for the unit interiors? There are several options here: "Walls In" ("All Inclusive), "Blanket", "Walls In" excluding upgrades, and "Walls Out" also known as "Bare Walls".

In shopping insurance rates, there will be significant cost differences among these choices. It is important to ask your agent to review your documents for your specific requirements. Is your coverage adequate relative to full replacement costs?

Does your policy contain the important endorsements, such as Coverage A—Loss to the Undamaged Portion of the Building, Coverage B—Increased Demolition Cost and Coverage C—Increased Cost of Construction. Ask your agent about other optional coverages.

The law requires specific Liability Limits based on the size of the association. California law requires that you have \$2 million of liability coverage if the association is less than 100 units and \$3 million in coverage if it is 100 units or more.

Evaluate the deductibles - this is the amount the association

will need to pay before insurance coverage kicks in. Make sure you are comfortable with this amount, and ask the agent for how the premium may change at different deductible limits.


### INDIVIDUAL OWNER POLICIES

Understand the importance and value of a "unit owner's policy" (also called "HO-6"). This policy, which is available for unit owners, will help fill the gaps of coverage that exist with the master policy. The liability resulting from an injury occurring within an individual unit is NOT covered under the Master Policy of the association. The HO-6 policy is a great value but is often not purchased. Owners can buy this coverage through their existing insurance agent. Lenders may also require the HO-6 policy as well. The association should consider making a strong recommendation to owners to purchase the HO-6 policy.

### WORKER'S COMPENSATION INSURANCE

Worker's Compensation Insurance: purchase Worker's Compensation Insurance even if you don't have employees. There are several reasons for this: it is possible that you might hire a vendor who represents that they are covered, but the policy may have lapsed prior to them starting your work. Or you may hire a vendor who indicates that they have no employees, but on the day they work for you, they need some extra help and they pick up a day laborer. California Labor Code Section 3202 requires that Workers' Compensation law be "liberally construed by the courts with the purpose of extending their benefits." If an "independent contractor" does not otherwise have Workers' Compensation insurance, the courts believing they have an obligation to award benefits, may liberally construe the law to find that the Common Interest Development was the employer. The risk to the association can be significant for not having this insurance. The cost for this insurance is not significant, if you end up not having to use it.

*"CID Insurance: Best Practices":  
continued on page 6.*



**Alliance Association Bank**  
A Division of Western Alliance Bank. Member FDIC.

**14-MO. SPECIAL CD 2.02% APY<sup>1</sup>**  
AAB Enrollment Form & Master Management Company Signature Card Required.

**EASY & STREAMLINED ACCOUNT OPENING PROCESS**

**ASSOCIATION MONEY MARKET<sup>2</sup>**

Up to \$49,999.99 .....	0.60% APY
\$50,000.00 - \$99,999.99 .....	0.70% APY
\$100,000.00 - \$249,999.99 .....	0.80% APY
\$250,000.00 - \$999,999.99 .....	0.90% APY
Over \$1,000,000.00 .....	1.00% APY

**CRAIG LEE HUNTINGTON, SVP • 323.201.7570**  
CLHuntington@AllianceAssociationBank.com

<sup>1</sup> Annual percent yield (APY) is accurate as of April 15, 2018. Minimum balance required to open and earn the APY is \$5,000.00. This Special 14-Month CD will not be available after June 30, 2018. Funds withdrawn prior to maturity may be subject to an early withdrawal penalty. Fees may reduce earnings on the account. Upon maturity CDs will roll into 12-Month CD at the rate then currently available.  
<sup>2</sup> The interest rate and annual percentage yield may change after account opening. These rates are only available for AAB customers and community associations.



**TIMOTHY CLINE**  
INSURANCE AGENCY, INC.  
Specializing in Association Master and Earthquake Policies  
www.timothycline.com  
(310) 260-2900 ext. 25  
CA License #0C10844



**State Farm**<sup>TM</sup>



John R Sinner Ins Agcy Inc  
John Sinner, Agent  
Insurance Lic#: 0589670  
Bus: 626-576-1078 Toll Free: 800-516-1078  
www.johnsinner.com

[www.HOAinsurance.com/bookrequest](http://www.HOAinsurance.com/bookrequest)

**Insider's Guide to HOA Insurance**  
by Elliot Katzovitz



**Free of Charge**  
for News and Views readers

**\$14.95 value**



Reserve Studies for Community Associations

**ASSOCIATION RESERVES**  
Est. 1986  
Over 30,000 Reserve Studies nationwide

- Save money with our 3-year plan
- Access your Reserve Study online
- Video explanation of results
- Free Disclosure Form preparation

**Request a Proposal Today!**  
www.reservestudy.com | (800) 733-1365



the **BETTER** path to **PAINTING**<sup>®</sup>  
COMMERCIAL SERVICES

- HOA community specialists
- Excellent customer service for a painless experience
- Proven painting processes to make projects quick and efficient
- Complimentary color consultations
- All size jobs • Exterior, Interior and Common Areas

certapro.com/pasadena | bmauser@certapro.com  
**866-591-9270**  
Each CertaPro Painters® business is independently owned and operated.

*"CID Insurance: Best Practices":  
continued from page 5.*

**EARTHQUAKE INSURANCE**

If you don't currently have earthquake insurance, the best advice is to request a quote every two years or so and then survey the owners as to the cost and benefits. The cost for earthquake coverage will likely require an increase in assessments. If an owner purchases the HO-6 policy it will include "Loss Assessment Coverage" which will help an owner pay for their share of the assessment the association may levy to cover the deductible, or pay for the assessment if there is no earthquake coverage. In addition, owners can obtain coverage through the CEA (California Earthquake Authority) to supplement. The best scenario is for owners to have all three policies in place. When shopping for earthquake coverage, you only need to go to one agent who can shop all the possible carriers. The carriers work through multiple agents, so it is not advisable to go to more than one agent, unless they don't have access to all of the carriers.

**DIRECTORS & OFFICERS (D&O)**

Directors and Officers Insurance protects volunteers from personal liability for decisions they make while on the Board. D&O Insurance is in addition to the association's

general liability policy and covers Board negligence, breach of fiduciary duties, etc., provided the errors or omissions were within the scope of the officer or directors' duties, performed in good faith, and not willful, wanton, or grossly negligent. Directors are protected from liability if there is a policy of \$500,000.00 for 100 or fewer units, and in the case of 100 or more units: \$1,000,000.00.

**FIDELITY BOND**

This is usually required by lenders, and protects the association against dishonest acts such as embezzlement committed by an employee as defined by the policy. In a Common Interest Development, the definition of "employee" is broadened to include the Board of Directors as non-compensated employees of the association, as well as the community manager and management Company. A management company will carry a fidelity bond as well.

We are thankful to the professional CID insurance agents, who contributed to this article: John Sinner, Steven G. Segal, Timothy Cline, Elliot Katzovitz, and Patrick Prendiville. For a copy of the full articles that appeared in prior newsletters, email us at: HOANewsletter@bevenandbrock.com. ❖

**CID Manager Designations Explained**

An estimated 70 million people live in America's nearly 345,000 community associations. Running a community association is like running a business. The best way for homeowners to protect their investment is by hiring a qualified and certified manager. Common interest development managers have two choices for professional trade organizations when becoming certified: a) the California specific "California Association of Community Managers" or b) the international organization "Community Associations Institute". Each one provide multiple levels of certification, and this article will help provide clarity on this issue. At the end of this article we will provide you with the certification

status of the managers at Beven & Brock.

**1. California Association of Community Managers (CACM)**

Founded in 1991, the California Association of Community Managers, Inc. (CACM) is a professional trade association focused on elevating the professionalism and success of the California community management industry. CACM empowers a network of community management professionals working in large scale, portfolio, resort and high rise homeowners associations to share and apply California's most effective community management practices. CACM is located at 23461

*"CID Manager Designations Explained":  
continued on page 7.*

**M**

**LAW OFFICES OF MICHAEL A. HEARN**  
CONSTRUCTION DEFECT SPECIALISTS

Over 35 years of Construction Defect experience  
representing Associations and other Property Owners

**FREE Initial Investigation Including:**

- Site Inspection
- Document Review
- Full Report
- Consultation

949.341.0030 ∞ info@mhearn.com  
www.michaelhearnlaw.com



Roofing    Waterproofing    Decking    Repair/Maintenance

**1000s OF PROJECTS COMPLETED!**

Free Estimates!  
**(800) 773-7663**  
www.adcoroofing.com

**ADCO**  
ROOFING & WATERPROOFING  
"We Take Pride In Our Work Since 1989"  
Lic. 560144

**Western Rooter**

**24/7 Emergency Plumbing Service**

**\$175 Sewer Video Camera Inspection**  
**\$99 Main Line Drain cleaning**

• **Free Plumbing Estimates** •  
**(626) 448-6455**  
www.westernrooter.com  
Licensed & Insured  
**Family Owned for over 30 years**

R O D    RICHARDSON    OBER    DENICHILO

PROVIDING OUTSTANDING LEGAL  
SERVICES TO COMMUNITY ASSOCIATIONS  
FOR OVER 30 YEARS.



EXPERIENCE. COMMITMENT. PASSION.

- Community Association Law
- Real Estate Law
- Corporate Counsel
- Business Litigation

**CALL US TOLL FREE AT 877.446.2529**  
**WWW.RODLLP.COM**



**SHERWIN WILLIAMS**

**Natalie Schanze**  
Account Executive, Property Services  
(657) 236-8024  
Natalie.M.Schanze@Sherwin.com

- The Nations #1 Single Source supplier of coatings and supplies
- Over 100 Greater Los Angeles Area Locations
- Best in Class Cost Analysis Tools
- Post Project Maintenance & HOA Color Archive
- Expert Color Renderings
- Full Scope Interior Design Services including paint, flooring, carpet, and window treatments
- Expert Paint Project Services and Specifications

*"CID Manager Designations Explained":  
continued from page 6.*

South Pointe Dr., Ste. 200

Laguna Hills, CA 92653, and can be reach at (800) 363-9771. Their website is [www.cacm.org](http://www.cacm.org). There are two management related certifications available through CACM.

A. The Certified Community Association Manager (CCAM) is the first level on the CACM professional pathway. Achieving the CCAM will ensure that managers are proficient in the best business practices, California specific laws and ethical guidelines to apply when managing

Contractor #955785 B1, C39



**DKH**  
CONSTRUCTION & ROOFING

Full Service Roofing Tile, Shingle, and Hot Mop

Contracting All Phases: Designing, Fencing, Concrete, Remodels, Windows, Doors, Decking, Wrought Iron

**562.927.8045**

**SELECT PAINTING & CONSTRUCTION, Inc.**

License # 614609, C23, C33 & B1

Exterior/Interior Painting - Reconstruction - Wood Replacement  
Wrought Iron Fabrication & Installation

**800-493-8724**  
[www.select-painting.com](http://www.select-painting.com)



**SmartRise**  
Elevator

Kirsten N. Gumm  
Account Manager  
CSLB #992922

562-921-0040 Office  
562-921-0041 Fax  
951-987-2863 Cell

13523 Larwin Circle  
Santa Fe Springs, CA 90670

[kirsten@smartriseelevator.com](mailto:kirsten@smartriseelevator.com)  
[www.smartriseelevator.com](http://www.smartriseelevator.com)

Service ▲ Repair ▲ Modernization



Since 1975  
Fully Licensed and Insured  
Lic. #872494

**Ferris Painting™**

"Painting Southern California One Building at a Time"

Call for a FREE estimate!

Greg Lewis  
O. (818) 951-3207  
F. (818) 951-5279  
[greg@ferrispainting.com](mailto:greg@ferrispainting.com)

[www.FerrisPainting.com](http://www.FerrisPainting.com)



community associations.

B. The Master of Community Association Management (MCAM) certification is the highest professional recognition available for California community association managers from CACM.

## 2. Community Associations Institute (CAI)

CAI has been serving homeowner association industry through its vast membership of Business Members since 1973. CAI has 64 chapters worldwide including Canada, the Middle East and South Africa. Chapters administer a variety of programs and services such as professional development programming, community association board member education, networking opportunities, educational publications, legislative advocacy and other services to meet the needs of their members.

CAI is headquartered at 6402 Arlington Blvd., Suite 500, Falls Church, VA 22042 and can be reached at (888) 224-4321. Their web-site is [www.caionline.org](http://www.caionline.org).

A. The entry level of manager certification is the Certified Manager of Community Associations (CMCA). There are more than 20,000 CMCA internationally, and currently there are 1283 CMCA-certified professionals in California who manage every type of community: condominium & homeowner associations, housing cooperatives, resort communities and commercial tenant associations. CMCA's are recognized for their skills and knowledge in community association management.

B. The second level in the career development track for community association managers is the Association Management Specialist. (AMS). The AMS designation demonstrates a higher level of commitment to the community association industry. An AMS designation is recommended for managers who want to enhance their career opportunities by increasing their knowledge and expertise.

C. Finally, the pinnacle of community association management. The PCAM designation

is the highest professional level available nationwide to managers who specialize in community association management. This designation requires at least five years of experience, completion of a case study on a large association in the U.S., and the completion of advanced course work. There are roughly 300 PCAM's in California, and approximately 2200 nationally.

As of December 1, 2020, the following Beven & Brock staff hold the designations indicated:

- C. Finley Beven, CCAM; since August 18, 1994, Emeritus; licensed Ca. Real Estate Broker
- Vianna Boettcher, CCAM; since January 10, 2006
- Juanita Flores, CCAM; since June 28, 2004
- Laura Hoot, CCAM; since July 11, 2003
- Lori Lacher, CCAM; since July 11, 2003
- Sue Threadgill, CCAM; since March 20, 2003
- Paul Cannings, CCAM; since July 1, 2003 and CMCA, since July 11, 2003
- Marilyn Howald, CMCA since September 4, 1996
- Laura Aguilar, CMCA since October 6, 2016 and AMS as of November 2016
- Patricia Ford, CMCA, since September 22, 2004
- Fang Zhu, CMCA since June 16, 2017
- Roman Esparza, CMCA, since June 24, 2019; licensed California Sales License
- David Brock, PCAM designation, October 1, 1990; licensed California Real Estate Broker

The dates above are the original dates of certification. However, most of the managers listed have experience managing homeowner associations for many years prior.

Finally, Beven & Brock has no ownership interests or affiliation with any service providers in the HOA industry. One manager at Beven & Brock (Vianna Boettcher) is on the board of directors of Audio-Comm Systems, Inc., a business that is operated by her husband. ❖



**BEVEN & BROCK**  
**NEWS & VIEWS**  
for Homeowner Associations

CONDOMINIUM ASSOCIATION MANAGEMENT  
99 S. LAKE AVE. SUITE 100  
PASADENA CA 91101  
PHONE: 626.795.3282  
www.bevenandbrock.com

PRSRT STD  
U.S. POSTAGE  
PAID  
PERMIT #288  
ANAHEIM, CA.



**BEVEN & BROCK**  
**NEWS & VIEWS**  
for Homeowner Associations

## HOA BOARD MEMBER EDUCATION

Education for volunteer HOA board members is essential for success as board members. Due to the ever-increasing complex and changing nature of the laws and regulations that impact common-interest-developments staying on top of these changes greatly increases a board's member ability to succeed in their role, and operate in confidence

There are several ways for board members to be educated, and Beven & Brock offers two types of training for board members.

**Upcoming events: None scheduled at this time.**

### Board Training (not currently scheduled)

Free three-hour training course for current and prospective HOA board members. A course syllabus, informational handouts, and Certificate of Completion are provided. This CAI-sanctioned class is taught by its co-creator Kelly Richardson, Esq. CCAL of Richardson Ober DeNichilo LLP, and is co-sponsored with the Community Associations Institute. Seating is limited, and reservations may be made by emailing: BoardTraining@bevenandbrock.com. Priority is given to current Beven & Brock managed associations due to space limitations. You may get on the waiting list and when we set new dates we can let you know.

We will provide updated class dates for 2021 when available.

### A RESOURCE AVAILABLE FOR HOA BOARDS!

Beven & Brock is pleased to announce the availability of a new resource for Homeowner Association Boards to find information on topics of interest as needed on demand. Over 135 articles have been taken from prior newsletters and gathered in one place, located at <http://www.bevenandbrock.com/topical-article-library/>. The topics are organized into categories, such as Legal, Meetings, Board, Reserves, Insurance, Community, Elections, Maintenance, Management and other subjects.

This area of the website requires a simple one-time registration, and once that is completed, you can freely access a number of articles on a variety of topics that have appeared in *HOA News and Views* over the past eight years. This resource will help HOA Board members to become educated in an easy and accessible way. The goal is to help boards make well-informed decisions in a variety of challenges that they may encounter.



This Newsletter is circulated for general informational purposes as a public service and promotion by the Beven & Brock Property Management Company. The contents are the opinions of the firm, or the authors, and not intended to constitute legal advice, and should not be relied upon for that purpose. If you have a legal issue related to a subject of this newsletter, you should consult the California Civil Code and your attorney. The paid advertising in this newsletter is provided as a courtesy to our readers and does not constitute any endorsement by Beven & Brock. The advertisers provide their services to HOA's and some may have provided services to Beven & Brock's HOA clients in the past.