

Local officials and even operators themselves calling for community manager regulations and licenses

By SARA CASTELLANOS

When Sue Daigle first became a community association manager 30 years ago, there were no tests or licensing processes she had to go through to earn the title.

Nowadays, among the increased number of embezzlement and mismanagement cases, there is still no requirement that a community association manager be licensed.

Virtually anyone can manage a homeowners or condominium association without having any experience in handling money, working with homeowners, coordinating the repair of plumbing issues or dealing with attorneys.

And Daigle says that's not right.

"We, as managers, manage the assets of an association," said Daigle, who manages community associations in southeast Aurora and Centennial. "If you are the manager of a condominium association, you're managing all the buildings, and that could be millions of dollars. There needs to be education."

That's why she's supportive of an effort by the Community Associations Institute to help pass legislation that would require all community association managers in Colorado to go through a licensing program.

The Colorado Legislative Action Committee of the Community Associations Institute submitted an application on Nov. 4 to the state Department of Regulatory Agencies to investigate the need for licensing community association managers.

DORA has 120 days from that date to decide whether legislation is necessary. If it is, the Community Associations Institute will have two years to find a state lawmaker that would sponsor the bill.

A community association manager is responsible for managing a homeowners or condominium association's budget, ensuring the community has money for repairs and services, overseeing contracts, and maintaining property values. Whereas, a property manager handles rentals.

Daigle said she knows of people in her business who don't have the slightest idea why it's important to fix a water leak or how to manage money.

In fact, several complaints against association managers have been made to the state's HOA Information and Resource Center since a law was passed in March that required HOAs to register with the state. To date, the HOA Information and Resource Center has received 564 complaints, most of which are coming from Aurora and Colorado Springs, said Aaron Acker, HOA information officer. The most common type of complaint involves transparency; homeowners aren't allowed to participate in HOA matters, boards don't provide notice of meetings or they conduct business behind closed doors, Acker said. A report summarizing the center's findings will be released in December.

Dee Wolfe, senior vice president of Lakewood-based Colorado Association Services, said the report will hopefully solidify the need for licensing legislation.

“People’s most valuable asset is their home, whether it’s a condominium or a mansion,” she said. “The bottom line is if it’s not being managed properly, that asset is not going to sell down the road.”

She’s adamant that licensing legislation needs to be passed.

“It’s important for managers to be able to read legal documents, to handle annual budgets, do management reports, legal opinions with the attorney, future major capital repair and replacement,” she said.

If DORA determines that licensing legislation is needed, Wolfe said she’d like to see potential managers pass several classes, as well as background checks, before they are considered for the position.

“Part of the application would be that they would have to have some screening prior and not have been found guilty of any embezzlement,” she said.

State Sen. Morgan Carroll, D-Aurora, said she has heard complaints from constituents about association managers and thinks something more needs to be done. Board members of a homeowners association are sometimes in very different “positions of sophistication”, she said, meaning that some are well-versed in business and legal matters and others are not. That’s why it’s important to be able to rely on a community association manager who is experienced and knowledgeable, she said. She was elated when she heard that the Community Associations Institute wanted to pass licensing legislation for community association managers.

“I think it’s extremely welcome and responsible news,” she said.