

CALIFORNIA LAW REVISION COMMISSION

4000 MIDDLEFIELD ROAD, ROOM D-1
PALO ALTO, CA 94303-4739
650-494-1335



NEWS RELEASE
September 30, 2004
For Immediate Release

Contact: Brian Hebert
Ass't Exec. Secretary
916-739-7071

State Assistance to Common Interest Developments

Request for Public Comment

Community associations are run by volunteer directors who may have little or no prior experience in managing real property, operating a nonprofit corporation, complying with the law governing common interest developments, and interpreting and enforcing restrictions and rules imposed by a common interest development's governing documents. Mistakes and misunderstandings are inevitable and may lead to serious, costly, and divisive problems.

The principal remedy for a violation of common interest development law is private litigation. Litigation is not an ideal remedy where the disputants are neighbors who must maintain ongoing relationships. The adversarial nature of litigation can disrupt these relationships, creating animosity that degrades the quality of life within the community and makes future disputes more likely to arise. Litigation imposes costs on a common interest development community as a whole — costs that must be paid by all members through increased assessments. Many homeowners cannot afford to bring a lawsuit and are effectively denied the benefit of laws designed for their protection.

The proposed law would create the Common Interest Development Bureau within the Department of Consumer Affairs. The bureau would educate common interest development homeowners and board members as to their rights and obligations under the law, provide informal assistance in resolving disputes, and as a last resort, enforce the law governing common interest developments.

The bureau would be funded through a fee charged to community associations when they register with the Secretary of State every two years.

The tentative recommendation is available from the California Law Revision Commission, 4000 Middlefield Road, Room D-1, Palo Alto, CA 94303-4739. The tentative recommendation is also available at the Commission's website (www.clrc.ca.gov) in the pull-down "Reports" menu.

The Commission often substantially revises its recommendations as a result of public comment. To receive timely consideration, comments should be submitted by **December 31, 2004**.

* * *