

HOA Term Limits a Good Thing

HOAs mostly elect a Board of Directors for life terms not by design but because they do. Elections are mostly held each year for two year terms. Board members are not compensated and their influence with community financial matters and covenant enforcement is strong and mostly unchallenging by home owners. Most elections are based on residents voting for incumbents, not affairs within the community, as change doesn't set well for unknown candidates. Contributing to the ability of incumbents to retain their seats is their control over community information dissemination in the HOA newsletter and at HOA home owner meetings that ensures a positive tone towards the Board. It should be said that most Boards do a fine job, are not involved in corruption, serve because others don't, and are dedicated to serving the community.

However, what to do when a Board simply won't listen to home owners, community standards are failing, and financial management are becoming problems. The first and most effective resolution to resolving problems with a dysfunctional Board is to vote them out. This, however (and reflective of other elections in our country) is made difficult with home owner apathy. Board members can be voted out through regularly scheduled elections or instigated via a petition calling for special elections.

Another solution to ensuring problematic Boards don't continue and a means to prompt home owner involvement is to change your HOAs Declaration to require limits. This requires a vote of approval from owners and the referendum be can initiated by the Board or through a petition initiated by home owners. Term limits can be imposed on incumbents who have served one or two terms, for example, when others are available to serve else they can continue in their position. A term limited Board member can run again for office after they sit out one or two election cycles.

Term limits will allow your community to better utilize the talents of residents, promote open governance and scrutiny of HOA contracts and business practices, and promote the overall participation of residents in community governance.