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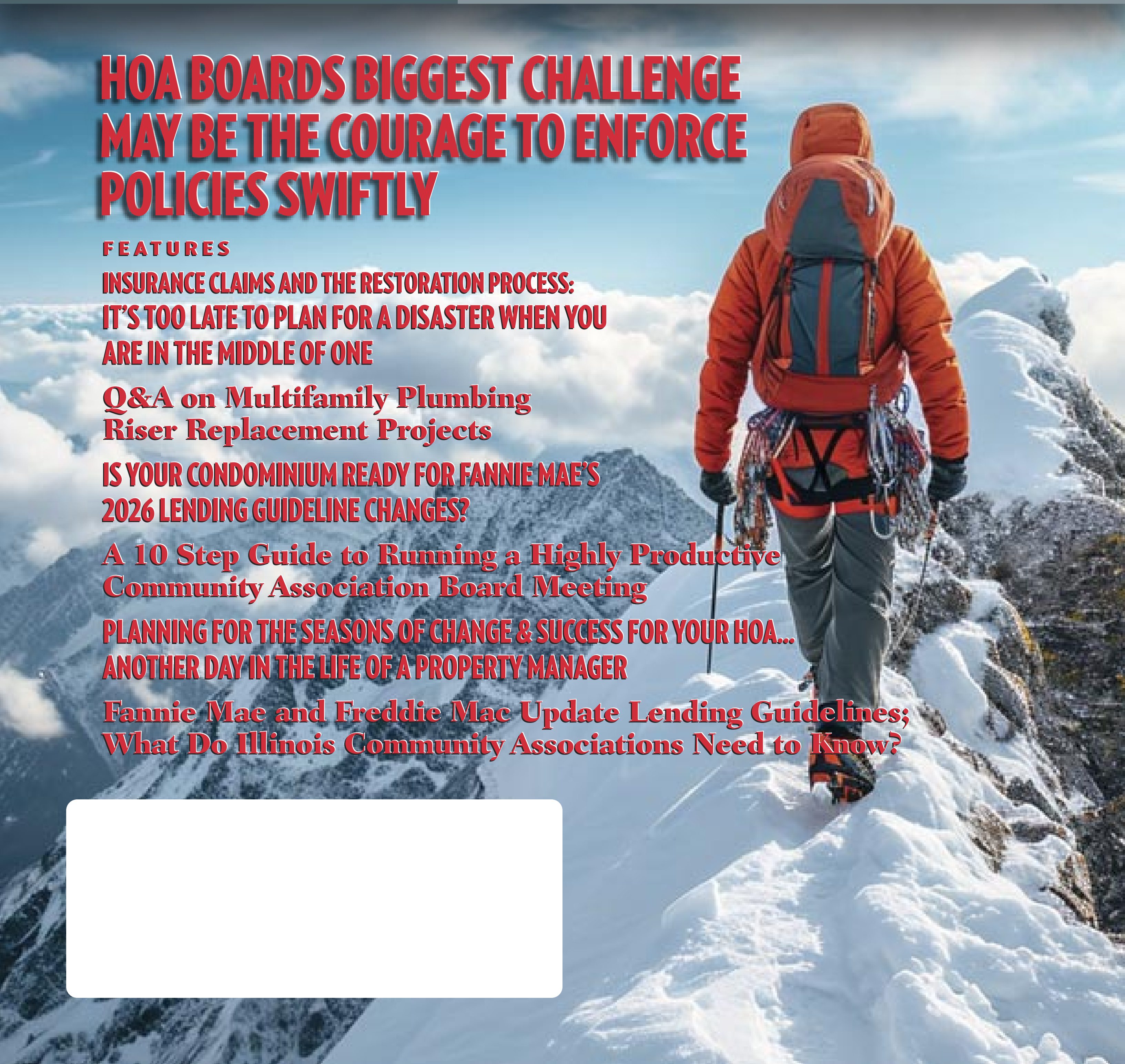

HOA BOARDS BIGGEST CHALLENGE MAY BE THE COURAGE TO ENFORCE POLICIES SWIFTLY

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by Russ Riendeau, PhD

HOA Boards Biggest Challenge May be the Courage to Enforce Policies Swiftly

ABSTRACT

Fact: Every community in America that has a Home Owners Association (HOA) run by a volunteer Board of Directors that live in the community, (and some are not utilizing a professional property management company to aid the Board in managing the daily workload and enforcement of these rules) face a big challenge: A Board requires courage and resolve to live by and enforce the Rules and Regulations as well as their Bylaws consistently and rapidly—even though many neighbors will resent their actions. When Boards waver on enforcement, letting abusers run free, it turns into a forever issue of distrust, property value decline, and Board burnout. Consistent communication from the Board to owners as to what can or can't be done in the community is paramount to keeping peace and order in the community, as well as encouraging new Board members to take over as terms expire. Board Members need to remind owners they support the Rules and Bylaws: They do not write them to be convenient and are not allowed to interpret them to be convenient either. Retaining a professional property management company is a viable tool to ensure compliance, retain property values, reduce personal biases, and reduce Board burnout.

The Power of the Board, Rules & Regulations, and Bylaws

HOA Board members are willing to offer their time and expertise and then are voted in to represent and make the best-informed decisions--as a collective board--that are in the best interests of the community at large. This is the job of the Board. They know it, they agree to it and they have read all the rules and State laws and guidelines to how to run a HOA. They have the responsibility and the power to enforce the charter of rules and make decisions for the community on many issues that single family owners would be able to make on their own. Condo and Townhouse living is very different. Owners have rights with restrictions and limitations they are often confused over and frustrated with, having had the freedom of single-family living and owning their surrounding property. HOAs are monitored and guided by their respective State charters. Boards are required to follow these protocols by law.

Abusers That Test the Board & Policies Need to be Addressed Immediately

Problem homeowners, habitual abusers of this system, home flippers and the like, don't care about their neighbors. They will claim ignorance and violate the rules anyways, knowing they can get away with it or maybe a slap on the wrist or a small fine. This issue has to be addressed immediately when a violation is discovered.

When a Board stays aware of what is happening in the community, walks and observes the community on a regular basis, sees and acts on reported violations quickly with mandated fines and or stoppage of work, it immediately sends a message to the entire community that your Board is protecting your property values, upholding the charters we all agreed on and we treat everybody equally to ensure conformity and value in our buildings. Boards must have courage to do the right thing for the community at-large. Every issue that has no action taken adds up to major issues down the road, owner frustration, and more angry owners at HOA meetings.

When a Board isn't consistent in managing the property, it creates constant problems, confusion, misinformation, and more challenges in re-educating new owners. Important Note: A Board is not responsible to make living in their community affordable by not raising monthly dues to keep pace with inflation, costs of fuel, labor, logistics, and repairs anticipated for aging structures or allowing inferior building materials, poor design, or neglected maintenance of homes to be postponed due to a hardship case, absentee owner, etc. It is an unfortunate circumstance that some owners will find they need to move into more affordable dwellings. Yes, a difficult situation however, the Board is required to protect the community at-large and need to act on behalf of the entire community.

Examples of Strict Monitoring of Work that Occurs in the Community

Integrity of architectural integrity and consistency is critical for exteriors of buildings to retain appearance and protect against rogue installation of incorrect products. Owners are not allowed to make decisions on exterior products and designs. The Board has final say.

Owners will often make personal choices based on affordability, their personal taste in design and furnishings despite what is correct for the community's appearance. Owners know this however, will test the system, fain ignorance, or try and appeal for some other reason that will not be compelling. The Board is required to protect the field.

Decisions around landscape, individuality, consistency, respect curb appeal, neighbor site lines as well need to be considered. Bylaws, Rules & Regulations documents, HOA variance forms, permission forms, work order forms, city and building department permitting requirements all must be completed, submitted, reviewed and approved by the Board or authorized managers that report to the Board. Individual owners know when they buy a home in a community with an HOA that they cannot do what they desire as if it were a single-family home without an HOA managing the property.

For example, a homeowner cannot simply:

- **Tear out and install a new front door style that they like if it doesn't fit the architecture and rules and regs and color choices. Permission required.**

- **Replace windows, service doors or patio doors with any color or grid pattern they desire because it was cheaper than comply with the building style. They have to be compliant with the bylaws the owner knew about when buying. Permission required.**

- **Install any style or color garage door. It must comply and match all the doors in the community. Permission required.**

- **Replace and or tear off decks and patios without have building permits from the city, as well as approval by the Board of the HOA to ensure consistent architectural appearance, protect neighbors from unsightly, cheap construction, as well as allow the Board to inspect the building to see if any repairs or improvements need to be done before a deck or patio is replaced, such as window well covers, downspout drainage pipes, rotted wood or trim, fireplace chases, privacy fences, or utilities wires needing reworking.**

- **Plant any trees, bushes, plantings, garden vegetables one desires because they may create issues for neighbor views, native species compatibility and risks of disease, fungus, bugs, overgrowth, etc. Owners must secure permission before planting anything as outlined in your bylaws.**

- **Allow American flags to fall into disrepair. American flags must be properly lit and kept in good condition, and should not be allowed to be faded or ripped. Pride and curb appeal and respecting neighbors is critical.**

- **Allow exterior furniture and equipment to fall into disrepair. Kid's plastic swings, slides, forts, hanging baskets, windchimes, firepits, outdoor speakers, exterior lighting or front entry flower pots or baskets must**

> **"WHEN A BOARD ISN'T CONSISTENT IN MANAGING THE PROPERTY, IT CREATES CONSTANT PROBLEMS, CONFUSION, MISINFORMATION, AND MORE CHALLENGES IN RE-EDUCATING NEW OWNERS."**

> "A BOARD KNOWS THE COST OF GOODS ANDSERVICES CONSTANTLY GO UP. TODAY'S GAS AND FOSSILFUEL COSTS ARE EXTREMELY VOLATILE AND ESCALATING AND DUES MUST BE RAISED EVERY YEAR TO PROTECT THE COMMUNITY FROM RISKING NOT HAVING FUNDS AND RESERVES TO MAINTAIN THE PROPERTY."

comply with the rules to protect neighbors site lines, privacy and property values.

- **Store cars, motorhomes, construction vehicles in designated or guest (if permitted) parking areas for convenience. If an HOA has stipulated guest parking rules, residents are required to park cars in one's garage or in their respective driveways. Extra parked cars, long term guests, college student cars, relatives, etc. that take up guest parking are unsightly and rude to real guests looking for a parking place. Excessive parked cars reduce the beauty and value of the overall property as well.**

All these examples above need to be dealt with immediately to avoid bigger problems and this also requires regular inspections of the properties by the Board and Managers.

Defending Ongoing HOA Dues Increases

A Board knows the cost of goods and services constantly go up. Today's gas and fossil fuel costs are extremely volatile and escalating and dues must be raised every year to protect the community from risking not having funds and reserves to maintain the property. Again, the Board is not responsible to make their community affordable by keeping dues low. Doing so would be irresponsible. Monthly dues will continue to be raised every year to protect this association from financial distress.

(As of this writing, the cost of fuel is up over 28% and already we're seeing surcharges from landscapers, pavers, roofers, snowplow contractors—anybody with fleets of vehicles and materials using oil and fuel are passing the costs on to their customers).

An HOA board is responsible to uphold the Rules and Regulations and Bylaws that were put in place when the community was first built. They uphold these regulations strongly to protect owners that follow the rules from those who ignore or test the rules for their convenience--not for the betterment of the community.

Retaining A Professional Property Management Company to Control Costs/Enforce Policies

HOA Boards in self-governed communities are often reluctant and uninformed to how affordable and valuable retaining a professional property management company (PPM) can be. (Average costs can be $20-30/per month/per residence in the suburban areas, Average full-service PPM fees range from $40 to $60 in the City.) Retaining a professional property management company to help in the day-to-day running of their association, while the Board still maintains all decision-making and control of the community. Having a PPM dealing with issues and monitoring we discussed above, removes bias of dealing with neighbors and personal conflicts, as well as benefit of better purchasing options, financing flexibility and reducing owner complaints directed to the Board that can be handled professional by a PPM. Exploring costs and ad hoc services as well of PPMs shows the community their Board is always seeking better ways to protect property values and quality of living.

Aging Population Impact

With the demographics of Illinois shifting to more people turning 65 and retiring, as well as health, mobility issues and financial changes to fixed income owners, condo and townhouse communities are seeing a shift. More owners can't/won't be able to maintain their exteriors; they can't always shovel snow, rake leaves, spread mulch, clean gutters, etc. Boards are now seeing these shifts even in the rank and file of the Board members themselves being older and changing in lifestyles.

Summary

These realities and challenges discussed are real-world signals for Boards to be proactive in exploring and incorporating outside professional services, managers, PPMs and contractors to perform the work that owners will not be able to do. Today's homeowners are educated and understand the costs and options available to ensure their property values remain high with association that is contemporary, using the tools and services available right now. Make sure every owner has access to the Bylaws and Rules & Regulations of your community. There are no excuses for not knowing. The good old days of self-governed HOA's trying to keep up with the changes in legal reporting, financial institution requirements, appraisals, insurance issues, city regulations, tax reporting requirements and Board member burnout from excessive owner complaints require a shift in procedures to run a HOA. The costs of retaining PPM services will not be overwhelming if researched and introduced proactively, compared to being forced to change processes due to deaths, resignations, natural disasters, or legal changes.

by Pamela Dittmer McKuen

Insurance Claims and the Restoration Process:

It's too late to plan for a disaster when you are in the middle of one.

No one ever winds up an insurance claim and says, "That was so much fun. I want to do it again." Such is the experience of public insurance adjuster Adina Bergstrom of Gavnat Public Insurance Adjusters.

The process from disaster through restoration is arduous and nuanced, fraught with pitfalls and caveats, even for the most experienced of community association managers. How to navigate successfully while keeping your sanity was the topic of an educational seminar, "Don't Be Surprised: Take Control of Insurance Claims and the Restoration Process," at the 44th Annual Illinois Condo-HOA Conference and Expo. The event was sponsored by the Illinois Chapter of the Community Associations Institute, which is celebrating its 50th anniversary this year.

Presenting the seminar were Bergstrom; Joe Schutzius, director of business development at CELTIC Restoration Group and former community association manager; and Lea Marcou, senior community manager and learning specialist at Associa.

"Insurance claims can feel like an unexpected surprise at a party, but preparation and knowledge will help you handle it with confidence," Marcou said.

Know Your Insurance Policy

For homeowners, insurance policies are relatively straight-forward. But for associations, insurance policies are very different, and they vary widely.

"An association policy is made up of different pieces that are put together," Bergstrom said. "There are a lot of additions and exclusions."

The basic association policy typically covers damage by water, lightning, fire, wind and hail, but not always or to the full extent of a loss. Many of the losses and costs you might think would be included are not, and if you want them, they must be specifically named--at additional cost.

Ordinance and Law, for example, is an add-on endorsement that covers upgrading a restoration or remediation project to meet current building codes. That might seem like a no-brainer, but it's actually an upgrade.

"If you don't have that gap coverage on your policy, the carrier only pays for replacement cost," Schutzius said. "You could be paying money from your own pocket to make those code upgrades that are required to bring the building back to habitable."

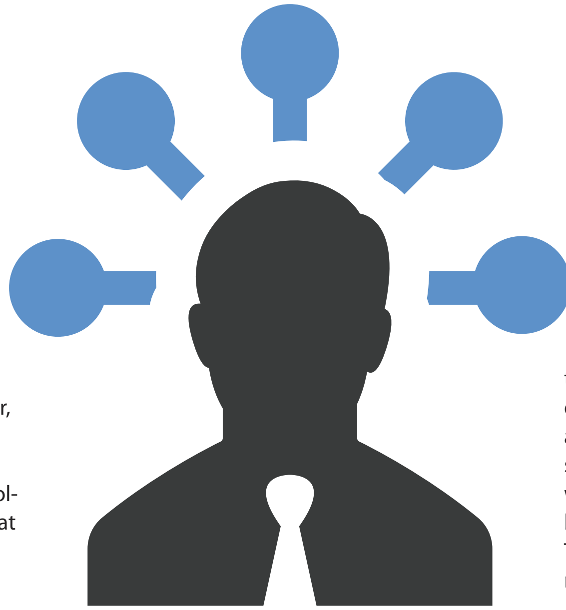
Coverage for remediation of mold (or rather, "Microbial Growth" in insurance parlance) is another area for scrutiny.

"Some policies cap their coverage with a dollar amount, so you will only be reimbursed that much," Schutzius said.

Added Bergstrom: "Make sure any amounts are sufficient if work has to be done, so you're not having tough conversations with your board, saying 'Yes, we spent X number of dollars on an insurance policy, but now we need a special assessment to fill that gap.'"

Another point: Know the difference between Actual Cash Value and Replacement Cost Value.

"Actual Cash Value means the depreciated value of the property," Bergstrom said. "If you have a property that is 25 years old, and a bad storm comes through, you want to make sure



your policy includes 'Replacement Cost Value,' so you can pay for new shingles, not the 25-year-old depreciated ones."

Deductibles Can Be Tricky

Some deductibles apply per event, and others apply per building. Marcou related the case of a 7-building condominium association with upper and lower units that experienced multiple pipe bursts during a severe freeze. The association's $5,000 deductible applied to each building, not the singular event, resulting in a potential $35,000 liability. Further investigation revealed the pipe bursts were due to owners turning off their heat, so they were responsible, not the association.

Bergstrom pointed out the growing trend where instead of a straight dollar value deductible, carriers specify a certain percentage of the total value of the building. She has seen these range from 2 percent to 10 percent, which can be a very large amount for large buildings and communities to self-insure for. The building value will be stated on the declaration page of the policy.

"Ideally, associations have a contingency fund that they contribute to every year and can cover deductible costs," Marcou said.

Work with an Experienced Agent

The panelists strongly urged attendees to engage with insurance agents and carriers who are experienced in dealing with community associations and the laws that govern them.

"They are going to understand how to read your governing documents and incorporate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those requirements into your policy, and they can make additional recommendations to you," Schutzius said. "You can give your boards the best information to make the best decisions, which is what your job is."

He gave a real-life example to show how a savvy agent protected an association from what could have been a disaster on top of a disaster:

The governing documents of a 12-unit building required the association's insurance policy to include a provision called Betterments and Improvements. The provision covers decorating and upgrades, not merely the more common and cheaper bare walls condition. When the building experienced severe water damage, neither the board nor the manager were familiar with the provisions of the insurance policy. In attempting to sort it all out and fearing the worst, they happily discovered that years earlier a savvy insurance agent made sure the policy conformed to the governing documents. By including Betterments and Improvements, the association saved a great deal of money and resident uproar.

"Jake from State Farm might be great for your car or your home, but not for your association," Marcou said.

"The right insurance agent can make you look like a rock star," Schutzius said.

"There is a growing trend where instead of a straight dollar value deductible, carriers specify a certain percentage of the total value of the building. This can typically range from 2 percent to 10 percent, which can be a very large amount for large buildings and communities to self-insure for. The building value will be stated on the declaration page of the insurance policy."

Is the Association Insurable?

A number of factors go into the premium cost of your policy and renewals. A big one is your loss history, which is an accounting of all previous claims. Generally speaking, the more claims you make, the higher the premiums or likelihood of cancellation. But that's not all. Here are a few more:

Community Demographics. In recent years, carriers are paying greater attention to the age and size of a community. "Some carriers will not extend coverage at all if the community is over 20 years old," Bergstrom said. "That can change if updates and repairs are made."

Building Construction. Different types of construction materials and the way the building was put together will impact the coverage that is offered, and if it is offered at all.

Insurance Company Practices. Some carriers are leaving markets or restricting their participation in areas that have high occurrences of, say, wildfires or severe hail.

Association insurance policies are not one and done entities. Managers should review the fine print every year and discuss any changes with their boards, Bergstrom said. "Insurance companies are consistently looking for ways not to provide insurance coverage. New exclusions and endorsements are being added all the time. Deductibles are being raised."

Insurance for Unit Owners

"One of the most important resources property managers and boards can give their general membership is information on what kind of coverage they need," Bergstrom said.

There are two types of policies for owners of community associations: HO-3 and HO-6:

HO-3 policies are designed for stand-alone single-family homes and townhomes in legally established Home Owner Associations. They cover the unit's contents as well as the structural elements of the building that the owner is responsible for.

HO-6 policies are designed for condominiums, including townhome-style condominiums. Similar to renters' policies, HO-6s cover the owner's personal possessions. (The association is responsible for the rest.)

"Another thing that is helpful to know about is Loss Assessment coverage," Bergstrom said. "That is where a deductible under the master policy needs to be covered. The deductible can be transferred down to the unit owner's coverage. If they don't have that, and they get a special assessment for the association's deductible they weren't expecting, they aren't happy."

"I strongly recommend proactive communication on a routine basis with your owners on the type of policy they should have," Marcou said. "Tell them, 'Here is the association's master policy, take it to your agent. For townhomes, I would make it explicit to them which type they have because you don't want them to not have coverage for their portion of the roof."

Prepare in Advance

When a disaster strikes, time is of the essence. An emergency plan, updated regularly, can be instrumental in preserving property and even lives. A few suggestions from the panel: Create a property inventory to include photographs of water shutoffs and electrical panels along with labels for their use. Invite the local fire department to walk the property and make recommendations. Run tests of your emergency broadcast system. Build relationships with local contractors, restoration companies, public adjusters, plumbers, attorney, insurance agent and anyone else you might need to call upon when a loss occurs. Add their contact information to your emergency plan.

"If someone gives you an 800-number, you have the wrong person," Schutzius said. "It's an answering service. It's fine for after-hours, but it shouldn't take you 13 clicks to talk to a live person. A trusted contractor or insurance agent you have a relationship with will give you their direct contact information. You should have their cell phone number."

"I want you to have two contacts," Marcou said. "No offense, Joe. If there has been a deep freeze everywhere, your trusted contractor will be honest with me and say, 'I can't. We have too much on our plate.' I want you to have backup when everyone is making those calls."

Managing a Loss

During a loss event or immediately after, you have an obligation to mitigate the damage to prevent it from becoming worse. The insurance carrier can limit how much it will pay out if you don't. Shut off the water main, secure the property, call the fire department, perform selective demolition, start sanitizing and drying, whatever can be done.

"Take pictures and videos of everything," Schutzius said. "This is going to be very important for the mitigation process and getting repairs started quickly. Contact your business partners immediately."

"You don't have to wait until the insurance inspection to start the mitigation process," Marcou said. "If someone is saying there is suspected microbial growth if you do not remove this wall, you should make that decision. Don't wait and make the damage worse."

If you are going to file a claim, you don't have to wait until you get three bids for remediation. That will only create more delay. Your insurance adjuster, perhaps with input from your contractor or public insurance adjuster, will write a claim the insurer will approve. The insurance company will either approve it or not. It goes a lot faster.

"If you do not plan to file a claim, then do your due diligence and get your three bids," Schutzius said.

Role of the Public adjuster

A public insurance adjuster can help determine when it makes sense to file a claim, which will count against your loss history and potentially raise your rates. They can also help make an appeal if your claim is denied. Common reasons for denial include exclusions or limitations under the policy, insufficient documentation, missed deadlines and failure to mitigate.

"We look at things like the cause of damage and what the scope and cost will be," Bergstrom said. "For example, if you have a $10,000 deductible and $12,000 worth of work to do, does it really make sense to file a claim? It doesn't."

"If insurance comes back and says, 'We're not going to cover this,' and the contractor says, 'This is what has to be done,' that's a perfect time to call your public adjuster because they can go to bat for your association," Marcou said.

"The restoration company cannot negotiate on your behalf, a public adjuster can," said Schutzius. "We can say, 'We don't agree with that, we think it should be this amount,' but that's the extent of what we can do. If you feel you are not getting out of it what you need to get out of it, and your contractor is pushing back, and your insurance carrier is pushing back, the public adjuster to help negotiate that loss."

An Action Plan for Today

Concluding their presentation, the panelists suggested the following action plan:

- Review your insurance policy and make sure you and your board understand its contents.
- Make changes to your insurance policy as needed with the guidance of an experienced agent who knows your association and its governing documents.
- Create or update your emergency plan for damage mitigation.
- Start building relationships with vendors and contractors who will respond quickly after a loss, including a public insurance adjuster.
- Educate homeowners on their responsibilities and those of the association.
- Conduct a post-loss assessment to determine what could have been done better to improve future outcomes.
- Repeat the above steps after every loss.

by Adam Sanders - Elara Engineering

Q & A on Multifamily Plumbing Riser Replacement Projects

It's been seven years since we provided a Q&A regarding plumbing pipe replacement projects (aka 'Riser Projects') in multifamily buildings. For reference, Elara's 2019 article in Buildings & Environments can be reviewed for the initially provided round of Q&A. The updated Q&A below will touch on a few of the previous topics but will focus mostly on new questions that have become common points of discussion with clients in the Chicagoland area. As before, the answers can be unique to each building. For answers specific to your building contact a knowledgeable objective consultant to assist with your project. Typically, your property management company can direct you to the appropriate consultant for engagement.

To date, Elara Engineering has completed dozens of riser studies and implementations of plumbing pipe replacement projects. It should also be noted that Elara has designed mechanical (HVAC or Heating/Cooling) pipe replacement projects as well. Mechanical pipe projects are less common but appear to be increasing in need and frequency in the Chicagoland area.

Common Riser Project Questions in Multifamily Buildings

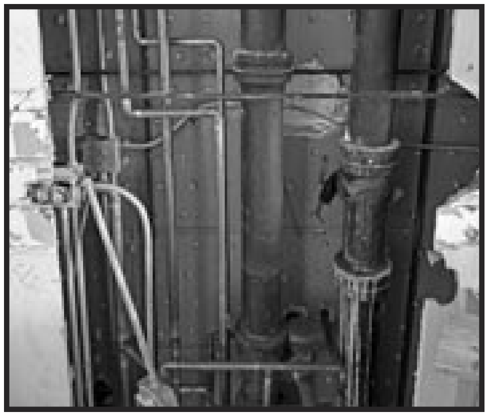
What should clients consider when deciding to pursue a Riser Project?

Answer: Common reasons for pursuing a riser project include leaks, clogs, lack of hot water, clogged plumbing fixtures, back-ups, odors, decreased water flow, decreased water pressure when water flows, discolored water, etc. A knowledgeable engineer can provide their professional opinion for a client's project timeline based on the factors listed above along with a review of the piping system. The client will need to factor in other aspects when deciding when to implement the project: financial planning, building insurance implications, other projects that may need to be prioritized, building staffing, building ingress and egress considerations, building occupancy, tolerance to live with the existing piping system, etc. Several of Elara's clients have decided to begin the implementation process knowing that inflation will cause project costs to go up and obtaining a line of financing to pursue the project sooner, rather than later was in their best interest at that time. Ultimately, it's the client's decision to advance the project and commit to the implementation based on their priorities.

What buildings are implementing the projects?

Answer: All buildings built with galvanized domestic water piping systems will likely require replacement of the piping at some point in time. In the Chicagoland area, buildings undertaking the replacement of galvanized domestic water systems are of different vintages from over one hundred years old to forty years old. We encourage our clients who are experiencing regular functional issues from aging piping infrastructure to be proactive in pursuing the implementation of these projects. A proactive timeline when the piping is still in moderate condition will typically result in lower project costs and a less invasive process during the project. In contrast, a reactive timeline when the piping is already aged typically results in difficulties during construction as the contractor will likely need to reconnect to the existing piping on a nearly daily basis, and if the piping is particularly aged the con-

↗ *Shown here is the inside of a hot water pipe that has been sandblasted.*



↗ *Pictured here are typical existing conditions in a plumbing wall.*

↗ *Shown here is new copper piping being installed.*

nection may not be possible. The bottom line, the impact caused by severely aged plumbing piping throughout any riser construction project will be greater (longer water outages, clogged aerators, fouled shower cartridges, stuck flush valves, greater demands on building staff, etc.).

Do we need to do a study, or can we move straight to design?

Answer: The need to perform a study can vary from building to building. If a client is unsure if the project should be pursued, a study will provide a professional opinion that can be factored into the decision. A client's governing documentation may require a study to be performed, and a client should consultant with their legal counsel. If the occupants of a multifamily building are unconvinced of the need to pursue the project, an objective study may provide transparency to both the occupants and governing body when the project should be pursued. In our experience, if the frequency of leaks is substantial or the owners of the building have indicated a clear desire to pursue the project, a study may not be needed.

What piping is typically replaced during riser projects?

Answer: All galvanized domestic water piping throughout the building is typically replaced during the project. Depending on the piping condition; waste and vent piping are also addressed to maximize cost efficiencies. We should note riser projects often include more than just risers as main distribution and branch piping are also replaced if they are original to the building construction. These projects are typically performed in one large undertaking but can also be approached in a phased manner, sometimes over the course of years. However, a phased approach typically requires a higher overall budget due to inflation, added mobilization costs and inherent inefficiencies.

How is the waste and vent piping scope of work determined?

Answer: The scope of work for waste and vent piping should be determined by the design engineer and reviewed by the project team. The design engineer can incorporate multiple data points when determining the waste and vent scope of work: input from building staff, historic data on functional issues, recorded video scoping of the interior of waste and vent piping, visual review of the piping, code impacts, cost impacts, accessibility, future maintenance impacts, etc.

What are the overall timeframes for these projects?

Answer: To help minimize the construction costs (the largest cost of the project), the planning phase should be thorough and well thought out. A thorough planning phase takes time, from 6 months to 2 years or more depending on the complexity of the project and code impacts. In our experience a well-thought-out project results in more competitive pricing which results in lower costs for the client. During the planning phase, estimated project budgets can be provided to the client for exploration of financing options if needed. The bid phase of the project should be assumed to be 3-6 months depending on the decision-making process and complexities involved. Construction durations vary greatly depending on the scope of work, size and building geometry. We have seen schedules for the construction phase of less than 6 months up to 2 years. If the construction of the project is approached through a phased approach, the duration will be dependent on the number, timing, and complexity of the phases.

How many riser projects are occurring in the City of Chicago? Are contractors still interested in these projects or is the market saturated?

Answer: Each year there appears to be an increase in the number of riser projects implemented.

The invasive nature of working in occupied buildings results in a narrow market for qualified contractors who perform this work responsibly and clients should discuss with their consultants the final list of bidders. Given the continuing increase in riser projects and the current age of many Chicago high-rise buildings, we estimate the market for this type of project work to remain particularly active over the next 10-15 years. For our clients, taking advantage of the increased market activity means that consultants with specialized knowledge and contractors with experience in this market can be identified to implement these projects in a comprehensive manner. Currently, consultants continue to obtain value for their clients, and contractors continue to provide competitive pricing for these projects.

Who should we engage and how?

Answer: Riser projects are unique in the construction industry as the design engineer is typically engaged first to start the lengthy planning phase. Shortly after, a project manager (owner's representative) is incorporated to work with the design engineer and client to assist in facilitating the completion of the design phase and education of the client. Lastly the contractor is selected through a competitive bid approach. Clients should consult with their property management company to find reputable specialists who have experience with riser replacement projects.

What are the approaches to engage a contractor?

Answer: Multiple approaches for engaging a contractor can be utilized in the riser replacement market which align with the broader construction industry.

Design – Bid – Construction: This approach is the format most familiar to owners and managers of multifamily buildings. The client works with one or multiple consultants to prepare a design for the project that encompasses the entire scope of work. On behalf of the client, the consultants bid the project to multiple contractors. Once the successful contractors are selected, a contract is executed, financing is put in place, and construction commences until completion. Most riser projects are implemented with this approach.

Construction Manager (CM): This approach is similar to the above, but is typically implemented when the project involves complexities beyond a typical pipe replacement project. A general contractor is engaged during the design phase to act as a CM. The CM's responsibility is to provide support to the project team for exploratory work in the building, detailed project estimates for decision making, input on the approach for the design, developing a project schedule, input on project logistics, etc. The CM will produce a guaranteed maximum price (GMP) for the project once the design has progressed to the point where a reliable project budget can be developed. Once the design is complete, the client can choose to continue with the CM or bid the project to additional general contractors. Typically, it would benefit the client to remain with the CM to issue bids to sub-contractors if the CM has performed well during the design phase.

How do clients navigate financing?

Answer: Multifamily building clients should utilize their property management company or internal financial experts to help facilitate financing options. We encourage clients to have a reasonable estimate performed early in the project to explore financing options.

What can contribute to additional construction costs?

Answer: Poor project planning, code impacts, hazardous material abatement, incorrect scope of work, lack of project team cooperation, unknown conditions, poor communication, uncooperative building occupants, etc. A tight working relationship with design consultants can help mitigate many of the items listed here and consistent communication is critical.

What leads to a successful project?

Answer: There are multiple factors that lead to a successful project, and each factor carries a different weight from project to project. From our experience however, some of the most important factors that lead to a successful project are described below.

Cooperation: A project team that works in a cooperative and positive manner is an underlying fundamental factor to produce a successful project. Individuals should prioritize an objective approach, educating themselves about the project, actively participate in the project planning and implementation.

Schedule: A project schedule that allows for thorough planning and constructive discussion over the course of numerous meetings will result in a knowledgeable project team with a well thought out design. A project schedule that is reactive, accelerated, and dictated by external/internal concerns, existing pipe leaks, etc. will typically lead to elevated project costs. While these are important factors, they should not drive the schedule.

Communication: Communication is fundamental to all construction projects, especially riser projects, various types of communication will be needed:

Communication between consultants and the client throughout the design phase will result in an educated client that is better positioned to make decisions during construction.

Accurate and transparent communication from the project team to the building occupants of the multifamily building through townhall meetings, emails, door drops, etc. to ensure that people understand how, when, and where they will be impacted during project, particularly during construction.

Communication with the bidding contractors and awarded contractors who execute construction.

Typically, the project manager leads the effort for the above types of communication to contribute towards a successful project. Regularly scheduled meetings are encouraged to organize communication and ensure the entire project team is on the same page. If your project team is not communicating regularly during the planning phase, we recommend the client encourage communication, ask questions, request meetings, etc. to better understand the project.

What leads to an unsuccessful project?

Answer: Many factors can contribute to unsuccessful implementation, including a project team that does not follow the items listed above and clients who do not actively engage in the project. Clients who do not actively engage in the project with their consultants during the design may struggle to make timely and informed decisions during the construction phase. Any delays during construction, including decision making due to factors listed above, will likely result in elevated costs and difficult project execution.

Conclusion

Riser projects are complex by nature and require a variety of expertise to successfully complete. All questions and answers listed above are based on our experience with a variety of riser replacement projects in multifamily buildings. We hope this Q&A provides some insight for multifamily building owners that may be considering a riser project. If your building shows signs of aging piping infrastructure, please reach out to an experienced and objective consultant to discuss your options moving forward.

INDUSTRY HAPPENINGS

KW Property Management & Consulting

↗ *Asa Sherwood*

(KWPMC), one of the nation's largest residential property management companies and among the fastest-growing in the U.S., successfully expanded into the Midwest, bringing its residential property management services to the Chicago market. The move marks a significant milestone for the company as it brings its proven business model to one of the nation's most dynamic residential property management markets.

The new Midwest division, based in Chicago's iconic Loop district, is led by industry veteran **Asa Sherwood**, who has been appointed President of KWPMC Midwest. Sherwood brings more than two decades of leadership experience in the association management industry, including 11 years overseeing the Midwest for a prominent national management company, where he helped grow and transform the organization's presence across the region.

"Chicago and the broader Midwest are ready for a management company that pairs true scale with sophistication, backed by best-in-class accounting, technology, and training," Sherwood said. "I've spent most of my career working with high-rise and large-scale condominium associations across the Midwest, and there is a clear gap in the market for a firm that can deliver both operational depth and highly personalized, boutique-level service. KWPMC enters the region at a time when consolidation across the Midwest's property management landscape has created new demand for a sophisticated, service-driven organization with strong operational infrastructure and a commitment to hands-on client relationships."

Woodland Windows & Doors

↗ *Third generation owner, Matt Mariotti, shows two customers the features in the new window showroom*

Woodland Windows and Doors recently celebrated the grand opening of its new Oakbrook Terrace showroom, bringing expanded design inspiration and replacement window and door solutions to the suburbs. The new location showcases modern window and door systems designed not only for homeowners, but also for condominium associations, townhome communities, and multi-unit residential properties seeking long-term value, energy efficiency, and curb appeal improvements.

Known throughout Chicagoland from the headquarter location in Roselle, Woodland personalizes each window and door project for customers, working with brands such as Marvin, Infinity, ProVia, and Andersen.

↗ *Ribbon Cutting One of the Woodland owners, Ken Mariotti, cuts the ceremonial ribbon during the Grand Opening*

The grand opening event welcomed community members, local business leaders, and design professionals to explore the new showroom gallery and learn about the latest trends in windows and doors for both single-family and multi-family living environments. The new location at 17W490 W 22nd St.in Oak Brook Terrace has an event space to hold educational and networking events.

Associa Chicagoland

Associa Chicagoland, a leading provider of community management services throughout the greater Chicagoland area, recently celebrated the grand opening of its new Schaumburg office, marking a significant milestone in the branch's continued growth and investment in its people, clients, and the communities it serves.

Located at 1827 Walden Office Square, the new office was unveiled with a ribbon-cutting ceremony and team luncheon. The expanded space reflects the branch's evolution and positions the team to better support a growing client base across the Chicagoland area.

Spanning approximately 7,400 square feet, the office was intentionally designed to foster collaboration and improve efficiency through a more connected and productive work environment. The space features enhanced meeting capabilities, including three conference rooms, two of which are dedicated huddle spaces, along with a large kitchen and open areas that encourage cross-functional teamwork.

"This new office is a direct reflection of our growth and our commitment to both our employees and the communities we serve," said **Michele Trina**, president of Associa Chicagoland. "By investing in a space that supports collaboration, innovation and flexibility, we are empowering our team to deliver even stronger service and build deeper relationships with our clients."

The upgraded office layout and modern technology enable teams to operate more efficiently and respond to

Pictured above (from left to right): Denise Ellis- Vice President, Stephanie Skelley - Regional Vice President of Associa, Erica Horndasch- VP of Business Development , Michele Trina- President of Associa Chicagoland, Robyn Braun - Vice President

client needs with greater speed and agility. At the same time, the environment was thoughtfully designed to support employee engagement and well-being, recognizing that strong teams are the foundation of exceptional community management.

As Associa Chicagoland continues to expand, the new Schaumburg office serves as a hub for growth by strengthening internal collaboration, enhancing service delivery and reinforcing the branch's long-standing commitment to helping communities thrive.

Pictured above is a group from Property Specialists at the 2025 Industry Recognition & History event at Rivers Casino.

MCD Media Industry Recognition & History event

The annual **MCD Media Industry Recognition & History event** will be held on **Thursday, August 27, 2026** at **Rivers Casino, Des Plaines.** The program features a seated luncheon as well as an industry networking reception, live music, River Casino dealer school lessons, door prizes and contests. For more information, call 630-932-5551 or visit www.condolifestyles.net.

Shown here is a group of past presidents of the CAI Illinois Chapter at last year's MCD Industry Recognition & History event.

Associa Cares

Associa Chicagoland, a leading provider of community management services throughout the greater Chicagoland area, recently hosted its Annual Client Appreciation, Associa Cares and Casino Night, bringing together more than 300 attendees for an evening of celebration, connection and charitable giving. Held Friday, June 5, the annual event honored Associa Chicagoland's board clients while also raising funds for Associa Cares, Associa' s nonprofit 501(c)(3) organization dedicated to providing disaster relief and financial aid to families in crisis.

This year's event took guests back in time with a 1950s sock hop theme and featured food, music, an open bar, casino tables, a photo booth, hula and twist contests, raffle prizes and an auction with more than 70 items. Through the generosity and support of attendees, the event raised more than $10,000 for Associa Cares.

"Our annual Client Appreciation, Associa Cares and Casino Night is one of the most meaningful events we host each

Pictured above is the group of managers and staff from Associa Chicagoland at their recent Associa Cares event.

year because it allows us to celebrate our board clients while supporting an organization that makes a real difference," said **Michele Trina**, president of Associa Chicagoland. "We are grateful for the generosity of our attendees and for the dedication of the committee that helps bring this special event to life each year."

save the date...

MCD Industry Recognition & History Event	State-of-the-Industry
Rivers Casino	Chicago Cultural Center
Aug., 27, 2026	**Nov., 19, 2026**

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Condo Lifestyles attempts to provide its readership with a wide range of information on community associations, and when appropriate, differing opinions on community association issues.

From the Editor


↗ *Mike Davids*

The Spring 2026 season was one of the warmest and wettest in Chicago's recorded history. It started with a wet March and was followed by massive rainfall through Mid-April. In stark contrast, May was very dry with normal rainfall returning so far in June. We've also experienced many wind events in recent months with the volatile temperature swings. Thankfully, most contractors are able to adjust their schedules and have been able to get started on the many outdoor projects taking place at area community associations.

Our Geo-Political climate is causing challenges for many of us with the war in Iran dragging on and causing much higher prices for gas, fertilizer, and other items. Nonetheless, general economic conditions have remained stable, if not stronger, than expected. It is hard to know how and when these issues will get resolved, so it's important to support our public officials with hope for the best while being prepared for the worst.

Our cover story discusses a number of governance issues community association boards face including the enforcement of rules and regulations as well as other governing documents for your association. This article offers some great insight and advice on the importance of courage, consistency and communication as it relates to doing what is best for the entire Association.

Fulfilling your duties as a board member is not always easy, but it has a direct impact on resale values and can be very rewarding. Of course, fulfilling your duties as a board member is much easier when assisted by professional property management, so this issue also contains an article on what a "Day in the Life" of a property manager is like.

Our Board Basics column provides a guide to running a highly productive community association board meeting. A special feature in this issue covers insurance claims and the restoration process. Every association should have a disaster plan as it's too late to plan when you are in the middle of an emergency situation or disaster. Our Maintenance Memos column offers a Q & A on high rise condominium plumbing riser replacement projects.

Fannie Mae and Freddie Mac released some updates to lending guidelines for Community Associations in 2026. This edition has two articles on this subject to help make sure your association is ready for these changes. Associations need to be aware that they can become deemed ineligible for Fannie Mae or Freddie Mac loans which is a very important selling point for many properties. Our industry happenings column can also be found in this issue.

Upcoming MCD Media Events

We are pleased to offer upcoming MCD special events including our annual golf & bocce outing, which will be held on July 17 at Eaglewood Resort in Itasca and our Industry Recognition & History event at Rivers Casino on August 27. You can find more information on these events by contacting our office.

In closing, I would like to encourage you to make your association and your community all it can be. If you have an idea that would benefit other Community Associations, a story to share, or some advice on how to avoid a problem or failure, please call our office at 630-932-5551 or send us an e-mail mdavids@condolifestyles.net.

Michael C. Davids
Editor and Publisher

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by Kevin Hirzel, Esq.- Hirzel Law, PLC

Is Your Condominium Ready for Fannie Mae's 2026 Lending Guideline Changes?

Condominium associations have always had to consider how budgets, reserves, insurance, and repairs affect the marketability of condominium units and make disclosures under Section 22.1 of the Illinois Condominium Property Act.

However, the financial status of a condominium association is even more important in 2026, following Fannie Mae's significant updates to its condominium lending guidelines. When a condominium does not satisfy Fannie Mae's requirements, a project may become ineligible for conventional lending. If a condominium lands on Fannie Mae's "Do Not Lend List," often referred to as the Fannie Mae blacklist, sales of condominium units may become more difficult, buyer pools may shrink, and property values may be negatively affected.

On March 18, 2026, Fannie Mae issued Lender Letter LL-2026-03 and updated several condominium lending requirements. Some changes are effective immediately, while others phase in on July 1, 2026, August 3, 2026, and January 4, 2027. These updates address reserve funding, reserve studies, investor concentration, insurance coverage, deductibles, and project review standards. Accordingly, condominium associations should begin planning for these changes, as discussed in this article, to avoid delays in future sales.

Reserve Funding Will Become More Important

One of the most significant changes involves reserve funding. Effective January 4, 2027, Fannie Mae will increase the minimum reserve funding requirement from 10% of a condominium association's annual budget to 15% of the annual budget. For many condominium associations, this may require an increase in assessments or a reallocation of budget priorities.

Alternatively, a condominium association may still satisfy Fannie Mae's requirements if it has a reserve study and the reserve fund is funded to the highest recommended reserve allocation in the reserve study. From a practical perspective, budgeting based on a reserve study is often preferable, as a fixed 15% contribution

may be insufficient for many condominium associations to adequately fund reserves, depending on the age, condition, and needs of the project. Pending legislation in Illinois may also impose additional requirements on many condominium associations regarding reserve studies. If HB 2563 is passed, condominium associations with more than 15 units would need to have a reserve study performed every 5 years, which is another reason why condominium associations should consider using a reserve study to satisfy lending requirements.

"ONE OF THE MOST IMPORTANT INSURANCE CHANGES IS THE NEW DEDUCTIBLE REQUIREMENTS. FANNIE MAE NOW PERMITS A MAXIMUM PROPERTY INSURANCE DEDUCTIBLE OF $50,000 PER UNIT. THIS GIVES CONDOMINIUM ASSOCIATIONS MORE FLEXIBILITY IN A DIFFICULT INSURANCE MARKET, ESPECIALLY AS PREMIUMS RISE AND DEDUCTIBLES INCREASE TO REDUCE PREMIUMS."

Investor Concentration Rules are Being Relaxed

The 2026 Fannie Mae updates also include a helpful change for many established condominiums. Effective March 18, 2026, Fannie Mae retired the 50% investor concentration limit for established condominiums subject to full review. This means that established condominiums will no longer be disqualified under Fannie Mae guidelines because more than half of the units are investor-owned. However, individual lenders may still impose their own underwriting requirements related to investor concentration. Finally, it is important to note that the change does not apply to new construction condominiums, where existing presale requirements remain in effect. Limits on single investors also remain. In projects with 5 to 20 units, one owner may not own more than two units. In projects with 21 or more units, a single investor remains limited to owning 20% of the units.

Insurance Requirements are Changing

Fannie Mae's 2026 lending guideline updates several insurance requirements. Effective July 1, 2026, property insurance policies must provide coverage equal to at least 100% of the estimated replacement cost value of the project improvements, including common elements and residential structures. Fannie Mae also revised its loss settlement requirements. Property insurance policies generally must provide coverage on a replacement cost basis. However, roofs must be insured, but do not have to be insured on a replacement cost basis. Fannie Mae also retired its prior requirement that condominium projects maintain inflation guard coverage, although associations may still want to consider it as a risk management tool.

One of the most important insurance changes is the new deductible requirements.

> "REVIEW THE ASSOCIATION'S CURRENT RESERVE STUDY OR OBTAIN ONE IF THE ASSOCIATION DOES NOT HAVE A CURRENT STUDY AND MAKE SURE THAT THE 2027 BUDGET IS FUNDED TO THE MAXIMUM RECOMMENDED AMOUNT. ALTERNATIVELY, MAKE SURE THAT THE 2027 BUDGET IS ADJUSTED TO SATISFY THE 15% RESERVE CONTRIBUTION REQUIREMENT OR THE HIGHEST RECOMMENDED RESERVE ALLOCATION IN THE RESERVE STUDY."

Fannie Mae now permits a maximum property insurance deductible of $50,000 per unit. This gives condominium associations more flexibility in a difficult insurance market, especially as premiums rise and deductibles increase to reduce premiums. Accordingly, boards should work closely with insurance professionals to confirm that the association's coverage remains adequate and consistent with both governing documents and lending requirements.

What Condominium Boards Should Do Next

The 2026 Fannie Mae condominium lending guideline updates are a reminder that board decisions can affect not only the association's finances but also unit sales and property values. A board that underfunds reserves, delays major repairs, or ignores insurance requirements may unintentionally create lending problems for owners. Condominium associations should consider taking several proactive steps.

Review the association's current reserve study or obtain one if the association does not have a current study and make sure that the 2027 budget is funded to the maximum recommended amount. Alternatively, make sure that the 2027 budget is adjusted to satisfy the 15% reserve contribution requirement or the highest recommended reserve allocation in the reserve study.

Review the association's master insurance policy with a qualified insurance professional to confirm replacement cost coverage, deductible limits, and other Fannie Mae-related requirements.

Consult with a community association attorney to evaluate whether investor concentration, delinquencies, special assessments, pending repairs, or litigation could create lending concerns that may also impact lending in the community.

Condominium associations can also review Fannie Mae's Condo Status Finder at https://singlefamily.fanniemae.com/condo-status-finder to determine whether their project is currently eligible for Fannie Mae financing. However, boards should not wait until a buyer's loan is delayed before acting, and they should begin preparing for Fannie Mae's new lending requirements immediately.

by Salvatore Sciacca - Chicago Property Services

A 10 Step Guide to Running a Highly Productive Community Association Board Meeting

One of the clearest indicators of a well-run community is the quality of it's board meetings. When meetings are organized, focused, and outcome-driven, the board is better positioned to make sound decisions, address community priorities, and maintain momentum on important initiatives.

Homeowners are even more inclined to attend these types of board meetings and continue to attend them on an ongoing basis. The framework below provides ten practical steps to help your board members run meetings that are efficient, productive, and consistently effective.

1. Define Clear Objectives

This means identifying the meeting's primary goals in advance and keeping the discussion focused on meaningful decisions and progress.

- Identify the meeting's primary goals.
- Make sure each agenda item supports a decision or moves the open item forward.
- Avoid or minimize unnecessary or low-priority discussions.

When objectives are clear from the beginning, board members can prepare more effectively and spend their time on the decisions that matter most to the community.

For example, if the board needs to approve a vendor contract and review a maintenance issue, stating those objectives upfront helps keep the conversation targeted and efficient.

2. Create a Structured Agenda

- Group items into decision, discussion, and informational categories.
- Assign a time limit to each item.
- Place the most important topics first.

A structured agenda creates a predictable flow for the meeting, helps manage time, and reduces the chance that important topics will be rushed or overlooked.

For instance, placing budget approvals and urgent repairs near the top of the agenda ensures those items receive adequate attention before time runs out or the meeting ends because everyone is exhausted after 2 hours.

3. Distribute Materials in Advance

- Send out the agenda and supporting materials 2–3 days before the meeting.
- Include financial statements, contracts, and reports.
- Ask board members to review everything in advance.

Distributing materials ahead of time gives board members the opportunity to review details, ask informed questions, and come prepared to make sound decisions.

As an example, sharing bids, reserve information, or rule-enforcement reports in advance can shorten discussion time and improve the quality of decisions.

4. Start on Time, Establish Order, and Review Meeting Etiquette

- Start promptly to reinforce accountability.
- Confirm a quorum of board members.
- Use a consistent opening procedure, such as calling the meeting to order.
- Remind the homeowners and board members on the proper meeting etiquette.
- Identify the meeting chair

Starting on time and following a consistent opening procedure sets the right tone, reinforces professionalism, and helps the meeting move forward efficiently.

Reviewing the right and proper board meeting etiquette ensures the meeting does not dissolve into an unproductive town hall meeting.

Even a simple routine such as confirming attendance, calling the meeting to order, and approving prior minutes can help establish a steady, organized pace.

5. Facilitate Focused Discussions

- Meeting chair to keep meeting aligned with the agenda.
- Politely redirect off-topic comments.
- Encourage balanced participation from all board members.

Focused discussion allows the board to hear different viewpoints without losing direction, which leads to better decisions and a more productive meeting overall.

For example, if conversation drifts into unrelated resident complaints, the chair can note the issue and return the group to the item currently under review.

6. Manage Time Effectively

- Assign a timekeeper if needed.
- Limit lengthy debates and repetitive discussion.
- Table unresolved issues when necessary.

Strong time management prevents smaller issues from taking over the meeting and ensures the board has enough time to address its highest priorities.

A practical approach is to give routine items shorter time slots and reserve more time for major topics such as budgets, contracts, or capital projects.

7. Follow a Consistent Decision Process

- Use a consistent process for motions, seconds, discussion, and voting.
- State each motion clearly before the vote.
- Record outcomes accurately.

Using a consistent decision-making process improves fairness, reduces confusion, and creates a clearer record of how the board reached each outcome.

This is especially helpful when handling sensitive matters, because a clear process reduces misunderstandings and promotes confidence in the board's actions.

Ensure the name of the vendor, cost and description of the project is clearly stated in the motion and recorded in the minutes.

Include which bank account will be used to pay for the project or decision if appropriate.

8. Control Homeowner Participation

- Set a structured homeowner comment period.
- Limit speaking time to 2–3 minutes per person.
- Avoid open debate between homeowners and board members during the meeting.
- Keep homeowners on mute if an online meeting until they are recognized.

Managing homeowner participation

respectfully helps maintain order while still giving residents an opportunity to be heard within an organized framework.

For example, setting aside a defined owner comment period near the beginning or end of the meeting can balance transparency with order.

9. Assign and Track Action Items

- Clearly assign responsibility for each task.
- Set a deadline for completion.
- Use an action tracker to monitor progress.

Clear ownership and follow-up are essential because even well-made decisions lose value if no one is responsible for carrying them out.

For example, if the board approves a landscaping proposal, the minutes or tracker should note who will coordinate the contract and when the work should begin.

10. Close and Follow Up

- Summarize key decisions and action items before adjournment.
- Confirm the date of the next meeting.
- Distribute meeting minutes within 3–5 days.
- Follow through on all assigned tasks.

A strong close reinforces accountability, clarifies next steps, and helps ensure that momentum from the meeting continues between sessions.

A brief recap at the end also helps board members leave with the same understanding of responsibilities, deadlines, and unresolved items.

Best Practices

- Use a consent agenda to approve routine items quickly.
- Maintain a respectful, professional tone throughout the meeting.
- Encourage preparation and participation from all board members.
- Use your property management team to support execution and follow-up.
- Improve the meeting structure over time based on feedback.

Common Mistakes to Avoid

- Starting without a clear agenda or defined goals.
- Letting meetings run too long or drift off topic.
- Allowing board meetings to turn into town hall meetings.
- Failing to assign clear accountability for tasks.
- Revisiting unresolved issues repeatedly without making progress.
- Meeting chair allowing a few individuals to dominate the discussion.

Summary

- Effective community association meetings require preparation, structure, and discipline.
- A clear agenda and a defined process lead to better decisions.
- Strong time management and focus prevent inefficiency.
- Accountability and follow-through produce results.
- Applying these principles consistently supports long-term board success.

By approaching board meetings with preparation, structure, and follow-through, community association board members can improve decision-making, reduce frustration, and create a more effective governance process. Over time, these habits strengthen board performance and contribute to a more stable, and well-managed association. This will result in greater community living satisfaction by all the board members and homeowners.

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by David Conforti – RealManage Illinois

Planning for the Seasons of Change & Success for your HOA... Another Day in the Life of a Property Manager

The alarm goes off at 5:30 AM, but the phone has already been buzzing for twenty minutes. For a property manager, the concept of a standard "9-to-5" workday is an illusion. Managing a Community Association—whether it is a sprawling suburban Single-Family Home development, a tightly knit townhouse community, or a multi-story condominium building—means balancing a massive wheel of competing priorities. One moment you are negotiating a landscape contract, and the next you are explaining to a resident why their favorite tree must be pruned for building safety.

Summer is the true test of a property manager's stamina. It is the peak season for community engagement, heavy asset usage, and outdoor construction. However, the secret to surviving summer in property management is knowing that you cannot just live in the present. Even as the sun blazes and residents flock to the community pool, a property manager must look past the horizon. Preparing a community for the harsh realities of fall and winter begins long before the first leaf drops.

This is a look into a typical day in the life of a property manager during this intense, dual-focused operational season.

07:00 AM – The Morning Rush and the Summer Peak

By 7:00 a.m., the property manager is on-site. The air is already warm, hinting at another high-temperature summer day. Walking the property before the office doors open is a critical ritual. This morning walkthrough provides a clear visual baseline of the community's physical health.

During summer, the centerpiece of any HOA or condominium community is the swimming pool. Today, the walk begins at the pool deck. The manager checks the clarity of the water, verifies that the lifeguards or pool monitors have logged the chemical levels, and inspects the pool furniture for safety hazards. In summer, the pool is a source of joy for residents, but it is also a primary source of operational friction.

Summer HOA Pool Checklist

- ☐ Water chemistry logs verified
- ☐ Safety equipment & signage intact
- ☐ Access control gates locking properly
- ☐ Deck furniture free of cracks/breaks
- ☐ Trash receptacles emptied

The manager notes a loose bolt on a poolside lounge chair, takes a quick photo on a smartphone, and uploads it directly to the maintenance ticketing system. Catching a minor hazard now prevents an insurance liability claim later.

As the walkthrough continues, the manager evaluates the landscape crew, who are already out mowing the turf. Summer landscaping is about presentation and preservation. Irrigation systems must be monitored to ensure water is distributed efficiently without blowing budget lines or violating municipal water restrictions. Every patch of brown grass or broken sprinkler head will result in an email from an observant board member or resident.

09:30 AM – Managing Community Dynamics and the Fiduciary Duty

Back at the desk, the morning inbox is flooded with resident inquiries, vendor proposals, and board communications. A central theme of property management is balancing community desires with the board's financial realities.

A major part of the morning is dedicated to drafting an email broadcast ("E-blast") to a townhouse community. The board of directors recently switched insurance carriers to secure better rates and more comprehensive coverage. In doing so, they fulfilled their fiduciary duty to obtain the best possible services for the greatest value. Now, the new insurance carrier requires a comprehensive loss control prevention inspection.

The manager carefully crafts the message to residents:

"On Monday morning, an inspector will walk the entire property. They will examine building exteriors, common areas, and trees. Please do not be alarmed if you see someone surveying the grounds; this is a standard safety procedure to protect our community assets."

Clear communication prevents resident panic and reduces incoming phone calls to the office.

Effective Community Communication:
Proactive Notices + Clear Explanations =
Drastic Reduction in Resident Panic

By 11:00 AM, attention shifts to community engagement.

Summer is the prime time for HOA events—block parties, food truck nights, and outdoor movie nights. These activities build a strong sense of community, which reduces disputes and increases overall resident satisfaction. The manager hops on a call with the social committee to finalize the logistics for an upcoming neighborhood barbecue, ensuring vendor insurance certificates are on file and that the local fire code compliance guidelines are met.

1:00 PM – The Pivotal Pivot: Planning for Fall and Winter

After lunch, the operational focus shifts dramatically. While residents are thinking about the weekend pool party, the property manager must think about freezing temperatures, falling leaves, and snow accumulation. In property management, if you wait until autumn to prepare for winter, you have already failed.

The afternoon begins with a review of the community's capital reserves and upcoming vendor contracts. The transition from summer comfort to winter readiness requires a detailed, proactive operational checklist.

Winter Readiness Transition Timeline:

MID-SUMMER	EARLY FALL	LATE FALL WINTER
Review Snow Contracts	Gutter Cleans	Pipe Insulation
Grout/Roof Inspections	Aeration & Seeding	Snow Operations Begin

1. The Great Snow and Ice Procurement Battle

In July and August, the property manager's top priority is actually snow removal. Snow mitigation contracts must be drafted, reviewed by legal counsel, and put out to bid well before the first flurry. The manager reviews proposals for the upcoming winter, comparing per-push rates, seasonal caps, and salt allocation guarantees.

With global supply chains and shifting weather patterns, securing a reliable, insured snow vendor early is critical. The manager evaluates contract details: Where will the snow be staged? What is the threshold for deployment? Who pays for turf damage caused by plows in the spring?

2. Roof, Gutter, and Drainage Management

Next, the manager schedules the fall gutter cleanings and roof inspections. Once the autumn leaves fall, clogged gutters become a nightmare. If water cannot drain properly, it backs up under shingles, freezes, and creates massive ice dams. These dams split open roofs and cause interior water damage to top-floor units. By booking the roofing vendors now, the community secures priority scheduling before the vendors' calendars fill up in October.

3. Irrigation and Plumbing Blowouts

Water is the enemy of building infrastructure. The manager creates a firm schedule for winterizing the community's irrigation systems and outdoor hose bibs. Lines must be blown out with compressed air to clear out moisture. Any water left inside pipes will expand when freezing, causing pipes to burst inside walls and resulting in thousands of dollars in emergency remediation costs.

03:00 PM – The Modern Manager: Continuing Education & Industry Commitment

Continuous professional development serves as the cornerstone of effective community association governance. To ensure all parties are equipped to handle evolving industry demands, management companies regularly facilitate comprehensive training for board members, managers, and staff. These educational initiatives are adaptable by design, utilizing on-site sessions at corporate offices, property-specific workshops, and some are often offered virtually.

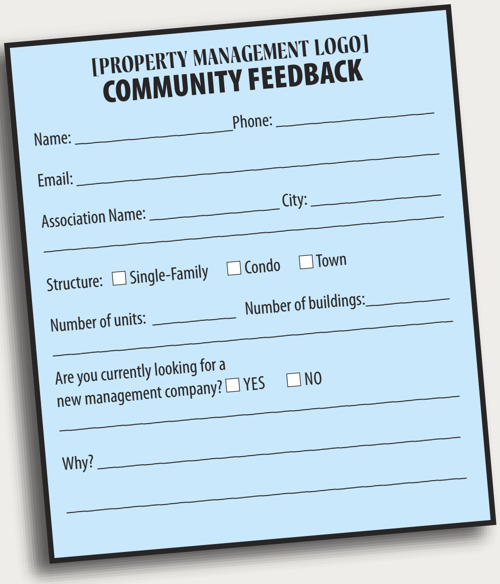
Industry groups and specialized service providers further enrich this educational experience. For instance, property managers proactively seek out cutting-edge instruction, such as the recent artificial intelligence seminar co-hosted by MCD Media and Condo Lifestyles magazine. This specific program provided three hours of continuing education credit, directly supporting the rigorous licensing renewal requirements mandated for a professional Community Association Manager (CAM) by the State of Illinois.

In tandem with external seminars, management companies routinely collaborate with expert vendors to host localized training. A testament to this proactive approach is a upcoming two-month curriculum focusing on critical operational resilience: Fire Safety & Protection, followed by Planning for Fire & Flood Emergencies. Many of these targeted courses are designed to satisfy CAM license continuing education mandates or contribute toward prestigious industry designations administered by the Community Associations Institute (CAI).

Ultimately, this blended framework of internal and external educational outreach empowers both board members and management professionals to perform their fiduciary duties with greater precision. By actively participating in these industry events, management companies do more than just train individuals—they demonstrate a steadfast corporate commitment to raising operational standards across the entire community association sector.

04:30 PM – Preparing for the Board Meeting

The final hours of the traditional office day are spent compiling the monthly management report for the Board of Directors meeting tonight. This report is a comprehensive diagnostic look at the community's health. It includes financial variance reports, outstanding work order logs, rule enforcement updates, and upcoming capital project proposals.


[PROPERTY MANAGEMENT LOGO]
COMMUNITY FEEDBACK

Name: ____________ Phone: ____________

Email: ____________

Association Name: ____________ City: ____________

Structure: ☐ Single-Family ☐ Condo ☐ Town

Number of units: ________ Number of buildings: ________

Are you currently looking for a new management company? ☐ YES ☐ NO

Why? ____________

Tonight's meeting features a heavy agenda. The manager compiles a "half-sheet questionnaire" to distribute to attendees, collecting vital feedback to streamline operations. The document is designed cleanly with the company logo prominently displayed at the top.

This form serves two purposes: it gives residents a direct voice to express their day-to-day concerns, and it helps the management firm identify communities that feel underserved by their current providers.

The manager reviews the capital reserve study one last time. Presenting a budget increase to a board is never easy, but pointing out that asphalt repairs must be done before winter water enters cracks and creates massive potholes makes the conversation logical and data-driven rather than emotional.

07:00 PM – The Evening Board Meeting: Where Plans Become Reality

The sun is setting, but the property manager's day is hitting its second peak. The board meeting room fills with directors and curious residents.

The meeting begins with a review of ongoing summer projects. The manager reports on the successful pool season, the status of the current landscaping cycle, and the positive feedback from the recent neighborhood social events. The atmosphere is light as residents express appreciation for the well-maintained grounds.

Then, the manager steers the conversation toward the future. The winter readiness proposals are laid out on the table. The manager presents the chosen snow removal contract, detailing the pre-negotiated ice mitigation rates. Some board members hesitate at the cost of proactive roof and gutter maintenance.

The manager leans on data and operational experience to explain: "Spending $5,000 on comprehensive gutter clearing and roof inspections in October avoids a $25,000 emergency drywall and mold remediation bill in February when an ice dam breaks."

Understanding this clear financial reality, the board votes unanimously to approve the preventive winter contracts. Fiduciary duty in action.

09:30 PM – Heading Home and Reflecting on the Cycle

The meeting adjourns, the room is packed up, and the manager drives home under the summer night sky. It has been a 14-hour day filled with hundreds of decisions, conversations, and plan adjustments.

Property management is a unique discipline. It requires you to keep a community happy in the present while fortifying it against the financial and environmental challenges of the future. A successful property manager knows that a beautiful summer day is not just a time for residents to relax—it is the perfect window of opportunity to build a safer, stronger, and more resilient community for the cold months ahead.

As the manager sets the alarm for 5:30 AM once again, there is a deep sense of satisfaction. The pools are open, the winter contracts are signed, the communications are out, and the community is safe for another day.

LEGAL UPDATE

by Kris Kasten, Bartzen Rosenlund Kasten LLC

UPDATE ON LEGISLATION REGARDING ASSESSMENT COLLECTIONS

Previously, in my article titled "What Would Happen if Community Associations Could Not Collect Assessments?" I discussed a bill introduced in the Illinois Senate (SB3527). Since the writing of that article, the General Assembly has finished its legislative session, and we now know the bills that passed both chambers. SB3527 (in a slightly amended form) is one of those bills that passed both chambers and is expected to be sent to the Governor. Thus, it is expected to become law.

Senate Bill 3527 amends the Common Interest Community Association Act and the Condominium Property Act, making similar changes to both. The Bill provides that an association cannot take legal action to collect assessments unless the association has adopted a written collection policy and has followed that policy. The Bill sets forth certain minimum requirements that the policy must include. For example, the policy must state the date on which assessments are due and the date on which assessments are considered delinquent, as well as stating late fees, interest, and returned-check charges that the association has a right to charge. The policy must also state when a delinquent account is sent to an attorney for legal action. The policy must state how payments will be applied to the delinquent account. The policy must include the circumstances, if any, under which an owner may be entitled to a payment plan. Additionally, the policy must state the legal remedies available to the association to collect assessments.

The Bill also expressly provides that a copy of the collection policy must be provided to prospective purchasers along with resale disclosures (e.g., Section 22.1 disclosures for condos).

Previously, I raised the question, Is SB3527 good or bad legislation? The answer depends on one's perspective and experience. Responsible boards who have encountered an obstinate member who simply refuses to pay will be concerned that the Bill may interfere with their ability to collect assessments. However, an owner who encounters a board that does not follow requirements set forth in the applicable statute and the governing documents may find the Bill necessary to force the board to act properly. Some owners may feel the Bill does not go far enough to address "bad" boards. The Bill may have the greatest impact on uninformed self-managed associations. If a board of such an association does not adopt the mandated policy and tries to collect unpaid assessments, they will be very surprised and frustrated when they learn they cannot collect those assessments because they didn't adopt a collection policy. Whether one believes Senate Bill 3527 to be good or bad legislation, the Bill makes it clear that Illinois is not exempt from the growing trend of legislation intended to restrict or limit and association's ability to collect assessments. Boards should consult with their attorney to determine what they need to do to comply with the new legislation.

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by Adam T. Kahn, Esq. and Howard S. Dakoff, Esq. - Levenfeld Pearlstein

Fannie Mae And Freddie Mac Update Lending Guidelines What Do Illinois Community Associations Need To Know?

Fannie Mae ("Fannie") and Freddie Mac ("Freddie") recently introduced significant changes to their community association lending guidelines. These changes will influence whether conventional financing will be available for both purchases and refinancings of units and thus will have a major impact on community associations.

Below is a summary of the changes to Fannie and Freddie's lending guidelines:

Reserve Funding Increase & Enhanced Reserve Study Requirements

There are two changes that impact reserve funding and annual budgeting:

First, starting January 4, 2027, the minimum reserve contribution will increase to 15% of the total annual budgeted income. The current reserve contribution minimum is 10% of annual budged income.

Second, starting August 3, 2026, when a lender relies on a reserve study to determine eligibility, the lender must verify that the community association reserves are being funded at the highest level recommended in such reserve study.

It is expected that these changes will put pressure on community association boards to increase reserve contributions to maintain eligibility for Fannie- and Freddie-backed loans.

Limited Review is Gone – Expect More Lender Questionnaires

Limited project review is being phased out as of August 3, 2026. After this date, community associations with more than ten units must undergo full project review, which requires completion of Fannie Form 1076 / Freddie Form 476. For consistency and efficiency, it is recommended that community associations use the official Fannie and Freddie forms, rather than modified versions that are specific to individual lenders.

Smaller Community Associations Get Some Relief

Effective immediately, community associations with ten or fewer units are eligible for project review waiver. This means that smaller community associations will not have to undergo full project review, though certain requirements regarding building conditions will still apply.

Investor-Owner Cap Removed

A bit of good news: effective immediately, the 50% investor-owner cap has been removed. Previously, community associations buildings had to be more than 50% owner-occupied to be eligible for Fannie- and Freddie-backed loans.

Key Takeaways

Fannie and Freddie implemented updated guidance that will impact loan eligibility for units.

Going forward, community associations boards should take the increased reserve funding minimums into account when preparing their budgets to ensure eligibility for Fannie- and Freddie-backed loans.

Boards should expect more requests for lender questionnaires (Fannie Form 1076 / Freddie Form 476) and work with their legal and management professionals to provide responses to these forms.

For questions about handling specific issues related to Fannie and Freddie loan eligibility and lender disclosures for community associations loans, associations should contact their attorney.


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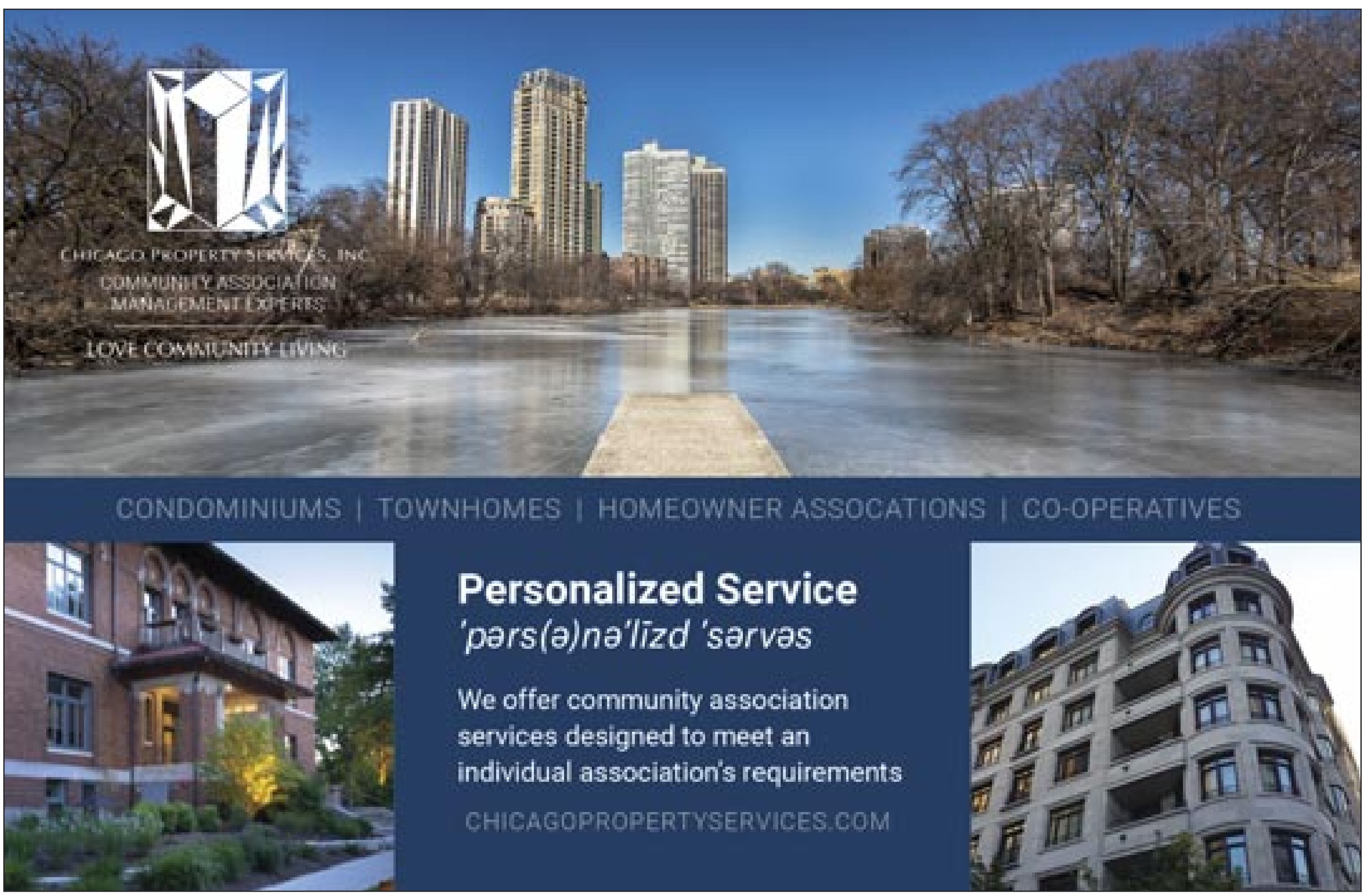
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