



Community Association Manager (CAM) Licensing Program

CAI is an international membership organization dedicated to building better communities.

The CAI Colorado Legislative Action Committee (CLAC) is charged with establishing the legislative priorities for CAI in Colorado and advocating those positions at the legislature and with other elected officials.

In Colorado, approximately 1.9 million residents (35% of the population) live in 9,500 communities governed by community associations.

What do Community Association Managers and companies do?

They oversee the daily business of a community association, which includes collecting assessments (fees), preparing financial statements and budgets, and negotiating with contractors.

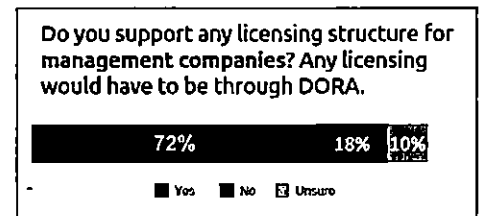
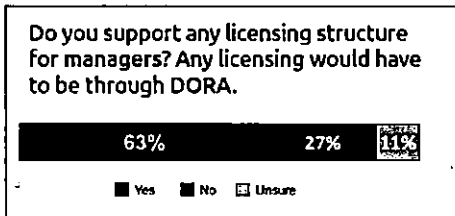
Community Association Managers (CAMs) and companies also advise the HOA board on drafting policies, conducting board meetings, and helping the Association comply with open records laws.

CO CAM Licensing Facts

- At the time of Sunset review, the CAM Licensing Program only had two years of data for the report (July 1, 2015 to Oct. 15, 2017).
- Community Association Managers, both individuals and entities, are required to be licensed in Colorado, and seven other states.
- Pass rate on the CAM exam averages 61-66% depending on the General or CO portion.
- In 2016-2017, licenses were granted to 1,413 Managers, 70 Apprentices, and 471 Management Companies.
- Complaints against individuals/companies:
 - 2016: 146/142
 - 2017: 129/132

Summer 2018, CLAC conducted a two-month outreach process with CAI's Colorado members to better understand their opinions on Community Association Manager licensing, their interactions with DORA, and what they would like to see the future of management licensing to look like.

Most survey respondents wanted continued regulation of managers and management companies but wished the structure would change, especially as it relates to DORA.



The survey of 316 respondents was conducted online and at five in-person meetings (Colorado Springs, Westminster, Fort Collins, Vail, South Denver).

Throughout the five meetings, most attendees supported licensing managers and management companies but there were two areas that caused additional discussion:

1. Front desk clerks and maintenance employees getting unnecessarily caught up in the regulations (attendees felt that additional clarification was necessary).
2. Whether managers of one property or self-managed communities fell within the regulations.

Violation Process

During the meetings, we heard the following concerns:

- The process allows general complaints to be treated like violations from the outset.
- Complaints should be vetted before being sent to licensees.

Suggestions for improvements included:

- DORA telling the licensee what section of the law was potentially violated for each investigation.
- DORA contact the complainant to better discern licensee versus association/board role in potential violation.

Attendees repeatedly emphasized that DORA or a board with DORA and industry peers should vet complaints to ensure they are not frivolous, that the alleged violation falls within the purview of the manager and constitute a legitimate complaint.

At several meetings it was pointed out that there is a real cost for managers to defend themselves against frivolous complaints. Management companies have no way to recoup those costs except through increased management company fees that are borne by homeowners.

Lack of Understanding of the Industry

Nearly all the conversations came back to one common thread – members do not feel that DORA and its staff are knowledgeable enough in the arena of community association management to be solely managing the licensing and violation processes.

Nearly two-thirds support continuing to license managers and companies.

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