



February 25, 2025

Re: Working Group on Common Interest Communities and Homeowners Associations Final Report

Chair Port and members of the Senate Housing and Preventing Homelessness Committee:

The League of Minnesota Cities appreciates the opportunity to provide comments on the final report of the Legislative Working Group on Common Interest Communities and Homeowners Associations. We also appreciate the participation of City of Bloomington Community Development Director, Kim Berggren who provided important city perspectives to the working group on these complex issues. Homeowner associations (HOAs) when effectively run are important aspects of residential development and property management that ensure management of private common area property, provide services, amenities, and facilities, and set and enforce community rules.

It is important to note that while cities may seek to ensure private common area property in a development that the developer chooses to keep private is managed by an entity such as an HOA, cities do not directly mandate the establishment of HOAs nor do cities have oversight over HOA covenants, conditions, and restrictions or governance. There are also areas in statute including Minn. Stat. 515B that requires ownership associations for Common Interest Communities (CICs).

We appreciate the working group's recommendations to improve HOA/CIC oversight, further focus the scope of HOAs/CICs on the upkeep and maintenance of private common area property, improve transparency and information sharing of HOA government documents to homeowners and renters, and consider dispute resolution avenues other than courts to resolve issues. As this committee considers the CIC/HOA Master Policy Bill (SF 1750), which includes the working group's recommendations, we urge the committee to avoid advancing language that prevents the ability of a city to ensure that private common area property is adequately managed. We also urge the committee to avoid language that may result in cities being forced to manage property in a development that should be private property, which will increase costs to the city and taxpayers.

We look forward to continuing to work with this committee as legislation moves forward regarding HOA and CIC reform.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Daniel Lightfoot". The signature is written in a cursive, flowing style.

Daniel Lightfoot

Senior Intergovernmental Relations Representative
League of Minnesota Cities