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## Ask The Homeowner Association Expert

*by Richard Thompson*

**Question:** We have had problems with parking rules enforcement. What do you recommend?

**Answer:** Here are some rule making basics using parking as an example:

1. Firstly, all rules should be necessary. Why enact a rule if you don't have a problem? Rules need not be numerous or voluminous, just applicable. Since parking is a limited and shrinking commodity, rules are needed.
2. Rules need to be clearly communicated. Since ownerships change and people have rule amnesia, it's necessary to periodically remind them of critical rules through newsletters, postings and the association website (hopefully there is one).
3. Since parking rules can affect guests, signage at the community entrances needs to clearly describe the Parking Policy.
4. The punishment should be consistent. "Tow Without Warning" works because it's not up to an enforcement committee to witness the infraction or make a decision about enforcement. With parking, this would be a 24/7 job. Many rules fail when subject to multiple warnings and erratic enforcement. If the policy is clearly stated by signage and reinforced by periodic communications, why is it necessary to repeatedly warn people? Most folks are smart enough to understand why parking restrictions are needed and willingly comply. For those that refuse to comply, towing works. Occasionally, the towing company will get overzealous or make a mistake. This is not a reason not to have the policy IF there is a real problem.
5. The punishment should fit the crime. While towing may be excessive for some association, it may be entirely appropriate when local business customers use association parking or multiple vehicle residents are frequently using guest parking.

Also See: Car Wars in Homeowner Associations

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**Question:** What percentage of the monthly assessments should go into the reserve account?

**Answer:** Reserve funding should not be set according to a percentage of monthly assessments. The method for determining the correct level of reserve funding is called a "Reserve Study". The Reserve Study identifies repairs and replacements like painting, roofing and other components for which the association has maintenance responsibility. Performing a Reserve Study requires special knowledge and experience. Unless you have a general building contractor or equivalent experience in your association, it's advisable to hire a company that specializes in doing Reserve Studies.

Brand new associations that have a good reserve funding plan in place often pay between 7-15% of their monthly assessments to reserves. For an older association that has not been reserving properly, 30-50% is common, with a high likelihood of periodic special assessments to catch up. Special assessments are the result of poor planning and unfair to those that happen to own when they come due. Performing a reserve study and putting a funding plan in place will end the need for special assessments for good.

For more on this subject, see [www.regenesis.net](http://www.regenesis.net)

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