



2022 CA DAY RESOURCE GUIDE



2022 CA DAY Schedule:

8:00 Registration/Trade Show Floor Opens/Continental Breakfast served

8:40 Opening Remarks

9:00-10:15: Class Breakout **Session #1**

#1 Community Association Risk Management & Insurance in Hazardous
Times: **NATIONAL SPEAKER**, Cliff Tresse

10:15-10:45: Trade Show Floor Open

10:45-12:00: Class Breakout **Session #2**

#2 Fiduciary Duties / Board Responsibilities: Reserve Study Walkthrough- Jason Grosz
and Karen McDonald

#3 Landscaping and Community Beautification - Octavio Gonzalez

12:00 - 1:15: Lunch Served/Trade Show Floor Open/1st Raffle

1:15-2:30: Class Breakout **Session #3**

#4 – Franken Board: Tips and Tricks for Managers and Boards to Effectively Manage
their Boards: **NATIONAL SPEAKER**, Kelly Richardson

2:35 Raffle/Closing Remarks



WESTERN OREGON CHAPTER

community

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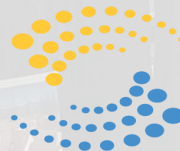
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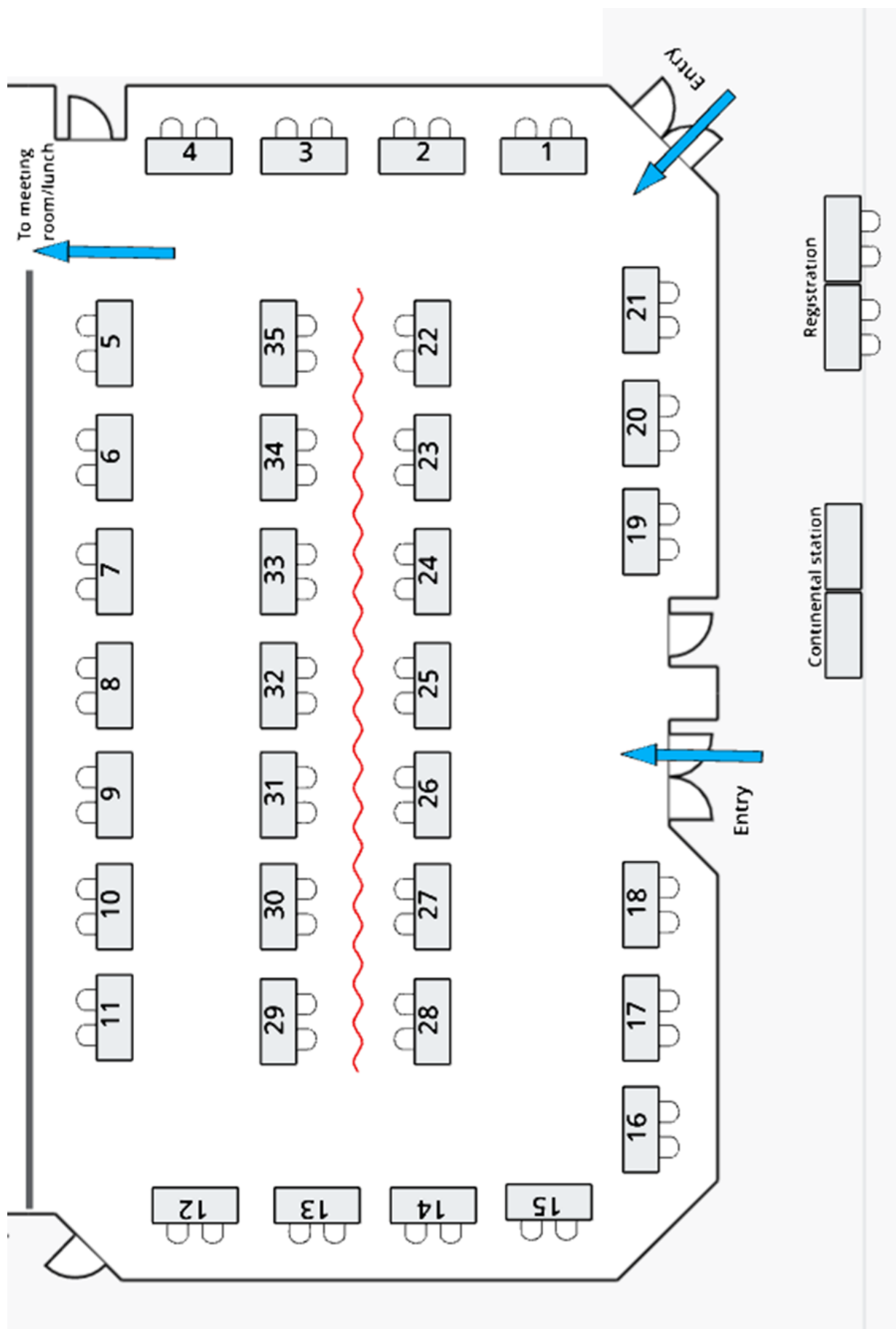
REPAIR | RESTORE | RENEW



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**Community Association and Risk Management &
Insurance in Hazardous Times**

Clifford J. Treese:

Cliff is president of Association Consulting, Inc., a company specializing in community association information and data. Mr. Treese has been involved with CAI almost since its inception. He is a past president of CAI and the CAI Foundation for Community Association Research and he is a recipient of CAI's Distinguished Service Award. Mr. Treese is author of several CAI Publications including the Community Association Fact Book as well as other publications on various topics such as community association risk management and insurance. He also is president of Association Consulting, Inc. a community association risk management consulting firm. He is a graduate of Stanford University and attended graduate school at the University of Chicago.

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***Notes:**

1. The [Census Western Region](#) uses thirteen (13) states which includes Alaska and Hawaii. These two states are added to parts of this Report for certain data-comparison purposes. Given their geographical location, however, Alaska and Hawaii do not fit easily into one of the themes of this Report – *Hazardous Times in the Great West* (11 states) – hazards that may only be mitigated by coordinated responses among 11 contiguous states.
2. It should be mentioned at the beginning of this Report that probably one of the most important perils – Earthquake (EQ) – is a risk throughout the United States and not just the Western Region. Nevertheless, EQ is not a focus of this Report.

See these EQ facts:

- [Estimated Annualized Earthquake Losses for the United States](#)
- [USGS EQ – U.S. & World](#)
- [CRS The National Earthquake Hazards Reduction Program \(NEHRP\): Issues in Brief Updated December 21, 2021](#)

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Part One: Introduction

1.1 Hazardous Times – Thinking About the Past that is Still Present

The past is never dead. It's not even past." — William Faulkner, [Requiem for a Nun](#)

"The penchant for speculation and the lure of new and different lands bred in the American farmer [in the Colonial Period and later] a tremendous passion for moving....What developed in America was an agricultural society whose real attachment was not to the land, but to land values." Richard Hofstadter, [Age of Reform](#), 1955.

[John Wesley Powell – Report on the Lands of the Arid Region of the United States](#) (1879)

"To a great extent, the redemption of all these lands [in the Great West] will require extensive and comprehensive plans, for the execution of which aggregated capital or cooperative labor will be necessary. Here, individual farmers, being poor men, cannot undertake the task. For its accomplishment a wise prevision, embodied in carefully considered legislation, is necessary."

1.2 Important Bookmark Links

[About CAI and Building Better Communities:](#) CAI is an international membership organization dedicated to building better communities. With over 40,000 members, CAI has 63 chapters worldwide, including Canada, the Middle East and South Africa, and relationships with housing leaders in a number of other countries, including Australia and the United Kingdom.

[CAI Public Policies:](#) When an issue arises that impacts CAI members, CAI develops a public policy to guide volunteer advocates and staff in their advocacy efforts. Because CAI is a membership organization, any of the more than 40,000 current members can propose a public policy for consideration by the Government & Public Affairs Committee and Board of Directors.

[CAI Western Oregon Chapter:](#) Founded in 2017, this is one of 63 CAI Chapters. Contact the Chapter Executive

- Director, Laura McDermott at 503-941-6964 or contactus@caioregon.org

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[Welcome to CAI – Unlock Your Benefits](#) [video, 1.50]

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[Foundation for Community Association Research](#): Authoritative research sponsored by the supports the aspirations of the more than 70 million Americans who live and work in an estimated 355,500 U.S. community associations. Our mission — with your support — is to provide research-based information for homeowners, association Board members, community managers, developers and others. Since the Foundation’s inception in 1975, we’ve built a solid reputation for producing accurate, insightful and timely information and produce.

[Community Association Fact Book](#) (Nine Parts): The *Community Association Fact Book* was developed to support the Foundation’s mission of providing research-based information to all community association stakeholders – homeowners, Board members, management professionals as well as attorneys, accountants, developers, mortgage lenders, federal agencies, public officials and others – all who work with the Foundation and CAI to build better communities.

[See our housing projections for 2022.](#)

1.3 Community Associations and Their Economic Contributions: Community associations represent the greatest extension of homeownership since the New Deal housing reforms and the GI Bill after World War II

Community Association Economic Contributions 2020		
All Associations & Their Homeowners – Categories	Year One	Three Year Cumulative
<i>Volunteer Leadership & Governance:</i> Meeting legal & fiduciary requirements, achieving cooperation & compliance with association goals	\$2,908,500,000	\$8,725,500,000
<i>Homeowner Property Tax Payments:</i> Providing further economic support for local government services	\$78,896,000,000	\$230,688,000,000
<i>Homeowner Improvements within their Home/Unit:</i> Upgrades and additions including changes to systems enhancing conservation and facilitating accessibility	\$98,560,000,000	\$295,680,000,000
<i>Association Housing Services:</i> Operations, Physical Asset Management, Major Repairs & Replacements, Capital Improvements, Conservation & Sustainability, Contingencies	\$127,643,000,000	\$382,929,000,000
Total	\$308,007,500,000	\$918,022,500,000

1.4 Partnership in Community for Hazardous Times: Community associations (condominiums, cooperatives and planned communities) are housing management organizations that deliver three core services to their owners – *Governance Services, Community Services and Business Services*. To effectively and efficiently deliver those core Services, each Board of Directors requires coordinated support from various professionals and from many levels of government requiring –

► *A Partnership in Community* in these hazardous times.

Part Two: John Wesley Powell and the Great West

2.1 [John Wesley Powell](#) (1834-1902)



In 1868, Powell and his team were the first to explore the Colorado River. An amazing feat considering that Powell lost his right arm below the elbow in the Civil War and was strapped to a chair. In Powell's own words:

"On my return from the first exploration of the canyons of Colorado,' wrote John Wesley Powell in a memoir published in 1895, 'I found that our journey had been the theme of much newspaper writing. A story of disaster had been circulated, with many particulars of hardship and tragedy, so that it was currently believed throughout the United States that all the members of the party were lost save one. A good friend of mine had gathered a great number of obituary notices, and it was interesting and rather flattering to me to discover the high esteem in which I had been held'" [\[Mapping the Colorado River\]](#)

According to a [Powell biographer](#), "When [Powell] expressed himself emphatically, the stump of his right arm would bob and weave as if boxing with the ghosts of the war that had maimed him; every once in a while, Powell would reach around his back with his left hand and forcibly subdue it—a movement that invariably silenced a room. The authority he radiated even in a room crowded with titanic personalities was palpable."

2.2 Powell on the Relationship of Development in the Great West to Available Water

1.2.1 [In 1893, in a speech in Los Angeles](#): Powell said: "I wish to make clear to you...[that] there is not enough water to irrigate all the lands...[and] it is not right to speak about the area of the public domain in terms of acres that extend over the land, but in terms of acres that can be supplied with water."

1.2.2 **Hydrology:** Powell's map below was the first U.S. map based on hydrology.



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Part Three: Great West – Natural Hazards & Not So Natural Hazards

3.1 Thirteen States in the Great West Seen from the Perspective of Wildland Fires

														Assn Homes % of Owner Occup.
		%	Wild.	Acres	Burned	Est.	Total	Percent	Housing					
	Wilderness	Wild.	Land	Land	Burned	Land	Struct's	Housing	Housing	Housing	Units at	Assn	Assn	
State	Acres	Acres	Area	Area	2020	Area	Damaged	Units in	Damaged	Fire	Rank	Count	Homes	
California	15,348,149	14%	100,206,720	15%	4,092,151	4.1%	11,253	14,176,976	0.08%	2,040,600	1	49,520	65.8%	
Oregon	2,507,014	2%	61,598,720	4%	1,141,613	1.9%	3,831	1,768,901	0.22%	147,500	25	3,950	21.6%	
Arizona	4,512,066	4%	72,688,000	6%	978,568	1.3%	59	3,003,386	0.00%	242,200	11	9,810	50.3%	
Washington	4,484,466	4%	42,693,760	11%	842,370	2.0%	641	3,106,528	0.02%	155,500	9	10,580	50.1%	
Colorado	3,734,992	3%	66,485,760	6%	625,357	0.9%	1,061	2,386,475	0.04%	373,900	10	10,410	63.1%	
Montana	3,501,359	3%	93,271,040	4%	369,633	0.4%	169	510,180	0.03%	137,800	34	1,960	20.5%	
Wyoming	3,067,728	3%	62,343,040	5%	339,783	0.5%	70	276,846	0.03%	36,800	49	500	12.5%	
Utah	1,819,062	2%	52,696,960	3%	329,735	0.6%	74	1,087,112	0.01%	136,000	26	3,540	28.4%	
Idaho	4,795,700	4%	52,933,120	9%	314,352	0.6%	94	723,594	0.01%	175,000	28	2,000	28.8%	
Nevada	3,448,359	3%	70,264,320	5%	258,275	0.4%	57	1,250,893	0.00%	67,100	27	3,460	30.8%	
New Mexico	1,981,947	2%	77,766,400	3%	121,277	0.2%		937,920		131,600	39	1,000	9.1%	
Hawaii	147,810	less 1%	4,150,500	4%				542,674			34	2,000	47.8%	
Alaska	57,764,399	52%	354,481,600	16%				316,901			48	600	14.2%	
Total	107,113,051		1,111,579,940		9,413,114	0.8%	17,309	28,290,891	0.06%			99,330	28.0%	
Notes														
1	Column B is from CoreLogic Webinar						Fire on the Horizon: 2021			Hawaii & Alaska added by Treese				
2	Columns C, D, E, F are from													
	https://wilderness.net/practitioners/wilderness-areas/summary-reports/acres-by-state.php													
3	Columns G is from CoreLogic			see also https://headwaterseconomics.org/natural-hazards/structures-destroyed-by-wildfire/										
4	Column H is Treese													
5	Column I is from CoreLogic, it is not known if the word "damage" means both fire and smoke damage													
6	Column J is from data.census.gov DP04, ACS 5 Year, 2015-2019													
6	Column K is Treese													
7	Column L is from			https://www.verisk.com/insurance/campaigns/location-fireline-state-risk-report/										
8	Column K is Treese, Col. I says "structures" but Col. J is "housing"													
9	Columns M, N, O FCAR Fact Book,			https://foundation.caionline.org/publications/factbook/										
10	Col N has 95,730 associations and there are 355,000 estimated assns the Wildfire State													
	99,330	355,000	28.0%											
11	The community association count for Wyoming is a rough estimate while the Idaho count is a proximate estimate													
12	Blank cells: No verifiable data readily available.													

3.2 Thirteen States in the Great West, Population Changes, 2010 to 2020

- [Alaska, Least Densely Populated State, Had Population of 733,391 in 2020](#)
- [ARIZONA: 2020 Census: The Grand Canyon State's population grew 11.9% to 7,151,502 from 2010 to 2020.](#)
- [COLORADO: 2020 Census: The Centennial State's population was 5,773,714 in 2020, making it one of 13 states and the District of Columbia that grew by 10.0% or more from 2010 to 2020.](#)
- [Hawaii Added More Than 94,000 People Since 2010](#) [Quick Facts pop. 1,455,271 in 2020]

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- [IDAHO: 2020 Census: The Gem State was second to Utah in population growth, jumping 17.3% to 1,839,106 from 2010 to 2020.](#)
- [MONTANA: 2020 Census: The Big Sky Country State grew 9.6% from 2010 to 2020, raising its population to 1,084,225.](#)
- [New Mexico Population Grew 2.8% Last Decade](#) [Census Quick Facts as of July 2021- 2,115, 877]
- [NEVADA: 2020 Census: The Silver State population grew 15.0% to 3,104,614 from 2010 to 2020.](#)
- [OREGON: 2020 Census: Population in the Beaver State hit 4,237,256 in 2020, a 10.6% hike since 2010.](#)
- [UTAH: 2020 Census: The Beehive State grew faster than any other state last decade to 3,271,616 — an 18.4% population gain.](#)
- [WASHINGTON: 2020 Census: The Evergreen State added nearly 1 million people from 2010 to 2020, growing 14.6% to 7,705,281.](#)
- [WYOMING: 2020 Census: The Equality State's population climbed 2.3% to 576,851 from 2010 to 2020.](#)

3.3 Thirteen States in the Great West – Natural & Not So Natural Hazards: Oregon is one of the eleven (11) states in the Great West as used in this Report. While wildland fires are increasingly in the news, these states also are subject, in varying degrees, to certain perils (i) that are created by long term geologic forces, (ii) that are the result of human actions and (iii) and that are becoming increasingly worse and more frequent because of climate change:

Heat , personal health, impact design loads for HVAC, pavement	Drought , soil desiccation, paving, foundations, buckling, fire hazard	Flooding from rising water levels in rivers, lakes and the ocean; erosion, mold	Storm Water , back up of storm sewers, erosion, mold, contaminants	Rising ocean levels , damage, wetlands, pressure on foundations, roads, structures
Tsunamis , flooding, wave impact on structures, erosion	Wildfire , vegetation erosion, mudslides, mudflow, damage to structures, smoke	Over-flow issues retention ponds, earthen dams, levees	Volcanic action, direct damage, indirect damage from harmful gases	Earthquake (EQ) , structure & foundation damage, soil liquefaction

Notes:

- (1) To help focus concerns about risk, see [FEMA National Risk Index Primer](#).

[Quoting] The National Risk Index (NRI) is a dataset and an application that help identify communities most at risk for natural hazards. The NRI leverages available source data for 18 natural hazards, social vulnerability, and community resilience to develop a baseline relative risk measurement for each United States county and Census tract. The NRI is intended to help users better understand the natural hazard risk of their

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communities or assigned areas. Intended users include planners and emergency managers at the local, regional, state, and federal levels, as well as other decision makers and interested members of the general public. S

(2) [FEMA Resilience Analysis and Planning Tool](#) (RAPT)

[Quoting] The Resilience Analysis and Planning Tool (RAPT) is a free GIS web map that allows federal, state, local, tribal and territorial emergency managers and other community leaders to examine the interplay of census data, infrastructure locations, and hazards, including real-time weather forecasts, historic disasters and estimated annualized frequency of hazard risk.

(3) [NOAA National Centers for Environmental Information](#) has a “Storm Events” database with almost 50 such Events. The database can be search by storm event and by state and by county. Certain unique storm events such as [derechos](#) much be [searched](#) separately.

(4) [NOAA National Centers for Environmental Information – Oregon Climate Summaries](#)

3.3.1 Returning to wildland fires, according to the Forest Service, [wildland fires](#) “are a force of nature that can be nearly as impossible to prevent, and as difficult to control, as hurricanes, tornadoes, and floods.” Some of the wildland fires can be mitigated by [fuel management](#). According to the [Department of the Interior](#):

<p>1.4 million: number of acres treated by DOI in Fiscal Year 2019 \$196.6 million: money spent by this program in Fiscal Year 2019 2,400: number of fuel treatments DOI collaborated on with Federal, State, local, and Tribal partners in Fiscal Year 2019 890: number of FTE* funded by this program in Fiscal Year 2019</p>

3.3.3 Additional wildland fire resources

(1) [National Interagency Fire Center](#) (NIFC): The National Interagency Fire Center (NIFC), located in Boise, Idaho, is the nation's support center for wildland firefighting. Eight different agencies and organizations are part of NIFC. Decisions are made using the interagency cooperation concept because NIFC has no single director or manager.

(2) [Glossary of Wildland Fires](#): This glossary provides the wildland fire community a single source for wildland fire and incident management terminology commonly used by the NWCG and its subgroups.

(3) [National Park Service: Wildfires, Prescribed Fires and Fuels](#)
4. [CoreLogic 2021 Wildfire Report](#) – Percent of Housing Stock at Risk of Wildfire

3.4 Three States in the Great West Seen from the Perspective of Sea Levels Rising

3.4.1 [Sea-Level Rise for the Coasts of California, Oregon, and Washington: Past, Present, and Future](#) [National Academies of Science, 216 pages, 2012, free to download]

[Underline mine]“Sea level rose during the 20th century, and observations and projections suggest that it will rise at a higher rate during the 21st century. Rising seas increase the risk of coastal flooding, storm surge inundation, coastal erosion and shoreline retreat, and wetland loss. The cities and infrastructure that line many coasts are already vulnerable to damage from storms, which is likely to increase as sea level continues to rise and inundate areas further inland....Following a few thousand years of relative stability, global sea level has been rising since the late 19th or early 20th century, when global temperatures began to increase. The IPCC (2007) estimated that global sea level rose an average of 1.7 ± 0.5 mm per year over the 20th century, based on tide gage measurements from around the world. Rates for 1993–2003 were 3.1 ± 0.7 mm per year, based on precise satellite altimetry measurements and confirmed by tide gage records....More recent tide gage and altimetry data confirm that the higher rate of sea-level rise is continuing. However, because of natural climate variability, which affects sea level on decadal and longer timescales, more data are needed to determine whether the higher rates since the 1990s mark an acceleration in the long-term sea-level trend.”

3.4.2 [More Data](#), see this detailed report from the National Oceanic and Atmospheric Administration (NOAA) U.S. Department of Commerce National Ocean Service, Silver Spring, Maryland

[Global and Regional Sea Level Rise Scenarios for the United States](#)

[Quoting] This report and accompanying datasets from the U.S. Sea Level Rise and Coastal Flood Hazard Scenarios and Tools Interagency Task Force provide 1) sea level rise scenarios to 2150 by decade that include estimates of vertical land motion and 2) a set of extreme water level probabilities for various heights along the U.S. coastline. These data are available at 1-degree grids along the U.S. coastline and downscaled specifically at NOAA tide-gauge locations. Estimates of flood exposure are assessed using contemporary U.S. coastal flood-severity thresholds for current conditions (e.g., sea levels and infrastructure footprint) and for the next 30 years (out to year 2050), assuming no additional risk reduction measures are enacted.

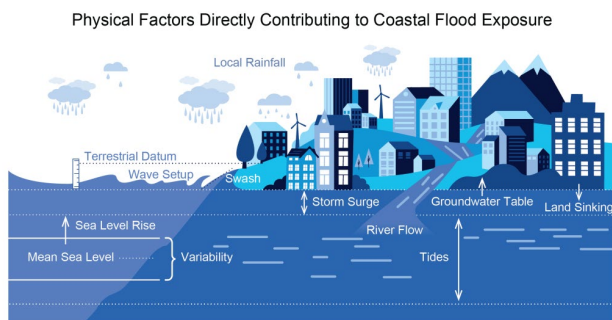


Figure 11: Schematic (not to scale) showing physical factors affecting coastal flood exposure. Due to the clear and strong relative sea level rise signal (i.e., combination of sea level rise and sinking lands), the probability of flooding and impacts are increasing along most U.S. coastlines.

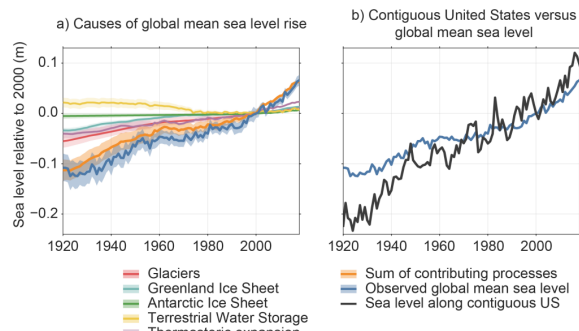


Figure 12: a) Observed annual global mean sea level (GMSL) change from global tide gauges (blue line), along with the sum (orange line) of contributions from thermal expansion (thermosteric) and four distinct water-mass-driven increases in GMSL. b) GMSL change (blue line) as shown in a) with the annual average relative sea level change measured by tide gauges around the contiguous United States (black line; with a linear regression estimate of 28 cm of sea level rise from 1920 to 2020). (Adaptation of Frederikse et al., 2020).

See also

[Oregon Coastal Management Program](#)

[Oregon Tsunami Clearing House](#)

[Washington and Oregon Tsunami Evacuation Zones](#)

3.5 Three States in the Great West Seen from the Perspective of Drought

3.5.1 [National Oceanic and Atmospheric Administration](#) (NOAA) and [National Centers for Environmental Information](#) (NCEI) – [Measuring Drought](#)

- (1) The [Palmer Z-Index](#) measures short-term drought on a monthly scale. The Palmer [Crop Moisture Stress Index \(CMSI\)](#) measures short-term drought on a weekly scale and is used to quantify drought's impacts on agriculture during the growing season.
- (2) The [Palmer Drought Severity Index \(PDSI\)](#) (known operationally as the *Palmer Drought Index (PDI)*) attempts to measure the duration and intensity of the long-term drought-inducing circulation patterns. Long-term drought is cumulative, so the intensity of drought during the current month is dependent on the current weather patterns plus the cumulative patterns of previous months. Since weather patterns can change almost literally overnight from a long-term drought pattern to a long-term wet pattern, the PDSI (PDI) can respond fairly rapidly.
- (3) The hydrological impacts of drought (e.g., reservoir levels, groundwater levels, etc.) take longer to develop and it takes longer to recover from them. The [Palmer Hydrological Drought Index \(PHDI\)](#), another long-term drought index, was developed to quantify these hydrological effects. The PHDI responds more slowly to changing conditions than the PDSI (PDI).

3.5.2 [CALIFORNIA-NEVADA AND PACIFIC NORTHWEST SPECIAL EDITION DROUGHT EARLY WARNING UPDATE](#)

***This drought status update was originally published on February 17, 2022, but the U.S. Drought Monitor and Climate Prediction Center outlook maps were updated on February 24, 2022.*

- A high pressure ridge near the western U.S. coast has largely diverted precipitation away from the states of California, Nevada, Oregon, Washington, and Idaho over the past 6 weeks and impeded drought recovery.
- In southern Oregon, reservoir levels are already extremely low, and in California, the volume of water stored in the snowpack and reservoirs combined has plateaued.
- These five western states are on the precipice of drought intensification and development if below-normal precipitation continues, as is being suggested by subseasonal forecasts and historical odds.

3.6 Climate Change Global Perspective: [IPCC Sixth Assessment Report](#) (02-28-2022)

[Quoting] Human-induced climate change is causing dangerous and widespread disruption in nature and affecting the lives of billions of people around the world, despite efforts to reduce the risks. People and ecosystems least able to cope are being hardest hit, said scientists in the latest Intergovernmental Panel on Climate Change (IPCC) report, released today. “This report is a dire warning about the consequences of inaction,” said Hoesung Lee, Chair of the IPCC. “It shows that climate change is a grave and mounting threat to our wellbeing and a healthy planet. Our actions today will shape how people adapt and nature responds to increasing climate risks.” The world faces unavoidable multiple climate hazards over the next two decades with global warming of 1.5°C (2.7°F). Even temporarily exceeding this warming level will result in additional severe impacts, some of which will be irreversible. Risks for society will increase, including to infrastructure and low-lying coastal settlements.

3.7 Climate Change Oregon Perspective

3.7.1 [Oregon Global Warming Commission](#)

[Quoting] The Commission may recommend statutory and administrative changes, policy measures, and other actions to be carried out by state and local governments, businesses, nonprofit organizations, and residents. Additionally, the Commission tracks and evaluates: assessments of global warming impacts on Oregon and the Northwest; existing greenhouse gas reduction policies and the advancement of regional, national, and international policies; costs, risks and benefits of various strategies; progress toward reduction goals; technological advances; and other related tasks.

3.7.2 [The Office of Greenhouse Gas Programs](#)

[Quoting] The Office of Greenhouse Gas Programs is leading DEQ's effort to reduce Oregon's contribution to global greenhouse gas pollution by developing and implementing policies, strategies and programs that provide important reductions in these emissions. The Office of Greenhouse Gas Programs has existing programs to track and reduce greenhouse gases in Oregon, and we are developing more programs to efficiently and equitably reduce these emissions.

3.7.3 [NOAA National Centers for Environmental Information – Oregon Climate Summaries](#)

3.8 Finding Present Solutions for Problems Arising from the Past: Eventually, risk management will need to be applied to many of the perils mentioned by Powell in #2.2 and listed in #3.3 because insurance will not be sufficient and perhaps unavailable as discussed in Part Six. A *Partnership in Community* involving associations as well as local and state governments in the Great West – may be necessary if community associations are to continue to provide the greatest extension of homeownership since the New Deal Housing Reforms and the G.I. Bill after WWII.

Part Four: Setting the Context – Community Associations in the U.S. and in Oregon

4.1 U.S. Selected Community Association Metrics

4.1.1 Comparing Community Associations to Other Entities

There are just over 40 million “entities” in the U.S. – charitable, governmental, business and community associations. Associations represent just under 0.9% of the total. Community associations are one component of other primary entities in the U.S.

Entity	Number	Percent of Total Entities
Tax Exempts & Other Nonprofits	1,571,056	3.89%
Governmental Units	90,126	0.22%
Businesses	38,396,966	95.01%
Community Associations	355,000	0.88%
Total Entities	40,413,148	100.00%

4.1.2 U.S. Community Association Housing Metrics

- (1) In the aggregate, using a manual calculation, community association housing had a market value of \$8.971 trillion dollars at Q4 2020 [Estimate based on the [Federal Reserve Z.1 Financial Accounts at Q4 2020](#)]. Owners’ [equity](#) was 65.9%.
- (2) Using [Zillow Home Values](#) at 12/31/2020, but manually allocated for homes in community associations produces a market value of \$9.200 trillion dollars. The Zillow Values probably are more timely Census data from the American Community Survey in recognizing market forces at work. Association housing units are estimated at 28% of all housing. See also the [Census Reporter on Housing](#). *Community associations are big business in small increments.*
- (3) The [Census in Housing Vacancies and Homeownership](#) provides estimates of (i) owner occupied housing, (ii) renter occupied housing and (iii) broad category for “vacant” housing (in several categories). This leads to a number of issues when estimating association housing as part of all housing. According to the National Association of Home Builders (NAHB), the housing industry’s contribution in terms of new construction to the economy averages 14%-18% annually. This represents the combined impact of [Private Residential Fixed Investment and Housing Services](#). This component contributes from 3.3%-3.8% while the Housing Services component contributes 12%-13%. These percentages vary with fluctuations in economic cycles. Association housing is an important and growing component of both Residential Fixed Investment and Housing Services. Using NAHB historical estimates and recent Census data with respect to new construction, community associations contribute around 3.5% to 4.0% to GDP.
- (4) Community Associations Fact Book 2016: UNITED STATES Comparison of U.S. Condominium and Non-Condominium Residents Age 55 and Over

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Table 1.

Condominium Status of Persons Age 55 and Over and Their Households: United States 2011 - 2015

		Persons		Households		
		Count	Percent	Count	Percent	
Condominium Status	Condominium	3,912,810	5.1%	2,627,160	5.6%	<i>5.1% of persons age 55+ lived in a condominium.</i>
	Not Condominium	73,237,419	94.9%	43,934,104	94.4%	
	Total	77,150,229	100.0%	46,561,264	100.0%	<i>5.6% of households of persons 55+ were in a condominium.</i>

Table 2.

Persons Age 55 and Over by Sex and Condominium Status: United States 2011 - 2015

			Sex		Total	
			Male	Female		
Condominium Status	Condominium	Count	1,580,994	2,331,816	3,912,810	<i>59.6% of condominium residents age 55+ were female compared to 53.9% of non-condominium residents age 55+ who were female.</i>
		Percent	40.4%	59.6%	100.0%	
	Not Condominium	Count	33,772,752	39,464,667	73,237,419	
		Percent	46.1%	53.9%	100.0%	
Total	Count	35,353,746	41,796,483	77,150,229		
	Percent	45.8%	54.2%	100.0%		

4.2 Oregon Community Association Housing Metrics

(1) Oregon Community Associations – 2020 Selected Economic Metrics

State	Association Rank	Association Count	Associations in State as Percent of All Associations	Association Homes as Percent of All Owner Occupied Homes	Association Homes as Percent of All Occupied Homes
Oregon	25	3,950	1.1%	21.6%	13.5%
Association Population as Percent of Total Population	Population Living in Associations	Association Board & Committee Volunteers	Value of Board & Committee Time	Value of Homes in Associations	Association Housing Services: Operations, Physical Asset Management, Major Repairs and Replacements, Capital Improvements, Conservation & Sustainability, Contingencies
13.7%	565,000	18,900	\$21,700,000	\$90,749,000,000	\$1,060,000,000

(2) Community Associations Fact Book 2016: OREGON Condominium and Non-Condominium Residents Age 55 and Over

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Table 1.
Condominium Status of Persons Age 55 and Over and Their Households: Oregon 2011 - 2015

		Persons		Households		
		Count	Percent	Count	Percent	
Condominium Status	Condominium	26,554	2.6%	18,811	3.1%	2.6% of persons age 55+ lived in a condominium.
	Not Condominium	975,905	97.4%	592,997	96.9%	3.1% of households of persons 55+ were in a condominium.
	Total	1,002,459	100.0%	611,808	100.0%	

Table 2.
Persons Age 55 and Over by Sex and Condominium Status: Oregon 2011 - 2015

		Sex				
			Male	Female	Total	
Condominium Status	Condominium	Count	10,363	16,191	26,554	61.0% of condominium residents age 55+ were female compared to 53.1% of non-condominium residents age 55+ who were female.
		Percent	39.0%	61.0%	100.0%	
	Not Condominium	Count	457,638	518,267	975,905	
		Percent	46.9%	53.1%	100.0%	
Total		Count	468,001	534,458	1,002,459	
		Percent	46.7%	53.3%	100.0%	

4.3 Oregon Compared to the U.S.: General Housing Characteristics

Notes: The complete ACS DP04 Housing Table is in the [Community Association Fact Book – State Summary Oregon](#), p.11/28 (by PDF page count)

DP04: SELECTED HOUSING CHARACTERISTICS	2015-2019 American Community (ACS)	Survey 5-Year Estimates			
		Subject	Oregon		U.S.
			Estimate	Percent	Data
YEAR STRUCTURE BUILT					
	Total housing units	1,768,901	1,768,901	137,428,986	
	Built 2014 or later	46,817	2.6%	2.5%	
	Built 2010 to 2013	42,231	2.4%	2.7%	
	Built 2000 to 2009	250,732	14.2%	14.0%	
	Built 1990 to 1999	300,436	17.0%	13.9%	
	Built 1980 to 1989	195,601	11.1%	13.4%	
	Built 1970 to 1979	336,865	19.0%	15.2%	
	Built 1960 to 1969	162,586	9.2%	10.6%	
	Built 1950 to 1959	142,222	8.0%	10.3%	
	Built 1940 to 1949	92,379	5.2%	4.9%	
	Built 1939 or earlier	199,032	11.3%	12.6%	

Part Five: Community Association Risk Management

5.1 Setting the Context: Risk Management

5.1.1 Definition: Risk Management is the process of making and carrying out decisions and actions the minimize the adverse effects of accidental losses. Those losses are typically measured in economic values. The process involves five steps.

Step 1: Identifying exposures to loss

Step 2: Examining alternative techniques for dealing with accidental loss

Step 3: Selecting the best techniques for implementing risk management

Step 4: Implementing the chosen techniques

Step 5: Monitoring and improving the Risk Management Program

Sources:

IRMI, [Risk Management – Why and How](#), 73 pages, 2009

Treese, [Managing and Governing, How Community Associations Function](#)

Treese, [Risk Management, How Community Associations Protect Themselves](#)

Treese, [Insurance, How Community Associations Protect Themselves](#)

5.1.2 Evidence-Based Decisions: While various forms of insurance are available to provide some financial protection from damage caused by those perils listed in #2.2 above, insurance will not be enough. See Part Six.

5.2 Inhibiting Factors: Personal Consumption, Personal Mobility, Demographics and Skill Sets

5.2.1 Consumption as a Distraction: [Basic Structure of the U.S. Gross Domestic Product](#) (GDP)

“[Gross domestic product](#) (GDP) is the total monetary or market value of all the finished goods and services produced within a country’s borders in a specific time period.” See the graphics in the link above. The formula to calculate [the components of GDP](#) is $Y = C + I + G + NX$.² That stands for: GDP (Y) = Consumption + Private Investment + Public Investment + Net Exports. The current U.S. GDP is measured in these categories: 70% personal consumption, 18% Private Investment, 17% Public Investment, and negative 5% net exports. Personal consumption goals can win out over investment goals (funding reserves) at Board of Director Meetings and during Membership Meetings involving the annual budget.

5.2.2 Disconnect Between Owner Move Rates and 30 Year Amortized Mortgages

(1) “[Homeowners have been less transient the last few years](#). In the first quarter of 2019, homeowners who **sold** their homes had owned them an average of 8.05 years, down slightly from a record high of 8.17 in the fourth quarter of 2018, reports real estate research firm ATTOM Data Solutions. Still, that’s up a 7.75 year average recorded a year ago. Prior to the Great Recession, from the first quarter of 2000 to the third quarter of 2007, homeownership tenure averaged just 4.21 years.” See also [Census Geographic Mobility Rates 2021](#)

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- (2) The mortgage may be for 30 years, but the homeowner (and its mortgage lender) already may have one foot out the door because of move rates. Similar to the distraction caused by Consumption, move rates can lead to short term thinking and modest lender underwriting analysis. During the COVID-19 Pandemic, move rates have remained around 30% below mobility rates observed in early 2000. See [Fannie Mae Homeowner Mobility and Impediments to Moving Housing Insights](#) (July 10, 2020).
- (3) Demographics, also, can be a factor especially for [new families with children](#) and for those [near retirement or early in retirement](#). Family budgets can be tight with children and early retirees may want to spend on activities they had no time for while working.
- (4) Depending on the age and occupation of the Board members (and the owners themselves), many grew up in a traditional detached single family home so they had little or no experience with association governance that requires both (i) collective decision making as well as (ii) physical asset management skills to maintain a multi-home entity, i.e. a home among many homes in an association. Told another way, all Board members know there is roof (somewhere) over their home but many would be hard pressed to describe the roof's components including the function of a parapet wall and counter-flashing.

Notes: Numbers (1) and (2) above probably are the biggest brakes on making evidence-based decisions but (3) and (4) are not too far behind. Given the factors listed above, it should not be surprising that many Boards willingly use an attorney for certain important matters (to aid in making a “white collar” decision), but might balk at hiring an architect or engineer to factually determine the load capacity of their 30 year old roof (basically a “blue collar” decision).

5.3 How Emergencies, Disasters and Catastrophes Differ

Emergencies	Disasters	Catastrophes
Impacts localized	Impacts widespread, severe	Devastating physical, societal impacts
Response mainly local	Response is multi-jurisdictional, inter-Governmental; bottom up	Response initiated by central government because localities and regions are devastated
Standard Operating Procedures (SOPs) are sufficient	Response requires activation of disaster plans, significant challenges	Response challenges far exceed disaster plans
Vast majority of response resources are unaffected	Extensive damage to and disruption of key emergency services	Response system paralyzed at local and regional levels
Public generally not involved in response	Public extensively involved in response	Public only source of initial response
No significant recovery challenges	Major recovery challenges	Massive recovery challenges and very slow recovery process

Sources:

Claire B. Rubin, [Emergency Management – The American Experience, Third Edition](#), Routledge 2020
 Cass R. Sunstein, [Risk and Reason – Safety, Law and the Environment](#), Cambridge University Press 2002
 Kathleen Tierney, [Disasters: A Sociological Approach](#), Polity Press 2019 [see p.5 for #1.1.2]
 Kathleen Tierney, [The Social Roots of Risk – Producing Disasters, Promoting Resilience](#), Stanford University Press 2014
 Quoting from Tierney, Sociological Approach, p.4:

“Obviously, one key concept is the idea of *disaster* itself. The important takeaway point is that disasters are by their nature social events, not merely physical ones.....The severity of a disaster is measured not by the magnitude of the physical forces involved, but rather by the magnitude of its societal impacts.”

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See also, [Oregon State Health Assessment](#) (220 pages, 2018)

[Quoting] Oregon has also experienced gains in access to health insurance with the start-up of coordinated care organizations (CCOs) and the passage of the Affordable Care Act. However, some measures of health in Oregon have worsened, including rates of obesity, diabetes and suicide. In addition, Oregon’s low standing in education, housing affordability and food insecurity have contributed to a decline in the state’s relative standing in national scorecards of health measures. According to the United Health Foundation’s Annual Health Rankings, Oregon was the 20st healthiest state in the country in 2017 (Massachusetts is 1st and Mississippi is 50th).* This is down from 13th in 2012 and 8th in 2011.† Many factors could be contributing to this relative worsening of health outcomes.

5.4 To Be or Not To Be...An Ostrich: Why We Underprepare for Disasters

[Why We Underprepare for Disasters](#) (Wharton Issue Brief)

Notes: This *Wharton Issue Brief* just above is from the [Wharton Risk Management Decision Processes Center](#). It should be pointed, however, that the poor maligned ostrich does not bury its head in the sand because it can run up to 43 mph and deliver a kick powerful enough to kill a lion.

[Quoting] “In our book *The Ostrich Paradox*, we characterize six decision-making biases that cause individuals, communities and organizations to underinvest in protection against low-probability, high-consequence events. We then propose a behavioral risk audit that recognizes that these biases are difficult to overcome but that they can be used to develop strategies to improve individuals’ decision making processes in preparing for disasters before they occur.”

Table: Six Decision-Making Biases

Bias	Comment
Myopia	a tendency to focus on overly short future time horizons when appraising immediate costs and the potential benefits of protective investments
Amnesia	a tendency to forget too quickly the lessons of past disasters
Optimism	a tendency to underestimate the likelihood that losses will occur from future hazards
Inertia	a tendency to maintain the status quo or adopt a default option when there is uncertainty about the potential benefits of investing in alternative protective measures
Simplification	a tendency to selectively attend to only a subset of the relevant facts to consider when making choices involving risk
Herding	a tendency to base choices on the observed actions of others

Part Six: Community Association Insurance – Selected Issues in Hazardous Times

Notes: This Part is indebted to [AJ Scott, CIRMS, CPCU](#). Scott and Treese individually delivered papers at a webinar for the California Lawyers Association in late November 2021. In February 2022, revised versions of both papers were presented the CAI National Law Seminar. The next Part Six incorporates some of Scott’s material and Treese’s material from those earlier programs.

6.1 Market Conditions Impacting Property and Liability Insurance

6.1.1 Market Conditions that Impact Property Insurance including Catastrophe (CAT) Insurance

- (1)** Commercial Property insurance policies generally exclude (or significantly limit) coverage for damage caused by catastrophes (“CAT perils”) such as earthquake, flood, tsunami, hurricane, and – in other parts of the country – wind/ hail.

Notes: Commercial insurance is used to insure community associations. Personal lines insurance is used to insure owners or renters of homes I community associations. Typically, a condominium or cooperative homeowner obtains an HO-6 while an owner in planned community uses an HO-3. A renter will obtain an HO-4.

- (2)** The damage caused by these CAT perils are excluded or significantly limited in insurance policies because (i) the CAT perils cannot be effectively controlled by risk management, (ii) they are difficult to adequate price in terms of premium (iii) and/or the perils are considered sufficiently destructive to warrant their own pricing and policy terms (e.g. limits, deductibles, language) or (iv) they are simply excluded from any type of insurance.
- (3)** The Table below tells a compelling story how (i) rising insured losses, (ii) rising reinsurance pricing, and (iii) social inflation all are contributing to reduced competition in property insurance markets and more conservative underwriting (as detailed further in 6.2) – resulting in higher premiums.

[Natural Catastrophe Losses In The United States By Peril, 2021](#)

Peril	Number of events	Fatalities	Economic losses (2)	Insured losses (3)
Severe convective storm	64	165	\$37,250	\$26,740
Wildfire, drought, heatwave	14	229	20,360	8,690
Flooding	12	33	7,020	2,850
Winter storm	4	230	24,790	15,520
Tropical cyclone	3	113	79,530	38,210
Total	97	~770	\$169,000	\$92,000

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6.1.2 Market Conditions that Impact Liability Insurance & Commercial Umbrella Insurance (Excess Liability Insurance)

- (1) Widespread social inflation has led to rising litigation costs, "[nuclear jury awards](#)", a prevailing adversarial perception of corporations by the public, and other contributing factors.
- (2) [Social inflation](#) combined with high-profile settlements (Surfside collapse, PG&E wildfire liability, MGM shooting, Boy Scouts abuse case, etc.) have resulted in well over \$10B in capital exiting the marketplace suddenly and unceremoniously within the last 5 years.

6.2 Insurance: Alternate Markets, Policy Exclusions and Policy Limitations

- 6.2.1 Admitted versus Non-admitted Insurers:** Surplus Lines Insurance is for perils that are not provided for "Admitted Insurers." These "Non-admitted Insurers" are called "Excess & Surplus Lines Insurers," see next #6.4(5).
- 6.2.2 Exclusions and Limitations in Coverage:** For example, outside of the standard/ preferred community association markets – a number of insurers have narrowed their business focus to only the most favorable of association accounts. Also, it has become increasingly difficult to find Property and General Liability quotes which do not contain significant coverage restrictions.
- 6.2.3 Red Flags:** These property insurance underwriting issues below should be a topic of discussion between the Board and its insurance agent. All insurance policies have limitations and exclusions – you need to verify with your association’s insurance agent whether something similar to those limitations and exclusions below are in your association’s master insurance. "**Verify**" means the insured (the association using its Board) has to read the insurance policy and has to ask questions of its insurance agent.

Property Insurance Red Flags

Bldg. Age & Updates	Large % of rentals	Stab-Lok panels	Wildland fire area
Wood shake roofs	Aluminum wiring	Unfenced pools	Reserves, inadequate
Roofs over 20 yrs. old	Fuses, electric panels	Spacing of railings	Water damage claims

In Oregon, "Specifically, an insurance agent acting as an agent for the insured owes a general duty to exercise reasonable skill and care in providing the requested insurance." See 2019 [U.S. 50 State Insurance Agent Standard of Care Update and Overview](#) (p.87). Nevertheless, the Board needs to read the insurance policy(ies) and ask questions of its agent.

- 6.2.4 Insurers measure the severity of claims and the frequency of claims especially in property insurance.** From a property insurance underwriting perspective, frequency of claims (because of adjustment expenses) can sometimes outweigh the severity of property claims. In either case – frequency or severity – the community association needs to explain the risk management actions being undertaken to mitigate or eliminate (if possible) future losses.

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Clearly, climate-driven insurance claims such as wildland fires, repetitive flooding) pose problems in terms of mitigation or elimination by any single community association. This Report suggests a *Partnership in Community*.

6.2.5 Risk Treatment Matrix: This is another way to view severity and frequency.

High Severity / Low Frequency	Risk transfer to commercial insurer(s)
High Severity / High Frequency	May not be insurable without effective risk control
Low Severity / Low Frequency	Risk Financing—retain and finance from operations
Low Severity / High Frequency	Risk Financing—retain and finance from operations and/or reserve fund; risk control; higher deductible per peril.

Treese, [Risk Management, How Community Associations Protect Themselves](#)

6.3 Building Community Association Risk Management and Insurance Skills

Notes: This is a detailed Appendix that you might share with your association insurance agent, community manager and association attorney. See also this extended discussion of severity and frequency: [State of property & casualty insurance 2020](#).

6.4 Oregon Insurance Resources

- (1) For instance, see Wildfire Losses [Insurance Information Institute - Facts + Statistics: Wildfires](#)
- (2) See the [Oregon Division of Financial Regulation](#) (DFR) – Insurance for Consumers
[Annual Report – All Lines of Insurance](#)
- (3) See DFR – [Insurance Producer and Agency Licensing](#)
- (4) See DFR – [Insurance Rates and Forms](#)
- (5) See DFR – [Surplus Lines Insurance](#)
 - The surplus lines market ensures that Oregonians can obtain coverage if they are turned down for insurance in the regular market. Oregon Revised Statutes (ORS) [735.400-735.495](#) govern surplus lines.
 - Surplus line insurers are not required to be licensed in Oregon or file rates with the state. However, the Division of Financial Regulation must determine they are eligible before any coverage is placed.
 - Insurers on the National Association of Insurance Commissioners quarterly Listing of Alien Insurers are considered eligible in Oregon.
 - Insurance through a surplus line insurer is not protected by the Oregon Insurance Guaranty Association.
 - All coverage in this market must be placed through a resident or nonresident insurance agent who is licensed for "surplus lines."

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Notes: As an aside, but for reference, see this 88 page California Insurance Commissioner Report dated July 2021 that provides a comprehensive view of the risks in the title for Californians.

[Protecting Communities, Preserving Nature and Building Resiliency: How First-of-its-Kind Climate Insurance Will Help Combat the Costs of Wildfires, Extreme Heat, and Floods](#)

Part Seven: Community Association Residential Mortgage Underwriting

7.1 Residential Mortgage Underwriting: Two Categories, GSEs and Champlain Towers South Condominium (Surfside, FL)

7.1.1 Two Categories: Residential mortgage underwriting roughly is divided in two categories: Single Family and Multifamily. Condominium units and planned development units are *Single Family* even if the condominium unit is on the 12th floor of a highrise condominium building. Apartment buildings and housing cooperatives are considered *Multifamily*. There are three types of community associations: condominiums, cooperatives and planned communities (with the latter being all associations that are not condominiums or cooperatives. See [Oregon Subdivisions and Partitions](#) and the [Uniform Law Commissioners](#) on the [Uniform Common Interest Ownership Act](#) (UCIOA).

7.1.2 GSEs: While there are several [Government Sponsored Enterprises](#) (GSEs), the two most prominent in residential lending are [Fannie Mae](#) and [Freddie Mac](#). Fannie Mae and Freddie Mac buy residential mortgages from lender partners if the community association (or common interest development) meets certain Project Standards. Both GSEs refer to non-condominiums and non-cooperatives as PUDs (planned unit developments). Residential mortgage lenders usually follow the GSEs in terminology even if the mortgage is nonconforming (i.e., cannot be sold to a GSE). For instance, see [BBT|SunTrust Section 1.06 - Condominium and PUD Approval Requirements](#) (October 15, 2021). More GSE links are provide later.

7.1.3 [Champlain Towers South Condominium](#): Units in Champlain Towers South Condominium (in Surfside FL) were underwritten by lenders as a *Single Family* subject to GSE Project Standards. If Towers South was an apartment building, it would be underwritten as Multifamily subject to a Property Condition Assessment Report (PCAR). Keep this in mind as you read below. Also, as mentioned, even if the mortgage is non-conforming (that is, does not meet GSE eligibility mortgage limits and other requirements), residential mortgage lenders typically underwrite the mortgage loan to GSE Project Standards.

7.1.4 Selected Congressional Research Service (CRS) Reports

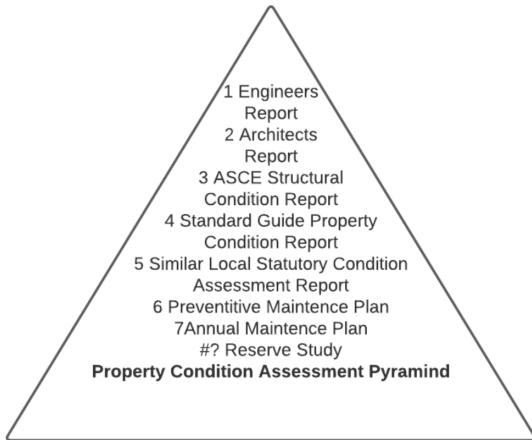
- [Introduction to Financial Services: The Housing Finance System](#), CRS In Focus, updated January 13, 2022
- [Introduction to Financial Services: The Regulatory Framework](#), CRS In Focus, updated January 13, 2022
- [Introduction to U.S. Economy: Housing Market](#), CRS In Focus, updated May 3, 2021

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- [Fannie Mae and Freddie Mac: Recent Administrative Developments April 5, 2021](#)
- [The Loan Limits for Government-Backed Mortgages Updated February 9, 2021](#)
- [FHA-Insured Home Loans: An Overview Updated January 21, 2022](#)

7.2 The Property Condition Assessment Pyramid

Notes: The Pyramid was created by Treese. Most Reserve Studies may fit between #5 & #6.



Types of Risk & Condition Assessments

[Corrosion Risk Assessment of High Rise Buildings](#)
[Facilities Condition Index](#)
[Building Condition Metrics: FCI vs BCI](#)
[Roof Condition Index Assessment](#)
[S&P Property Condition Assessment Criteria](#)

[PCAR Grand Strand Condominium](#)
[Limited Condition Assessment Audubon Condo](#)
See #7.5.2 & #7.5.3 for Property Condition Assessments

Notes: The “highest” level in the Pyramid will likely involve invasive testing and/or non-invasive testing of the structure using technology. This level is performed by an engineer or possibly an architect.

[An innovative methodology for the non-destructive diagnosis of architectural elements of ancient historical buildings](#)

[Non-Destructive Testing of Materials in Civil Engineering](#)

[Non-Destructive Testing for Building Diagnostics and Monitoring: Experience Achieved with Case Studies](#)

[Quoting from [ASCE/SEI 11-99](#)] Since any evaluation will involve engineering judgment and contains factors that cannot be readily defined and standardized, a Section providing guidance for evaluations is also included. This Section must be used by the professional engineer as part of an engineering evaluation. The Standard is intended as a guide to the engineer in providing comprehensive information for clients such as building owners, prospective purchasers, tenants, regulatory officials, and others. The other levels of the Pyramid need to be performed by individuals with the experience, skill, and knowledge to perform those services according to the required standards.

7.3 [Reserve Studies](#) (using CAI standards)

Notes: Here is the structure of a typical Reserve Study. Generally, the “condition assessment” is not as detailed as that outlined in the text box in #7.2 or as found reports that are meant to be Property Conditions Assessment Reports (PCARs). PCARS are used in property condition assessments for multifamily lending such as for apartment buildings.

Physical Analysis

- Component Inventory
- Condition Assessment
- Life and Valuation Estimates

Financial Analysis

- Fund Status
- Funding Plan

The *ASTM Property Condition Assessment Report E2018* is mentioned in the Freddie Mac PCAR and in the Fannie Mae PCAR. See #7.5.2 and #7.5.3.

7.4 **Property Condition Assessment Reports (PCARs) and Related Reports**

Notes: There are several organizations that provide technical standards that should be used by engineers or architects as their basis of research and analysis in evaluating the condition of the association’s buildings and amenities if there is any question of “safety and soundness.” If there definitely is a valid concern about “safety and soundness” then an engineer or architect must be used. These standards below are necessary for the Board to make evidence-based decisions.

7.4.1 [American Society of Civil Engineers](#)

(1) [Guideline for Structural Condition Assessment of Existing Buildings ASCE/SEI 11-99](#)

Changing economic conditions, concerns for historic preservation, emphasis on fully utilizing conveniently located structures, space shortages, and increasing cost of materials and products used in the construction of new buildings have resulted in a need to evaluate and more fully utilize the existing building inventory. To this end, the standard Guideline for Structural Condition Assessment of Existing Buildings (ASCE 11-90) was developed to provide the design community with guidelines for assessing the structural conditions of existing buildings constructed of combinations of materials including concrete, masonry, metals, and wood. This edition (SEI/ASCE 11-99) replaces ASCE 11-90. It consists of an overview of preliminary and detailed assessment procedures, of materials properties and test methods, and of evaluation procedures for various physical conditions of the structure. The standard is not intended to be inclusive or prescriptive but is expected to serve as a resource document for engineers, owners, and regulatory officials.

(2) [Guideline for Condition Assessment of the Building Envelope ASCE/SEI 30-14](#)

The intent of this standard is to provide a guideline and methodology for assessing the condition and performance of existing building envelope systems and components and identifying problematic and dysfunctional elements. It applies equally to a building 's envelope or portion whose primary purpose may be to serve as the supporting structural system of the building. The reader may also wish to refer to ASCE Standard 11- *Guideline for Structural Condition Assessment of Existing Buildings* . This standard may be a source of comprehensive information for clients such as building owners, prospective purchasers, tenants, regulatory officials, and others. This standard is primarily directed toward a consultant-client relationship; modifications may be made to the content for condition assessments performed by staff personnel of public agencies and multibuilding owners for management of facilities.

7.4.2 [ASTM International](#)

[Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process E2018-15](#)

Significance and Use, 3.1 Use—This guide is intended for use on a voluntary basis by parties who desire to obtain a baseline PCA of commercial real estate. This guide also recognizes that there are varying levels of property condition assessment and due diligence that can be exercised that are both more and less comprehensive than this guide, and that may be appropriate to meet the objectives of the user. Users should consider their requirements, the purpose that the PCA is to serve, and their risk tolerance level before selecting the consultant and the level of due diligence to be exercised by the consultant. The user should also review or establish the qualifications, or both, of the proposed field observer and PCR reviewer prior to engagement. A PCR should identify any deviations or exceptions to this guide. Furthermore, no implication is intended that use of this guide be required in order to have conducted a property condition assessment in a commercially prudent and reasonable manner. Nevertheless, this guide is intended to reflect a reasonable approach for the preparation of a baseline PCA.

7.4.3 [International Code Council- Ensuring the Safety of Existing Buildings a Multifamily Property: Codes, Standards and Periodic Inspections](#)

Florida's Building Code (FBC) is based on the model International Codes (I-Codes) developed by the International Code Council (ICC) through a national voluntary consensus process with input from leading experts from the private and public sectors. Florida maintains its building and safety codes through revisions and adaptations to the I-Codes on a three-year cycle. According to the 2021 Rating the States report by the Insurance Institute for Business & Home Safety (IBHS), Florida ranks number one, leading the 18 Atlantic and Gulf coastal states in building code safety. The IBHS rating score is based 50% on statewide adoption and enforcement; 25% on state-adopted amendments for building official certification, training and continuing education; and 25% on state regulations for on-site implementation and proficiency based on contractor and subcontractor registration, licensing, and continuing education. In the

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wake of the collapse of the Champlain Towers South mid-rise condominium building in Surfside, Florida, the International Code Council (ICC), the Building Owners and Managers Association (BOMA), and the National Institute of Building Sciences (NIBS) convened a panel of subject matter experts from around the nation in West Palm Beach on August 17, 2021. The purpose was to share knowledge and recommendations on how communities monitor the safety of existing buildings, what guidance already exists, and how future catastrophic events may be avoided.

7.4.4 [Life Cycle Cost Analysis](#) (LCCA)

Life-cycle cost analysis (LCCA) is a method for assessing the total cost of facility ownership. It takes into account all costs of acquiring, owning, and disposing of a building or building system. LCCA is especially useful when project alternatives that fulfill the same performance requirements, but differ with respect to initial costs and operating costs, have to be compared in order to select the one that maximizes net savings. For example, LCCA will help determine whether the incorporation of a [high-performance HVAC](#) or [glazing system](#), which may increase initial cost but result in dramatically reduced operating and maintenance costs, is cost-effective or not. LCCA is not useful for budget allocation.

7.5 More on the GSEs and Others: Lender Questionnaires, Project Standards & Property Condition Assessment Reports

Notes:

- (1) Fannie Mae and Freddie Mac (GSEs) purchase mortgages from their Lender Partners. If the mortgage is for a home condominium, then the condominium must meet Project Standards (discussed below). FHA insures mortgages. The Department of Veterans Affairs (VA) guarantees mortgages. Fannie Mae and Freddie Mac purchase around 65% - 70% of all residential mortgages. FHA and VA account 25% - 30% of residential mortgages. Private investors such as some life insurance companies purchase the balance of the residential mortgages.
- (2) The two GSEs (Government Sponsored Enterprises) both have [Selling Guides](#) and [Servicing Guides](#). The main interest for Residential Mortgage Underwriting is the Selling Guide. Fannie has two Guides, one for Selling and one for Servicing. Freddie Mac combines both Guides in a single Guide. Fannie Mae and Freddie Mac will not purchase a mortgage from lender unless the condominium (or housing cooperative) meets their Project Standards.
- (3) This below applies to both Fannie Mae and Freddie Mac with respect to Project Approval Questionnaires. Government-sponsored enterprises (GSEs) have developed standardized Condo Project Questionnaire Form 1076). Although optional, many residential mortgage lenders use these forms. They offer lenders a clear and consistent approach to collecting condominium project information, but none of the data collected, unfortunately, is put into a database.

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- (4) The new GSE Lender [Form 1076](#) has met with concern on its full implementation. What is said below may change. See [CAI letter to FHFA \(2/17/2022\) requesting delay and amendment of temporary guidelines](#)

7.5.1 GSE Project Standards and Lender Questionnaires

- (1) [Fannie Mae Condo, Coop, PUD Eligibility](#) (Form 1076, see the Appendix)

[Quoting] In late June 2021, America and the world watched in horror as rescuers combed through piles of rubble and everyday household goods looking for survivors of the condo building collapse in Surfside, Florida. After the first few hours, no survivors were found. Ninety-eight lives and 136 homes were lost. In the following days, information emerged about known issues with Champlain Towers South, and several nearby condo buildings were evacuated because they too had significant deferred maintenance that led to potentially life-threatening structural deficiencies. The tragedy has focused attention on an emerging challenge: significant deferred maintenance of aging condo and co-op infrastructure. Condos and co-ops are an affordable homeownership option in many markets and a lifestyle choice for many buyers. Fannie Mae has been a secondary market leader in condo and co-op financing for a number of years. With a shortage of housing supply, it's more important than ever for us to reaffirm our commitment to supporting sustainable homeownership in condo and co-op projects.

- (2) [Freddie Mac Temporary Condominium and Cooperative Project Requirements](#)

[Quoting] Our project review requirements for Condominium and Cooperative Projects are designed to address project related risks that include but are not limited to:

- The marketability and condition of the project
- The marketability of the units within the project, and
- The financial stability and viability of the project

In the aftermath of the collapse of the Champlain Towers South in Surfside, Florida, the risks of residential buildings with aging infrastructure and in need of Critical Repairs have been brought to the forefront of discussion throughout the nation.

In response to feedback we received from Sellers and other industry stakeholders regarding these risks, we are issuing temporary project review requirements regarding projects in need of Critical Repairs and projects with special assessments. The Guide will not be updated to reflect these changes.

Although our Condominium Project reserves requirements remain unchanged, we are providing a reminder of some of the key elements of those requirements in this Bulletin.

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The temporary requirements apply to all Mortgages secured by units in projects with five or more attached units, regardless of the project review type or if the Mortgage is eligible to be delivered as Exempt From Review, as illustrated in the table below. These new requirements are in addition to, and do not supersede, any of the current applicable Guide requirements.

[Quoting from Freddie Mac] **Key terms defined**

To provide more guidance and specificity as to our temporary requirements, we are providing definitions for certain terms that are widely used in the Multifamily market. Sellers should be familiar with the following:

Term	Definition
Critical Repairs	<p>Repairs and replacements that significantly impact the safety, soundness, structural integrity or habitability of the project's building(s) and/or that impact unit values, financial viability or marketability of the project. These repairs and replacements include:</p> <ul style="list-style-type: none"> • All life safety hazards • Violations of any federal, State or local law, ordinance or code relating to zoning, subdivision and use, building, housing accessibility, health matters or fire safety • Material Deficiencies • Significant Deferred Maintenance
Material Deficiencies	<p>Unresolved problems that cannot reasonably be addressed by normal operation or routine maintenance and which include:</p> <ul style="list-style-type: none"> • Deficiencies which, if left uncorrected, have the potential to result in or contribute to critical element or system failure within one year • Deficiencies that will likely result in a significant escalation of remedial cost related to any material building components that are approaching, have reached or exceeded their typical expected useful life or whose remaining useful life should not be relied upon in view of actual or effective age, abuse, excessive wear and tear, poor maintenance and exposure to the elements • Any mold, water intrusions or potentially damaging leaks to the project's building(s)
Significant Deferred Maintenance	<p>The postponement of normal maintenance, which cannot reasonably be resolved by normal operations or routine maintenance and which may result in any of the following:</p> <ul style="list-style-type: none"> • Advanced physical deterioration • Lack of full operation or efficiency • Increased operating costs • Decline in property value
Routine Repairs and Maintenance	<p>Repairs and maintenance that are expected to be completed by the project in the normal course of business and are nominal in cost. These repairs are not considered to be critical and include work that is:</p> <ul style="list-style-type: none"> • Often preventative in nature • Accomplished within the project's normal operating budget • Typically completed by on-site staff • Focused on keeping the project fully functioning and serviceable

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(3) Form 1076 has a **Condominium Project Questionnaire Addendum** on pages 6, 7, and 8. See an excerpt below:

Condominium Project Questionnaire Addendum

This Addendum is applicable to both condominium and cooperative projects. It must be completed by an authorized representative of the HOA/Cooperative Corporation.

Project Information	
Project Name:	
Project Address:	
Building Safety, Soundness, Structural Integrity, and Habitability	
1	When was the last building inspection by a licensed architect, licensed engineer, or any other building inspector?
2	Did the last inspection have any findings related to the safety, soundness, structural integrity, or habitability of the project's building(s)? <input type="checkbox"/> YES <input type="checkbox"/> NO
2a	If Yes , have recommended repairs/replacements been completed? <input type="checkbox"/> YES <input type="checkbox"/> NO
If the repairs/replacements have not been completed:	
2b	What repairs/replacements remain to be completed?
2c	When will the repairs/replacements be completed?
<i>Provide a copy of the inspection and HOA or cooperative board meeting minutes to document findings and action plan.</i>	
3	Is the HOA/Cooperative Corporation aware of any deficiencies related to the safety, soundness, structural integrity, or habitability of the project's building(s)? <input type="checkbox"/> YES <input type="checkbox"/> NO
3a	If Yes , what are the deficiencies?
3b	Of these deficiencies, what repairs/replacements remain to be completed?
3c	Of these deficiencies, when will the repairs/replacements be completed?

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(4) More information on the new GSE Lender Form 1076

See this January 21, 2022 article that discusses the underwriting actions by both GSEs:
[In the Wake of the Surfside Tragedy Fannie Mae and Freddie Mac Issue “Temporary” Requirements for Condominiums and Cooperatives](#)

See also [CAI Determining Condo or Coop Eligibility for Mortgages Backed by Fannie Mae and Freddie Mac](#)

See also [Riders and Addenda](#) for both GSEs including the [Multistate Condominium Rider](#) and [Multistate PUD Rider](#) and [FEMA Federal Response to Surfside July 17, 2021](#)

7.5.2 Fannie Mae Project Standards and PCARs

Project Standards [FAQs](#) [General](#) [Selling Guide](#) [PDF Version](#) (1200+ pages)

[Instructions for Performing a Multifamily Property Condition Report Form 4099](#)

[Fannie Mae Property Condition Assessment Report Autumn Ridge Apartments](#) (106 pages, 11-21-2016)

7.5.3 Freddie Mac Project Standards and PCARs

Project Standards [FAQs](#) [Seller/Service Guide PDF](#) (2200 pages)

[Chapter 62, Property Condition Report Requirements](#)

[Property Condition Assessment Report for Freddie Mac, Meadow Brook Apartments](#) (87 pages, 11-21-2016)

7.5.4 HUD/FHA Mortgage Underwriting

[FHA Single Family Housing Policy Handbook 4000.1](#)

[FHA Condominium Project Approval Form 9992](#) (Expires 01/31/2024)

[HUD has a Capital Needs Assessment Electronic Tool \(CAN-E-Tool\)](#) for certain multifamily mortgage insurance programs.

7.5.5 Department of Veterans Affairs (VA) Mortgage Underwriting

[Chapter 16 Common Interest Communities, Condominiums and Planned Unit Developments](#)

VA does not have a multifamily loan program, but it will guaranty mortgages for homes with 1-4 units.

7.6 Champlain Towers South Condominium Collapse: Ostrich Issues + Multiple Factors

7.6.1 [NIST Announcement on the Collapse:](#)

[Quoting] The U.S. Department of Commerce’s National Institute of Standards and Technology (NIST) announced today [August 25, 2021] the expert team members who will conduct a technical investigation into the June 24, 2021, partial collapse of the Champlain Towers South condominium in Surfside, Florida.

In response to the tragic events at Champlain Towers South, an accomplished team of experts has answered the call to help us determine the likely cause or causes of the partial collapse,” said James Olthoff, who is performing the nonexclusive functions and duties of the under secretary of commerce for standards and technology and NIST director. “I’m confident this team will work tirelessly to understand what happened in Surfside, and to make recommendations that will improve the safety of buildings across the United States to ensure a tragedy like this does not happen again.

The Champlain Towers South investigation will be the fifth investigation NIST has conducted using authorities granted by the [2002 National Construction Safety Team \(NCST\) Act](#). The act gives NIST and its teams primary authority to investigate the site of a building disaster; access key pieces of evidence such as records and documents; and collect and preserve evidence from the site of a failure or disaster. It also calls for NIST to issue reports and make recommendations to improve building codes and standards.

Notes: See [NCST](#)

7.6.2 [U.S. Buildings Generally Do Not Collapse](#)

Notes: This is not the place for a discussion of communications during and involving disasters especially disasters that involve loss of life. Usually, little can be gained by providing a defense or rebuttal before all of the facts are available. The law firm involved with Champlain Towers South Condominium Board, perhaps, spoke too soon in defending its client. “Structural engineers aim to design buildings that can withstand the loads from forces and hazards such as gravity and weather. Engineers routinely update design practices, often in response to advances in technology or hard-won insights from failures. However, nearly all the building stock in the U.S. is not newly designed. Champlain Towers South, for example, was erected in 1981. These buildings may face loads and other threats that designers did not anticipate, including those linked to climate change.”

7.6.3 Possible Multiple Factors for the Collapse

Notes: The numbering below is (i) neither a rank order list, (ii) nor is it an order-of-magnitude list (iii) nor is it any other indication of the cause-and-effect of the collapse. The Factors listed below, however, try to adhere to (iv) a basic chronology after the collapse on Thursday, June 24, 2021, at approximately 1:22 a.m. EDT and (v) to the chronology of evolving events and reports concerning that collapse up to a week before the CAI Western Oregon Chapter CA Day Program on March 18, 2022.

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- (1) 1980 construction using [non-ductile concrete](#) that lacked enough steel reinforcement in load bearing columns to hold them in place. Also, [non-epoxy coated rebars](#) permitted [oxide \(rust\) jacking](#) which contributed to subsequent [concrete spalling](#).
- (2) [Regulatory failure](#) at the county level for failing to heed a mandated Property Assessment Report that probably would have triggered a complete Engineering Report and possibly an evacuation of the building. Champlain Towers South was located in Surfside FL and was subject to this [40-Year Certification Program](#).
- (3) [Rising ocean levels](#) leading to increased ground water pressure on the collapsed building's footings. See #3.4.2. In the case of Towers South, it was [constructed on reclaimed wetlands](#) so it was on a foundation of sand and organic fill that gradually subsided as the ocean levels rose over the last century
- (4) Some condominium governing documents because of state condominium act provisions have turned the cost of physical asset management into a plebiscite, effectively removing the Board from decision making. See [Nevada Community Insights](#) with a critique of this practice. See [Report of the Florida Bar RPPTL Condominium Law and Policy Life Safety Advisory Task Force. October 12, 2021](#)
- (5) Failure of the Board to cure the necessary (visual) repairs by creating an orderly and funded scheme of maintenance beginning several years ago. [Morabito Consultants – Engineering Report October 8, 2018](#)
- (6) Failure of the Board to recognize that a 40 year building could not be adequately evaluated in a conventional Reserve Study and consequently failing to prepare for a disaster. See a [comparison](#) of a Property Condition Assessment Report (PCA) with a Reserve Study. See a [PCA for the Town of Ross California](#). Ross is 1.6 square miles and has 2,550 residents.
- (7) Failure of the Board to critically analyze property values at risk and consequently failing to prepare for a disaster. [The Champlain Towers Collapse Catastrophe and Purchasing the Right Insurance](#). This appears to be the most recent legal action. The Ostrich again?
- (8) Possible construction defects with parts of the building that might eventually have led to the [progressive collapse](#) which might be detected in a [balcony inspection](#) or a [facade inspection](#).
- (9) Inability of the Board to recognize that property insurance might not pay for observed visual damage. For instance, insurance will cover the collapse hazard if there is an underlying insured [covered cause of loss](#) ("peril") that triggers the collapse. It is questionable if there was such covered cause of loss. For the actual Great American Property insurance policy at Champlain Towers South Condominium, [Limited Fund Class Action Complaint](#) (see Insurance at p.23/421).
- (10) [Florida Advisory Report of the Bar](#) (179 pages, 10/12/2021) includes numerous recommendations to mitigate or prevent future occurrences.

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(11) [International Code Council- Ensuring the Safety of Existing Buildings a Multifamily Property: Codes, Standards and Periodic Inspections](#)

(12) [Miami-Dade Recertification of Real Estate Property](#)

[Quoting] All other buildings with an occupant load of ten (10) or less and two thousand (2,000) square feet or less are also exempt from recertification requirements. Reporting Forms required:

- [Notice of Required Recertification of 40 Year Old Buildings](#) 
- [Minimum Inspection Procedural Guidelines Building Structural Recertification \(40/50 year recertification\)](#) 
- [Minimum Inspection Procedural Guidelines Electrical Recertification \(40/50 year recertification\)](#) 

(13) [Morabito Consultants – Engineering Report October 8, 2018](#)

(14) [Henz \(40 Year Electrical Report\) October 5, 2018 plus Morabito Report](#)

(15) [Florida Building Professionals Recommendations](#) (September 2021)

(16) [CAI Condominium Safety Public Policy Report](#) (56 pages, October 2021)

(17) [United in grief, bitter legal battles now divide Surfside collapse survivors and families](#) 01/05/2022

(18) [The Real Deal: Surfside bidder gets extension for due diligence, pushing auction to April.](#)
01/14/2021, see the very end of the article concerning Becker and Morabito (the engineer)
See the [CONSOLIDATED SECOND AMENDED CLASS ACTION COMPLAINT](#)
Filing # 138665854 E-Filed 11/16/2021 10:23:23 PM;

(19) [Will Florida lawmakers implement any condo law reforms in the wake of the Surfside condo collapse? Here are some of the reform ideas being recommended.](#)

(20) See also, <https://www.nytimes.com/interactive/2022/01/28/magazine/miami-condo-collapse.html>

The facts, as presented, are very troublesome if true. The pictures, in their own way, are alarming as well because they point to a possible calamitous future for buildings on or very near the water (whether in Surfside) or elsewhere.

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(21) [Feb. 18, 2022, Update: NIST Champlain Towers South Investigation Adds New Expert Team Members](#)

[Quoting] The National Institute of Standards and Technology (NIST) has added new experts to the National Construction Safety Team (NCST) investigating the June 24, 2021, partial collapse of the Champlain Towers South condominium building in Surfside, Florida. NIST has also scheduled the next meeting of the NCST Advisory Committee for June. Miami-based N. Emel Ganapati will serve as the social science team leader on the [Evidence Preservation Project](#) and will lead interviews of residents, first responders, family members and others with knowledge of the building's condition and collapse events. Ganapati is an associate professor of public policy and administration and the director of the Laboratory for Social Science Research, International Hurricane Research Center, at Florida International University. She specializes in disaster recovery and mitigation, as well as sea level rise adaptation. She holds a master's degree in planning from the University of Pennsylvania and a Ph.D. in planning from the University of Southern California in Los Angeles. "This social science component of the investigation will support the technical work by helping us refine or disprove the hypotheses the team has developed, or perhaps give us new leads," said Ganapati. "Hearing from a variety of people who have different perspectives and memories of the event, and of the building over time, can help fill any holes in our understanding that quantitative measurements cannot fill."

(22) [Florida Senate committee advances bill to set statewide condo inspections](#)
And see [Florida Bill Seeks to Strengthen Condo Laws After Building Collapse](#)
As well as [Florida House OKs bill to prevent condominium collapses](#) (02-24-2022)

(23) [Condominium and homeowner associations must now make financial statements and structural safety reports public under a new law approved by the Miami-Dade County Commission.](#) The law approved Tuesday was proposed after the Champlain Towers South condominium collapsed on June 24, killing 98 people. (03-02-2022)

(24) [Surfside collapse victims sue Eighty Seven Park condo association and construction firms](#)

(25) [Lawsuit settlement by law firm, engineers to pay Surfside victims \\$55.55 million](#) (03-09-2022)

(26) [Get an Inside Look at Miami Herald's New Investigative Podcast 'Collapse: Disaster in Surfside'](#) (03-09-2022)

(27) [Many condo owners can't agree on funding reserves for repairs. Legislature can't, either](#) (03/11/2021)

In the end, legislators couldn't face the prospect of forcing thousands of condominium owners across Florida to be subjected to massive fees for repairs of their aging buildings. A late-session amendment to a condo reform bill by the Senate on Thursday included strict new inspections of aging condominium buildings but removed the requirements for condominiums to hold money in reserve to pay for repairs

7.7 Other Changes in Residential Mortgage Markets

7.7.1 Ginnie Mae: In June of this year, [National Mortgage News](#) indicated that non-banks (such as Quicken Loans) originated nearly 61% of residential mortgage loans and refinancing. This change gradually away from traditional mortgage lenders has happened incrementally over the last 70 years. In recent years, some banking activities and their inherent risks have migrated from banks to nonbanks. While banks have increased their share of outstanding loans since the financial crisis, a significant portion of residential mortgage lending and leveraged lending has migrated out of banks. Government-sponsored enterprises (GSEs) loosened their residential mortgage underwriting criteria, and nonbanks markedly increased their residential mortgage origination and servicing, which may increase risks to the financial system.

Source: [FDIC Bank and Nonbank Lending Over the Past 70 Years](#)

7.7.2 Ginnie Mae Concerns: This growing trend to non-banks recently prompted [Ginnie Mae](#) to issue a [Request for Input Eligibility Requirements for Single Family MBS Issuers Responses Due August 9, 2021](#) (6 pages). Ginnie Mae is concerned about the lack of regulation of non-banks. Of course, if the non-bank sells the mortgage to a GSE, insures a mortgage with FHA or has a mortgage guaranteed by VA – then these entities are on the hook.

In turn, this lack of regulation prompted two views on the Ginnie Mae Request:

[Ginnie Mae's new liquidity standards are sorely needed](#)
[Why is Ginnie Mae attacking nonbanks?](#)

Exactly what the proposed Ginnie Mae changes (if enacted) might mean for community association lending remains to be seen. The last [societal housing run-in](#) with non-bank lending and [non-traditional mortgages](#) (NTMs) was during the lead up to the Great Unpleasantness and involved [Countrywide Financial Corporation](#).

Part Eight: Concluding Comments

Nearly 150 years after Powell's map and his various comments about the arid lands of the West, his insights remain important not solely because history might be repeating itself, but because the Western States now have a population of over 78,000,000 whose view of future housing needs (community association housing needs) to be based new behaviors and practices necessary to confront today's hazardous times.

Because of their organizational and governance structure and because of their necessary reliance on various professionals, community associations through their Boards are well suited to take systematic action on the hazards discussed in this report – first at the level of their homes by working with capable professionals and then by reaching out to various levels of government.

All with the purpose of forming a *Partnership in Community* in these hazardous times.

Appendix One: Oregon Facts and Risk Management Resources

Part One: Oregon Facts

As a related issue, this [CAI weblink on Homeowner Assistance Fund](#) (HAF) availability by state including Oregon. "The Homeowner Assistance Fund (HAF) was created by the American Rescue Plan Act to help homeowners struggling to make housing payments during the COVID-19 pandemic. In addition to mortgage payments, the HAF offers community association homeowners assistance with paying "homeowner's association, condominium association fees, or common charges," which qualify as housing expenses that may be paid from the fund."

1.1 Oregon Community Association Facts

[Community Association Fact Book](#)

[Oregon State Summary](#)

[Oregon Community Association Economic Contributions & Value-Added Benefits](#)

[Oregon 55+ Condominium Owners](#)

1.2. Oregon Facts: Selected Other Sources

[Census Quick Facts Oregon](#)

[Census Quick Facts Portland OR](#)

[Census Quick Facts Multnomah County OR](#)

[Oregon Counties](#)

[Oregon County Maps](#)

[Oregon Counties and County Seats Map](#)

1.3. Oregon: Selected Big Picture Issues

[Oregon's Infrastructure Report Card ASCE 2019](#)

[Oregon Occupational Injury and Illness Survey Summary, Table, and Appendices Calendar Year 2020](#)

[Oregon Climate and Health Profile Report in 2020](#)

[Oregon's State Health Assessment 2018](#)

[A Portrait of Poverty in Oregon Including Rates by County](#)

Part Two: Thinking About Risk and Natural Hazards in Oregon

2.1 Thinking About Risk

2.1.1 [American Planning Association Hazard Mitigation Policy Guide](#) (2020)

2.1.2 [Community Resources for Hazard Mitigation](#)

2.2 Oregon's Natural Hazards

2.2.1 [Oregon's Natural Hazards](#)

2.2.2 [Oregon Hazards & Preparedness](#) X

2.2.3 [Oregon Natural Hazards Mitigation Planning](#)

2.2.4 [Oregon Office of Emergency Management](#) and [Emergency Management in Oregon](#)

Part Three: Oregon Hazards

3.1 Oregon Wildfire Dangers

[Oregon Fire Danger and Weather](#)

[Oregon Current Wildfire Information](#)

[Oregon Hazard Mapping Fire and Smoke](#)

[Northwest Interagency Coordination Center - Fires](#)

[Oregon Fire Prevention](#)

[Portland Oregon Wildfire Risk Reduction](#)

3.2 Floods & Mudflows

[FEMA Community Listing for Flood Oregon](#)

[FEMA Flood Risk Rating 2.0 Oregon](#)

[City of Portland Flood Plain Map Information](#)

[FEMA National Flood Insurance Program in Oregon](#)

[U.S. Army Corp of Engineers Portland District Flood Risk Management & External Links](#)

[FloodFactor Flood risk overview for Oregon](#)

3.3 Tsunamis

[Tsunami Planning](#)

[Oregon Tsunami Clearinghouse](#)

[Oregon Large-Extent Tsunami Evacuation Maps](#)

3.4 Volcanoes

[Oregon Department of Geology and Mineral Industries Volcanoes](#)

[Oregon Volcanoes - Hazards and Preparedness](#)

[Mount Hood Hazards and Assets Viewer](#)

[U.S.G.S. Three Sisters Volcanic Hazards](#)

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3.5 Dams

- [Oregon Water Resources Department Chapter 690 Dam Safety Oregon Dam Safety Program](#)
- [Oregon Silver Creek Dam Inspection Report \(2018\)](#)
- [Oregon Warning, Evacuation & Sheltering City of Portland Bull Run Dams \(01/2017\)](#)
- [Summary of All State Laws and Regulations and Dam Safety May 2020](#)
- [Dam Safety Overview and the Federal Role](#)

3.6 Earthquakes and Landslides

- [Earthquakes in Oregon](#)
- [Cascadia Subduction Zone](#)
- [Cascadia - Oregon's Greatest Natural Threat](#)
- [Estimating Losses from Landslides in Oregon \(2017\)](#)

[Summary of Impact Estimates: Magnitude 9 Cascadia Subduction Zone earthquake](#) occurring during the day, during the wet season. Please note these numbers represent the highest impact Cascadia earthquake scenario: an earthquake that happens during the day when many people are at work or in school, and with saturated soils leading to more widespread liquefaction and landslides.

MULTNOMAH COUNTY										
Cities and Communities	Population 2010 U.S. Census	Number of Buildings	Building Value (\$ Millions)	Building Damages (\$ Millions)	Population in Need of Shelter	Total Injuries	Minor Injuries	Injuries Requiring Hospitalization	Fatalities	
Fairview	8,920	2,611	1,061	58	335	51	36	12	3	
Gresham	105,594	29,043	11,160	726	4,244	549	400	122	27	
Maywood Park	752	339	74	3	2	5	3	1	0	
Portland	583,776	206,165	95,906	18,947	30,627	15,645	11,095	3,654	896	
Troutdale	15,962	5,161	1,730	169	245	188	130	46	12	
Wood Village	3,878	1,194	408	9	55	5	5	1	0	
Multnomah County - Unincorporated	Not available	11,053	3,614	565	1,891	204	148	46	10	

Part Four: Selected Risk Management & Insurance Resources

State and County Examples

- [State of Oregon Risk Management](#)
- [Portland Bureau of Emergency Management: Risk Assessment/Vulnerability Analysis](#)
- [Risk Management Multnomah County OR](#)
- [Risk Management Lane County OR](#)
- [Risk Management Washington County OR](#)

Appendix Two: Building Community Association Risk Management & Insurance Skills

Prepared by

[Ronda Ashley](#), CPCU, CIRMS

[Sara Eanni](#), CIRMS

[AJ Scott](#), CIRMS, CPCU

Clifford J. Treese, CIRMS, CPCU, ARM

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Note on Link Rot: This is the phenomenon of [hyperlinks](#) tending over time to cease to point to their originally targeted [file](#), [web page](#), or [server](#) due to that resource being relocated or becoming permanently unavailable or becomes corrupted. The rate of link rot is a subject of study and research due to its significance to the internet's ability to preserve information. Estimates of that rate vary dramatically between studies. There are numerous hyperlinks in this document so don't wait too long to click!

Introduction to [Knowing](#): It is common in [epistemology](#) to distinguish among three kinds of knowledge:

1. There's the kind of knowledge you have when it is truly said of you that you know how to do something—say, ride a bicycle.
2. There's the kind of knowledge you have when it is truly said of you that you know a person—say, your best friend.
3. And there's the kind of knowledge you have when it is truly said of you that you know that some fact is true.

This *Building Skills* document is focused on (1) and (3) above as it relates to community association risk management and insurance that might help an insurance agent, attorney, manager or Board of Directors to better serve his/her client community association because of (i) increased knowledge of a subject and (ii) increased competency in using that knowledge to the association's benefit. Knowledge and competency are critical components of professional responsibility.

Building Skills/Insurance Agent Responsibility

- [2019 U.S. 50 State Insurance Agent Standard of Care Update and Overview](#)
- [Independent Agents: Pay Special Attention to Your "Special Relationship" Clients](#)
- [27 E&O Procedural Mistakes](#)
- [Disasters, Catastrophic Events, and Pandemic: Identifying and Understanding the Agent/Broker E&O Risks and Preparing to Defense the Coming Wave of Claims](#)

Community Association Risk Management Professionals Exchange: If you are a CAI Member and you are interested in joining the CAI Exchange contact: clifford.treese@gmail.com

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Insurance Designations

- [Community Insurance & Risk Management Specialist \(CIRMS\)](#)
- [The Institutes - Insurance Designations](#)
- [Certified Insurance Counselor national designation program](#)
- [IRMI Risk and Insurance Certifications](#)
- [AM Best Designations for Insurance and Financial Professionals](#) (not updated)
- [Best Review Directory of Continuing Education](#)
- [Comprehensive List of Insurance Designations](#) (not updated)
- [RIMS Professional Designations](#)
- [Insurance Agent Designations - Partial](#)
- [ABTraining Center Designations](#)
- [Insurance Fraud Designations](#)
- [Associate in Captive Insurance](#)
- [Academy of Life Underwriting Designations](#)
- [International Association of Insurance Professionals](#)
- [International Association of Insurance Receivers](#)

Understanding the Insurance Industry

- [NAIC Releases 2020 Market Share Data](#)
- [CIPR Insurance Industry Snapshots and Analysis Reports](#)
- [NAIC A Regulator's Introduction to the Insurance Industry](#)
- [Best's Guide to Understanding the Insurance Industry](#)
- [Texas Department of Insurance on Types of Insurers](#)
- [Insurance Information Institute](#)
- [Institute for Home and Business Safety](#)

- [The Surety and Fidelity Association of America](#)
- [Things To Know about Captive Insurance Companies](#)
- [20 Things to Know About Surplus Lines Insurance in 2020](#)
- [Best Guide to Insurer Financial Strength Rating](#)
- [Not All Insurer Financial Strength Ratings Are Created Equal](#)
- [Guidelines and Recommendations for Insurance Requirements](#)
- [Alliant Insurance Requirements in Contracts](#)
- [IRMI Directory of Risk Management and Insurance Programs at U.S. Colleges and Universities](#)

Insurance: Selected Text Books

- [Understanding Insurance Law](#), Sixth Edition, 2018, Jerry and Richmond
- [Insurance Law and Practice: Cases, Materials, and Exercises](#), 2nd Edition, 2020, French
- [Insurance Law and Regulation, Cases and Materials](#), 7th Edition, 2020 Abraham & Schwarcz
- [Insurance Law: A Guide to Fundamental Principles, Legal Doctrines, and Commercial Practices](#), Second Edition, 2017, Keeton, Widiss, Fischer
- [General Liability Insurance - Key Issues in Every State](#), 2 vols., 2021, Firth Edition Maniloff, Stempel & Mehta
- [Risk Management - How and Why](#) (IRMI, 2009, Head, free, online 73 pages)
- [Insurance Information Institute Handbook Online](#)

Understanding and Interpreting Insurance Contracts

- [A Road Map to Policy Analysis](#)
- [Why Are Insurance Policies Impossible To Read?](#)
 - ❖ [The History of Readability](#)
 - ❖ [Plain Language in the US Gains Momentum: 1940–2015](#)
 - ❖ [Flesch-Kincaid Readability Test Tool](#) with [history](#) and [here](#)
 - ❖ [Florida Statutes Title XXXVII. Insurance § 627.4145. Readable language in insurance policies](#)
 - ❖ [Connecticut Statutes: Sec. 38a-295. \(Formerly Sec. 38-68s\). Short title: Insurance Plain Language Act](#)
- [Interpreting Insurance Policies](#)
- [NAIC An Analysis of Interpretation of Insurance Contracts: Common Law Versus Strict Contra Proferentem](#)
- [Limits of the Contra Proferentem Doctrine in Constructing Insurance Policies](#)
- [Interpretation and Disclosure in Insurance Contracts](#)
- [Interpreting the Rules of Insurance Contract Interpretation](#)
- [Rules of Construction Applicable to Insurance Policies](#)
- [Adjudicating Insurance Policy Disputes](#)
- [Containing the Promise of Insurance: Adverse Selection and Risk Classification](#)

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- [Four Conceptions of Insurance](#)
- [A Theory of Insurance Policy Interpretation](#)
- [The Insurance Policy as a Thing](#)
- [The Insurance Policy as Statute](#)
- [A Products Liability Theory for the Judicial Regulation of Insurance Policies](#)
- [Insurance Policies: The Grandparents of Contractual Black Holes](#)
- [“Incomplete” Insurance Coverage](#)
- [Good Faith and Reasonable Expectations](#)

- [New Appleman on Insurance Law Library Edition](#)
- [Additional Insured Issues 2016—Part One](#)
- [Additional Insured Issues 2016—Part Two](#)
- [Louisiana Principles of Interpretation of Insurance Policies](#)
- [Tennessee Department of Commerce and Insurance - Interpretive Opinions](#)

Understanding Loss Histories - Function and Purpose

- [Insurance Information Institute - What is a Loss History](#)
- [LexisNexis C.L.U.E. Property Reports](#) (Comprehensive Loss Underwriting Exchange)
- [Loss History: CLUE and A-Plus Reports](#)
- [Loss Forecasting and Submissions](#)
- [What's in a Loss Ratio? More Than Meets the Eye!](#)
- [Claims Operations: A Practical Guide \(TOC\)](#)
- [What Constitutes a Full Underwriting Submission](#)
- [Open Text Loss Analytics](#)
- [Insurance Losses by Vehicle Make and Model](#)
- [Texas Department of Insurance: How to Get a Clue About Your Loss History](#)
- [Washington State Insurance Commissioner on CLUE Reports](#)
- [Background on: Credit scoring](#)

Insurance Charts and Tables on Certain Topics

Comment: Once again, Insurance is primarily regulated at the state level so each state generally will have a significant amount of data and information provided by the (1) state's insurance commissioner, (2) professionals that practice in that state as well as (3) colleges and universities in that state. See this brief explanation: [NAIC State Insurance Regulation History, Purpose and Structure](#).

Selected Insurance Issues in Charts and Lists

- [State-by-State Research Charts on Subrogation-Related Topics](#)
- [Subrogation Comprehensive Reference Charts](#)
- [Interactive Map on Subrogation Laws](#)
- [Loss of Use in All 50 States](#)
- [Statute of Limitations Chart for All Fifty States](#)
- [Landlord Tenant Subrogation in All Fifty States](#)
- [OCIP/CCIP Subrogation in Workers' Compensation Construction Cases, Fifty States](#)
- [2020 Construction Law Compendium](#)
- [Municipal/County/Local Governmental Immunity & Tort Liability, Fifty States](#)
- ["Matching Regulations" and Laws Affecting Homeowners' Property Claims, Fifty States](#)
- [Deductible Reimbursement Laws in All 50 States](#)
- [Medical Pay/PIP Subrogation Chart in All Fifty States](#)
- [Laws on Recording Conversations in All Fifty States](#)
- [Condominium & Cooperative Waiver of Subrogation Laws in All Fifty States](#)
- [Does Faulty Workmanship Constitute an "Occurrence" - 50 State Survey](#)

- [IRMI Construction Risk Management DashBoard](#)
- [IRMI Insurance Checklists Summary](#)
- [Wrap-up Insurance Checklist](#)
- [Insurance Requirements in Contracts](#)
- [Builders Risk Plan Checklist](#)
- [Builder's Risk - Introduction and Coverages](#)

- [Surety Bonds in All Fifty States](#)
- [Surety Bonds by State](#)
- [Contractor Licensing Requirements by State](#)
- [Bidding & Contracts - Fifty State Summaries](#)

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- [Big I Virtual University Checklists, Charts & White Papers](#)
- [Facts + Statistics: Homeowners and renters insurance](#)
- [Understanding Various Types of Life Insurance](#)
- [Title Insurance State Laws and Customs](#)
- [Nonprofits Commercial Liability Checklist](#)

Selected State & Federal Insurance Matters

- [NAIC State Rate & Form Filing Requirements](#)
- [NAIC Data Products](#)
- [Center for Insurance Policy and Research](#)
- [National Insurance Producer Registry](#)
- [Interstate Insurance Product Regulation Commission](#)

- [Overview of Excess & Surplus Lines Laws in the United States](#)
- [2019 Excess and Surplus Lines Laws in the United States](#)
- [NAIC Surplus Lines Insurance Filings](#)
- [FTC Business Person's Guide to Federal Warranty Law](#)
- [Warranty Laws by State](#)
- [Checklist of Significant California and Federal Consumer Laws: Legal Guide M-1](#)
- [Florida Service Warranty Overview](#)
- [Equipment Breakdown—More Than Just Boiler and Machinery](#)
- [Equipment Breakdown, Not Just Boilers](#)
- [Owner's Guide: How Long Should a Garbage Disposal Last?](#)

Comment: See Atul Gawande the [Checklist Manifesto: How to Get Things Right](#) - a medical perspective that can be used to mitigate and possibly eliminate many types of risk using checklists.

Insurance: Tracking and Certificates

- [Insurance Archaeology: A Strategic Imperative for Policyholders and Insurers](#)
- [Insurance Archaeology – Tips for Digging Up Historical Coverage](#)
- [Long Tail Claims and Insurance Archaeology](#)
- [Vendor Compliance & Insurance Tracking Made Easy](#)
- [Insurance Tracking Services, Inc.](#)
- [VeriCert Certificate Tracking](#)

Insurance: Mortgage Impairment and Lender Placed

- [Complete Guide to Mortgage Impairment Insurance](#)
- [Mortgage Impairment / Mortgagee's Errors & Omissions FAQs](#)
- [Force-Placed Insurance: The Lending Industry's "Dirty Little Secret"](#)
- [Mortgage Hazard Insurance Tracking Services](#)
- [Assurant Lender-Placed Insurance](#)

Productive Use of Idle Time

- [Top 50 Insurance Law Blogs & News Websites To Follow in 2020](#)
- [101 Common Commercial Lines Coverage Gaps To Avoid](#)
- [Additions and Extensions of Property Coverage: Not an Alternative to Exposure Identification](#)
- [Best's Insurance Professional Resources](#)
- [Best Insurance Law Podcasts](#)
- [Big I Virtual University](#)
- [LexisNexis Insurance Insights](#)
- [Risk Management Monitor](#)
- [Fidelity Law Journal Association](#)
- [NAIC Artificial Intelligence](#)
- [VerdictSearch](#)
- [American College of Coverage Counsel](#) (useful, but not updated)
- [25 Best Insurance Website Builders 2020](#)
- [University of Connecticut Law Library on Insurance](#)

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Appendix Three: Clifford J. Treese, Bio – Association Consulting, Inc.

A nationally recognized practitioner in community association (condominium, cooperative and planned community) underwriting, risk management and insurance, Mr. Treese, also, has a substantial background in all phases of community association operations:

- Management including asset management and reserves
- Underwriting for association resale disclosures and association lender forms
- Information services and technology
- Process management involving national quality award criteria

Additionally, he has worked with developers and general contractors in all phases of the association development. Treese has developed infill housing using condominiums and cooperatives under conventional financing and FHA mortgage insurance programs.

Treese is a past national president of the [Community Associations Institute \(CAI\)](#) and of its [Foundation for Community Association Research](#). He is a member of [CAI's Federal Legislative Action Committee](#). Treese is a recipient of CAI's Distinguished Service Award and he has nearly three decades of involvement in the Institute's professional management development programs.

He is the author and editor of the [Community Association Fact Book](#). Also, Treese has authored publications, provided consulting for associations on various matters and conducted seminars on association risk management, insurance, and operations including:

► **Community Association Risk Management & Insurance Publications**

- Wake Forest Law Review (with Professor Katharine Rosenberry), *Purchasing Insurance for the Common Interest Community*, 1992
- "Leadership and Cooperative Disputes: How Understanding Interests, Rights and Power Can Bring Better Solutions," published by Cooperative Housing Journal, National Association of Housing Cooperatives, 2002
- Community Association Institute, *An Introduction to Community Association Management, Governance and Services*
- Community Association Institute, (with Professor Katharine Rosenberry) *Community Association Insurance*, 2006
- Community Association Institute, *Community Association Risk Management*, 2013
- Federal Home Loan Mortgage Corporation (Freddie Mac), primary consultant, Reviewing Community Association Project Standards for Insurance and Risk Management, 2015

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► **CAI Community Association Insurance Masters, 2008 – 2022**

Created, facilitated and moderated community association risk management and insurance programs at annual [CAI Law Seminars](#) on a variety of subjects:

Governance Including Directors & Officers Liability	Financial Operations Including Fidelity Crime & Cyber Risks	Physical Asset Management Including Mechanical Breakdown	Community Operations Including Statutory Disclosures
CGL & Commercial Umbrella	Property, Ordinance & Law	Earthquake & Tsunami	Commercial Auto & Hired/Nonowned
Workers Compensation & Employers Liability	Insurable Replacement Cost Valuations	Fannie Mae, Freddie Mac & FHA Project Standards	Reserves & Insurance Deductibles
Mixed Use Associations & Allocations	Unit Owner Related Insurance Issues	Mortgage Lending Questionnaires	FEMA & NFIP Flood & Issues, and Data
Insurance Program Renewals, Request for Qualifications	Disasters: Before & After the Loss	Association Assessment Lending	EQ and PML Issues

► **Community Association Consulting:** Treese has provided association consulting services concerning association operations, risk management and insurance as well as litigation support for a range of associations including condominium associations with several thousand units.

► **Community Associations – History, Operations & Governance – U.S. and Other Countries**

- Contributing author to CAI's *M100 Introduction to Association Management*
- *Changing Perspectives on Community Association Mortgage Underwriting and Credit Analysis*, 2001, published by the Research Institute for Housing America
- Contributing author to the *Residential Development Handbook (Third Edition)* published by the Urban Land Institute, 2004
 - Primary author "*Comparative Perspectives on Government and Community Associations*" CAI National Conference, 2005
- Primary author "*Telework, Technology and Community Associations*" CAI Law Seminar 2006
- "*U.S. Perspectives on Community Associations*" for Griffith University Conference (Australia) on Strata Titles, September 2007
- "*United States Condominiums – An Important Extension of Homeownership and Community Governance*" for Renmin University, Beijing, China, Fall 2008
- "*U.S. Housing in Historical Perspective*," CA Law Seminar 2011

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► **Community Association Information and Data**

- *Community Association Fact Book, 1999 edition & 1999 Statistical Review*
- *Community Association Annual Data, 2000 - 2012*
- *Community Association Fact Book, 2013 (in 3 parts) and Statistical Review*
- *Community Association Fact Book, 2014 (in 4 parts) and Statistical Review*
- *Community Association Fact Book, 1999 edition & 1999 Statistical Review*
- *Community Association Annual Data, 2000 - 2012*
- *Community Association Fact Book, 2013 (in 3 parts) and Statistical Review*
- *Community Association Fact Book, 2014 (in 4 parts) and Statistical Review*
- [Community Association Fact Book 2015, 2016, 2017, 2018, 2019](#)
- [Community Association Large-Scale Association Survey, 2016 Team Leader](#)

► **CAI Publications**

See also www.caionline.org

[CAI - Treese – Community Association Insurance](#)

[CAI - Treese – Community Association Risk Management](#)

[CAI - Treese – Community Associations: Managing and Governing](#)

► **Education and Designations**

A graduate of Stanford University, Mr. Treese attended graduate school at the University of Chicago and he has received the following designations:

- [Chartered Property Casualty Underwriter](#) (CPCU)
- [Associate in Risk Management](#) (ARM)
- [Community Association Risk Management & Insurance Specialist](#) (CIRMS)

Mr. Treese has taught seminars in China, Europe, Eastern Europe, Russia and Australia for various housing organizations including the European Network for Housing Research (ENHR). In matters relating to the development, insurance and risk management of community associations, he continues to work with both private and public entities in the U.S including Freddie Mac, Fannie Mae, FHA, HUD Housing & Demographic Analysis and FEMA.

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