

**Page: Entry Information**

**Chapter**

CAI-NC

**Chapter Size**

Very Large (761-1200)

**Category**

Public Affairs

**Program Name**

Enactment of legislation enabling NC associations to conduct business virtually

**Each question is worth 20 points and will be scored using the following rubric:**

**(1-5) Poor** Didn't effectively answer the question

**(6-1) Fair** Answered the question

**(11-15) Good** Answered the question with more detail

**(16-20) Excellent** Went above and beyond with proven results and visible data

**Describe the program and why it fits the category. (20pts)**

This entry describes a successful comprehensive initiative to become one of 13 states with laws permanently enabling homeowner associations to conduct stakeholder business virtually.

In 2021 the North Carolina Legislative Action Committee led a ground-up collaborative push with other organizations and industries to enact HB 320, which also frees thousands of entities in addition to HOAs to use virtual meetings and virtual voting.

The success of this effort turned on educating multiple constituencies across nonprofit, commercial and governmental arenas about the community association housing model and how it works. Clearly, this also involved publicizing CAI and its mission on a very broad scale.

Most importantly, the practical result for our own industry was the permanent freedom for NC community associations to not only hold member meetings virtually but also to vote virtually. But the actual process of achieving this outcome was priceless in terms of building the CAI brand and growing awareness of its existence, services and resources.

The enactment of HB320 in September 2021 was not only a key win for the industry but also a beautiful fit with the chapter's publicity of the NC LAC's being recognized as LAC of the Year by national CAI in August. This honor provided the opportunity to not only promote CAI and the importance of understanding community associations but also show tangible results, dramatically increasing the effectiveness of all related communications.

**How did this program meet the mission and vision of the chapters and CAI as a whole? (20pts)**

The NC chapter's mission, reevaluated and affirmed by the Board of Directors in 2021, is:

Community Associations Institute helps build community association excellence.

For community association leaders, residents, professional managers and service providers, CAI-NC exists to develop professionalism, develop effective leadership and develop responsible community engagement through education and advocacy.

Following are several ways in which the program has and will continue to exemplify the aspects of the mission:

- Every NC association's newly legal freedom to meet and vote as they choose, either in-person or virtually, is definitively helping build community association excellence by amplifying the very concept of self-governance.
- In order to comply with the new law, associations must more rigorously construct the literal methods of conducting virtual voting than many are accustomed to, reinforcing the importance of performing their roles according to professional standards.
- Managers and board members consistently report far greater owner engagement in their associations' operations, with higher attendance at not only full membership meetings and voting exercises (either within or separate from a virtual meeting) but also committee meetings.
- Managers and board members report far greater owner awareness of how their association governance model is designed to work, with a clearer understanding of the implications of self-governance and owner responsibility.
- As board members consider and debate whether- and how- to take advantage of their new freedoms, they are actively exercising their intended leadership role of focusing on what's best for the entire community in the face of a new environment. It's highly likely this experience will positively impact their group interactions going forward and enhance the board's level of professionalism.

**What was the impact on the chapter and its members after completing the program? (Growth of membership, financially, public awareness, membership value, better chapter/member relationship, chapter operations, etc.) (20pts)**

Public awareness was a real winner in the achievement of this new legislation. The exceptionally broad consensus building exercise resulted in very diverse interests gaining an accurate understanding of the community association model. This outcome is especially significant at a time when popular culture is making HOAs and their board members and owners the butt of jokes and memes.

This introduction and passage of this bill was far more complicated than merely adapting another state's wording. The NC LAC essentially started with a "blank piece of paper" to draft it, then confronted an alternate version with quite different language. Ultimately "our" version won out and the law enacted represented our best collaborative product.

In the process, prolonged and repeated interactions between the LAC's agents and those of the following stakeholder groups "lifted up" the image of HOAs and served as an eye-opener:

- NC Center for Nonprofits (representing more than 1100 organizations)
- NC Retail Merchants Association
- Insurance (various industry groups)
- Banking (primarily the Truist group – merger of SunTrust and BB&T)
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All these groups continued to be exposed to the HOA industry throughout the long months of resolving competing bill language, House/Senate standoffs, personal stalemates and sharing common business elements.

The law sounds easy enough to explain – the bill authorizes virtual meetings and voting – but because the language had to harmonize with around 12 different existing statutory sections within NC Statute Chapter 55A, drafting the language required extremely careful crafting to provide for the appropriate interplay between statutes. Because of this, explaining the bill to legislators was at first difficult. One primary impact on the chapter was that CAI's representatives spent a tremendous amount of time working with legislators and staff on this bill. As a result, the legislators themselves also walked away with a much, much more informed perspectives of community associations and their importance to North Carolina.

**Please provide quantifiable data supporting the rationale for success. (20pts)**

After HB320 was signed into law by Governor Cooper, the chapter jumped into action as fast as possible to help NC associations understand its implications, given that it became law smack in annual meeting season.

Within 14 days, a webinar feature two of the state's three CCAL fellows was offered. It was publicized well beyond the CAI membership and drew 116 managers and board members from across the state. In addition it was launched as an on-demand webinar in the chapter's learning library

Then, within 8 days of that event, the chapter produced a "Virtual Voting Fair" open to all, as a guided introduction to typical services for communities considering the conveniences of virtual voting. Five voting services who were either chapter members or members of another CAI chapter were invited to host live demonstrations of their services.

Importantly, this demo portion (all hosted on Hopin) was structured by a 10-question framework that required all companies to answer the same 10 questions, so as to help attendees compare apples to apples. The slides from the earlier webinar were also provided to all registrants. Following the Fair, the entire membership was provided a free compilation of resources from these 5 services to help managers and board members understand the nuances of this new environment (attached).

The chapter's annual Community Associations Law Day event in March 2022 will also feature a similar educational program. It will be supported by a presentation from the LAC which will further help managers and board members (both members and non-members) better understand the roles and values of both CAI and the LAC. This event is anticipated to draw more than 350 participants from across North Carolina, thus further advancing the mission of building community association excellence.

And finally, there is no better data than a unanimous vote. We achieved unanimous approval in both the House and the Senate on the bill. This is product of many factors, but one that stand out was CAI's outreach and education on the subject to legislators, most, if not all of which, will now be significantly more understanding of CAI's mission and importance.

**Based on the results, will the program be a regular part of the chapter's programs in the future and why?**

The North Carolina LAC has traditionally focused on a defensive stance, having proactively introduced bills relatively rarely. Going forward, it is fair to say that the LAC members will have a greater sense of confidence when considering "going on the offense." Our sphere of influence has been broadened and reinforced, which can only benefit the future interests of North Carolina community association stakeholders no matter the LAC's position and the organization's objectives.

Supporting documents including flyers, postcards, pictures, videos etc. can be uploaded below. While they aren't required for your submission we certainly encourage it.

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