



## The Effect of Homeowners Associations on Social Capital in Communities

by: George K. Staropoli

The issue of apathy among homeowners has been raised many times by Community Associations Institute, CAI, the national lobbying organization supporting private governments, to counter arguments by homeowner advocates that they lack a real voice in the homeowners association or HOA (also known as a PUD, CID, POA or condo association). “Get involved”, “participate”, etc are the mantras issued, even this past week by the CEO of CAI in its *Welcome to Ungated*<sup>1</sup> blog resorting to a 1992 in *Board Briefs* article, apparently oblivious to the trends in American society of the past 30 to 40 years -- the same period in which we see the rapid growth of planned communities across the country with their governing body organizations described as “community associations”. Based on this identical time period, a legitimate question can be asked:

### **To what extent has planned communities with their private, nongovernmental approved, constitutions contributed to this change?**

First, let’s discuss the notion of “social capital” as stated by Robert D. Putnam in his book, *Bowling Alone*<sup>2</sup>. Putnam is a political scientist and not a real estate specialist.

The core idea of social capital theory is that social networks have value. ... Social capital refers to connections among individuals – social networks and norms of reciprocity and trustworthiness that arises from them. ... ‘Social capital’ calls attention to the fact that civic virtue is most powerful when embodied in a dense network of reciprocal social relations. A society of many virtuous but isolated individuals is not necessarily rich in social capital.

Putnam writes, “Social connections are also important for the rules of conduct that they sustain.” Do HOAs “*foster sturdy norms of reciprocity: I’ll do this for you now, in the expectation that you . . . will return the favor?*” That would be hard to find. And the author warns about the negative application of social capital to the goals of the community by “power

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<sup>1</sup>Pearls of Wisdom - Ways to Destroy Your Association, *Welcome to Ungated*, Tom Skiba, [http://cai.blogware.com/blog/\\_archives/2006/6/15/2034476.html](http://cai.blogware.com/blog/_archives/2006/6/15/2034476.html) (June 19, 2006).

<sup>2</sup> *Bowling Alone: the Collapse and Revival of American Society*, Chapter 1, Thinking About Social Change in America, Robert D. Putnam (Simon & Schuster 2000).

elites” that “*obscure the difference between the pro-social and antisocial*” objectives. We know the power elites, the political machines, are the main cause of much of the HOA corruption.

The “dominant theme” of recent social change, according to Putnam, occurring at the same time as the HOA “quiet innovation in housing” is that, “*we have pulled apart from one another and from our communities over the last third of the century,*” with participation at the community levels withering the most. “*The more my activities depend on the actions of others, the greater the drop-off in my participation.*”

How come we rarely find neighbors banding together to put a stop to blatant HOA board abuse and violations of the laws or governing documents? Or, the HOA manager or attorney stepping in and saying, “Whoa, this is wrong because . . .?” How come we find HOA boards insisting on enforcing the rules and not giving a second thought toward compassion, empathy, or just plain being a good neighbor when hardship befalls their neighbor. Like having to take in grand-kids when the parents have died. Like evicting and foreclosing on the ill in hospitals. Like insisting on minute variations to the board's subjective view of compliance, allowing the homeowner to continue without responding to their communications, or changing their mind after the homeowner expends a large sum of money on the variations. Just to mention a few common incidents of social capital at work, or not at work.

In order to answer the question posed above, I will focus on how has the planned community model, with its mandatory membership, compulsory assessments and lack of homeowner protections, affected the HOA's social capital. In plain talk, one would expect that the greater the social capital in an HOA would result in the more harmonious, vibrant and desirable the community. As defined above, we would expect to see more reciprocity and trustworthiness, community and social interrelationships, and communal or joint participation of homeowners living in these associations. These are the aspects of ‘community’, and not those relating to the landscaping, or swimming pools, golf courses, tennis courts or community centers, which are just the material and physical aspects of a community. A community, everyone will agree, starts and ends with the people. The people make the community, and it is they who care for its physical aspects.

In a direct reference to HOAs and social capital, Craig Walton,<sup>3</sup> speaking of conditions in Southern Nevada, comments on Rothman<sup>4</sup> that the developer's planned community [HOA] subdivision “*created living that was intensely private*” and reflect “*the community's preoccupation with the self.*” Craig continues,

Rothman reflects on the need for public spaces and their recent decline “Parks and libraries offered shared space and commonality of values, civic interaction and socialization. They combined education, relaxation, and social cohesiveness,

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<sup>3</sup> Craig Walton, *The Social Health of Nevada: Leading Indicators and Quality of Life in the Silver State\**, Conclusion, Dmitri N. Shalin, ed. (UNLV: CDC Publications, 2006) <http://www.unlv.edu/centers/cdclv/healthnv/conclusion.html> (Sept. 5, 2011).

<sup>4</sup> Rothman, Hal. *Neon Metropolis: How Las Vegas Started the Twenty First Century* (New York: Routledge 2002).

all desirable traits in a growing community. They were crucial building blocks, pieces of the puzzle of quality of life that served the community and enhanced its reputation. . . . This dire warning *is rooted in the absence of social capital in southern Nevada*, because the power of developers to obtain and use land for increasingly expensive housing goes unchecked by elected and appointed public officials.”

Looking into earlier research on the community and political aspects of homeowners associations, just back some years to the 1994 publication of *Common Interest Communities*<sup>5</sup>, which included earlier studies as far back as 1967, is revealing. In Chapter 6, Barton and Silverman write:

The use of common ownership as a vehicle for meeting public needs violates peoples’ understandings of ownership. . . . In the common interest development . . . the common good is less well understood [than in the public arena]. As in the case where only some roofs leak yet all have to pay for repairs, people do not see why they should pay.

The idea of neighbors policing neighbors is not only in contradiction to cultural understandings of ownership, but also fails to provide the internal checks and balances that people associate with fairness in the U.S. system of government. . . . The absence of separation of powers leaves associations boards vulnerable to both perceived and actual favoritism and abuse of powers.

In chapter 7, Gregory Alexander writes:

The owners were frustrated; some were acutely angry. Yet they haven’t responded to their disappointment by expressing their frustration. Rather, they choose passivity. Some feel that the board has intruded on the private sphere of their property ownership with zealous policing tactics.

Passivity and apathy are expressions of experience in which living within a group lacks meaning for individuals. Others who would cooperate through active participation if they didn’t feel stonewalled.

Yet, in contrast to the above research, according to the national trade group and lobbyist, the CAI sponsored “satisfaction” studies of 2005, 2007 and 2009 on HOA acceptance generally show a 70% happiness response. That HOAs create a positive social capital and, therefore, a better community. Has the “turbulence” of these early studies gone away and serious problems with HOA been resolved? CAI would have you believe so.

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<sup>5</sup> *Common Interest Communities*, Part IV: Community and Political Life in a Private Government, Stephen E. Barton & Carol J. Silverman, eds. (Institute of Government Studies Press, Univ. of Calif., Berkeley 1994).

However, the media continues with stories of violations of free speech rights and the lack of due process protections. With almost every substantial court decision the homeowner finds that his rights were unknowingly given away when he took his HOA deed, or that his freedoms have become highly restricted because the courts have easily found a justifiable reason for the HOA's decision to restrict these rights. As if the HOA were a bona fide government entity.

Bubbling beneath the surface of supposed HOA contentment lies a festering discontentment by the homeowner-members with their HOA — the HOA was not what they were lead to believe it would be. A May 2011 internet poll by local [CBS TV affiliate](#) in Phoenix, on the existence of the [HOA Syndrome](#), a PTSD diagnosed illness affecting many who live subject to HOA regimes, produced a 67% response that the HOA Syndrome was alive and well in HOAs. In July 2011, an advocate created an [internet poll](#), open to all and made available to all, produced an amazing 92% “NOT SIGN” response. The respondent was asked if he would agree to and sign a Truth in HOAs Disclosure Agreement when he bought his HOA home. The Disclosure served as notice of conditions within HOAs that are not covered in any state mandated disclosure notice, or in any state consumer protection agency “advisory” or “warning notice.”

What one sees from these studies of some 17 years ago, and independent polls, is that the same problems still exist and the national lobbying organization has not been able to make the homeowners association model of communal ownership and private governance acceptable and without serious problems. The answer to the question posed above is that the model, concept, structure and legal basis are contrary to American understandings, beliefs, expectancies and behavioral attitudes, and have contributed to the loss of participation and civic virtue.

These associations do not create positive social capital consisting of social networks and connections with reciprocal relationships, social interactions, trustworthiness and mutual obligations between the powerful boards and the rank and file homeowners. Rather, HOAs are a major cause of the destruction of social capital within the subdivision community. And as HOAs have become institutionalized — being accepted without question as “that's the way it is” — they have made a substantial contribution to the decline in social capital in America.