



- ii) The telephone number and email address of a person who can provide technical assistance with the teleconference process, both before and during the meeting; and
  - iii) A reminder that a member may request individual delivery of meeting notices, with instructions on how to do so.
- b) Every director and member has the same ability to participate in the meeting that would exist if the meeting were held in person;
  - c) Any vote of the directors must be conducted by a roll call vote; and
  - d) Any person who is entitled to participate in the meeting must be given the option of participating by telephone.
- 2) Prohibits a HOA from holding a meeting at which ballots are counted and tabulated solely by teleconference.

**COMMENTS:**

- 1) *Author's statement.* "AB 648 will increase access to homeowner association meetings by allowing meetings to take place remotely, if certain conditions are met. Homeowners have busy lives and attending evening HOA meetings is often difficult or not feasible due to scheduling conflicts or existing statutory requirements. As a result, it is not uncommon for these meetings to typically have low participation rates. Yet, significant resources are required to conduct such meetings. Typically, these meetings are staffed and in smaller associations, facilities must be rented out to accommodate such meetings. All these costs are paid for by assessments that the homeowners are required to pay. The COVID pandemic highlighted the ability to successfully perform tasks remotely, including conducting a board meeting or meeting of the members. Legislation enacted during the pandemic allowed an association to conduct meetings entirely by remote means. When associations began doing this, participation vastly increased. Not only was the ability to participate via teleconference now provided, but people also became comfortable with how to participate virtually."
- 2) *Common Interest Developments.* CIDs are a type of housing with separate ownership of housing units that also share common areas and amenities. There are a variety of different types of CIDs including condominium complexes, planned unit developments, and resident-owned mobilehome parks. In recent years, CIDs have represented a growing share of California's housing stock. Data from 2019 indicate that there are an estimated 54,065 CIDs in the state that are made up of 5 million housing units, or about 35% of the state's total housing stock. CIDs are regulated under the Davis-Stirling Act (Civil Code

Section 4000 *et seq.*) as well as the governing documents of the HOA, including the bylaws, declaration, and operating rules. Additionally, HOAs include a board of directors and many HOAs use a managing agent to assist with finances, logistics, and the provision of other services to homeowners.

- 3) *Procedures for HOA board meetings.* For a regular HOA board meeting, notice of the time and location of the meeting is required to be provided at least four days in advance through general notice. Under the Davis-Stirling Act, although meetings may be conducted by telephone or video conference, in order to permit remote meetings, the board must identify a physical location at which HOA members can attend the meeting in-person and where at least one director or their designate will be present, and that location must be included in the general notice of the meeting. Existing law also provides that emergency board meetings may be convened using electronic transmission if all directors consent to such a meeting. If meetings are being conducted to count the votes of an HOA election, then additional procedural requirements apply. Existing law requires ballot counting to be performed at a live public meeting and that counting must be conducted by designated ballot inspectors.
  
- 4) *Emergency exceptions.* During several phases of the COVID-19 pandemic, HOAs across the state faced public health requirements mandating physical distancing to reduce transmission of the disease. While virtual board meetings became widespread at that time, the law did not enumerate specific processes for HOAs to use for this purpose. SB 391 (Min, Chapter 276, Statutes of 2021) was passed as an urgency statute to allow HOAs to hold meetings by teleconference if a federal, state, or local emergency declaration had been issued for the area. In such cases, HOAs are able to hold board meetings and member meetings without a physical location if certain criteria are met. Specifically, HOAs must provide individual notice of the first meeting that is conducted under the emergency powers for a particular disaster or emergency affecting the association. Additionally, the notice for all emergency meetings is required to include: clear technical instructions on participation via teleconference; the phone number and email address of an individual who can assist with the teleconference process, both before and during the meeting; and a reminder that a member may request individual delivery of meeting notices with instruction on how to make the request.

Emergency teleconference meetings also need to be held in a manner that gives every director and member the same ability to participate as they would in a conventional meeting. Votes of directors must be conducted by a roll call vote and any person who is entitled to participate in the meeting must be given the option of participating via phone. Finally, that bill outlined special procedures

for teleconference HOA meetings where ballots are counted. In those situations, the declared emergency must be one that makes it unsafe or impossible for people to gather in person in order to count and tabulate ballots. Additionally, a meeting for counting ballots must be conducted by video conference and the camera must be angled to facilitate members being able to witness the vote count process.

- 5) *Expanding remote meeting authorizations.* This bill provides a nearly identical remote meeting process as the provisions established in SB 391. By expanding the remote meeting authorization to times when disasters or emergencies have not affected HOA meeting practices, this bill would broadly provide HOA boards the latitude to determine how they want to hold board meetings – via an in-person process, a hybrid process, or an entirely remote teleconference process with no physical location.

The bill maintains the same protections on a resident's ability to participate in a teleconference meeting by requiring specific notice to be provided to HOA members with clear instructions for how to participate remotely, access to a live person able to assist with troubleshooting, and the option to participate via telephone if a member has internet connectivity issues or does not have access to the internet.

The bill includes legislative findings and declarations asserting that virtual board meetings enable greater access for HOA members, enhance their ability to participate and comment on matters of interest, and can be conducted in a manner that offers equal access to that offered by conventional in-person meetings so long as notice and accessibility requirements continue to be met. However, the bill does not permit HOAs to hold remote meetings to count ballots.

- 6) *Double-referral.* This bill was also referred to the Senate Judiciary Committee.

#### **RELATED LEGISLATION:**

**SB 391 (Min, Chapter 276, Statutes of 2021)** — established alternative teleconferencing procedures for a board meeting or a meeting of the members if gathering in person is unsafe or impossible because the common interest development is in an area affected by a federal, state, or local emergency.

**FISCAL EFFECT:** Appropriation: No    Fiscal Com.: No    Local: No

**POSITIONS:** (Communicated to the committee before noon on Wednesday,

**May 31, 2023.)**

**SUPPORT:**

California Association of Community Managers (CACM)  
Community Association Institute - Channel Islands Chapter  
Community Associations Institute - California Legislative Action Committee  
Community Associations Institute - Orange County Regional Chapter  
Condominium Financial Management, INC.

**OPPOSITION:**

None received.

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