

# Comment Report

Local Government

Date: 02/15/2022

Time: 09:00 AM

Location: RM 19

**Name:** Phoebe Neseth

**Comment:** Community Associations Institute (CAI) recognizes and supports the rights of residential commoninterest communities to regulate commercial activities within their communities. This includes the right to restrict those commercial activities that are conducted from within individual homes constituting homebased businesses if the commercial nature of the activity is obvious to others in the community and otherwise inconsistent with usual residential living. Individuals are entitled to reasonably enjoy the use and privacy of their individual homes. Certain types of homebased occupations allow individuals to pursue a livelihood and are not apparent to others outside of the home, therefore causing no adverse effect whatsoever on the community. CAI urges the Iowa Legislature to enact this legislation, which adopts use restrictions pertaining to homebased businesses that are reasonable and flexible and applied uniformly according to objective criteria for community associations in Iowa.



February 15, 2022

Iowa Legislature  
House Local Government Committee  
1007 East Grand Avenue  
Des Moines, Iowa 50319

**RE: Comments on HF 2005 – An Act relating to the regulation of home-based businesses by counties and cities.**

Dear Chairwoman Bloomingdale, and Members of the Iowa House Local Government Committee:

My name is Dawn M. Bauman, CAE, and I am the Senior Vice President of Government and Public Affairs for the Community Associations Institute representing 73.9 million Americans living in more than 351,000 communities. I am writing to provide the community association industry's support of HF 2005, – An Act relating to the regulation of home-based businesses by counties and cities.

On behalf of Community Associations Institute (CAI), thank you for the opportunity to share comments related to HF 2005 – An Act relating to the regulation of home-based businesses by counties and cities. CAI would like to start by applauding Representative Wills, sponsor of HF 2005, for introducing this important legislation, which recognizes and supports the rights of residential common-interest communities to regulate commercial activities within their communities.

[HF 2005 – An Act relating to the regulation of home-based businesses by counties and cities.](#)

CAI encourages associations to adopt use restrictions pertaining to home-based businesses that are reasonable and flexible and applied uniformly according to objective criteria, which are set forth in the governing documents or rules and regulations.

[Home-Based Business Regulations](#)

[Community Associations Institute \(CAI\) recognizes and supports the rights of residential common-interest communities to regulate commercial activities within their communities.](#) This includes the right to restrict those commercial activities that are conducted from within individual homes constituting home-based businesses if the commercial nature of the activity is obvious to others in the community and otherwise inconsistent with usual residential living.

Individuals are entitled to reasonably enjoy the use and privacy of their individual homes. Certain types of home-based occupations allow individuals to pursue a livelihood and are not apparent to others outside of the home, therefore causing no adverse effect whatsoever on the community.

**CAI urges the Iowa Legislature to enact this legislation, which adopts use restrictions pertaining to home-based businesses that are reasonable and flexible and applied uniformly according to objective criteria for community associations in Iowa.**



## About CAI and the Community Association Housing Model<sup>i</sup>

CAI is the only international membership organization dedicated to the community association model of homeownership. CAI members are homeowners, association board members, managing agents and business partners who work tirelessly to improve the community association model of housing. CAI members have a keen focus on homeowner and board member education, development and enforcement of best practices and ethical standards, and raising standards through credentialing and continuing education requirements for community association professionals. CAI's more than 42,000 members are organized in more than 60 chapters.

For more statistical data on the community association housing model in the state of Iowa, I encourage you to review the Foundation for [Community Associations Research \(FCAR\)](#), [Fact Book: Iowa State Summary: Community Association Data and Information](#). Community Association Fact Book is published by FCAR and documents the history, current status, trends and future issues of U.S. community association housing in general. The Fact Book, also provides, community association information on a state-by-state basis.

We hope the comments provided in this letter are helpful to the Committee and will assist in developing public policy that is sensible for residents living in the Iowa's community associations. Please feel free to contact us to discuss these comments or any legislation impacting community association residents in the Iowa.

Respectfully yours,

A handwritten signature in black ink that reads "DM Bauman". The signature is fluid and cursive, with a long horizontal line extending from the end.

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CC: Representative John H. Wills, [john.wills@legis.iowa.gov](mailto:john.wills@legis.iowa.gov)

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<sup>i</sup> Role & Benefit Community Association Housing

Emerging in the 1970s, community association housing was a means to address issues of land use and limited resources at the state and local level for housing development. HOAs and condominiums allowed for affordable

and efficient construction of housing while concurrently limited the financial impact of such development on local and state governments. The investment in community infrastructure including roads, retention ponds, parks, club houses and amenities are borne by developers and the ongoing cost of maintenance is supported by assessments paid by residents of the community association. Amenities and infrastructure are driven by market considerations and the result is a vast array of communities that provide consumers with an array of choices in housing and lifestyles.

When purchasing a home in a community association, a resident enters into a contractual arrangement which obligates them to pay assessments to their association, which is governed by a board elected by the residents. Such communities, through deed restrictions and adopted rules have provisions to enhance and maintain the property values of homes in the community. The benefits of such communities accrue to both residents, taxpayers and local business. First, homes in community associations are worth at minimum, 5% more than homes in a traditional community. This directly benefits the purchaser, but also the larger jurisdiction through enhanced property taxes resulting from this value premium. Additionally, community association residents assess themselves to maintain the infrastructure and amenities in their community, costs that would otherwise fall on state or local governments.

More importantly, community associations provide residents with an accessible opportunity for civic involvement. Community Associations are governed by their residents, who elect representatives to serve on a board of directors. This provides a level of local governance that residents find highly responsive to their needs. 93% of association residents rate their experience as positive, and 88% believe their elected boards strive to serve the best interests of their community. In total, more than 1.6 million Americans demonstrate their civic commitment by service on a community association board each year.