



#309 HOA Homefront – El Presidente Is Not El Jefe

By Kelly G. Richardson, Esq. CCAL

The office of HOA president is often misunderstood, and very serious disfunction for associations and their boards, as well as heartburn for the president, can be the outcome.

At the outset, it is critical to understand that the role of the HOA president is dramatically different than the for-profit corporate president. The typical for-profit president is hired to be the boss, and can hire and fire, create or terminate contracts, and otherwise run the show. On the other hand, the HOA's boss is not the president, but its board of directors. Corporations Code 7210 confirms the chain of command in the common interest development – “the activities and affairs of a [non-profit mutual benefit] corporation shall be conducted, and all corporate powers shall be exercised by or under the direction of the board.” In a for-profit corporation, the day to day running of the business is typically the responsibility of the president, along with hiring and firing staff. In most associations, day to day execution of board decisions is executed by the association's paid professional manager.

The association president has just one vote on the board, and that vote is no more valuable than any other director. Directors who always automatically defer to the president are not fulfilling their responsibility to the association – which needs each director to contribute. A “super-director” does not exist in the HOA world – each director is just as important as the others.

HOA presidents often feel that it is their responsibility to instruct the HOA's manager, employees, or vendors on how they should perform their jobs. However, in doing so without express authority from the board, such presidents violate the role and disrespect their board colleagues since the group is the legal authority. Furthermore, most associations with professional managers pay the manager to handle vendors and HOA employees. Such a president will often experience burnout and frustration due to all the extra time they put in the job (unnecessarily, if the HOA has a manager) and worse yet, can be exposed to liability because they are actually not acting as a director any more, but become a manager or co-manager.

HOA presidents in associations without managers often take on much of the management function, but this still should involve express board authorization. However, presidents of professionally managed associations should not need to be involved in day to day association business.

Good presidents understand the boundaries between board work and management work. Good presidents do not confuse their self-worth with their position as an officer and are team leaders not dictators. A good president helps



the team (the board) stay focused on the decisions at hand, moving deliberations along smoothly and efficiently, but also graciously, fairly, and respectfully. A good president models respect for all directors, even those who disagree, and sets the tone of meeting conduct for all attendees.

HOA presidents are appointed by the board, in an open board meeting (no, presidents are not “personnel” so that does not qualify for closed session). Presidents can also be replaced by the board, any time and without cause, in an open and properly noticed board meeting.

Good presidents are a key for healthy associations, while bad presidents bring discouragement and frustration to the manager, board colleagues, and themselves. Keep the good ones.

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