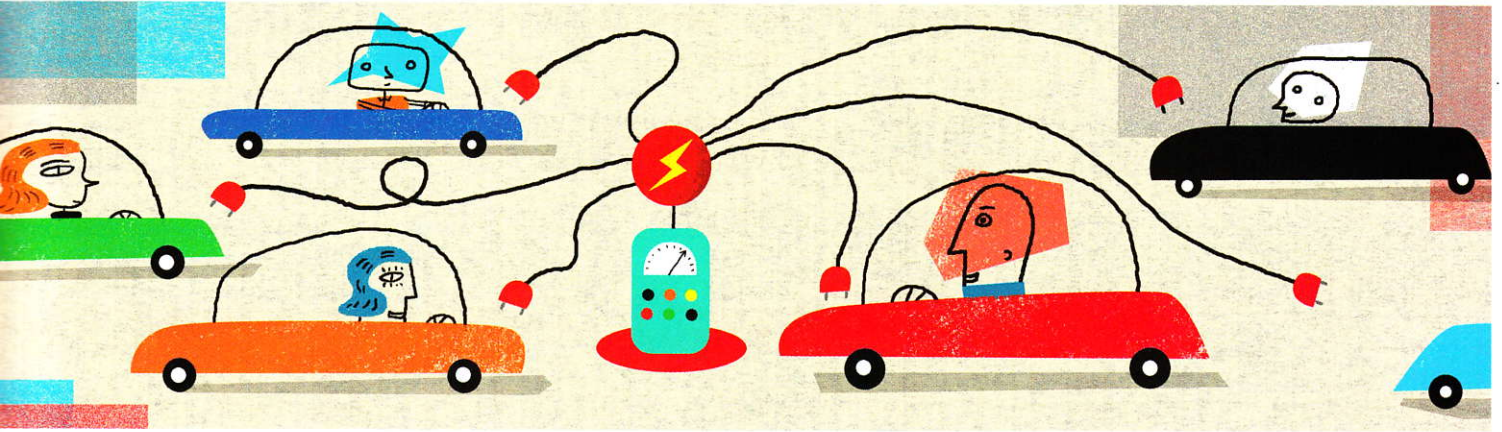


Sample copy. Not for reproduction



# Plugged In

By Joe West

Illustration by James Yang

The first time a resident brings home an electric vehicle, he or she will expect to recharge it, but it's not that simple. It never is.



YOU'RE A BOARD member taking a walk around the condominium property early one morning. It's quiet, the birds are singing, the grounds look good ... except there's an orange extension cord running from one of the ground floor units, across the sidewalk, out to the parking lot and into a car.

Well, you can't have that. At a minimum, it's a safety hazard, not to mention a major eyesore. You send a violation letter, and at the next association meeting, the owner informs you he will continue running the cord until the community provides a place for him to recharge his electric car.

And then the calls from the local media start.

Welcome to the electric vehicle era, which began in earnest when General Motors started delivering the Chevy Volt at the end of 2010; welcome to the newest set of problems for community associations.

Electric vehicles may not be around in any great numbers for a few years, but you probably have at least one person in your association who is always in the forefront of every "green" issue and will be the first to buy or lease an electric vehicle.

The main problem associations will grapple with is the charging station. Right now, there are three levels of charging a vehicle:

■ Level 1 uses 110-volt, 15-amp household current. It fully charges a vehicle in 8–12 hours.

■ Level 2 uses 220 volts and 30 amps. It fully charges a vehicle in 3–6 hours. The fixtures attach to walls or look like parking meters.

■ Level 3—used specifically for electric vehicle charging—is rated greater than 14.4 kilowatts and can charge a vehicle in 30 minutes or less.

Sixty percent of American homeowners don't have garages to provide the Level 1 service, and in urban areas, where it is expected battery-powered

vehicles will be sold faster, 80 percent of residents live in multifamily housing units with shared or no parking at all.

Finding solutions won't come fast, easy or cheap, but associations have an opportunity now to study the problem, survey residents, develop reasonable

(CCAL), expects that developers will monitor market activity.

When electric or hybrid vehicles become more numerous, they will build that function into the association property and the documents.

Local municipalities may step in first. In Houston, a \$10 million charg-

**"We haven't actually had anyone try to install a charging station. It's a matter of time, though."**

policies and communicate them—hopefully before the problem becomes widespread and shows up on the evening news.

#### WHO'S IN CHARGE?

The first question a community association should answer is: Should charging stations be allowed at all?

If an electric vehicle owner doesn't have a garage, then he or she may need to place a charging station somewhere on the common area. Most association documents prohibit the "taking" of a common area by an individual, so sticking the station out on the lawn next to the parking spot probably won't fly—at least not without some legal groundwork.

Attorney Robert M. Meisner, a principal of Meisner & Associates in Bingham Farms, Mich., points out that an association is under no obligation to provide either a common charging station or to permit an owner to install one outside of his or her property. "We don't provide or allow a gas pump so they can fill their cars up at home now, so their choice of vehicles shouldn't really impact the association," he says.

Meisner, a member of CAI's College of Community Association Lawyers

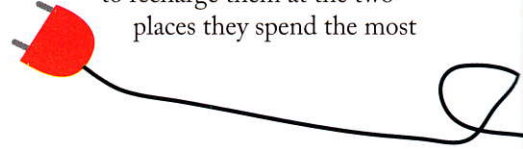
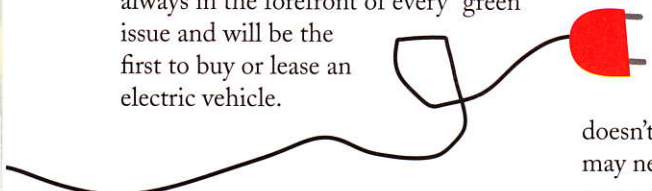
ing network will be installed throughout the city that could put everyone within five miles of a charging station.

State legislatures have begun weighing in on the issue too. In Hawaii, the legislature recently passed a law that requires any multifamily residential or townhouse project to permit owners to install a charging station at their own expense. "We haven't actually had anyone try to install a charging station. It's a matter of time, though," says Richard S. Ekimoto, principal of the Honolulu law firm Ekimoto & Morris and a CCAL member.

The California legislature has been considering a bill (SB 209) that would prohibit community associations from restricting an owner's installation of an electric vehicle charging station anywhere in the development. Associations that violate this proposed new law would be liable for damages and a civil penalty of \$1,000 per occurrence.

California also is supporting the establishment of 1,600 charging stations in four cities. That might be nice while you're having lunch and there happens to be a station nearby, but the reality is that people who buy plug-in vehicles are going to want to be able

to recharge them at the two places they spend the most



Sample copy. Not for reproduction

time—work and home.

Private enterprise also will be involved in providing public charging stations throughout communities, but heavy government investment would be required.

Given the national imperative to reduce our dependence on foreign oil and reduce emissions, the federal government may even jump in and reduce or remove an association's ability to prohibit, limit or control the aesthetics of the charging stations—much like it has with satellite dishes and the American flag.

### POWER POTENTIAL

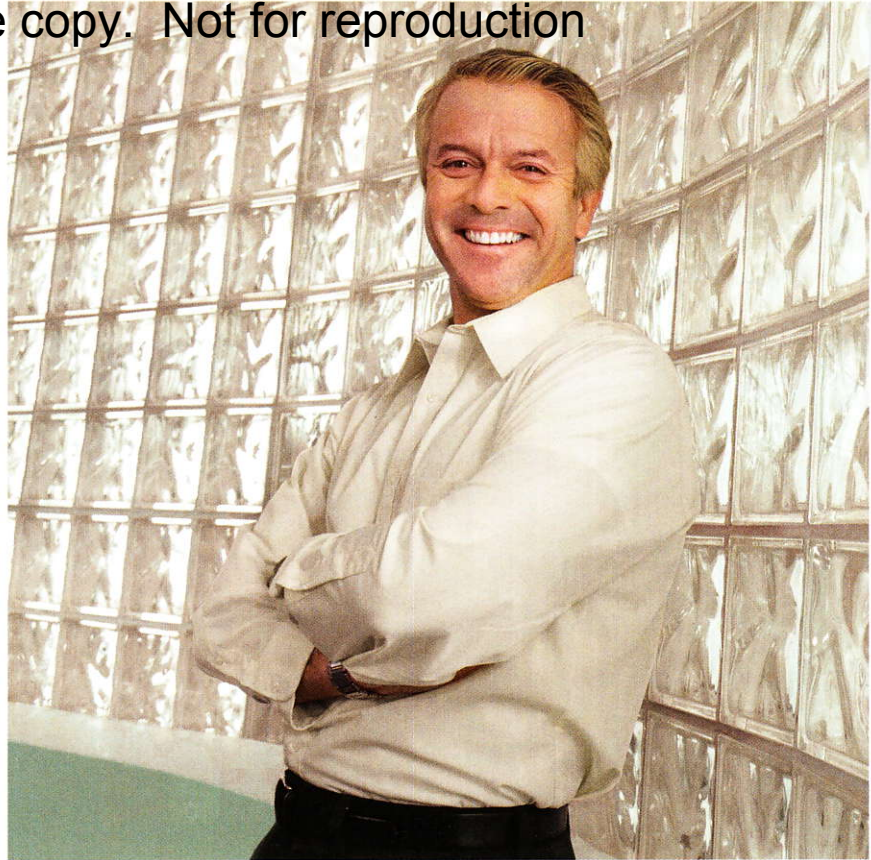
So what responsibility would the association have? And what would the owner be responsible for?

The charging stations need to be near the vehicle, and power needs to be delivered to those stations. That may mean new control panels, new wiring and new electric meters. The system is likely to run over, through or under common areas, so association documents may have to be amended.

Each step will have to be considered from power source to meter to charging station and all wiring in between. Who will be responsible for each component—permits and inspections, parts, installation, insurance, maintenance and liability? If you allow charging stations, someone will have to follow up periodically on all of the above to make sure the association's interests are protected. After all, these are highly charged electrical components.

Most charging stations come with their own form of security, whether it is mechanically or electronically locked. For safety reasons, the chargers won't work unless they are connected correctly to the plug. However, the association should consider requiring a waiver of liability from the owner of the charging station in addition to requiring insurance.

There are going to be numerous types of charging stations. Some will be specific to the vehicle, so standard-



## Your communities rely on you. You can rely on us.

Peace of mind. It comes with every transaction. Because for almost twenty years, the Homeowners Association Banking team at Union Bank® nationwide has been helping associations just like yours. Streamline your collections with our customized HOA lockbox. Meet with a relationship manager and build a long-term business strategy. And rest easier knowing your deposits are overseen by a strong financial institution and a proven business partner.

To put our HOA Banking expertise to work for you, visit us at [HOAbankers.com](http://HOAbankers.com) or call us today.

**National Sales:**  
Mickel Graham, PCAM®, 866-210-2333  
**Team Leaders:**  
Pamela Hazard, CMCA®, 800-669-8659  
Michelle Hill, CTP, 800-669-8659

**Industry Manager:**  
Mark Reider, CMCA®,  
800-846-5821

[HOAbankers.com](http://HOAbankers.com)

Member  
**FDIC** ©2011 Union Bank, N.A.

 **UnionBank®**  
Invest in you™



Sample copy. Not for reproduction

izing the station will be difficult. How will you accommodate different charging stations while trying to maintain the aesthetics of the property? You may not be able to require a specific design or color.

If the charging station is outside, in a parking lot or curbside, associations must consider how they will impact routine grounds maintenance and snow removal. Will contractors be willing to accept the additional risk, say, if their snow plow takes out a row of chargers?

In all likelihood, the first chargers you may want to consider will be owned or managed by third parties, much like

coin-operated washers and dryers. Even with third-party ownership, all of the above issues still apply.

If you use a common charging station, you may have to establish rules regarding the amount of time any one electric vehicle can remain at the station. You don't want owners fighting over whose turn it is to charge their cars.

One last item to worry about: copper. Thieves tend to target anything with copper if it is not secured or hidden properly. Since most electrical wiring is copper, caution will be needed to install it where it can't be removed easily.

### DESIGN DIFFERENCES

When a resident requests permission to put in a charging unit (if they think to bother asking first), associations will face different issues depending on their physical layouts.

#### High- or mid-rise building with common underground parking.

Parking spaces are usually assigned, often as a limited common area legally attached to a unit or deeded to the unit. There are usually very few electrical outlets, and they are 120 volts, as are the lighting circuits. Electricity is a common expense.

To place a charging station near the car would mean adding a 220-volt panel (and possibly a meter) in the garage and running cable to the location. It would be easier if you could "bunch" the vehicles in one area, but if the parking spots are included in the documents, that may be difficult. You'll be looking at new electrical panels, conduits, cables and outlets—all of which will probably be in common areas.

If you have a common garage, it may make sense to research charging stations. Some firms already offer portable charging stations, which are about the size of a parking meter. Users would be required to purchase a subscription and activate the charging station when their vehicles connect. The association may be able to collect a percentage of the subscription fees.

**Condominium or townhouse, attached with no garage, and parking either in assigned spot, carport or parking lot.** With parking separated from the physical structures, you generally only have street lighting as an electrical source. One common meter or separate meters measure this electricity. Carports often have only 120-volt lighting available.

Where will the electricity for a charging station come from and how will it be secured? The likelihood of putting all of the electric vehicles in one area is slight, as proximity to the unit will always be a major priority for owners.

## Powered by Committee



**ASSOCIATIONS SHOULD CONSIDER** informing owners that they're beginning to discuss the challenges associated with electric vehicles and that they may want to delay buying one. Put a note in your newsletter or on your website about where the association stands. Let residents know what is or isn't available and what the association is considering.

Associations can ask residents who are seriously considering purchasing an electric vehicle to form a committee. Let them work their way through this list:

- Where should the charging stations be placed to be most effective—on privately owned property or common space?
- Can a single station handle multiple cars?
- Where will the electrical source be?
- Is it a private or common meter?
- Will new meters need to be installed?
- How will the electricity get from the source to the charging station? Will it pass through a common area?
- Who will own and maintain the charging stations?

If any of the questions above deal with common areas:

- Do the documents need to be amended?
- Who will pay for the installation?
- Who covers the insurance?
- Who will be held responsible if the charging station or a common area gets damaged?
- Who's in charge of maintenance?
- What are the potential liabilities?
- Does it make sense to have a third-party contractor install, maintain and bill the stations?
- Who should be involved in discussions? Anyone beyond an attorney, engineer, local officials and insurance agents? —J.W.

Sample copy. Not for reproduction

# Devoted banking makes the difference.

**Condominium or townhouse with an attached garage.** The main problem here is the source of electricity. Often the wiring in the walls is considered a common element, which would mean tapping into it might require some legal groundwork or alterations to the documents.

**Condominium, townhouse or individual home with street parking on association-owned street.** Without assigned parking, you may have to designate some areas for electric vehicles. Is that allowed? The charging station would have to be community owned or handled by a third-party contract; there would be no practical way to allow individual stations.

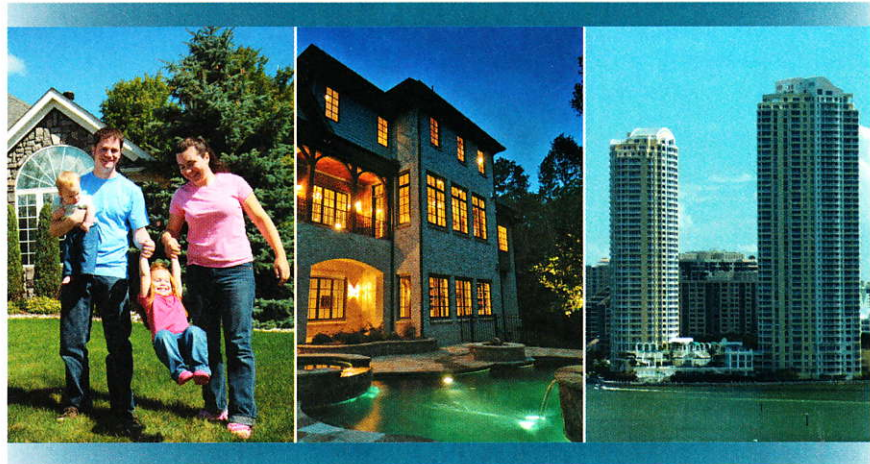


**Condominium, townhouse or individual home with public street parking.** Associations will need to work with the municipality because charging stations probably would have to be placed on easements controlled by the town.

If you take a look at your association and then at the items mentioned above, you'll realize it will take quite a while to find answers and deal with any legal issues. "While not under any obligation, it might be a good idea for the association to figure out how to make an accommodation (when the plug-ins come)," says Beth Grimm, principal of the California law firm of Beth Grimm PLC and a CCAL member.

Jeff Kaman, an associate attorney for Ohio-based Kaman & Cusimano, urges associations to get ahead of the problem. "Starting this planning process is a great way for a community association to be on the forefront of the next generation 'green' movement," he says. **cg**

JOE WEST is CEO of the Community Associations Network LLC.



## We aren't just anyone's bank.

First Associations Bank was created to serve the unique needs of community association management companies and their associations. Our banking products have been designed specifically to help you operate your business more effectively. Let us provide you with the undivided attention you deserve from banking specialists in your industry. Our customers all do the same thing –

**and that makes all the difference.**



For more information,  
please contact us at:

**866-468-1110** (toll free)  
**www.fabank.com**

12001 N. Central Expressway  
Ste. 1165 | Dallas, TX 75243

