

Under California law, a **Property Owners Association (POA)** or Homeowners Association (HOA) operating within a **Common Interest Development (CID)** is legally defined and governed by the **Davis-Stirling Common Interest Development Act** (California Civil Code §4000 et seq.).

To establish a legal "common interest," specific criteria must be met regarding property ownership, shared responsibilities, and governance structures.

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## The Legal Criteria for a Common Interest Development (CID)

Per **Civil Code §4200**, for a development to legally fall under CID governance, three core elements must be recorded and conveyed:

1. **A Recorded Declaration:** The primary governing document, commonly known as the **Covenants, Conditions, and Restrictions (CC&Rs)**, must be formally recorded with the county, alongside a final map or parcel map.
2. **A Separate Interest:** Individual owners must hold a distinct, separate title to their specific parcel, lot, airspace, or unit.
3. **A Shared Common Area or Membership:** The separate interest must be legally coupled with either an undivided interest in a shared common area *or* mandatory membership in an association that has the authority to manage the property.

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## Types of Common Interest structures

The Davis-Stirling Act recognizes four specific structural variations of a CID, each managing the "common interest" differently:

| CID Type                         | Separate Interest Definition  | Common Area Ownership Structure   |
|----------------------------------|---|---|
| <b>Planned Development (PUD)</b> | An individual lot, parcel, or plot of land (common for single-family home communities). | Owned either in common by the individual parcel owners or directly by the Association itself. |

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|------------------------------------|---|--|
| <b>Condominium Project</b>         | An individual slice of defined airspace (the interior of the unit).   | The structural components, land, and external facilities are owned as an undivided shared interest by all unit owners. |
| <b>Stock Cooperative</b>           | A right of exclusive occupancy in a specific unit or apartment space. | A corporation holds the entire title to the land and structures; owners hold shares in the corporation.                |
| <b>Community Apartment Project</b> | An exclusive right to lease and occupy a specific apartment unit.     | The entire property structure and parcel are owned by all owners as an undivided tenancy in common.                    |

## Core Rights and Obligations of the Association

When a community is bound by a common interest framework, the governance of that interest is structured around clear financial and operational rules:

### 1. Mandatory Management and Maintenance

Under **Civil Code §4800**, a CID *must* be managed by an association (whether incorporated or unincorporated). The association holds the operational obligation to maintain the common areas (such as private roads, drainage cul-de-sacs, slopes, and shared utilities) and enforce the recorded CC&Rs.

### 2. The Power to Levy Assessments

To fund the preservation of the common interest, the association is granted the statutory power to levy regular and special assessments. Per **Civil Code §4175**, these assessments carry substantial weight; if a property owner fails to pay their share of the community's upkeep costs, the association has the legal authority to record a assessment lien against the owner's separate property.

### 3. Strict Transparency and Open-Meeting Compliance

Because a POA functions essentially as a "mini-government" wielding authority over a member's financial and property interests, it is strictly bound by the **Common Interest Development Open Meeting Act** (Civil Code §§4900–4955).

- **No Action Outside Meetings:** The board cannot take action or vote on association business via email strings or behind closed doors (Civil Code §4910).

- **Notice & Agenda Requirements:** Members must receive a minimum of four days' notice for open board meetings and two days' notice for executive sessions, accompanied by a specific agenda. The board is legally prohibited from voting on any item not explicitly placed on that distributed agenda (Civil Code §4930).
- **Executive Session Restrictions:** Closed sessions are legally restricted exclusively to sensitive matters: pending/threatened litigation, third-party contract formations, member discipline, personnel issues, or payment plans for delinquent accounts (Civil Code §4935). All executive actions must be summarized generally in the next open meeting's minutes.