

# HOA files: Two new roofs in two years cost some Rogers townhome owners thousands

By: [Madison McVan](#) - December 19, 2024 6:00 am



Caitlin Dahlgren owns a townhome in the Dutch Knolls neighborhood in Rogers. She has to pay \$5,000 — her HO-6 insurance deductible — for a roof replacement she and other neighbors feel isn't necessary. Photo by Madison McVan/Minnesota Reformer.

Townhome owners in a Rogers neighborhood are preparing to pay a \$16,400 bill from their homeowners' association for new roofs — just two years after a full roof replacement.

Given their toddler-aged existing roofs, residents of the Dutch Knolls community were surprised when the bills arrived in mid-November with a payment deadline of Dec. 15. Most didn't realize their HOA had filed an insurance claim, and some residents say their roofs have no damage. Many homeowners will have their bills covered by their own insurance; others don't have the right type of insurance or enough coverage to foot the bill.

Tensions erupted last week between homeowners, their HOA board members and the property management company, Sharper Management, at a meeting meant to answer residents' questions about the insurance claim that led to the roof replacement bill. Residents expressed frustration, alleging poor communication from management and questioning the decision to pursue an insurance claim for the 2-year-old roofs.

After the meeting, the HOA board pushed back the deadline to pay until Jan. 31.

Dan Cunningham, the owner and CEO of Sharper Management, said his company informed residents via “e-blasts” when they had clear information to share.

Once the insurance company inspected the properties and found damage, the HOA was bound by fiduciary duty to follow through with the insurance claim and repair, Cunningham said. Homeowners rarely show up to HOA meetings, he added.

“Does anyone think the insurance company wants to pay out a claim?” Cunningham said in response to *Reformer* questions.

The conflict highlights the financial strain homeowners’ associations can place on residents, many of whom are unaware of the power their HOAs wield until it’s too late to contest their decisions. Those who can’t pay HOA bills can face [liens](#) and even foreclosure.

This year, the Legislature convened a working group on homeowners’ associations and common interest communities — the legal umbrella term for HOAs and similar organizations — bringing together home and condo owners, property management companies, legal experts, lawmakers and other stakeholders. The working group is tasked with studying the impact of HOAs and CICs, and making recommendations for reforms.

With a tied House and a budget due by the end of next session, party politics and tough budget negotiations could derail other priorities — but there is bipartisan interest in curbing HOA powers.

“HOAs must be brought to heel,” state Rep. Walter Hudson of Albertville, an [influential Republican, posted on X](#) in October.

Working group members heard from dozens of people affected by HOA issues — including some from Dutch Knolls — at a listening session in Maple Grove on Dec. 5.

“What we have done is create another quasi unit of government with very little accountability, lacking in transparency, lacking in checks and balances and very little recourse,” said state Rep. Kristin Bahner, DFL-Maple Grove, after hearing homeowners’ stories.

Some HOA board members spoke at the listening session, saying it’s hard to recruit new board members because of the heavy responsibility of managing a community.

Cunningham said Dutch Knolls HOA board members are receiving “death threats, notes, voicemails, letters, etc.” from community members as a result of the insurance claim.

### **Homeowners without insurance coverage on the hook for thousands of dollars**

On July 13, a wind and hail storm damaged all buildings in the community, the letter sent to homeowners explained, so the homeowners’ association filed an insurance claim.

Replacing all of the roofs in the community will cost an estimated \$1,593,329, according to the insurance company and the homeowners’ association’s public adjuster. The association’s master insurance policy has a deductible of \$1,576,712; split among the community’s 96 units, that means each homeowner pays \$16,424.

The insurance company will pay out a total of just \$16,617.

Many residents hired outside contractors, or invited friends or relatives with roofing knowledge, to inspect their roofs and insist that there is no hail damage.

Eric Skarnes, president of Insurance Warehouse, an insurance agency and broker based in Golden Valley, said HO-6 insurance can protect homeowners from large HOA assessments, and can cost as little as \$20 or \$40 per year.

While HO-6 insurance is required by mortgage companies for homes purchased in an HOA, those boilerplate policies often don’t provide the right level of coverage, or have a high deductible.

“It’s something [homeowners] have to take upon themselves to go get,” Skarnes said.

Sharper Management sent Dutch Knolls residents a reminder earlier this year to update their HO-6 policy to account for a higher deductible in the community’s master policy.

Some Dutch Knolls homeowners had enough HO-6 coverage to pay the full roof replacement bill; others don’t have HO-6 insurance, or don’t have enough coverage, leaving them on the hook for thousands of dollars.

Dutch Knolls resident Caitlyn Dalhgren said she has HO-6 insurance, but her deductible is \$5,000 — a large burden for her family of four.

Natalie Croaker bought a townhome in the community with her husband in 2022. When they received the notification from Sharper Management that they should update their HO-6 policy, they called their insurance carrier to check on their coverage, and came away from the conversation believing they had the correct insurance, Croaker said.

When they filed a claim for the \$16,400 bill from the HOA, they learned they didn’t have the right amount of coverage — their insurance will only cover \$1,000, so they are on the hook for more than \$15,000.

“We would have to most likely get help from family and friends, because we do not have \$15,000 lying around,” Croaker said. “We have a kid that we have to take care of, and we both work full time, and our kid is in daycare, and just like — life is expensive in general.”

One resident at a Dec. 10 meeting said her insurance carrier sent an agent to assess the damage and found none, so her claim was denied.

Skarnes, the insurance broker, said carriers don’t assess damage for claims related to HO-6 policies — they only need proof of the loss assessment bill from the HOA. (Skarnes is not the insurance broker for Dutch Knolls.)

Regardless, claim denials and homeowner or insurance company mistakes could leave residents responsible for the full bill.

The situation at Dutch Knolls is also occurring in an increasingly [unstable property insurance market](#), which has seen carriers leave the state amid losses due to extreme weather events. Fewer carriers means higher premiums, and HOAs are having difficulty finding carriers to insure them. In Minnesota, insurance carriers have taken losses in six of the last seven years, [largely due to hail](#).

Throw in rapidly rising property taxes, and homeownership is becoming less affordable for many Minnesotans.

Croaker said she and her husband are still in talks with their insurance company in hopes of getting more coverage. She's been messaging back and forth with the property manager to try to set up a payment plan or get an extension, she said.







Dutch Knolls townhomes in Rogers. Photo by Madison McVan/Minnesota Reformer.

## Second roof replacement in two years

Dutch Knolls has been through this process before.

On Oct. 5, 2022, residents received a letter explaining that they each owed \$3,592 to pay for roof replacements due to hail damage. The community had a different insurance policy and carrier and property management company that year.

Bridget Newman bought her townhome in the community in 2019. When she learned about the planned roof replacement in 2022, she sent her boyfriend, a longtime general contractor who does roofing and siding, up on the roof to take a look at the damage. He didn't see any, she said.

"I thought, this is weird, but I didn't really think anything of it. I just kind of let it go," Newman said. Her HO-6 policy covered the bill.

When Newman learned of the hail damage to the roofs this year, she sent her boyfriend back up on the roof, and again he said there was no damage. He also looked at nine neighbors' roofs, and found no damage on those, either, Newman said.

A handful of homeowners at a Dec. 10 meeting said they hired their own contractors to evaluate the roofs, and those contractors found no damage.

The letter provided to residents says all roofs sustained damage.

By the time the residents received the bill, the important decisions had been made; the contractor selected; the contracts signed.

### Residents ask: What now?

On the evening of Dec. 10, dozens of homeowners crammed into the small community center at Dutch Knolls. Their shoulders touched as they sat on the couch and ottoman, while others sat on the floor or stood in doorways.

On the opposite side of the room, the five members of the HOA board of directors stood behind a counter forming the kitchenette. An attorney in a sport coat extended the wall between the homeowners and their representatives. He warned at the start of the meeting that he would end it early if the homeowners interrupted him or spoke disrespectfully.

Some of the residents' questions weren't actually questions, as the attorney was quick to point out. They were frustrations — points that the homeowners felt they hadn't had a chance to express. Homeowners questioned why the HOA board members were not allowed to speak; instead, the attorney answered all the questions, often to the dissatisfaction of the audience.

Residents wanted to know how the HOA board selected the contractor, why Sharper Management hadn't sent out more communications about the decision-making process, and details of the damage to homes.

"There are some questions where you said, 'I don't know,' and the people standing right behind you are the people that could answer this question for us," one woman said. "We're here to get answers."

"What question would you like the answer to?" the attorney responded.

The room broke out in boos and jeers.

"You guys have been interrupting, screaming, yelling, and so you know what? We're going to go ahead and we're going to end this meeting," the attorney said.

Many residents planned to use the community space after the end of the meeting to discuss their options moving forward. But the attorney, after consulting with the HOA board, asked everyone to clear the room; a police officer, who had observed the meeting from the doorway, stepped to the center of the room.

After some verbal resistance — residents said the community space was theirs to use — the homeowners stepped outside and formed a semicircle facing the door. Newman, who had taken on a de-facto leadership role, addressed the crowd; she'd spoken with a lawyer and wanted to know whether anyone would chip in financially to try to fight the roof replacement bill.

The homeowners weighed their options. None seemed great. They could hire a lawyer and hope to discover some issue with the HOA's procedure for assessing the bill that would void the involved contracts, but that could be time-consuming, expensive and risky.

They could ask for extensions and payment plans and haggle with insurance, but would still have to pay the full bill.

Or, they could find a way to replace the existing HOA board of directors and the property management company, and hope that they could do so fast enough to block the roof replacement.

The work is scheduled to begin in the spring.

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