

## **Excerpt from *Finding Community: Evaluating Communities***

### **Lifestyle**

Was the community's daily way of life one you could live with? Were they smoking and drinking carousers, while you're looking for organic and spiritual? Were they vegans who wear white muslin and speak softly, and you'd prefer folks who drum and dance and whoop it up? Did they drive an excavator, pour foundations, and bring in the harvest, while you prefer people who also talk about what they're feeling and hug each other a lot? Did they cook gourmet meals and arrange theater parties, while you like simple vegetarian fare and long bike rides? Were they middle-class, suburban-bred, college-educated, well-meaning liberals, but you found them behaving too hopelessly, too cluelessly like, er, white people?

Values are important, mission and purpose is crucial, friendliness feels good, but a community's day-to-day lifestyle—ah, that's where the rubber hits the road.

*—From Chapter 21: "Taking a Second Look"*

### ***Cause-and-effect information that the average newcomer to communities may not consider:***

#### **Is the Community Financially Stable?**

. . . Besides knowing who owns the land, I think it's perfectly reasonable, if you're considering membership, to find out:

- If the property's not paid off, how much more is owed on it? What's the pay-back plan and interest rate? Are one or more large balloon payments coming up anytime soon? Is the community in arrears with the payments? If the property is being owner-financed by the former owners, what are the terms? What kind of relationship does the community have with the owner-financer?

- What are the annual property taxes and, if the group has it, property insurance, and what portion of these does each member pay?

- Do zoning regulations in the area allow the number of members the community expects to attract, who together can pay off the property in a reasonable amount of time? Or, will too few members be expected to pay off too large an amount? Do the member joining fees and/or site lease fees or other fees add up to the amount needed to pay off the property and develop its planned infrastructure over time? (Has the community even thought about this?) If not, will all members suddenly get the unwelcome news someday that they'll need to raise a whole lot more money themselves, quickly, for unexpected community assessments?

- Is the community's physical infrastructure well-managed? Does the community repair and maintain its buildings, roads, bridges, fences, parking lots, water lines, and electrical systems? If not, the cost of later maintenance can impact its members financially.

- How is the community's financial health? Stable, just OK, or precarious and on the brink? This is a serious question about whether the community has enough cash flow to continue on without the danger of having mechanic's liens placed on its title or having its

property foreclosed on and sold. This is important information for you to have, of course, since if you joined, the group's financial issues would affect *your* finances. You wouldn't want to pour your life savings into a place you saw as your community dream, only to discover the group was seriously in arrears with their owner-financer or other creditors. Even if your infusion of cash from a joining fee or buy-in fee helped the group pay off some of their debt, this might only delay matters. If the creditors foreclosed and forced a sale, everything you invested in your new community — savings, community home, new community neighbors, and your very faith in the whole concept of community — could vanish overnight. If the group won't answer your questions about their financial health, or is vague, shifty, or cagey about the answers, something isn't right. You might be inadvertently sticking the finger of your inquiry into the tender wound of their painful financial secret. They may desperately need new members and their money to help stem the tide of their imminent financial disaster. If so, they owe you absolute straightforward, accurate information. If your incoming members' joining fee could save them (and you think they're worth saving) and you'd really like to join this community, you've got a significant decision to make. Please ask to see their books, and if finances is not your forté, get an independent bookkeeper or accountant to assess their situation, so you can see if your infusion of cash would really help, or if it would merely stave off the inevitable for awhile, at your considerable financial risk.

—From Chapter 22: "*Choosing Your Community: The 'Insider's Guide'*"