

AI IN COMMUNITY
ASSOCIATIONS: WHAT
EVERY BOARD NEEDS
TO KNOW

PRESENTERS!



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WHAT IS AI?



Artificial Intelligence (AI) refers to computer systems that perform tasks typically requiring human intelligence — understanding language, recognizing patterns, generating content, and making decisions.

Today's AI is largely powered by **large language models (LLMs)** — trained on vast amounts of text — that can hold conversations, write documents, summarize information, and assist with decisions.

For community association boards, AI is no longer a distant technology — it is already being used by residents, vendors, and management companies today.

HOW DOES IT WORK?

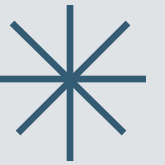
Generative AI is trained on massive datasets — including text, images, and code from across the internet — and learns to predict and generate useful responses. When you type a question, the model analyzes your input and produces a reply word by word, based on patterns in its training. It does not “look up” answers; it generates them.

Key terms boards should know:

- LLM (Large Language Model) — the engine behind tools like ChatGPT, Copilot, and Claude
- Prompt — the instruction or question a user types in
- Hallucination — when AI confidently generates incorrect information



HOW DO PEOPLE FEEL ABOUT AI?



% of people in the United States who say the increased use of Ai in daily life makes them feel...

More concerned than excited: 50%

Equally concerned and excited: 38%

More excited than concerned: 10%

-- Pew Research Center, October 2025

For boards, the message is clear: residents have mixed feelings, and governance matters.

GENERATIVE V AGENTIC



Generative AI creates original content — text, images, summaries, emails — based on patterns in its training data.

Agentic AI refers to autonomous systems that can plan, make decisions, and execute complex, multi-step tasks with minimal human intervention to achieve a goal. Unlike traditional AI, which is often reactive or requires explicit instructions for every action, agentic AI is proactive, goal-driven, and can adapt to changing conditions by orchestrating various tools and AI models, such as large language models (LLMs).

HOW IS AI BEING USED?

AI is already being used across property management. Boards should understand where it appears and how it affects operations.

Ask your management company: where is AI being used on our property today?

- Communications — drafting resident notices, newsletters, and violation letters

- Maintenance — predictive maintenance alerts, work order triage, and vendor dispatch

- Financial review — flagging billing anomalies and summarizing reserve fund analysis

KEY RISKS FOR BOARDS

For Boards, the key risks are not robots taking over; they are far more practical.

The right posture: informed oversight, not avoidance.

- Accuracy — AI can generate plausible but wrong information (“hallucinations”)

- Privacy — sensitive resident data entered into AI tools may not be protected

- Liability — AI-generated decisions or communications made on behalf of the board carry legal risk

DATA PRIVACY & LEGAL CONSIDERATIONS

Boards bear fiduciary responsibility for how resident data is handled — including when AI tools are involved. Key considerations:

- Data input — never enter resident names, unit numbers, financial data, or personal information into a public AI tool
- Vendor agreements — ensure management company contracts address AI use and data protection
- Fair Housing — AI tools used in enforcement or communications must not produce discriminatory outcomes



BOARD TAKE AWAYS

The board does not need to become AI experts. But proactive governance now will prevent problems later.

Stay informed — this technology is evolving rapidly, and governance best practices will continue to develop.



- Ask your management company for a disclosure of any AI tools used on your property

- Adopt a simple AI use policy addressing data privacy, approval thresholds, and human review requirements

- Require board approval before AI is used in enforcement, legal notices, or financial decisions

- Are any board members currently using AI tools for community business? Should there be guidelines?

- What would we want to know if our management company started using AI to handle resident complaints or violations?

- Where do we draw the line between AI assisting our decisions and AI making our decisions?

WHAT DOES THE FUTURE LOOK LIKE?

- Social Implications
- Generational Equivalent to Using the Computer in the Workplace
- Adaptation, Adoption and Utilization for Content Creation
- Service to Customer After Producing Content
- Delivery of Content
- Stress Relief



AI: THE GOOD, THE BAD & THE UGLY

AI implications for ethical standards

Figure 12: Which of the following emerging technologies do you think could potentially pose the most severe ethical risks?
(Percentage)

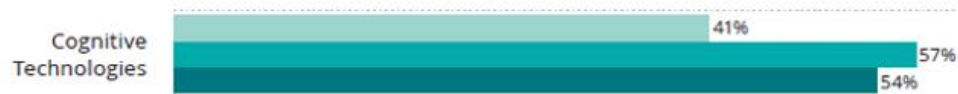
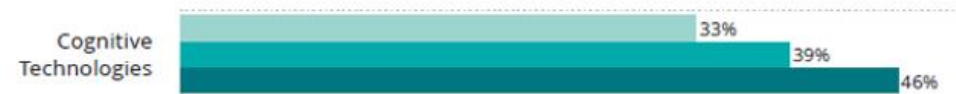


Figure 13: Which of the following emerging technologies do you think will drive the most social good?
(Percentage)



● 2022 ● 2023 ● 2024

Wave 1 - 2022 (n=1,794), Wave 2 - 2023 (n=1,717), Wave 3 - 2024 (n=1,848)

Source: 2024 Deloitte Technology Trust Ethics Survey



ETHICAL CONSIDERATIONS

- Code of ethics
- Accountability
- Machine v Human creativity
- Industry specific
- Prompt engineering
- Standardization begets homogenization
- Race to the bottom
- Work / Compensation metrics



The Community Associations Institute (CAI) Manager Code of Ethics reflects the commitment that all CAI designation holder professionals make to high standards of competency and ethics. The CAI Manager Code of Ethics benefits and protects the public, provides standards for delivering community association management services, and advances community association management as a distinct and valuable profession.

--- Preamble: Code Clarification Document for the CAI Professional Manager Code of Ethics

PROPER USES OF AI FOR BOARD

- Preparing a template that can be reviewed by board/manager/attorney
- Doing a first level review of contract that can create questions to be answered by humans
- Locating statutory authority that can be confirmed



COMMON MISTAKES USING AI BY THE BOARD

- Relying on AI for “thinking” or “advice”
- Drafting legal pleadings or arguments
- Preparing a policy
- Email arguments



SOME GENERAL AI CONCERNS

- Copyright Issues:
- Infringement – creating something that violates another copyright
- Utilization – using copyrighted works to train AI



PROTECTING PRIVILEGE AND AVOIDING BIAS

- Violating Data Privacy
- Disclosing privileged or confidential information
- Giving away strategies or plans
- Using public information improperly
- How to Protect Data and Avoid Issues
- Internal AI program
- Do not put privileged information in document draft
- Check for patterns and changes in policy
- Do not let AI make bulk decisions



LEGAL THINGS TO WATCH

Examples of Legal Errors

- Hallucinations
- Failure to supervise
- Creating Contract obligations
- Incorrect citations
- Poor legal arguments

National Institute of Standards and Technology

- Demonstrating responsible use
- Expectations
- Enforceable boundaries



Q & A

