

# How to Form a Neighborhood Association



## **What is a Neighborhood Association?**

A neighborhood association is a group of residents who meet regularly to accomplish goals in their neighborhoods, such as crime prevention or litter control for example. The association may include homeowners and renters, apartment residents, business owners, school and church officials, and members of nonprofit organizations.

Neighborhood associations help represent neighborhood residents to elected officials, identify challenges and problems in the neighborhood, support change and improvement efforts, help resolve conflicts, provide volunteers for community projects, and find and get resources to make the neighborhood a better place to live.

Although neighborhoods are different, the motivations for organizing are often the same – bringing people together to shape change.

In Amarillo, neighborhood associations play an important role in the Neighborhood Planning Initiative by overseeing implementation of the adopted neighborhood plans.

## **Levels of Organization**

**Voluntary Informal Neighborhood Group** — This is an informal gathering of neighbors that may come together to participate in getting-to-know-you activities and neighborhood crime watch groups. These groups are not incorporated with the Texas Secretary of State and do not pursue filing of 501(c)3 tax-exempt status with the Internal Revenue Service (IRS).

**Voluntary Formal Neighborhood Association** — This is a more organized group of residents. Neighborhood associations adopt bylaws, meet at regular intervals, and can collect dues on a voluntary basis. These groups file a Certificate of Formation with the Secretary of State so they can be recognized as a non-profit corporation and may apply for 501(c)3 status with the IRS. They typically manage a bank account for organization funds.

**Mandatory Homeowners Associations** — These groups are typically created and filed legally by the subdivision developer. Participation is mandated and the HOA generally exists to enforce rules for the properties and their residents. The HOA is managed by a Board of Directors and those who purchase property within an HOA's jurisdiction automatically become members and are required to pay dues and follow the codes, covenants and restrictions (CC&Rs) which are recorded legal documents in the county records.

**Public Improvement District (PID)** — PIDS are designated areas where property owners elect to pay a special assessment for improvements and services within that area. The services must benefit the PID area only and are supplemental to any City service. PIDs are created by the authority of Chapter 372 of the Texas Local Code. Projects may include entry treatments, additional city park amenities, and maintenance and improvement of common areas.

## **How to Form a Neighborhood Association**

**Step 1: Start with a core group of people who agree to meet regularly to begin organizing.**

**Step 2: Determine the level of organization.** If you plan to become one of the City of Amarillo's Registered Neighborhoods, you will have to agree as a group to establish bylaws and file a Certificate of Formation with the Secretary of State.

**Step 3: If you agree to become a Registered Neighborhood, contact the City of Amarillo's Planning and Development Services Department and let them know of the interest by your group.** Templates are available to assist with formation and other neighborhood leaders can advise on the process.

**Step 4: Conduct outreach to let other residents know that you would like to form a neighborhood association.** Consider creating a Facebook page, posting on NextDoor, creating flyers and door hangers to distribute, and hosting a block party to share the information about your new association.

**Step 5: Begin a draft of your bylaws and file your Certificate of Formation with the Texas Secretary of State.** The bylaws will eventually establish the procedures for the operation of the association to include voting procedures, financial controls, and the structure including board of directors and membership. Filing with the Secretary of State establishes your organization as a legal entity. The form requires that you identify some items that will be established in the bylaws, but you are not required to file bylaws at the time you file the Certificate. You must list four initial directors and identify if you will have members. The RNA program requires that you maintain open membership.

**Step 6: Complete your bylaws.** The bylaws are the rules governing the structure and management of the association. The bylaws, along with the Certificate of Formation, are the "governing documents" of the organization. State law requires certain provisions to be part of the bylaws, but most provisions are optional. Templates are available at [Amarillo.gov/neighborhoodplanning](http://Amarillo.gov/neighborhoodplanning).

**Step 7: Hold your meeting of initial directors to adopt bylaws and transact business.** After the organization obtains its Certificate of Formation, it must hold an organizational meeting, called by the incorporator or a majority of the directors. At this meeting you will adopt bylaws, elect officers, and determine if you will open a bank account among other items.

After the initial meeting of the directors is complete, you are now "organized" – congratulations!

At this point, you can...

- file as a Registered Neighborhood Association with the City of Amarillo;
- recruit members;
- conduct a neighborhood survey;
- pursue non-profit status through the Internal Revenue Service; and,
- work on an action plan.