

Georgetown East Association, Inc.

July 12th, 2022 Board of Directors' Workshop Meeting Minutes

Dan began the meeting at 7:03 pm: Victoria Romero Lara, Jane Rakestraw, Dan Kistel, and Roth Block were present at the Ameri-Tech office conference room. JP Antona, Gerard Bribiescas and Alan Douglass were present via webinar. Proof of Notice was posted on two neighborhood bulletin boards July 10th, 2022 in accordance with Association By-Laws.

Rentals

1. Dan: We have a lot of correspondence from the attorney. Purpose is to preserve values and stop corporate purchases for rentals and stop AirBNB usage. History shows some renters are great; other renters are not. Currently our ByLaws don't mention rentals at all. When I first got involved the subject of rentals was brought up to me and the concern of a recent AirBnB. Our intention as a Board is to give homeowners a vote on each proposed Amendment.
2. Dan: First item is regarding lease terms. Governing statute is a minimum 6 month lease.
3. **"The minimum lease term required is six (6) months. No lot or residence may be rented or leased for a shorter period of time."** No discussion. All agree to include.
4. Dan: Second item is property cannot be leased more than 3 times in a year.
5. "No Lot and residence can be rented or leased more than three (3) times within a calendar year."
6. Roth: It is my understanding that these two items are permitted by State Statutes and would apply to all lots, if 75% of lot owners agree to each Amendment?
7. Yes. Each amendment stands on its own and requires 81 affirmative votes for each individual amendment to pass. The first two items became effective in Florida Statutes on July 1 2021 and go into effect to all homeowners. All agreed to include.
8. Dan: Third item is that only the entire residence can be rented.
9. **"Only entire residences may be rented or leased. No rental of individual rooms is permitted."** Extensive discussion pursued.
10. Jane: I don't think it's anyone's business if the owner remains living on the property and renting rooms.
11. Dan: If they are paying you rent, they are a tenant. There is no lease.
12. Jane: It's a verbal lease which is legally binding.
13. Victoria: if I have a friend renting a room...
14. Dan: We want to avoid room rentals because it increases parking and traffic.
15. Jane: Even if I have people living with me without paying rent, it still increases parking and traffic.
16. Victoria: As economy becomes more challenging, people will need to rent rooms.
17. Dan: We will go back to Ellen for correction or do away with the restriction of room rentals.
18. Gerard: Ellen addressed it a little in that she proposed leasing the whole lot instead of just a sub-portion. There are people in other places who just rent a room and a bathroom. No kitchen privileges.

19. Victoria: Why is renting a room worse than renting a full house?
20. Dan: The overriding concern is the property values. AirBNB allows renting just a room. We are not creating value but reducing value.
21. Roth: if someone is renting a room, it should count against the rental cap.
22. Jane: How does room rentals impact the rest of the community?
23. Gerard: At one point in this community, there was a drug lord that lived in the community in rental units. They were leased and sub-leased. There were drug deals being done on Westborough Lane.
24. Jane: We want to restrict sub-leasing.
25. Victoria: All the other restrictions we are putting in place should mitigate the issues we are talking about without restricting room rentals.
26. Jane: If we restrict sub-leasing it will mitigate many of the concerns.
27. Roth: If you have a roommate, you are renting the entire house. If someone is only renting a room, they don't have access to the entire house.
28. Victoria: That could be the distinction we want to make.
29. Roof: This sounds a little like selective enforcement. We have to stay away from selective enforcement.
30. It was agreed to Contact Attorney Ellen and ask her to help us to differentiate from someone living together and sharing expenses versus renting out a room. Also, how do we add verbiage to not allow subleasing if a house is leased?
31. Dan: Item four is the restriction to own the home for at least one year before renting.
32. **"No residence or Lot may be rented or leased during the first year (12 months) of ownership, beginning with purchases after the effective date of this amendment. The term "lease" shall be defined as any use of any Lot or Residence Unit by persons other than the owner, where money or other consideration is provided to the owner in exchange for use of the residence and Lot."** It was agreed to make this two years (24 months).
33. Dan: Item five is that we will track the leases.
34. **"Any Owner wishing to rent or lease their Lot and Residence must provide a copy of the signed lease to the Association for its Records. This includes any renewals of a Lease already in effect."** No discussion. All agree.
35. Dan: Item six is a 10% rental cap (11 renters).
36. **"At no time shall more than ten percent (10%) of the Lots and residences be occupied by anyone other than the owner(s). The term "rental Lot" shall mean any Lot occupied by other than the registered owner(s). This restriction will take effect upon being recorded in the Pinellas County Public Records, and shall apply to all new leases entered into subsequent to the recording date. No new lease can be entered into until the Owner has verified with the Association that the 10% threshold has not yet been reached. If it has, the lease cannot be entered into, and the Lot would be added to the waiting list, as indicated below. Any lease in effect at the date of the recording shall continue in force until the expiration of its term. New leases presented to the Association, as provided in this Declaration, shall be registered with the date and time of submission to the Association, and the Board shall make a determination of when the 10% limit has been reached, reviewing all applications on a first come, first served basis, as reflected by the registration information on the lease. Requests for**

rental approval which are received after the 10% limit has been reached will be placed on a waiting list in the order in which they are received, and will be considered for approval if and when the number of rentals falls below the 10% limit. Renewals are considered to be a new lease. When the lease expires for a particular Lot, the next Lot on the waiting list, if any, will become eligible for lease, and the Lot for which the lease has expired will be placed at the end of the waiting list.”

37. Gerard: Currently we have 8 renters.
38. Jane: The house behind me is a rental; they are moving out.
39. Gerard: Plans are to re-rent.
40. Dan: Ellen said we can impose a rental cap and as each lease expires, the next person on the waiting list is eligible.
41. Roth: Causes hardship to long-term rentals.
42. Victoria: But you can't create a privileged class of owners who rent indefinitely while others are stuck on the waiting list.
43. Gerard: The most rental units we've had at once is 13 homes.
44. Dan: The cap is good and bad. Creates hardships, either way.
45. Gerard: It would be a dis-service to not bring all these items for the vote.
46. Roof: We need to simplify it for the vote. Right now it seems complicated.
47. Roth: We could raise the cap to 20% so that we never have a waiting list.
48. Roof: Mortgage companies have a set cap, and if above a certain percentage they can change the rates; or even deny a loan if the rental cap is too high. Same for insurance.
49. Gerard: According to Robert Mitchell, president of Mitchell Insurance Services, a community is considered a rental community if it meets or exceeds 20%.
50. Roof: In the past, in the state of FL, leases used to be for 7 months or 1 year. Anything less than 7 months would require a resort tax.
51. Dan: That's still the law, but it only affects the homeowner that is renting. Our restriction is a minimum 6 months, but homeowner has the resort tax.
52. Dan: Ok, we go 2 years with no cap.
53. JP: A rental cap is a major administrative burden and creates divisions between neighbors who compete to be part of the % that can rent.
54. Gerard: We can make a statement in our documents that there is no sub-leasing. All agree.
55. Gerard: items one and two apply to everyone if we get 81 votes. The other items only apply to new homeowners, if we get 75% of homeowners to agree (81 votes).
56. Roof: If roommate doesn't pay rent, is she a renter or a guest.
57. Gerard: Ellen calls them a guest.
58. Roof: If I decide I want the guest to start paying rent. Is it a lease?
59. Victoria: It's sharing expenses. Anything without a written lease does not require a restriction.
60. Gerard: I don't agree that we should remove the rental cap. I think we should bring it to the community for a vote.
61. Roth: We should leave it on the vote.
62. 5 of 7 BOD would like the rental cap item put to a community vote.
63. Roth: In the past, a room renter was roaming the neighborhood spooking people with incoherent conversations.

64. Victoria: We don't need to do too much now. We can start small and simple and increment other restrictions later.
65. Dan: Open questions for Ellen are: Can we restrict sub-leasing? How do we differentiate between someone living together and sharing expenses versus renting out a room.

Walls/Fences

1. Dan: We asked Ellen to review our Walls-related policies. She concluded that we don't need to do anything. Existing policies allow us to proceed with our plans. If homeowner(s) want to amend the rules, they can do that, but a task force would be needed. We need to communicate to the residents what the actual wall policies are to clear up misunderstandings.
2. Victoria: I don't think she is being clear. If fence/wall is part common and part private, what formula do we use for the cost? We need to identify where the actual boundaries are.
3. Dan: We have some fences where we know we need surveys. We have to use a percentage split, which we don't have. Other than that, the current policies are clear. If it's on your property, we will tell you to fix your wall. If they don't replace the wall, we have the right to repair the wall using reserve money and then collect the money through the lien process. It's not necessarily a perfect program.
4. Jane: Surveys are not full proof.
5. Dan: But we can say that they will have to provide a survey. Directionally, the assumption is that the wall is on their property until the homeowner gets a survey that says otherwise. I've also heard some homeowners say we should change the policies to make it the HOA responsibility.
6. Roth: We do have walls currently that clearly need something to be done with them..
7. Dan: Part of the September walk will address those. For sure, one will get a letter. That's going to cause a commotion.
8. Roof: As an adjunct to this conversation, there was a tedious study done by a prior board. Each and every property was determined if homeowner/shared/common. Unfortunately, that information was sent out to the general public. Certain people rely upon what they read on that date.
9. Jane: Do we have those documents?
10. Roof: Yes, I do. I'm scanning them. It's a work in progress.
11. Dan: We never changed the policy. The attorney reviewed the existing legal documents and summarized them.
12. Victoria: Are we going to start a Task Force?
13. Dan: We will talk to Ellen to ask her how we determine the formula. In order to create a task force, we have to create a charter.
14. Roth: There is a list of homes where the center of the wall is right on the property line.

Adjournment: Meeting was adjourned at 8:26 pm by a motion from Dan. Seconded by JP. All in favor.