

# Rentals at Westwood Village Homeowners Association

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Working Group Recommendations

January 11, 2018

<http://WestwoodVillage.us>

# Summary

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There were several rental related after-hours incidents at Westwood Village in 2017 that were disruptive to neighbors.

At its November 10, 2017 meeting the Board of Directors established a working group to identify opportunities for preventing similar events in the future. Five owners participated, including three that offer their units as short term rentals.

The working group identified nine facets of the problem, and paired each one with potential solutions.

As a result, the committee members have drafted and are recommending;

- A one page summary of Westwood and local information for conspicuous posting in each unit offered for short term rental
- Steps for escalating a problem that requires immediate attention
- An update to the Rules and Regulations
- An update to the Declaration of Condominium
- Options for automating rental information flow to Westwood's manager
- A summary of requirements and recommendations for owners renting their units
- Deferment of rental fees until related costs are better understood

Issue	Recommendations
<p>1. Westwood Village unit occupant activity that disturbs the peace needs to be stopped as soon as possible.</p>	<ul style="list-style-type: none"> <li>a. See draft of escalation steps</li> <li>b. Publish in meeting minutes?</li> <li>c. Publish in Rules and Regs?</li> </ul>
<p>2. Westwood Village is mostly condominiums with shared halls, walls, and walkways. Living quarters are closer together than occupants might be used to, especially renters and guests.</p>	<ul style="list-style-type: none"> <li>a. Quiet hours</li> <li>b. Focus on owner responsibility for renter and guest behavior</li> <li>c. Communicate expectations to renters with one page summary of Westwood and local info</li> <li>d. Add requirement for posting to Rules and Regs update</li> <li>e. Make available online</li> </ul>

Issue	Recommendations
3. Renters and guests are unlikely to be familiar with their neighbors, or Westwood's Rules and Regulations.	<ul style="list-style-type: none"><li>a. Owners must make renters aware</li><li>b. Committee drafted one page summary of Westwood and local info for posting in short term rentals</li><li>c. Add requirement for posting to Rules and Regs</li><li>d. Make summary available online</li></ul>
4. Disturbances occur most often outside normal working hours when the manager is not available.	<ul style="list-style-type: none"><li>a. See draft escalation steps</li></ul>

Issue	Recommendations
<p>5. On site management needs to know when someone other than the owner occupies a unit.</p>	<ul style="list-style-type: none"> <li>a. Owners must inform manager when unit is occupied by someone other than owner</li> <li>b. Added to Rules and Regs update for rentals, but applies to all</li> </ul>
<p>6. Neighbors may not have owner contact information, or feel comfortable making a call about a disturbance unless requested</p>	<ul style="list-style-type: none"> <li>a. Owners must provide contact information to neighbors (City Code requires for short term rentals)</li> <li>b. Owners should establish a rapport with neighbors to prevent the need for escalation.</li> </ul>
<p>7. Owner's liability coverage may not apply to rentals, risking claims against Westwood's policy that could result in higher premiums</p>	<ul style="list-style-type: none"> <li>a. Owners must provide proof of \$300,000 liability insurance that covers rentals</li> <li>b. Bookkeeper tracks rental insurance for units designated by Manager</li> <li>c. Added to Rules and Regs update</li> </ul>

Issue	Recommendations
8. State law severely limits the Association's ability to control short term rentals	<ul style="list-style-type: none"><li>a. Owners must provide copy of City permit</li><li>b. Permit requirement added Rules and Regs update</li></ul>
9. The additional workload for Westwood resident manager and upkeep on facilities to accommodate influx of short term renters brings about costs to the association.	<ul style="list-style-type: none"><li>a. Manager tasked with verifying permit and providing a list of rentals to Bookkeeper</li><li>b. Bookkeeper tracks rental insurance for designated units</li></ul>

# Rules and Regulations Changes

## Unit Rentals Section

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New text is underlined

1. Owners are responsible for their guests, renters, and rental agency's compliance with Westwood Village's Rules and Regulations.
2. Owners must comply with Sandpoint City Code when renting their units for 30 days or less (short term rentals).
3. One night rentals are prohibited.
4. Owners of short term rentals must provide a copy of their City permit to Westwood's manager prior to the rental and upon renewal.
5. Short term rental owners will post a Board provided summary of information in a prominent location in the unit
6. Sub-rentals or sub-leases are not allowed.
7. Westwood's manager must be notified of each rental of a unit prior to the rental. The information will include the number of people, name and contact info for the primary renter, and related vehicle make, model, and license info.
8. The owner and/or agent's contact information for the rental period must be provided to Westwood's manager and owners/occupants of neighboring units.
9. Homeowners who rent their unit must additionally provide proof of \$300,000 liability insurance that covers rentals. See note 2 below.
10. Homeowners shall provide a copy of these Westwood Village Rules and Regulations to their renters and rental agency.

# Recommended Escalation Path

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The following steps are recommended if an occupant at Westwood disturbs the peace

- Knock on the door or call, ask for cooperation
- Contact owner or designated agent
- Contact Westwood manager
  - If during working hours
- Contact police if necessary
  - Immediately in cases of violence
- If necessary;
  - Board sends notification of violation to owner with 30 day notice and details about next board meeting
  - Follow up with complaint to city planning department if warranted
- Manager maintains a record of infractions



# Short Term Rental Process

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- Owner provides City permit to Manager
  - Manager verifies contact information
  - Manager confirms permit not expired with each rental
- Owner provides proof of rental insurance to Bookkeeper
  - Manager provides list of units being rented
  - Bookkeeper confirms coverage annually
- Owner contacts neighboring owners / occupants
  - Provides contact info
  - Requests contact for any disturbance at rental
- Owner provides information to Manager for each rental
  - Via email or web form

# Rental Fees

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A fee assessed on owners that rent their units needs to be;

- Not seen as punitive, or an effort to discourage rentals
- Unrelated to usage of what the owner pays for with dues
- Directly tied to the cost of the process or administrative functions unique to rentals

The Board has proposed a \$25 fee per rental

- A fee per rental would be require tracking, reporting, and billing. Likely to be more of a burden than the rentals.

An annual fee would be easier to manage

- Long term rentals exempt for single rental per year?

The group recommends a one year suspension of fees to allow;

- Implementation of recommendations
- Demonstration of actual costs

# Occupancy

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- Westwood has 79 units, including five private homes.
- Four short term rentals (30 days or less)
- Five long term rentals (six months or more)
- 23 Full time resident owners

# References

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## Boise Television News Segment on Owners Associations and Short Term Rentals

- <http://www.ktvb.com/news/local/what-you-need-to-know-about-the-rise-of-short-term-rentals/417118331>

## Summary of Idaho short term rental case law and the legislative response

- <https://idahobusinessreview.com/2016/05/03/neighbor-vs-absentee-neighbor-the-air-bnb-wars/>

## Idaho Restriction on Owners Associations Ability to Limit Short Term Rentals

- <https://legislature.idaho.gov/statutesrules/idstat/title55/t55ch1/sect55-115/>

## Idaho Restriction on Local Regulation of Short Term Rentals

- <https://legislature.idaho.gov/wp-content/uploads/sessioninfo/2017/legislation/H0216.pdf>

## Idaho Restrictions on Owners Associations Ability to Assess Fines

<http://legislature.idaho.gov/wp-content/uploads/sessioninfo/2014/legislation/S1310.pdf>

## Sandpoint City Code on Short Term Rentals

- [http://www.sterlingcodifiers.com/codebook/index.php?book\\_id=437](http://www.sterlingcodifiers.com/codebook/index.php?book_id=437)

# Credits

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- Bern Sheldon – Association Treasurer
- Rocky Seelbach
- Tim Cochran
- Scott Dunn
- Scott and Andrea LaPlant