

# HPOA BOARD MEETING

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JANUARY 23, 2019

HIDDENBROOKE PROPERTY OWNERS ASSOCIATION



# PURPOSE OF MEETING

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- Board has received first Draft of CC&Rs and Bylaws from Legal Counsel
  - Draft reflects HPOA remaining under Davis Stirling laws governing HOAs
  - Draft based on initial input from the Board
- Review some of the proposed changes
- Collect comments to send back to Legal Counsel

# WHY UPDATE?

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- Age of Documents (originally adopted 2005; much has changed)
- New Issues to Address (e.g., ADUs, upkeep of aging homes, rentals, parking)
- Changes to State laws governing HOAs (i.e., changes to Davis Stirling laws)
- Problems uncovered with Exhibit A (list of encumbered property)
- Make documents easier to understand

# STEPS TO COMPLETE UPDATE PROCESS

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- Provide initial feedback to Legal Counsel on Draft (January)
- Revise Draft, Conduct Community Workshop (February)
  - Legal Counsel attends Workshop
  - Revised documents posted online
- Make final changes to governing documents (March)
  - Board approves at a regular meeting
- Send out ballots with revised documents for a community vote (late March, early April)
  - If Quorum obtained (1/3 of Members), open ballots
  - If Quorum not obtained, send ballots out again

# KEY TOPICS

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- Owner requirements to maintain home (New)
- Accessory Dwelling Units (ADUs)
- Rentals
- Parking/Garages
- Pets
- Updates to Design Guidelines (by HARC)
- Changes to Bylaws - Election of Directors/New Quorum Requirements

# RESIDENT CARE OF HOMES

## -NEW SECTION OF CC&RS-

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- CC&Rs currently only require owners to maintain landscaping
- Some homes approaching 20 years old
- Maintenance and appearance of homes affects property values
- Other HOAs require owners to keep their homes in a “good condition and state of repair”
  - Fairway Villas
  - Reflections
  - Summit
  - Village

# WHAT DOES MAINTAIN HOMES MEAN?

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- Keep the following in “good condition and state of repair”:
  - Fences \*
  - Exterior paint\*, trim
  - Shutters\*, Doors
  - Exterior house (stucco, siding)
  - Mailboxes and House Lights
  - Accessory structures (ADUs, Guest Houses, sheds, pergolas, gazebos, etc).
  - Other: driveways/walkways

# ACCESSORY DWELLING UNITS

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- Rules for Construction of ADUs (adopted Nov 2018) incorporated into the Design Guidelines
- Restrictions on Rentals, including ADUs, addressed in new section of CC&Rs



# RENTALS

## -NEW SECTION OF CC&RS-

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- Owners must provide tenant information to HPOA
- Leases must say violation of CC&Rs is a violation of the lease
- Owners may rent the entire Lot or a portion of a Lot (e.g., ADU or a room)
- If they rent a portion of a Lot, they must reside in the non-rented portion
- Only one lease per Lot; no subleases (Boarding House rule)
- No timeshare or fractional ownership type arrangements
- No rentals of Guest Houses, pool houses, cabanas, etc.

# RENTALS: SHOULD THERE BE LIMITS?

-NOT IN THE DRAFT-

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- Rental Cap - Do we want to limit the number of homes in Hiddenbrooke that can be rented (e.g., 20%)
  - May be problems with “grandfathering” under State law, as a “cap” on the number of rentals would not apply to existing owners
- Occupancy Requirement – Do we want to require that Owners live in a home for 2 years before they can rent the entire Home and Lot?
  - This would not affect their ability to rent out an ADU or room

# PARKING/GARAGES

## -SOME NEW ADDITIONS TO THE CC&RS-

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- Vehicles must be parked wholly within Garage and Driveway; Garage is primary parking facility (different language, but basically the same as now)
- Uses of garage cannot reduce the number of vehicle parking spaces (e.g., storage, workshops, gym equipment, furniture for entertaining, etc.)
- Dilapidated, inoperable, and registered vehicles that are not being driven must be stored in the garage and not on the driveway
- No maintenance of vehicles except in the Garage
- Vehicles may not be parked on the street more than 72 hours

# PETS

## -SOME LANGUAGE ADDITIONS-

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- Board has the right to prevent the keeping of an animal (after a Hearing) that ...
  - interferes with the quiet use and enjoyment of neighboring Lots (e.g., constant barking)
  - is a danger to the health and safety of other residents
  - Is a threat to other animals or property
- Other HOAs with this restriction:
  - Fairway Villas
  - Reflections
  - Summit

# HARC ITEMS

## -REVISED AND UPDATED DESIGN GUIDELINES-

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- Design Guidelines re-organized and updated
  - Material from Appendix A & B moved into main Chapters
  - ADU Rules added
  - Specific details for applying to HARC moved from CC&Rs into Design Guidelines
- New CC&R Section: HARC and the Board may employ subjective criteria in their review of plans as long as they are not unreasonable, arbitrary or capricious
- Custom Homes: Minimum floor area is 2,500 sq. ft. Should there be a maximum floor area?
- Landscape Maintenance: No large areas of bare ground, bark, rock, etc. without vegetation

# BYLAW CHANGES

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- Quorum for Election of Directors: Eliminate Quorum requirement (currently 100 ballots)
  - Many HOAs have done this
- Possible Reduction in Quorum for Amendments to Governing Documents
  - Currently 33% of Members (407)
  - Some HOAs have reduced to 25% of Members (305) due to difficulty in getting a Quorum
- Appointment of Directors by Acclamation
  - Applies if # of candidates the same or less than the number of open Board positions
  - Write in candidates and nominations from floor would no longer be allowed
  - Avoids sending out expensive (double window) secret ballots

# OTHER

## -DUES & FORECLOSURE-

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- Dues Increases
  - Legal Counsel has advised that under Davis Stirling HOAs are allowed to increase dues up to 20% per year
  - This flexibility is provided to address additional procedures and costs associated with operating under Davis Stirling laws
- Foreclosure on a Lien
  - Current CC&Rs do not allow foreclosure, but Davis Stirling law would allow
  - No change proposed – Retain current prohibition in CC&Rs

# NEXT HPOA MEETINGS

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- HPOA: Tentatively February 19 (would include Community Workshop and attended by Legal Counsel).
- HARC: February 13
- Comments on CC&Rs?
  - Send them to: [hpoaboard@hiddenbrookehpoa.org](mailto:hpoaboard@hiddenbrookehpoa.org)