

# **Cape Windsor Community Assoc., Inc.**

## **Board Meeting September 9, 2023**

### **Questions & Answers**

The Cape Windsor Board Meeting for September was held at the Rockstroh's Pole Barn in Frankford, DE, fifty people attended. The questions relate to various issues and concerns regarding the proposed Amendment to Article IV, for Cape Windsor. These questions and concerns reflect the ongoing discussions and decision-making processes. It's important to the Board to keep an open dialogue with the community to stay informed and to address these issues effectively.

Presented below is a summary of the issues discussed:

#### **GENERAL Questions**

- Q. I mailed back our ballot, but did not put our lot number on it does that disqualify our ballot?
- A. **Missing lot number does not disqualify a ballot.**
- Q. Why can't Cape Windsor live stream/zoom community meetings? All of the clubs that we belong and our HOA in Annapolis have included zoom access to BOD meetings and special meetings like the September 9 meeting...What is preventing Cape Windsor from doing the same? **(See slide #3)**
- A. **The recommended amendment changes to implement the use of modern technology did not receive 127 yes votes. The amendment proposals were sent out the end of 2021 and ballots were due early 2022.**
- Q. We have no intention of renting our property. But we don't want to limit our choice to do so in 5 or 10 years in the future. Or limit future owners of the opportunity to earn return on their investment in Cape Windsor real estate. The more restrictive the HOA by-laws are they will decrease the future sales value of our investment in Cape Windsor. Why do you believe further restrictions will improve the value of our investment?
- A. **This is not a restriction; the new amendment allows rental leases of 120 days or longer. The interpretation of covenant #11 restricts all rentals.**

**The value of your home; Cape Windsor has always been the most desired community because of our wide canals that allow you to go directly to the Bay. Which is an incredible selling point. There are two groups of buyers, one that wants a community that values quality of life and the other is focused on economic gain, not a relationship with others. The value of your home is not affected except when interest rates rise and if the community flips to majority commercial, then home equity loans and mortgages will be at a higher rate which then eliminates most buyers who are seeking the quality-of-life community.**

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Q. We have not experienced any problems with short term renters in our area of Grant Ave. What/where is the short-term rental problem that is driving such drastic desire to change the Home Owner Association by-laws?

A. **Many community members contacted the Board in writing requesting that the Board address such problems as; volume of cars for a fixed number of overflow parking, # of people at the pool who are not homeowners, a number of verbal altercations with renters. Cape Windsor was built for 250 single wide trailers; the infrastructure was built to accommodate that planned community of no more than 1500 for a season, not year-round.**

**Over the years homes have increased in size and the number of people has increased, we now have homes with 4- 5 bedrooms and 4-5 baths which with simple math increases the use by 1000 additional people, and this is being conservative. The infrastructure has not changed, although the increase of people and usage has.**

**It is the Board's responsibility to look in to such complaints. The Board sent a number of questions taken directly from the complaints and asked the community to respond so the Board would understand the pulse of the community regarding short-term rentals.**

**The New Bylaws committee will address the short comings of our existing bylaws and recommend bringing them up to date to sustain for today and the future of this community. The new amendment allows rental leases of 120 days or longer.**

Q. If there are specific properties that are causing trouble, aren't there other ways of dealing with those particular property owners?

A. **Yes, fines can be implemented for those who do not follow the covenants or bylaws.**

Q. What is the current opening policy of ballots?

A. **As discussed at the 9/9 board meeting, Sue Scrapper will retrieve the ballots, some come opened, some without envelopes and some by mail. When the bylaw committee presents their changes, it is recommended to stamp envelopes upon arrival and opened with two witnesses at a designated place and time.**

Q. Why have you never provided any complaints to the rental owners?

A. **The Board addressed this at the 9/9 board meeting. Board members have verbally provided a number of complaints to homeowners. Going forward each infraction will be logged and the owner will receive the complaint via email or paper to see the trends of complaints both by subject and homeowner.**

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- Q. Why did you *promise* to work with us to solve issues and have never once contacted me in over a year?
- A. **No promises were given to this homeowner. Creating a committee for those who rent would not be fair to those who want the covenants enforced. The Board must stay neutral and represent all of Cape Windsor.**
- Q. What about existing long-term leases? Did the board consider allowing long term leases (years not days, weeks or months)?
- A. **Again, this amendment change addresses any rental less than 120 days. Long-term leases, the owner delegates their right to enjoyment to their tenant, which allows the tenant the opportunity to be a part of the community.**
- Q. Can there be a distinction between an individual renting their owner-occupied property in CW vs individuals or corporations owning properties solely for rental income.
- A. **The New Bylaws committee will address this issue.**

### **What if the Amendment pass'**

- Q. The impact of this amendment passing and residents being allowed to let friends and family stay at their home for free?
- A. **The passing of this amendment does not impact family and friends.**
- Q. What is the protocol required to pass the amendment? do we need 127 to respond and then need to have 51% of the responses to be in favor ...Or do we need 127 affirmative votes to pass the amendment?
- A. **To pass this amendment 51% of 250, which is 127 yes votes.**

### **Enforcement**

Regarding the commercial Activity stance, there are numerous questions around the impact of enforcing this amendment. For example:

- Q. Additional questions about other commercial activity such as realtors, LLCs, small businesses that use this address or operate out of their home.
- A. **A business is considered to be commercial when the client comes to the home of the person providing a service. Those that park the business vehicles at their home are not conducting business at their home, they go to their clients.**
- Q. Comment about property managers working from their homes here in CW.
- A. **Cape Windsor does not have a property manager employed.**

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Q. How will any of these and other rules be enforced?

A. Please refer to the rules page in your packet. Homeowners who rent must provide the Board with their rental agreement, currently our bylaw Article IV, Section 1 says the owner will provide the name/s of any delegate to the Secretary of the Board.

Q. Are all the infractions dealt with swiftly with consequences or is the protocol to give warnings?

A. If an infraction is reported the board immediately looks into that complaint. A formal process is being worked on to file complaints.

Q. Regarding Short term rentals vs long term rentals: Most believe long term renters are not the problem and shouldn't be impacted.

A. Long term rentals are not impacted by this proposal.

### **Finances**

Q. Who paid for the lawyer who wrote up this amendment?

A. The association paid for the attorney who wrote the amendment.

Q. Did you use community funds to pay for legal counsel?

A. Yes, funds that were budgeted for legal.

Q. Did the Board consider a rental fee—like \$1,000 per rental week payable to the association. Or an equivalent deposit amount forfeited for infractions?

A. The New Bylaws committee will consider this suggestion.

### **What was recommended**

- My preference is to have individual water meters
- Charge an impact fee for each weekly renter/rental
- Those with larger homes paying more for their dues because of their impact on the infrastructure such as water usage, pool, parking and so on.
- To charge extra for those with larger than avg homes and/or more than x number of bathrooms as those have a direct impact on the infrastructure.
- Homes that were built with more than two levels and how that is a direct violation of CW rules. **Cape Windsor does not have a limit on levels, homes with more than two levels must adhere to the height restriction for Sussex County at 42'.**
- If this amendment does not pass, restrict renters from homeowner's amenities.
- Were there any other less restrictive options considered, like allowing only 1 rentable week during the season or only 2 leases during the season regardless of the time?
- Did the Board consider a rental fee—like \$1,000 per rental week payable to the association. Or an equivalent deposit amount forfeited for infractions?