



# Special SVLA Board Meeting

## *Community Task Force Recommendations*

Feb 9, 2016



# Purpose of Meeting

- Discussion and vote on adoption of CTF recommendations



# Agenda

- Background
- CTF Summary & Recommendations
- Implementation Plan, Costs, Schedule
- Staff Comments & Recommendations
- Board Discussion & Vote

Scott Eckert

Rory Shannon

Glenn Grabiec

Glenn Grabiec

All



# Public Comments

- Additional public comment period (3 minutes) for general comments following presentation
  - Limited to general presentation topics
- Additional comments (2 minutes) will be allowed prior to each vote for specific comments
  - Limited to specific item being voted on



# Background

- Community Task Force (CTF) approved by BOD in Dec 2013 in response to several perceived community concerns
- Charter:
  - Identify & define community problems in SVL
  - Recommend workable/effective solutions to the Board
- Significant community feedback solicited & received
  - Town Hall meetings, interviews, Resident teams
- Board of Directors approved staff investigation of implementation plan and impacts on Feb 24, 2015



# CTF Team

- Rory Shannon, Chair 19 yrs
- Cliff Bandringa, Former SVLA Board member 18 yrs
- Ilene Bandringa, Vice-President, SVLA BOD 12 yrs
- Jim Carr, Chair, SVLCC Board of Governors 34 yrs
- Scott Eckert, President, SVLA BOD 18 yrs
- Jim Evans, Resident, SBSO 15 yrs
- Larry Hoover, Resident, various past SVLA Committees 24 yrs
- Chris Watkins, VIP Property Management 15 yrs



# Tasks Leading to Final Board Decision

The CTF recommended (Feb 2015) that the following tasks be accomplished prior to a final Board decision:

- ✓ Creation of a DRAFT SVLA-specific Crime Free Addendum (similar to SB County)
- ✓ Develop Rules & Regulation DRAFT language
- ✓ Total Property Management impact assessment
- ✓ Staff impact assessment & recommendations
- ✓ Creation of implementation cost/schedule
- ✓ Review of this presentation by CTF prior to final presentation to the board
- ✓ **Final presentation to Board**
- ✓ **Board decision**
- Final review by SVLA attorney (if any changes are adopted)
  - *Rules & Regulations, CFLA, Fines, etc.*

✓ Completed by Staff  
○ Not yet completed



# CTF Recommendations

Rory Shannon, CTF Chair





# Identified Top 4 Issues

- Rental Properties
- Code Enforcement
- Examination Of Current *Rules & Regulations* For Opportunities To Raise The Standards Of Our Community.
- Communication

Rental Properties Selected As CTF Focus  
Due To Wide-Spread Community Concern



# Executive Summary - Recommendations

- SVLA should develop proactive rental property policies
- Benefits include added leverage over “problem” rental properties & landlords
- Community supports proactive rental program
- Three key recommendations provided
  - ☐ Crime-Free Lease Addendum
  - ☐ Residential Dwelling Unit License
  - ☐ One-Year Owner-Occupancy prior to becoming a SVL Landlord



# Why Worry About Rentals?

- Increased HOA Resources Expended On Rentals
- Renters Generally Don't Have The Same Commitment To Success Of A Community
- Renters Generally Don't Develop Same Level Of Personal Relationships With Neighbors
- Landlords' Income Interests May Override Community Interests
- Landlords And Management Companies May Eventually Decide Elections
- Large # Of Renters Produces Smaller Community Volunteer Pool
  - Renters Can't Participate On Committees Or Serve On Board Of Directors
- Applies to ALL HOAs & not unique to SVL
- **And of course... All Renters Are NOT Bad!**

Simple Test - Would you rather live in a community with mostly owners or renters?



# Community Benefits of Proactive Rental Program

- Discourages Problem Landlords & Tenants
- Reduces (Over Time) Out Of Area Investors/Landlords
- Some Protection Against Ever Increasing # Of Rentals
- Better Tenants Make Better Neighbors
- Provides Some Protection in Down Real Estate Markets

Everyone benefits from a community with fewer problem rental properties.



# SVLA Benefits of Proactive Rental Program

- Better Landlords Mean Less Headaches For SVLA
- Provides Additional Enforcement Tools Over Problem Landlords & Tenants
- Provides Data for Rental Property Trend Tracking
- Everybody Benefits - Owners, Tenants, Investors, SVLA

Makes SVL a more desirable community  
which improves property values



# Implementation Recommendations

- Communication to the Real Estate community is critical
  - Escrow, Agents, Brokers, Property Management Companies, etc
- Provide several month phase-in period before fines & citations are levied
- Provide extensive communication and education
  - Advance notice to every SVLA member in advance of fines & citations
- Develop appropriate fines and penalties so violators take new policy seriously
- Clearly distinguish between “problem” landlords vs. “renters” when discussing plans with community members



# Executive Summary – Key Recommendations

The Community Task Force recommends the following policies be added to the *SVLA Rules & Regulations*:

## **1. Crime-Free Lease Addendum**

- Require all Tenants and Landlords to execute an SVLA Modified Crime Free Lease Addendum

## **2. Residential Dwelling Unit License**

- Require Landlords to obtain a San Bernardino RDU License or applicable Apple Valley Permit/License


## **3. One-Year Owner-Occupancy prior to becoming a SVL Landlord**

- Require owner of any SVL “rental” property (i.e., non-owner occupied) to be an Owner-Occupant in SVL for a minimum of **one** year (with limited exceptions)



# Item 1: Crime-Free Lease Addendum

- Focuses on criminal behavior
- Adds Landlord Leverage for problem Tenants
- Agreement between Landlord & Tenant only
- Tailored from SB County Version
  - Optional for SB County landlords
  - Apple Valley does not participate
- Provides Tenant Information to Association/Public Safety
- CTF recommends new rule to require CFLA

 **DRAFT** Version 1.1  
Spring Valley Lake Association  
Crime Free Lease Addendum

In consideration of the execution or renewal of a lease of a dwelling identified in the lease, Owner and Resident agree to the following:

1. Resident, any members of the resident's household or a guest or other person under the resident's control shall not engage in criminal activity, including drug-related criminal activity, on the said premises. "drug-related criminal activity" means the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute, or use of a controlled substance.
2. Resident, any member of the resident's household or a guest or other person under the residents control shall not engage in any act intended to facilitate criminal activity, including drug-related criminal activity.
3. Resident or members of the household will not permit the dwelling unit to be used for, or to facilitate criminal activity, including drug-related criminal activity, regardless of whether the individual engaging in such activity is a member of the household, or a guest.
4. Resident, any member of the resident's household or a guest, or another person under the resident's control shall not engage in the unlawful manufacturing, selling, using, storing, keeping, or giving of a controlled substance at any location, within the community.
5. Resident, any member of the resident's household, or a guest or another person under the resident's control shall not engage in any illegal activity, including prostitution, criminal street gang activity, threatening or intimidating, assault, including but not limited to the unlawful discharge of firearms, within the community or any breach of the lease agreement that otherwise jeopardizes the health, safety and welfare of the landlord, his agent or other tenant or involving imminent serious property damage.
6. **VIOLATION OF THE ABOVE PROVISIONS SHALL BE A MATERIAL AND IRREPARABLE VIOLATION OF THE LEASE AND GOOD CAUSE FOR TERMINATION OF THE TENANCY.**

A single violation of any provisions of this added addendum shall be deemed a serious violation and a material and irreparable noncompliance. It is understood that a single violation shall be good cause for immediate termination of the lease.

7. In case of conflict between the provisions of this addendum and any other provisions of the lease, the provisions of the addendum shall govern.

Page 1 of 2

**DRAFT** Version 1.1  
vehicle license registration tag on all vehicles. All vehicles not red license tags will be subject to removal from the e.  
must be listed below.  
incorporated into the lease executed and renewed this day

residing at this premise:

Tenant's Signature \_\_\_\_\_ Date \_\_\_\_\_  
Print Name \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
Phone Number: \_\_\_\_\_

Owner's Signature \_\_\_\_\_ Date \_\_\_\_\_  
Print Name \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
Phone Number: \_\_\_\_\_

Property Address: \_\_\_\_\_  
Lot No: \_\_\_\_\_ Tract No: \_\_\_\_\_

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# Rule & Regulation Language (Draft)

- SVLA Rules & Regulations x.x
  - A SVLA Crime-Free Lease Addendum shall be executed between all SVLA members who are Landlords and their Tenants who reside in a SVLA property. A copy of the Addendum is available at the SVLA Association Office. A completed Addendum shall be provided to SVLA within 30 days of any changes to the status of the rental property. Fines shall be levied for failure to comply as follows:
    - 1<sup>st</sup> Offense: Courtesy notice
    - 2<sup>nd</sup> Offense – etc



## Item 2: Enforce County & Apple Valley License Requirements

### Lakeside Only

- SB County Ordinance Currently Requires Every (Lakeside) SVL Owner of a Rental Property To Obtain An Annual License
  - Residential Dwelling Unit (RDU) License
- Unit Must Not Be “Operated, Conducted, Or Maintained So As To Constitute A Public Nuisance.”
- CTF Recommends New Rule to Require RDU License Requirement



**EFFECTIVE JULY 1, 2008**

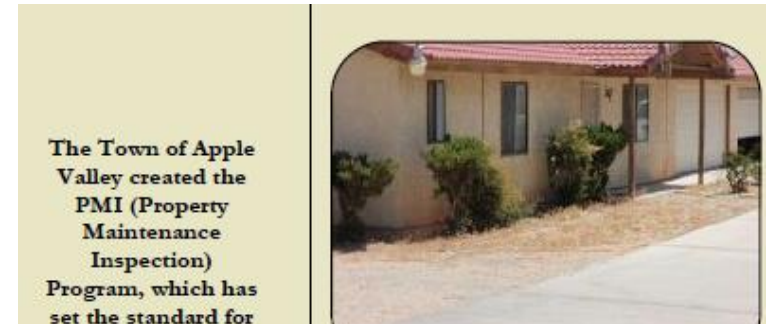
Clerk of the Board of Supervisors  
County of San Bernardino  
385 North Arrowhead Ave., 2<sup>nd</sup> Floor  
San Bernardino, CA 92415-0130  
909-387-3841



# Item 2: Enforce County & Apple Valley License Requirements

## Equestrian Only

- Requires Every (Equestrian Estates) SVL Owner of a Rental Property to enroll in Property Maintenance Inspection (PMI) Program
  - Municipal Code 8.34 – Regulation of Rental Housing Units
  - Annual inspection and \$100 annual fee
- Purpose & Intent
  - Establishes a standard of maintenance for rental housing units
  - Provides for continued regulation for the maintenance, sanitation, ventilation, use, occupancy, and safety of rental housing units
- CTF Recommends New Rule to Add PMI Enrollment Requirement



### Chapter 8.34: REGULATION OF RENTAL HOUSING UNITS

#### Sections:

- 8.34.010 Purpose and Intent
- 8.34.020 Authority and Enforcement
- 8.34.030 Definitions
- 8.34.040 Property Maintenance Certificate Required
- 8.34.050 Inspection
- 8.34.060 Violation and Penalties
- 8.34.070 Annual Inspection Fee A Debt Civil Action

#### 8.34.010 Purpose and Intent

It is the purpose and intent of this Chapter to establish a standard of maintenance for all rental housing units in the Town of Apple Valley; to provide for a system of continued regulation for the maintenance, sanitation, ventilation, use, occupancy, and safety of rental housing units within the Town of Apple Valley.

#### 8.34.020 Authority and Enforcement

The provisions of this Chapter shall be enforced by the Town Manager of Apple Valley or his designee.





# Rule & Regulation Language (Draft)

- SVLA Rules & Regulations x.x
  - All SVL members operating a rental property in the unincorporated portion of SVL shall have a valid SB County RDU License on file with SVLA at all times in accordance applicable county Ordinance 4044.
  - All SVLA members operating a rental property in the Town of Apple Equestrian Estates shall have a valid Property Maintenance Inspection (PMI) certificate on file with SVLA at all times in accordance with Municipal Code Chapter 8.xx, Regulation of Rental Housing Units.
  - Fines shall be levied for failure to comply as follows:
    - 1<sup>st</sup> Offense: Courtesy notice (30 day grace period)
    - 2<sup>nd</sup> Offense – \$500 (additional 30-day grace period)
    - 3<sup>rd</sup> Offense - \$1,000 (additional 30-day grace period)
    - 4<sup>th</sup> Offense – Possible Referral to SB County or Town of Apple Valley Code Enforcement



## Item 3: One Year Owner and Occupancy Requirement

- Owners of Rental Properties must be a SVL Owner/Occupant (Primary Residence) for One Year prior to becoming a landlord in SVL
- Not Required To Occupy Subject Property Rental
- Existing Rental Properties are exempt but no Additional Rental Properties until One-Year requirement met
- Limited Exceptions for Job Transfers, Inheritances, Military, etc.
- CTF Recommends New Rule to Require One Year Owner/Occupancy Requirement



# Rule & Regulation Language (Draft)

- Rule & Regulations Language
  - No SVL property may be leased or rented to a tenant unless and until the owner has owned and occupied any SVL property for a period of at least one year. All owners who currently operate rental properties prior to the effective date of this rule are exempt from this rule.
  - Exceptions to this rule include when a property is inherited or an owner is transferred out of the High Desert area before meeting the one-year requirement. Other exceptions may be permitted as approved by the SVLA Board of Directors. All requests for exceptions must be made in writing to the SVLA Board of Directors and all approvals must be received in writing.
  - Fines shall be levied for failure to comply as follows:
    - 1<sup>st</sup> Offense: \$1,000 fine
    - AND ... continuing penalty until One-Year Requirement is met or property sold



# CTF Final Comments & Recommendations

The Community Task Force recommends the following requirements be implemented using *Rules & Regulations* changes:

## **1. Crime-Free Lease Addendum**

- Require all Tenants and Landlords to execute an SVLA Modified Crime Free Lease Addendum to their current and future leases.

## **2. Residential Dwelling Unit License**

- Require all Landlords to obtain a San Bernardino RDU License or Apple Valley equivalent.

## **3. One-Year Owner-Occupancy prior to becoming a SVL Landlord**

- Require owner of any SVL “rental” property (i.e., non-owner occupied) to be an Owner-Occupant in SVL for a minimum of **one** year (with limited exceptions).





# CTF Final Comments & Recommendations

- CTF Rental Property Recommendations Will Improve SVL
- Recommendations Provides New Management Tools
- Provides Knowledge Of Who Our Landlords And Tenants Are
- Improves Quality Of Landlords/Tenants
- Provides Rental Trend Data For Future Action, If Ever Req'd
- SVLA Will Develop Reputation That Problem Landlords Won't Be Tolerated
- Puts SVLA In More Control Of Investment Properties





# Staff Comments & Recommendations

Glenn Grabiec, CCAM  
General Manager



## **Spring Valley Lake Association (not including 300 Equestrian Homeowners)**

**Owners Billed Onsite\* – 2,576 (65.83%)**

**Owners Billed Offsite\*\* – 1,337 (34.17%)**

**\*Onsite Billing** – Assessments are sent to an SVL box. Most likely owner occupied residence

**\*\*Offsite Billing** – Assessments are sent to an address outside of the community. Most likely rental homes, but may also be vacant lots, weekend homes, owner has bill sent to business address, or owner lives elsewhere and family members occupy the home.

**Source** – Total Property Management



Owners Billed Onsite*/Offsite**				
Law enforcement Calls for Service*** Comparison (3 or more calls)				
	# of Homes 3 or More Calls	# of Calls for Service	Average Calls for Service/Unit	Difference +/-
Onsite	166	737	4.44	
Offsite	108	522	4.83	+.39

**\*Onsite Billing** – Assessments are sent to an SVL box. Most likely owner occupied residence

**\*\*Offsite Billing** – Assessments are sent to an address outside of the community. Most likely rental homes, but may also be vacant lots, weekend homes, owner has bill sent to business address, or owner lives elsewhere and family members occupy the home.

**\*\*\*Calls for Service** – **Majority of calls not criminal in nature**. Sheriff's Department Calls for Service logs include any activity by a deputy such as: Extra Patrol, Area Check, 911 errors, Informational Call, Follow-Up, Welfare Checks,

**Sources:** Total Property Management, San Bernardino County Sheriff's Department,  
Spring Valley Lake Association



# Staff Comments

- Renters causing problems in the community is only a perception.
- CTF has provided no evidence renters are having a negative impact on the community
- CTF says renters are the focus due to wide-spread community concern. **How was this determined?**  
**Survey?**
  - SVLA staff believes most property issues (for both renters and owners) can be dealt with via enforcement of existing Code Enforcement and Public Safety Rules & Regulations (**Case Study**)
  - SVLA staff recommends adding additional code enforcement personnel in lieu of rental code enforcement position



# Staff Comments

DATES	IN PROGRESS	OPENED	CITATIONS	CLOSED
12/6 – 1/19	126	62	35	140
1/20 – 2/14				
2/15 – 3/13	173	183	25	133
3/14 – 4/21	139	93	21	166
4/22 – 5/12	171	138	24	102
5/13 – 6/18	121	179	46	165
6/19-				
7/24-8-12		27	10	37
8/13-9/16		38	1	12
9/17-10/21	216	305	38	146
10/22-11/10	131	63	41	170
11/11-1/22	122	223		246



# Staff Comments

- Case Study – Absentee Landlord 13000 Block Pyramid
- Numerous Architectural Violations
- Courtesy Notices Issued
- No Response or Correction
- Citations Issued
- Landlord Demanded IDR
- IDR Conducted – Agreement Reached
- All Architectural Violations Corrected Within 1 Month of IDR



# Staff Comments

- One major concern seems to be number of rental properties
  - None of the rule changes and costs associated with trying to enforce them will have significant impact on number of rental properties in SVL
- Percentage of rentals has no affect on lending practices in a community like ours (HOA attorney)
- One-year Owner/Occupancy requirement may only reduce rental property rate of growth - not number of rentals
  - All existing landlords and rental properties must be “grand-fathered in”
  - This rule would be impossible to enforce
- Rental properties and Owner-Occupied properties are already subject to same Code Enforcement and Public Safety rules
  - New rules won't change how SVLA deals with these issues (Case Study)



# Staff Comments

- Rule 1 & 2 (RDU and CFLA) are easy to meet by landlords but add significant cost & bureaucracy to SVLA
  - Neither rule will have significant impact to rental properties or renters
  - RDU will assist in tracking of (participating) rentals and may give SVLA limited additional leverage in case of problem properties
    - Compliance and participation may be unenforceable
- Determining whether a property is a rental is difficult and requires constant investigative work by staff
  - Easy to cheat and difficult (maybe impossible) to enforce





# Implementation Plan and Cost Estimates

- Phase 1 – Prep Work (6 months)
  - Month 1-3
    - Write proposed Rules and Regulations for rental restrictions
    - Have HOA attorney review
  - Month 3-4
    - Send out proposed Rules and Regulations for public comment
    - Board of Directors review of public comment and vote on adoption
  - Month 4-6
    - Notify ALL property owners, Real Estate community, Escrow companies of final Rule changes three months prior to effective date using all available means



# Cost Estimating Philosophy

- No point in making rules unless they can & will be enforced
- Must have personnel and infrastructure in place to do so
- Costs are estimates only (May Be Higher)
- Impact & Costs consists of two components
  - One-time start-up
  - Recurring/Annual



# One-Time Costs

- ProActive Management
  - Manipulate fields to allow data entry related to rentals -- (ProActive says existing software isn't made to handle this kind of data. Recommends all new software – Unknown Cost)
  - Create two additional access terminals for rental restriction personnel – Cost unknown (Potential ongoing costs)
- Full Focus
  - Manipulate fields to allow data entry related to rentals – Cost unknown (Potential Ongoing Costs)



# One-Time Costs

- HOA Attorney
- Review of proposed rules and regulations and issuance of opinion – Cost \$5,000.
- Litigation (Potential Ongoing Costs)



# One-time - SVLA Staff

- Implement Rules & Regulations update per SVLA policy
  - Mailing Notice to all property owners (2 mailings)- \$10,000.
    - Notice in Breeze (@ no cost)
  - Update Rules & Regulations document (unknown cost)
- Data Entry Clerk
  - Hiring/Processing/Training
  - Full-time position for first 12 month @ \$16/hr (including overhead) slightly over minimum wage
  - Estimated 1,400 rentals spread over 12 months
    - ~ 1 rental unit per 1.5 hours
    - Includes follow-up for form errors/missing info, etc.
  - Cost: \$35,000/year



# One-time - SVLA Staff

- Vehicle
  - One additional vehicle for Rental Code Enforcement (fully outfitted) -- \$21,500
  - iPads/Cameras -- \$1,500



# Recurring/Annual - SVLA Costs

- Full-time Rental Property Code Enforcement Officer position
- Hiring/Processing/Training
- Duties
  - Member Q&A & Interaction
  - Routine rental property & tenant changes (paperwork)
  - Database updates & maintenance
    - ~ 1,400 rentals with 25% changes per year
    - 350 changes per year = ~30 per month
  - Research for proactive enforcement (rental signs, rental listings, newspaper ads, Facebook, Craigslist, etc.)
  - Follow-up courtesy notices, citations, collections, legal challenges
- Cost - \$47,000/year



# Recurring/Annual - SVLA Costs

- HOA Attorney – \$400/hour for any rental-related litigation (Hesperia currently being sued by property management company)
- Vehicle Insurance/Fuel/Maintenance – \$1,000
- Printing/Postage -- \$3,000/year





# Cost & Staff Impact Summary

- One-time - \$113,000
  - ProActive Management – Minimal
  - HOA Attorney - \$5,000
  - Partial Year - 1-Year Data Entry Clerk - (includes hiring, processing, training)
  - Partial Year - Rental Code Enforcement Officer - (includes hiring, processing, training)
  - Partial year for 2 new employees - \$75,000
  - Printing and Postage - \$10,000
  - Code Enforcement vehicle - \$21,500
  - iPads/ Cameras - \$1500
- Recurring - \$55,200
  - Rental Code Enforcement Officer - \$50,000 (includes hiring, processing, training)



# Cost & Staff Impact Summary

- Recurring (continued)
  - Printing and Postage - \$3,000
  - HOA Attorney (unknown)
  - Vehicle Insurance/Fuel/Maintenance – \$1,000
  - iPad Data Plans - \$1,200



# Cost & Staff Impact Summary

- Total Cost for Implementation –
- Initial - \$113,000
  - Initial -- \$27/property owner
- Ongoing - \$55,200
  - Ongoing -- \$13/property owner assessment increase



# Schedule/Funding Options

- No FY2016 funds budgeted for any CTF recommendations
- Two schedule options considered
  - Option 1 - FY2016
    - Use current budget funds by postponing/canceling projects
    - Could also be funded by Special Assessment
  - Option 2 - FY2017
    - Budget increase for 2 more positions with accompanying equipment



# Schedule Option 1 – FY2016

- Mar 1, 2016 – Phase 1
  - Begin prep work (6 months)
  - Requires \$75K (partial year for 2 employees)
- Apr 1, 2016
  - Hire Rental Property Code Enforcement Officer
- Oct 1, 2016 – Phase 2
  - Effective date of new rules
  - Hire Data Entry clerk
- Aug 2016
  - Include in FY2017 budget funding for personnel



# Schedule Option 2 – FY2017

- August 1, 2016 – Phase 1
  - Begin prep work (6 months)
  - Include in budget (\$113K)
- Nov 1, 2016 (FY2017)
  - Hire Rental Property Code Enforcement Officer
- Feb 1, 2017 – Phase 2
  - Effective date of new rules
  - Hire Data entry clerk



# Staff Questions

- The CTF says this effort will improve SVL. **How?**
- The CTF says it will provide management more tools. **We currently have sufficient HOA management tools.**
- The CTF says this will provide knowledge of who the landlords are. **We already know where most rental properties are.**
- The CTF says this will improve the “quality” of landlords/tenants. **How will these efforts accomplish that?**
- The CTF says this will put SVLA in more control of investment properties. **How does it do that?**



# Staff Assessment of Implementation

- If we identify a rental property, here is what would occur:
  - Landlord violates rule or refuses to comply
  - Association issues citation to landlord
  - Landlord refuses to pay the citation
  - Association has no recourse (cannot lien for fines)
  - Fine ends up on landlord's account in perpetuity
  - Association ends up with large amount of uncollectible debt on the financials
  - Rental stays a rental





# Staff Recommendation

- Do not create another layer of bureaucracy that will **cost all property owners more in assessments**
- Do not penalize all homeowners with the burden of paying for a program that only focuses on an extreme minority of property owners
- This issue is a perception; not a proven problem. Don't spend money on a perception
- Emphasize diligent and comprehensive Code & Public Safety enforcement to address problem locations **like we are currently doing with great success**



# Public Comments

- General comments (3 minutes)
  - Limited to general presentation topics
- CTF Comments
- Staff Comments
- Board Comments



# Board Action



# Summary

- CTF recommends adoption of ALL 3 rules
  - Rule # 1 – Crime Free Lease Addendum
  - Rule # 2 – RDU License & PMI Registration
  - Rule # 3 – One-year owner/occupancy prior to becoming landlord
- Staff recommends NO Rule changes
- If ANY rules are adopted, two schedule options proposed



# Board Action Required

- Board will take action on each item separately
- 3 CTF Recommendations
  1. Crime-Free Lease Addendum
  2. Residential Dwelling Unit License
  3. One-Year Owner-Occupancy prior to becoming a SVL Landlord
- 2 Schedule Options (if any Rules changes adopted) – Choose one
  1. FY2016 Go-ahead (Special Assessment or take from other BLIs)
  2. FY2017 Go-ahead (FY 2017 Budgeted item)



# Board Action

## 1) **Crime-Free Lease Addendum**

- Require all Tenants and Landlords to execute an SVLA Modified Crime Free Lease Addendum to their current and future leases
- CTF Recommendation: Approve
- Staff Recommendation: Do Not Approve
- Call for public comments
- Action required: Motion to Approve Item #1



# Board Action

## 2) Residential Dwelling Unit License

- Require all current and future Landlords to obtain a San Bernardino RDU License or Apple Valley Permit/License
- CTF Recommendation: Approve
- Staff Recommendation: Do Not Approve
- Call for public comments
- Action required: Motion to Approve Item #2



# Board Action

## 3) **One-Year Owner-Occupancy prior to becoming a SVL Landlord**

- Require all future owners of any SVL “rental” property (i.e., non-owner occupied) to be an Owner-Occupant in SVL for a minimum of **one** year (with limited exceptions)
- CTF Recommendation: Approve
- Staff Recommendation: Do Not Approve
- Call for public comments
- Action required: Motion to Approve Item #3





# Board Action – Schedule/Funding Source

- Option 1 – FY2016 Start

- Kick-off Mar 1, 2016
- Requires approx. \$75K FY2016 unbudgeted funds
- Need to identify funding source

- Option 2 – FY2017 Start

- Kick-off August 1, 2016
- Requires approx. \$113K FY2017 budgeted funds
  - Approx \$27/lot assessment impact
- To be budgeted in FY2017 assessments

- Call for public comments

- Action required: Motion to Approve Option 1 or 2



# Final Comments

- CTF comments
- Board comments



# Back-up



# Cheating First-time SVL Investor

- Investor buys property, closes escrow and registers with SVLA as typical new owner/resident
- Uses SVL Box for one-year for all mailings (SVLA statements, RE Taxes, Utilities, etc)
- “Quietly” lease property (or room) to a “friend” who is “staying” with owner (for first year only) “to help out with expenses”
- After one-year, openly convert property to a rental property
  - If challenged, prove residency with RE tax bill, SVLA assessments, etc. going to SVL address
- Investor now qualified with this one initial property to buy unlimited properties in SVL