

**Village at Guste Island Homeowners Association
Open Homeowners' Association Meeting**

Date: July 14, 2022

Time: 6:30 p.m.

Place: Guste Island Pool House and via Zoom

DEFINITIONS:

The Board: Shall refer to the five (5) above mentioned Board of Directors.

Members: Shall refer to all homeowners (proxies) in attendance during this virtual meeting.

HOA: Shall refer to The Village of Guste Island Homeowners' Association in its entirety.

Magnolia: Shall refer to Magnolia Management Services.

The Village: Shall refer to the neighborhood members residing in Guste Island Estates. **Declaration:** Shall refer to Declaration of Protective Covenants, Conditions, Restrictions, and Easements.

ByLaw(s): Shall refer to The Village at Guste Island Estates HOA Inc. Bylaws.

AGENDA

Meeting Focus/Goals:

1. Protection of Property Values
2. Preserving a safe, happy and peaceful community

I. Roll Call/ Determination of Quorum

A. According to ByLaw, Article 2.11: The presence, in person or by proxy, of members entitled to cast at least 25% of the votes entitled to cast at the meeting shall constitute a quorum at all meetings of the Association.

(25% of 112 = 28 homeowners)

1. Board members present:
2. Members Present
 - a. In Person
 - b. Via Zoom
3. Quorum reached?

II. Open Meeting

- A. Time
- B. The Board will record this meeting to transcribe the minutes accurately.

III. Introduction of new board members and positions

- A. President: Ruth Ann D'Arrigo
- B. Vice President: Joshua Chausse
- C. Treasurer: Joyce Laporte
- D. Secretary: Wendy Aschebrock
- E. Member at Large: Matt Leverett

IV. Acknowledgment of Meeting Decorum

- A. Supporting Governing Document(s):
 - 1. Article 6.2 Parliamentary Rules:
Robert's Rules of Order (current edition) shall govern the conduct of all Association proceedings, when not in conflict with Louisiana law, the Articles of Incorporation of the Association, the Declaration or these Bylaws.
- B. Meeting decorum
 - 1. Indicate on the sign-in sheet if you would like to speak.
 - 2. Please wait to be recognized by the Chairperson before speaking, and please stand up.
 - 3. State your name before expressing your comments or issues.
 - 4. Members should confine statements and remarks to the pending matter and not outside the scope of the topic.
 - 5. Each member will be allowed no more than five (5) minutes to address the Board and Members.
 - 6. Members should address all statements and remarks through the Chairperson. Members may express additional concerns at the end of the meeting.
 - 7. Personal attacks will not be permitted.
 - 8. Unruly interruptions will not be allowed.
- C. Coherence to the Association's speaking rules will help maintain order in Association meetings and facilitate completion of the meeting within a reasonable period.
- D. An individual who willfully is disrespectful and disrupts the meeting, preventing the Board from conducting planned business, will be excluded from the meeting. Examples include, but are not limited to, threats of violence, insults, name-calling, profanity, obscenity, confrontational words,

defamation, and physical violence.

E. The following protocol will be followed:

1. The Chairperson will give a warning to the offending member.
2. A motion will be made by the Board requesting the member to calm down.
3. The action of the Board to eject the offending owner from the meeting will be made failing items 1 and 2.

F. If the member's item of concern warrants further action by the Board, it will be placed on the agenda for a future meeting and adequately addressed as an item of business.

V. Old/Unfinished Business or Projects

A. Street & Directional Signs

1. Parking Restrictions and Resolution Project

VI. New Business and Projects

A. Rentals/Leases (project attached at end of Agenda)

1. Supporting Governing Documents:

a) Article 3.3 Notice of Sale, Lease or Acquisition:

Owners must keep the Association apprised of their name, address and telephone number. Accordingly, prior to the sale or lease of a Unit, the Owner shall provide the Association with written notice of the name of the purchaser or lessee, as the case may be, and such other information as the Board may reasonably require. Upon acquisition of a Unit each new Owner shall provide the Association with written notice of the name and mailing address and telephone number of the Owner, the names of the Occupants of the Unit, if any, and such other information as the Board may reasonably require. All Owners shall notify the Association of any change in name, address or telephone number.

b) Article 7.5 Leasing:

Units may be leased for residential purposes. Unless otherwise provided by the Board of Directors, all leases shall have a minimum term of at least six months. All leases shall require, without limitation, that the Occupants acknowledge receipt of a copy of the Declarations, Bylaws, use

restrictions and rules and regulations of the Association.
The lease shall also obligate the Occupants to comply with the foregoing.

B. Homeowners Survey

VII. Treasurer's Report as of June 30, 2022

- A. Total Assests: \$
- B. Operating Balance: \$
- C. Reserve Balance: \$
- D. Capital Balance: \$
- E. Delinquencies: \$

VIII. Homeowners Forum Regarding Matters Affecting the Association

IX. The Board will schedule the next Meeting Date for Fall 2022 (October)

X. Adjournment

****OTHER:** Below are supporting governing documents that will be part of more than one agenda topic. These documents will be referenced by the Board as needed.

Declarations:

Article 7.4 Vehicles: Parking:

Vehicles shall be parked only in appropriate parking spaces serving the Unit or other designated areas, if any. No on-street parking, other than in connection with special events as approved by the Board of Directors, shall be permitted within the Community. All parking shall be subject to such rules and regulation as the Board may adopt. Any vehicle that is

- (i) improperly parked,
- (ii) parked in violation of the rules and regulations adopted by the Board, or (iii) parked in such a manner so as to impede or interfere with the access of emergency and other vehicles may be removed or towed from the Community by the Board of Directors as provided herein.

The term "vehicles" as used herein, shall include, without limitations, motor homes, boats, trailers. Motorcycles, minibikes, scooters, go-carts, golf carts, trucks,

campers, buses, vans and automobiles.

The term "parking spaces" shall refer to the number of garage parking spaces and if and only if, the Occupants of a Unit have more vehicles than the number of garage parking spaces, those excess vehicles which are an Occupant's primary means of transportation on a regular basis may be parked on the driveway on the Unit.

The term "commercial" vehicles as used herein shall include, without limitation, any vehicle which bears the indicia of commercial use, including but not limited to writing, logos, ladders, or which would not be primarily used for the transportation of passengers. Commercial vehicles shall not be permitted on any Common Property or on any Unit, except if kept in an enclosed garage; provided, however, construction, service, and delivery vehicles shall be exempt from this provision for such period of time as is reasonable necessary to provide service or to make a delivery to a Unit or the Common Property.

All homes shall contain a garage, carports shall not be permitted. Garage doors should be kept closed at all times, except during times of ingress and egress from the garage. No vehicle may be left upon any portion of the Community, except in a garage or other area designated by the Board, if it is not licensed or if it is in a condition such that it is incapable of being operated upon the public highways. Such vehicles may be removed from the Community by the Board of Directors. Any towed vehicle, boat, personal watercraft, recreational vehicle, camper, bus or mobile home regularly stored in the Community or temporarily kept in the Community, except if kept in a garage or other area designated by the Board, for periods longer than 48 hours may be removed from the Community by the Board of Directors. Trucks with mounted campers which are used as a primary means of transportation shall not be considered recreational vehicles provided they are used on a regular basis for transportation and the camper is stored out of public view upon removal.

Article 11.1: General Provisions: Enforcement:

Each Owner and Occupant shall comply strictly with the Bylaws, rules and regulations and use restrictions, as amended or modified from time to time, and with the covenants, conditions, easements and restrictions set forth in this Declaration, the recorded subdivision plats for the Community and in the deed to such Owner's Unit, if any. The Board of Directors may impose fines or other sanctions for violations of the foregoing, which shall be collected as provided herein for the collection of assessments. Failure to

comply with this Declaration, the Bylaws or the rules and regulations shall be grounds for an action to recover sums due for damages or injunctive relief or both, including, without limitation reasonable attorney's fees actually incurred, maintainable by the Association, the Declarant or an aggrieved Owner, Failure by the Declarant, the Association or any Owner to enforce any of the foregoing shall in no event be deemed a waiver of the right to do so thereafter. The Association shall have the right to record in the appropriate land records a notice of violation of the Declaration, Bylaws, rules and regulations, use restrictions or Architectural Guidelines and to assess the cost of recording and removing such notice against the Unit of the Owner who is responsible (or whose Occupants are responsible) for violating the foregoing.

ByLaws:

Article 3.18 Powers

The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, or provided by the law, may do all acts and things as are not by law, the Declaration, the Articles of Incorporation of the Association, or these Bylaws directed to be done and exercised by the members. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to and be responsible for the following, in way of explanation, but not limitation:

- (a) Preparation and adoption of an annual budget in which there shall be established the contribution of each member of the common expenses;
- (b) Making assessments to defray the common expenses and establishing the means and methods of collecting such assessments;
- (c) Providing for the operation, care, upkeep, and maintenance of all areas which are the maintenance responsibility of the Association,
- (d) Designating, hiring, and dismissing the personnel necessary for the operation of the Association and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;
- (e) Collecting the assessments, depositing the proceeds thereof in a bank depository which is shall approve, and using the proceeds to administer the Association;
- (f) Making and amending rules and regulations;
- (g) Opening of bank accounts on behalf of the Association and designating the signatories required;

- (h) Enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations adopted by it, and bringing any proceedings which may be instituted on behalf of or against the members concerning the Association;
- (i) Obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;
- (j) Authorization of contracts on behalf of the Association.

Article 3.21 Fining Procedures:

The Board shall not impose a fine (a late charge shall not constitute a fine) unless and until the following procedure is followed:

- a. Written notice shall be delivered to the member by first class or certified mail sent to the address of the member shown on the Association's records, specifying"
 - i. The nature of the violation, the fine to be imposed and the date, not less than 10 days or, in the event of an unapproved sign 24 hours, from the date of the notice, that the fine will take effect;
 - ii. That the violator may, within 10 days from the date of the notice, request a hearing regarding the fine imposed;
 - iii. The name, address, and telephone numbers of a person to contact to challenge the fine;
 - iv. That any statements, evidence, and witnesses may be produced by the violator at the hearing; and
 - v. That all rights to have the fine reconsidered are waived if a hearing is not requested within 10 days of the date of the notice.
- b. If a hearing is requested, it shall be held before the Board in executive session and the violator shall be given a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing. No fine shall be imposed prior to the date that is 5 after the date of the hearing.

RENTAL/LEASE/INVESTOR PROJECT for The Village HOA

Thank you to members attending and those that will listen at a later time. Thank you also to the Board for assisting in this research project. The amount of information located was plentiful. How many investors do we have here tonight? (NOTE: Only 1 investor actually lives in The Village)

Many homeowners have expressed concerns regarding a number of units being utilized as investment properties (ie rentals). Some residents have expressed an interest in utilizing units as investment properties. Therefore a formal research project has begun and may eventually be voted on.

Research consisted of speaking with loan officers at local surrounding financial institutions, officers with local homeowner associations (Single Family Homes, Condominium and Townhome rental subdivisions), The U.S. Department of Housing and Urban Development, as well as online informational research.

At present The Village has approximately 19 of the 112 units (17%) being utilized as investment properties. The governing documents references are:

Declaration Article 3.3 Notice of Sale, Lease, or Acquisition Declaration Article 7.5 Leasing

Below is a typical pro/con list for having investment properties in a community. This list is for the benefit of The Village only, not the investor. This project is solely for the benefit of The Village community as a whole as per the community declarations and bylaws.

INVESTMENT PROPERTY PROS	INVESTMENT PROPERTY CONS
FHA companies allow for no more than 50% of a community to be investment properties.	FHA companies will charge a higher interest rate for homes in these high investment property areas. (The limits also vary based on the type of property. For instance, Houston, TX loan limits for duplexes can be almost 30% higher than for a single-family home. That number increases to more than 50% for a triplex.) FHA.com Fannie Mae requires that 50 percent of the units be occupied by owners, not investors. This gives stability to the community and assures other owners that their community won't be renter-dominated. It's incumbent on each community association to monitor who's purchasing units and what the intention is for occupying them. Fannie Mae looks at the list of owners to rule out that no more than 10 percent of the units belong to investors. It was generally the investors who walked away from their mortgages, which exacerbated the downturn in the market. Fannie Mae looks for stability through the owner-occupiers of a community. Fannie Mae passed one of the most stringent new regulations in 2009. This regulation requires that 70 percent of the units in a newly constructed building be pre-sold in order for Fannie Mae to consider lending on the final 30 percent. Prior to 2009, the baseline was 51 percent.

<p>The typical ratio of renters allowed for home loans falls in the 25-30% range</p>	<p>The typical ratio of renters allowed for home loans falls in the 25-30% range (this means if our community has more than 30% units rented, new home buyers will not be allowed to procure a loan). (Per financial institutions Gulf Coast Bank, Rocket Mortgage and Wells Fargo Another con for this exception: the interest rate a buyer will receive will be higher than what would be typically offered if the ratio of rentals were lower. The U.S. Department of Housing and Urban Development did not have a rationale for what the percentage would have to be for a lower interest rate, nor how it is decided which community/buyer receives which interest rate.</p>
<p>For some homeowners, renting out their property is the only way to avoid foreclosure. Most neighborhoods would fare better with rental properties in the area instead of foreclosed or abandoned homes with no one to keep up the maintenance or landscaping. A study by Colorado State University confirmed that home values decrease when vacant properties take up a community. (Also see Pocketsense website for a study)</p>	<p>Studies have shown that a high density of rental properties can drive down home values. The constant turnover of neighbors and presence of moving trucks can also contribute to a lower quality of life. The negative effects include unfair competition with free-market rents, and an increase in congestion.</p>
<p>There are also cases where renters take just as much pride of ownership in the homes they lease as their neighbors who own. High-quality tenants keep the lawns mowed, the house looking good and they stay for a long time. Property owners who want to protect their investment will make a point of renting the home out to stable, well-qualified renters.</p>	<p>In addition to the potential for lower property values and less stable income, renters in the neighborhood may be less willing to participate in the community because they do not want to make a personal investment some place they might not be living for the long term.</p>
<p>If a unit sits vacant and unsold, it is unlikely that the owner is paying his homeowner's association dues. Not paying dues could result in special assessments because the HOA doesn't have the funds to cover an expense and attorney fees to recover dues using liens, etc.</p>	<p>One of the key benefits of owner-occupied rentals is that they tend to attract higher quality tenants. Owners often don't want to live next to bad neighbors and, as such, they tend to be selective about who they allow to occupy their buildings. Also, renters who plan to behave poorly usually like to be as far away as possible from their actual landlord. If the owner lives nearby, that limits the tenant's ability to be noisy or destructive or to engage in criminal behavior. The Village's investment owner occupancy is 1.</p>
	<p>Having an overabundance of rentals lower property values per studies done by the Louisiana Real Estate and Appraisal Board. Values and liability insurance rates rise after the first 25% of the units in a community are rented.</p>
	<p>Reduces participation and involvement that might otherwise be found in the neighborhood.</p>

Another CON:

I spoke with four local HOA's (Sanctuary & Beau Chene [SF Homes], Tchefuncte Condominiums, and Apple Townhouse rental subdivisions):

Their number one complaint is that renters do not keep up their rented properties, and owners do not respond timely to fix problems. This leads to fees being assessed to the investors. However, investors tend not to pay the fees, which leads to liens being put on the property. Unfortunately liens have to wait until the property is sold to collect.

When questioned about the reason investors don't pay the fees, three HOA's explained that these fees may only equal a month's rent from one unit. Since the investor usually makes money, sometimes triple the amount of the fee, they would just as soon go to small claims court or take their chance that the fees will be written off as a bad debt. For example, the HOA at Zenith Street in Metairie, recently (this year) won a lawsuit against their insurance company concerning Hurricane IDA. The HOA was awarded all funds to have all buildings and units repaired. However, contractors may not begin work due to safety precautions and regulations until all residents have vacated the units since the buildings are not stable. Investors were given four (4) months to inform renters to vacate but did not do so. Now the renovations wait, and the HOA has drawn a lawsuit against investors. Of course the homeowners are upset because this is money they could be using to have their units fixed and they are all living elsewhere. Meanwhile, renters are still in their units and paying rent.

Other communities across the nation limit the amount of rentals in their communities between 20% and 30%. The belief is this keeps community participation/involvement high as well as keep investors invested (ie living in the community, participating in meetings, etc.).

Another limit communities and mortgages companies put on communities with rentals is that new owners must reside in the home for one year before renting. A minimum lease period of one year is required to avoid high community turnover.

AirBNB's: Since two of our members have asked about the regulations regarding such, research on the subject was completed.

The Village Governing Documents explain that minimum rentals and hotel like rentals (including but not limited to AirBNBs) are prohibited. As a matter of law, The Village (as well as all of Guste Island) is zoned PUD (Planned Unit Development). Properties may not be used commercially (Airbnb, short-term rentals, etc.).

ENDING:

Homeowners should complete their own due diligence with regards to this topic.