

To be forwarded at the CBW BOD meeting 11-11-2025 by Kevin Gregory, President

Motion: To RESOLVE to limit short term rentals and other commercial activity in CBW in order to preserve our status as a “residential community” as established in the Declarations and Bylaws of CBW.

Introduction

This motion addresses “Short Tem Rentals” (STRs). Long-term rentals, defined as a lease term of 12 months or longer, are not included.

As with communities nationwide, CBW has seen an increase in the level of STR activity. This activity has remained unregulated up to this time. Our HOA is now at a “tipping point”, that is, on the verge of having a level of rental activity that would change the legal character of our community (in the opinion of insurance companies and mortgage originators) from a “residential community” to a commercial rental community. The financial impact of an acknowledged change of this nature would be substantial in two ways

- Our general liability insurance premium would likely triple from about \$20, 000 to \$60,000 per year.
- The inability of mortgage companies to sell their CBW mortgages to Fannie Mae or Freddie Mac would add cost, and limit availability, of mortgages on CBW units.

In general, it is easy to understand that increased levels of rental activity and occupancy places additional burdens on CBW infrastructure, which is paid for by all, while rental income is enjoyed only by some.

A current review by Kevin and Tanji, estimates the following “census”.

20 units are not owner-occupied at all. These are all rented for short terms. They are purely a business investment for their owners.

36 units are owner-occupied for less than 6 months a year and short-term rented over 6 months a year.

43 units are owner-occupied. Of these, 35 are never rented. 8 are believed to be rented, but mostly only 90 day a year.

3 units are leased long-term.

RESOLUTION

WHEREAS, CBW is an established Residential Community, as codified in our Declarations and Bylaws, and,

WHEREAS, STR activity introduces elements of commercial resort-type activity (such as weekend party-focused groups and tenants) that adversely affects owners’ quiet enjoyment of their property, and,

WHEREAS, STR activity, not having been regulated before this time, has grown to the point where we risk losing our status as a “Residential Community” because close to 20% of our units are not owner-occupied, but rather are dedicated to use as a short-term rental business, and,

WHEREAS the CBW Board of Directors is obligated by virtue of the office we hold, to take action to regulate the level of STRs to preserve the “Residential” nature of our community, be it THEREFORE,

RESOLVED, the Board shall take action, as from time to time approved, to stop the growth of STR activity in CBW, including, but not limited to, the following immediate actions:

1. Owners shall be required to register tenants/guests (both long term and short term) with the CBW office on the Guest Registration Form.
2. Failure to register guests shall be subject to fines of _____
3. Prohibit all owners from renting their units, on a short-term basis, for more than 182 days per year.
4. Owners in violation of this limit shall be subject to a fine of \$150 per day for all days more than 182 days per calendar year.
5. Initiate a moratorium on units being transferred to people or entities purchasing them as a rental-business venture.
6. Impose a minimum # of nights per stay?

Directors voting:

For:

Against: