



Laguna Woods Village®

<p>INFORMATION BULLETIN Community Services Division</p>	BULLETIN DATE	October 2, 2023
	ISSUED BY	Pamela Bashline Community Services Manager
	MUTUAL	Third Laguna Hills Mutual
	AUTHORITY	Resolution 03-23-78
	ADOPTED DATE	July 18, 2023
<p>SUBJECT Amended Third Laguna Hills Mutual Lease/Rental Authorization Policy and Application</p>		

The Third Mutual Board of Directors adopted Resolution 03-23-78, which amends its lease authorization policy and application to include room rentals to properly align with Civil Code § 4739 of the Davis-Stirling Act. Civil Code § 4739 permits resident members to rent a portion of their resident member occupied unit for no less than 30 days.

A few of the significant changes included in the new policy are summarized below:

1. Owners and resident members applying to lease their unit or rent a portion of the resident member-occupied unit shall pay fees associated with the review, processing and approval of the lease/rental authorization application. Additional monthly GRF and Third Mutual fees apply for each person in excess of two.
2. The term of the board-approved lease/rental authorization shall not exceed 12 months. In the event that the term of a lease and/or rental agreement between parties exceeds 12 months, the owner and/or resident member must apply to renew the lease/rental authorization annually.
3. Any reference requiring a lessee/renter to represent that they have not been convicted of a felony in the last 20 years and/or convicted of a misdemeanor involving a crime of moral turpitude within the last five years has been removed. Thus, it is the responsibility of members to conduct their own background investigation and credit checks regarding their lessees/renters.
4. Each member/owner is responsible for insuring his/her personal property within the unit and shall require as a term of the lease/rental agreement between the member and the lessee/renter that the lessee/renter obtain and maintain renter insurance (HO4) of no less than \$50,000. The member is also required to maintain landlord insurance (HO6) during the lease/rental agreement period. While not required at the outset of a lease/rental period, copies of the insurance policies required under the new policy shall be submitted by the member/owner to the board upon request at any time during the lease/rental period.

No room rental will count toward the mutual’s current 30% rental cap so long as the member continues to reside in the unit with the renter.

Please find the approved resolution below for your review:

Resolution 03-23-78
Lease/Rental Authorization Policy and Application

WHEREAS, Civil Code § 4739 of the Davis-Stirling Act, effective January 1, 2023, provides that owners of a separate interest in a common interest development shall not be subject to any provision in the governing documents that prohibits an owner from renting or leasing out a portion of an **owner-occupied** unit for a period of more than 30-days, (i.e. owners of a separate interest in the Mutual are permitted to rent or lease out a portion of the owner-occupied unit to a tenant, so long as that lease term is a period of more than 30-days, and the Mutual need not allow owners of a separate interest to rent a portion of the owner-occupied unit to a tenant for a lease term of a period of less than 30-days); and

WHEREAS, the Third Mutual Board recognizes the need to amend its Lease Authorization Policy and Application to align with the new law;

NOW THEREFORE BE IT RESOLVED, July 18, 2023, that the Board of Directors of this Corporation hereby approves and adopts the revised Lease/Rental Authorization Policy and Application, as attached to the official minutes of this meeting; and

RESOLVED FURTHER, that staff is authorized to make any insignificant housekeeping changes to the Application form which shall not constitute a change to the Policy or need Board approval; and

RESOLVED FURTHER, that Resolution 03-21-04 adopted January 19, 2021, is hereby superseded in its entirety and cancelled; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

Find the complete Third lease/rental authorization policy and application at lagunawoodsvillage.com > [Neighborhoods](#) > [Sales & Leasing](#) > [Third Laguna Hills](#) and scroll to Third the lease/rental authorization policy and application PDF document. This application is also available at the leasing/rental office in the Laguna Woods Village Community Center.

Please note: The website location for all mutual policies may change when the new website is completed.

Also, please always refer to the website for the most current documents. Delete old Third lease authorization policies and applications from your system. Older applications will not be accepted or processed, and may delay move-in for the lessee/renter.

Email realtorforums@vmsinc.org with questions. Thank you.