



**REGULAR MEETING OF THE THIRD LAGUNA HILLS MUTUAL
RESIDENT POLICY AND COMPLIANCE COMMITTEE**

**Wednesday, March 2, 2022 – 1:30 P.M.
Board Room/Virtual Meeting
Laguna Woods Village Community Center
24351 El Toro Road**

AGENDA

- | | |
|--|------------------|
| 1. Call to Order | Robert Mutchnick |
| 2. Acknowledgment of Media | Robert Mutchnick |
| 3. Approval of the Agenda | Robert Mutchnick |
| 4. Approval of Meeting Report for January 26, 2022 | Robert Mutchnick |
| 5. Chair's Remarks | Robert Mutchnick |
| 6. Member Comments (Items Not on the Agenda) | |

Laguna Woods Village owner/residents are welcome to participate in committee meetings and submit comments or questions regarding virtual committee meetings using one of two options:

- a. Via email to meeting@vmsinc.org any time before the meeting is scheduled to begin or during the meeting. Please use the name of the committee in the subject line of the email. Name and manor number must be included.
- b. Join the Committee meeting via Zoom at: <https://us06web.zoom.us/j/81938652932> or by dialing 669-900-6833 Access Code: 819 3865 2932.

Reports:

None

Items for Discussion and Consideration:

- | | |
|------------------------------|------------------|
| 7. Lease Cap | Pamela Bashline |
| 8. Distribution of Materials | Blessilda Wright |

Items for Future Agendas:

None

Concluding Business:

9. Committee Member Comments
10. Date of Next Meeting – April 26, 2022
11. Adjournment

Robert Mutchnick, Chair
Blessilda Wright, Staff Officer
Telephone: 949-597-4254



OPEN MEETING

REGULAR MEETING OF THE THIRD LAGUNA HILLS MUTUAL RESIDENT POLICY AND COMPLIANCE COMMITTEE

Wednesday, January 26, 2022 – 9:30 A.M.

VIRTUAL MEETING

Laguna Woods Village Community Center
24351 El Toro Road, Laguna Woods, CA 92637

MEMBERS PRESENT: Robert Mutchnick, Chair, Lynn Jarrett, Cush Bhada, and Mark Laws

MEMBERS ABSENT: None

ADVISORS PRESENT: Mary Seto and Stuart Hack

ADVISORS ABSENT: None

STAFF PRESENT: Blessilda Wright, Paul Nguyen and Pamela Bashline

CALL TO ORDER

Robert Mutchnick, Chair, called the meeting to order at 9:32 a.m.

ACKNOWLEDGEMENT OF MEDIA

The Media was not present.

APPROVAL OF AGENDA

Director Jarrett made a motion to approve the agenda. Director Laws seconded the motion.

By consensus, the motion carried.

APPROVAL OF MEETING REPORTS

Director Laws made a motion to approve the, December 28, 2021 meeting report as presented. Director Bhada seconded the motion with correction to agenda item 4, page 3 of 3. The wording “to table to mater” to “table the matter to”.

By unanimous vote, the motion carried.

CHAIRMAN’S REMARKS

Chair Mutchnick stated that he wanted Lease Cap to be put on as a Future Agenda item.

MEMBER COMMENTS ON NON-AGENDA ITEMS

None

REPORTS

None

ITEMS FOR DISCUSSION AND CONSIDERATION

Additional Occupancy Fee

Pamela Bashline, Community Service Manager, presented Additional Occupancy Fee. The Committee commented and asked questions.

Director Laws made a motion to charge an additional Occupancy Fee for units containing more than two occupants. Advisor Seto seconded the motion.

By a 4-0-1 vote (Director Bhada abstained), the motion carried.

Distribution of Materials

Blessilda Wright, Compliance Supervisor, presented Distribution of Materials. The Committee commented and asked questions.

Advisor Hack made a motion to table Distribution of Materials to the next meeting so that staff may update Resolution 03-07-59 and to update the verbiage.

Director Bhada seconded the motion.

By unanimous vote, the motion carried.

ITEMS FOR FUTURE AGENDAS

- Lease Cap
- Distribution of Materials

CONCLUDING BUSINESS

Committee Member Comments

None

Date of Next Meeting

Wednesday March 2, 2022 at 1:30 P.M.

Adjournment

With no further business before the Committee, the Chair adjourned the meeting at 10:39 a.m.

Robert Mutchnick
Robert Mutchnick (Feb 8, 2022 08:24 PST)

Robert Mutchnick, Chair
Third Laguna Hills Mutual



STAFF REPORT

DATE: March 2, 2022
FOR: Resident Policy and Compliance Committee
SUBJECT: Lease Authorization – Lower Cap to 25 Percent

RECOMMENDATION

Staff recommends lowering the lease cap from 30 percent to 25 percent in order to align with state legislative guidelines, increase the pool of owner-occupied units and potentially reduce the finance and re-financing fees incurred by buyers and existing owners.

BACKGROUND

The matter of reducing the lease cap was submitted to the Board of Directors on January 18, 2022 at which time the Board directed the issue be returned to committee for further discussion.

As investment activity increased, Third Laguna Hills Mutual (Third) adopted, on April 23, 2020, Resolution 03-20-26, which established the Leasing Cap and Wait List Policy (ATT 1). The lease cap was originally adopted in 2008, but as the percentage of leased units approached 30 percent, it became clear that a strategy must be developed in order to maintain an orderly process.

Legislation became effective January 1 of this year requiring that associations remove unreasonable rental restrictions. Lawmakers have determined that at least 25 percent of a development must be available to non-owners (tenants or renters). While Third Mutual has been up to this time more generous with respect to the total number of leased units, revisiting the lease cap at this time would arguably be a prudent consideration. The potential reduced cap would apply only to purchasers after the cap is amended.

DISCUSSION

At present, the average leasing percentage in Third is 26 percent. The timing of a reduction in the lease cap could be beneficial to the corporation while the actual rental percentage is now close to the more desirable lease percentage. Every day that the lower percentage is not adopted enables more owners to be protected by the 30 percent cap now in effect. The existing policy can be easily amended to capture the lower rate.

FINANCIAL ANALYSIS

None.

Prepared By: Pamela Bashline, Community Services Manager

Reviewed By: Siobhan Foster, COO

ATTACHMENT(S)

ATT 1 – Leasing Cap and Lease Waiting List Policy



Leasing Cap and Lease Waiting List Policy

Resolution ~~03-20-26~~ 03-22-XX; ~~Adopted April 23, 2020~~ Adopted.....

I. Purpose

Third Laguna Hills Mutual (“Third”) authorizes Members, as defined in the CC&Rs, to lease their manors, subject to the restrictions and procedures in Third’s Governing Documents, including without limitation, the Operating Rules and any policy duly adopted by the Board. The current procedures relating to Lease Authorization are contained in Third’s Lease Policy, as may be amended from time to time. Notwithstanding the right of Members to lease their manors, Third has in place a limit on the total number of manors that may be leased at any given time, which is ~~thirty~~ twenty-five percent (~~30~~ 25%) of the total number of manors in Third (the “Leasing Cap”).

The purpose of this document is to set for the Leasing Cap and Waiting List Policy (the “Policy”), which supplements the Lease Policy by providing additional procedures relating to eligibility of Members to lease their manors once the Leasing Cap is reached.

II. Restriction on Number of Units Leased; Leasing Eligibility

Pursuant to the Leasing Cap, no more than ~~thirty~~ twenty-five percent (~~30~~ 25%) of the manors in Third shall be leased at any given time.

A Member desiring to lease his or her manor must submit to Third a written lease eligibility request for approval of eligibility of the Member to lease his or her manor based on the total number of manors currently leased in Third. No Member will be eligible to lease his or her manor or to submit a Lease Authorization Application prior to receiving written notice of eligibility to lease from Third through an authorized VMS staff member.

Third will respond to any Member’s written request for eligibility to lease the Member’s manor within ten (10) business days of the written submittal of such request to Third.

Third will deny a Member’s request for eligibility to lease the Member’s manor if the number of currently leased manors, plus the number of manors for which other Members have received approval to lease but which are not yet leased, plus the Member’s manor (the “Leased Unit Calculation”) exceeds ~~thirty~~ twenty-five percent (~~30~~ 25%) of the manors in Third. In such event, the Member will be notified in writing of such denial and placed on the lease waiting list, as further described below.

If the Leased Unit Calculation does not exceed ~~thirty-twenty-five~~ percent (~~30 25~~%) of the manors in Third, Third will notify the Member that his or her manor is eligible to lease, and that the Member has ninety (90) days to submit a complete Lease Authorization Application in accordance with the Lease Policy. After ninety (90) days from the notice of eligibility to lease, the Member's eligibility to lease will expire, and the Member must submit a new written request for eligibility.

III. Waiting List

In the event a Member's request for approval to lease is denied because the Leased Unit Calculation exceeds ~~thirty-twenty-five~~ percent (~~30 25~~%), the Member shall be placed on a waiting list maintained by Third, and the Member shall be given an opportunity to submit a Lease Authorization Application to lease his or her manor when such Member's name is first on the waiting list and the Leased Unit Calculation no longer exceeds ~~thirty-twenty-five~~ percent (~~30 25~~%) of the manors in Third. The Member will be contacted by Third in writing when such Member is eligible to lease his or her manor.

If a Member has received notice that such Member is eligible to lease his or her manor, that Member must submit a complete Lease Authorization Application in accordance with the Lease Policy within ninety (90) days of the notice of eligibility to lease. If the Member fails to submit a complete Application within ninety (90) days of the date of notice of lease eligibility, the Member's eligibility to lease shall expire. In such event, the Member shall be required to submit a new written request for eligibility to lease his or her manor in accordance with the foregoing provisions; and, if there is a waiting list, the Member will be placed at the end of such waiting list.

Members who are currently leasing their manors will continue to be eligible to lease their manor for ninety (90) days after the expiration or termination of the current Lease Authorization. If a Lease Authorization for an approved lease of a Member's manor expires or terminates and the Member does not submit a new, complete Lease Authorization Application (in accordance with the requirements of the Lease Policy) for a new lease for the Member's manor within ninety (90) days of the expiration or termination of the prior Lease Authorization, the Member's eligibility to lease his or her manor shall expire. In such event, the Member shall be required to submit a new written request for eligibility to lease his or her manor in accordance with the foregoing provisions of this Policy. Notwithstanding the foregoing, in the event a Member eligible to lease their manor following termination of a lease wishes to make alterations to the Member's manor in accordance with Third's Governing Documents which may inhibit their ability to lease the manor within ninety (90) days, the Member may make a written request for an extension of their ninety (90) day eligibility period; provided, however, that such request must be based on the necessary permits having already been granted by the City and Third. The Board may grant such Member's request in its sole and reasonable discretion.

IV. Exemptions; Enforcement

Upon written request by a Member for eligibility to lease his or her Unit, the Board shall be authorized and empowered, in its sole and reasonable discretion, to grant a hardship exemption for the Member with respect to the Leasing Cap. For purposes of this Policy, a “hardship” shall be defined as the need of a Member to lease his or her manor as a result of an unforeseeable event and/or because enforcement of the Leasing Cap against the Member could reasonably subject the Member to suffer a severe financial difficulty.

If a Member submits a Lease Authorization Application in accordance with the Lease Policy without first requesting and receiving written approval for eligibility to lease, the Application will be rejected and the fee returned, with instructions for the Member to first obtain written approval of eligibility to lease.

If a Member leases his or her manor without approval from the Board, or is otherwise in violation of the provisions of this Policy or the Lease Policy, the Member shall be subject to disciplinary measures, including, but not limited to: (A) a monetary penalty in an amount to be determined by the Board; (B) other disciplinary measures; and/or (C) a reimbursement assessment in an amount equal to the costs incurred by Third related to addressing such violation, including, without limitation, attorneys' fees and costs, irrespective of whether Third is able to obtain a court order to evict the tenant or otherwise effectuate the legal eviction of the non-compliant tenant from the Member's manor.



STAFF REPORT

DATE: March 2, 2022
FOR: Resident Policy & Compliance Committee
SUBJECT: Distribution of Materials Policy

RECOMMENDATION

Approve the amended Distribution of Materials Policy.

BACKGROUND

The Board created a Residency Policy and Compliance Committee to review policies and processes for consistency. The committee has identified areas of improvement including, but not limited to, the need to amend the Distributing- Posting Printed Materials Policy.

On June 19, 2007, the Third Laguna Hills Mutual (Third) Board of Directors (Board) adopted the Distributing of Printed Material policy to provide guidelines on door-to-door distribution of material, petitions and posting of material's within Third.

On December 28, 2021, the Resident Policy and Compliance Committee reviewed the policy and determined to table the item to the January meeting for further review by the committee members.

On January 26, 2022, the Resident Policy and Compliance Committee reviewed the policy and provided staff with direction on revisions to the policy.

DISCUSSION

Following the 2021 election, it was brought to the boards attention by the Democratic Club that the currently policy for distrusting of materials may need to be updated to reflect the changing needs of the community. The original language to no place materials on the doorknob was included to address members concerns that include, but are not limited to, printed materials trapped in the door screen, transmission of germs from unknown person's touching the doorknobs, and the overall look of multiple materials hung from doorknobs.

The current Distribution of Printed Materials states "...materials that are distributed door-to-door may only be left on the surface of the thresholds of front doors. Material may not be hung from doorknobs nor placed in USPS delivery points, nor left on vehicles in carports..."

FINANCIAL ANALYSIS

There is no financial impact.

Prepared By: Blessilda Wright, Compliance Supervisor

Reviewed By: Francis Gomez, Operations Manager

ATTACHMENT(S)

Attachment 1: Policy 03-22-XX, Distribution of Materials Policy
Attachment 2: Resolution 03-22-XX



Distribution of Materials Policy
Resolution 03-22-XX; Adopted April XX, 2022

I. Purpose

The purpose of this document is to define the policies of Third Laguna Hills Mutual (“Third”) regarding the distribution of materials.

II. Definitions

For the purposes of this policy:

- a. Community Rules - the Articles of Incorporation, Bylaws, the recorded Covenants, Conditions, and Restrictions (CC&Rs); and any rules and regulations adopted by Third. Any reference to the “Governing Documents” shall, for purposes of this Policy, be deemed a reference to the Community Rules set forth in this definition.
- b. Distributor: Individual who is a resident of Laguna Woods Village.
- c. Laundry Rooms: 158, 159, 213, 214, 215, 220, 221, 222, 224, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 300, 301, 302, 303, 304, 305, 306, 307, 308, 969, 2353, 2354, 2355, 2369, 2370, 2381, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 3241, 3242, 3243, 3244, 3335, 3336, 3337, 3338, 3363, 3364, 3365, 3366, 3367, 3371, 3420, 3421, 3486, 3498, 3499, 3500, 3501, 3510, 4001, 4002, 4003, 4004, 4005, 4006, 4007, 4008, 4009, 4010, 4011, 4012, 4013, 4014, 4015, 4025, 4026, 5368, 5369, 5370, 5371, 5372, 5499, 5500, 5510, 5511, 5515, 5517, 5518, 5519
- d. Types of Materials Distributed - publications, advertisements by Laguna Woods Village Clubs, announcements, campaign material, petitions, and related printed literatures.
- e. Nuisance – [include civil code definition here]. Additionally, see Nuisance Policy.
- f. Resident - is defined as any person who has been approved by the Board of Directors for occupancy in Laguna Woods Village.
- g. Third - the corporate homeowners association that was formed in 1970 and by 1984 had acquired the assets and liabilities by vote of each of the 59 individual mutuals within the larger Leisure World (now Laguna Woods Village), a common interest development, with full authority to “manage, operate, and maintain” them. Also known as Corporation. Also known as the Mutual.

III. General Conditions

- a. Any materials, including petitions to gather signatures, to be distributed to Third Mutual residents shall bear identification as to its source.
- b. Materials and Postings must be removed after thirty (30) days by the distributor.

- c. Materials that do not comply with these rules will be subject to removal.
- d. All material must comply with state and federal laws.
- e. Materials that do not comply with these rules will be subject to removal.

IV. Conditions for Distribution of Materials

- a. Door- to-door distribution of Materials shall be permitted, as long as the act of distributing such Material does not rise to the level of creating a nuisance to residents.
- b. Door-to-door distribution may only be left on the surface of the thresholds of front doors or hung from doorknobs. Material may not be placed in USPS delivery points, nor left on vehicles in carports.

V. Conditions for Petitions

- a. Only residents ~~or their designated representative~~ are permitted to gather signatures on petitions.
- b. The petition must remain in the possession of the signature gatherer.
- c. Unattended petitions are not allowed.

VI. Conditions for Posting of Materials

- a. Posting location are limited to those areas reserved for posting, such as Laundry Room bulletin boards and are available only for residents.
- b. Only one posting per subject matter is allowed on the posting site, per resident.
- c. Posting size shall not exceed 6" by 8".
- d. Any material considered lewd, libelous or vulgar is not permitted.

VII. Enforcement

Third Members are personally responsible for ensuring that the rules, regulations, and policies are followed by anyone they allow into the Community. This includes any Co-occupant, Lessee, Guest or Vendor.

Third is authorized to take disciplinary action against a Member found to be in violation of the Distribution of Materials Policy. When a violation occurs the Board is obligated to evaluate and impose if appropriate, member-discipline as set forth in the governing documents. The Board of Directors has the authority to impose monetary fines, suspend Member privileges, and/or bring forth legal action. Additionally, the Board may seek reimbursement for remediation cost associated with damage to the Laundry Room.



RESOLUTION 03-22-XX

Distribution of Materials Policy

WHEREAS, the Resident Policy and Compliance Committee has recommended revising the Distributing-Posting Printed Materials Rules to fairly and reasonable address placement of materials within Third; and

WHEREAS, the Board recognized the need to amend the rules to align with the changing needs of the community;

NOW THEREFORE BE IT RESOLVED, April 19, 2022, that the Board of Directors of this Corporation hereby approves the amended Distributing-Posting Printed Materials Rules, as attached to the official minutes of this meeting;

RESOLVED FURTHER, the Distributing-Posting Printed Materials Rules will now be known as the Distribution of Materials Policy;

RESOLVED FURTHER, that Resolution 03-07-59 adopted June 19, 2007 is hereby superseded in its entirety and cancelled;

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.

