

Notes by Gary Moselle on the December 4 DMMA Board Meeting

I'm back from the December 4 Master Association Board Meeting. A long agenda. Rental restrictions were discussed only briefly. More than an hour was spent on traffic ticket appeals and criticism of DMMA's citation policy. It seems that ticket revenue (\$40,000/yr) is being used to pay overtime for enforcement staff. A DM resident couple explained that patrol officers have to be legally parked when monitoring traffic. That wasn't happening. Also, the officer who wrote the citation has to be present if the defendant appeals the citation. That wasn't happening either.

Nearly two hours into the meeting, Kevin Pollock presented incomplete results of the member survey on rent restrictions. The original November 17 email blast was followed by a second blast to those who did not respond to the first. A third blast is planned. So far 891 have responded: 78% made some type of choice on minimum rental period. 22% oppose any type of rent restriction. 80% of the recipients opened the email blast. 30% of those who opened the email actually responded. 30% wanted a 30-day or more minimum, 20% wanted a 60-day minimum. Others wrote in a response of one-day to one-year minimum. 55% were opposed to home swaps. 45% were not opposed to home swaps. Final data will be available when the survey is done, just a few more days. Notably, Kevin didn't say anything about the member meeting or vote he pledged in his August 8 email.

Nearly three hours after the meeting started, Chairman Ryan Larson opened the meeting to discussion my members. The first member recognized wanted to talk about speeding tickets. That discussion took another ten minutes. Greg Caster spoke next, suggesting that members might support rent restrictions that were developed by members. Greg's point: the Board needs more input from members before going forward with rent restrictions.

I was recognized next. As close as I can recall, this is what I said:

I'm not here to talk about pros and cons of rent restrictions. That's for our owners to decide. Instead, I'm going to suggest a way to overcome objections from those like me who oppose short-term rent restrictions.

Tinkering with the number of days or list of those exempted isn't going to restore confidence of the 700 who objected to the July 28 proposal. That proposal hit a nerve. As a group, we Desert Mountain owners are pretty conservative. We don't like giving up property rights – especially without owner consent. Any proposal that restricts member property rights is vulnerable to someone like me willing to buy envelopes and stamps and alert owners.

If the Board wants to forge ahead anyhow, here are some suggestions.

FIRST, SHOW THAT WE'RE SERIOUS ABOUT DISRUPTIVE TENANTS

Right now, owners have good reason to wonder if the Board is serious. That's a theme in the 700 objection letters received by DMMA. We don't have any policy on disruptive tenants, either short-term or long-term. So let's get pro-active. The Board has the authority. CC&R Use Restrictions Section 1.1.15 makes owners liable for disruptive tenants. I like that. We know how to enforce DMMA rules. We're good at it. For example, speed limits and the Design Review Committee. To deal with disruptive tenants, set up a committee, publish standards, publicize those standards the same way we publish warnings about speed limits. Then enforce those standards with hearings and even fines if necessary. We're not doing any of that now. Owners will know we're serious about disruptive tenants when DMMA adopts, publicizes and enforces written standards for tenants.

That's the first step. Here's the second.

HOLD A WORKSHOP TO COLLECT IDEAS ON THE NEXT SET OF RENT RESTRICTIONS.

That's Greg's idea. Invite all interested owners to attend. Lay a draft on the table. Get owner suggestions – both pro and con. You're going to hear good ideas at any open workshop. Many owners have experience with several HOAs. Develop a dialog. The November 17 survey was a good start. But Ryan's cover letter left no doubt about the response he expected: For example:

Stop the carousel of short-stay renters planning to occupy your village.

"The time to act is now!"

Pejoratives like that are fine for 8th graders. But give our owners more credit. They're intelligent, accomplished, successful people. They expect candor, not

advocacy. Admit that the Scottsdale ordinance banning short-term rentals was never enforced. That's from Bob Littlefield, 3-time Scottsdale City Councilman. Be candid with our members. Give them the respect they deserve. A DMMA workshop will bring out good ideas and promote a sense of community. We're not adversaries. We're neighbors.

THIRD, RECOGNIZE THAT WE HAVE A CREDIBILITY PROBLEM.

The August 8 letter from Kevin Pollock pledged a meeting and vote on the July 28 Major Decision if 10% objected. That letter said, "If 10% or more object to this proposal, we'll need to hold a meeting and conduct a vote." Well, 700 objected. And all we got was a survey. No meeting. No vote. Now there's talk about a second try at short-term rent restrictions. Is the Board going to say, "We didn't mean it last time. But this time there really will be a meeting and a vote." That's a credibility problem. And it brings me to the final and most important point.

GET MEMBER PARTICIPATION AT EVERY INFLECTION POINT.

Make no mistake. This is the best way to disarm critics of rent restrictions. Owners and the Board have to work together. Every meeting has to be open. Owners have the right to participate in every decision.

- When drafting the rent proposal.
- When writing the cover letter that announces the proposal.
- When counting the written objections.
- When planning the meeting if 10% object.
- When preparing the ballot.
- When writing pro and con arguments to go out with the ballot.

WHY BOTHER WITH MEMBER PARTICIPATION?

Two reasons:

First, our owners are a great resource. The collective wisdom and experience of our 2,000 owner-members exceeds by far the collective wisdom of any nine people.

Second, member participation is required by both Arizona law and our bylaws. Owners have the right to hear and be heard before the Board makes a decision – any decision -- not just decisions at quarterly meetings. Any time the board confers to draft policy, or spend money or send out an email blast, owners have

the right to participate. That's true whether the meeting is in person or by teleconference.

Good faith builds understanding. Candor builds trust. Participation builds consensus.

Restrictions based on good faith, candor and participation have the best chance of approval by owners. Anything less is likely to go the way of the July 28 proposal.

Having said that, I sat down.

There followed a short discussion of the pros and cons of rental restrictions. I suppose that was inevitable.

The meeting adjourned a full three hours after being called to order.