

FAQ

Masthope Mountain Community – Rental Policy Proposal

What was the reason for this new Rental Policy?

At the August 24, 2019 meeting of the Masthope Mountain Property Owners' Council Board of Directors (BOD), the *ID Pass and Rental Policy Committee* (the Committee) was chartered to draft a new Rental Policy for our community. The need for an overhaul of the existing policy was driven mainly by anticipated legal changes for short-term rentals due to a 2019 ruling of the Pennsylvania Supreme Court, and the fact that the existing policy had not been revised for several years.

How was the Rental Policy drafted?

The Committee had members that represented a wide variety of views regarding rentals at Masthope. We had members who are actively renting their property, members who are concerned about the growing business aspects of rentals at Masthope, members who have had property in Masthope for a long time and members who were relatively new property owners. The Committee derived its recommendations through detailed discussion during work sessions, using available data and resources whenever possible. All recommendations were decided through a vote of the Committee members.

As a starting point, the Committee used the existing Masthope rental policy, plus a template short-term rental document drafted for the use of municipalities in Monroe County. Additional input was sought from surrounding communities, and feedback from Masthope's legal counsel, Alan Young, our auditor and accountant, Bill Owens, and Masthope's management and office staff.

Why are there so many new regulations in the new policy?

While the proposed new Rental Policy keeps with some established provisions of the existing policy, several new concepts were introduced:

- Distinction between rental occupancy and amenity access: The new proposed rule distinguishes between the property owner's rental rights and the access to Masthope's amenities.
- Limits on number of occupants: The number of renters allowed is proposed to be aligned with the size of the house, using a formula of (number of bedrooms times 2) plus 4. The maximum occupancy of a 3-Bedroom home would therefore be 10 occupants. The draft policy also limits the total occupancy for any guests of the renters without overnight stay privileges.
- Insurance: A requirement to carry a minimum amount of General Liability insurance for each Rental property, and to name Masthope as additional insured has been introduced.
- Permits and Registrations: A new permit concepts has been introduced through which the actual fit for rental, the number of available parking spaces and the number of bedrooms will be verified. This is separate from the Registration of each individual rental, and needs to be renewed every year.
- ID Passes: Each ID Pass needed to access amenities must be purchased. The draft policy reduces the maximum number of 12 rental ID Passes to 10.

- Long-term versus short-term rentals: The existing distinction between long-term and short-term rentals has been kept, but the duration of a short-term rental has been adjusted to a standard of 30 days.
- Restrictions: The draft policy excludes amenity use other than compactor for renters during the Independence Holiday Weekend as defined by Masthope (it does not exclude rentals during that weekend).
- The draft policy prohibits issuance of rental ID Passes during the first year of home ownership, other than for ID Passes needed for use at the compactor.

Why do we need the address and email information for all renters when they get registered?

Rental parties frequently consist of groups of friends, or others who do not share a common household. If the community needs to contact individuals in the rental party, we need to be able to do so.

Why were the registration fees increased?

The current fee schedule has been in effect for a long time and does not reflect the cost impact to the community. An increase of the fees had been discussed between management and board members for a while.

Why is there no rental fee per day? The fee applies regardless if it's a weekend or a whole week

Many property owners have complained about the steep increase of short-term / weekend rentals in the community and feel that it is not consistent with the family oriented community. The simple fee structure is meant to encourage longer term rentals and to reduce rapid turnover.

Why is there a two-tier fee system? Why do fees go up after 12 rentals in a year?

The original intent to allow rentals was for property owners to have an opportunity to offset dues by renting their homes. A property owner has the choice of either renting their home once a month throughout the year, or to distribute the rentals between the ski season or the summer season. Higher frequency of rentals will lead to more short-term rentals and rapid turnover of occupants, which is discouraged.

Not all rental homes are the same size or age, some are smaller, some larger, some are original, some are newer. Why does everyone have to pay the same?

The community needs to establish a common and reasonable set of rules for all property owners who lease their homes. Requiring different registration amounts given the size or age of the home would increase the administrative burden tremendously.

When the rules say I can rent 12 times a year at the lower rate, does that mean I can only rent once a month?

No, the frequency and the distribution of 12 rentals are up to the property owner. Some property owners like to lease their home for the ski season, others like to lease their home in the summer. Masthope has rentals throughout the year, whether the focus is on a season or the rentals are spread out over the year is the property owner's decision.

How much money does the community make on rentals?

Renters are an important clientele for the ski operation and contribute to the Food and Beverage operation. For the 2019-2020 Fiscal Year, the income from renter fees was \$109,000 (unaudited).

How will the rental funds be allocated in the budget?

The rental fees are part of the general operating budget. For the amenity passes, the community can drive an allocation decision to either offset amenity expenses or contribute to capital asset funds.

Why do we exclude renters only on Independence Holiday, why not on Memorial Weekend and Labor Day Weekend?

The Independence Holiday week and weekend are historically the busiest part of the summer season. With a large number of property owners and their guests looking to use the amenities, the Committee chose this holiday to give preference to those property owners.

Why are renters automatically allowed up to 10 amenity passes?

Only renters whose names appear on the lease agreement may request an amenity pass as part of their rental agreement with the property owner. Each rental or amenity pass needs to be paid for and is not automatically handed out.

Why was the number of renter passes reduced from 12 to 10?

The Committee looked at the increasing renter population and the impact on the community and our amenities. The total number of renter ID passes was reduced to lessen that impact.

Why do we need to be available within 1 hour, or have an agent available that quickly?

Without a property owner on premises, a responsible party needs to be reachable in case of complaints, violations or emergencies. If the property owner cannot be present within an hour, a Person in Charge needs to be named.

Why do properties need to be registered and inspected before we can rent?

With new occupancy rules, facts such as number of bedrooms and parking spaces need to be established to know how many renters and their cars can be accommodated. A physical inspection may not be needed if these facts can be established otherwise, either through plans, permits or certificates of occupancy. If these are not available, a physical inspection may be needed.

Will owners who want to lend their houses to friends and family have to register them as renters?

This is not new, the current rules state that "all known non-owner occupants of improved properties within the community, except designated immediate family and their guests, shall be considered subject to this policy".

Did the Committee take into account that changes to the rental policy can void the ski contract?

Yes, the Committee is aware that changes to the rental policy will be reviewed by Recreation Management to identify impacts on running the ski operation. The Committee has tried to minimize an impact to ski by using December 1 as the starting date of the 12-months rental period at basic fee levels,

and not requiring amenity passes for ski (other than one pass to use the trash compactor). See also following question.

Why was December chosen as the beginning of the 12 months period for rentals?

The Committee chose the beginning of December in order to ensure that rentals could align with the start of the ski season, even an early start.

Will my rental be grandfathered in?

Community policies are fundamental rules that need to be applied even handedly to all property owners. Everyone leasing their home needs be treated under the same rules.

How long will these new rules last? Can they ever be changed?

Policies are procedures underlying the course of actions by the Board for the community. Policies need to be kept current with the needs of the community and need to be either confirmed or revised when it makes sense.

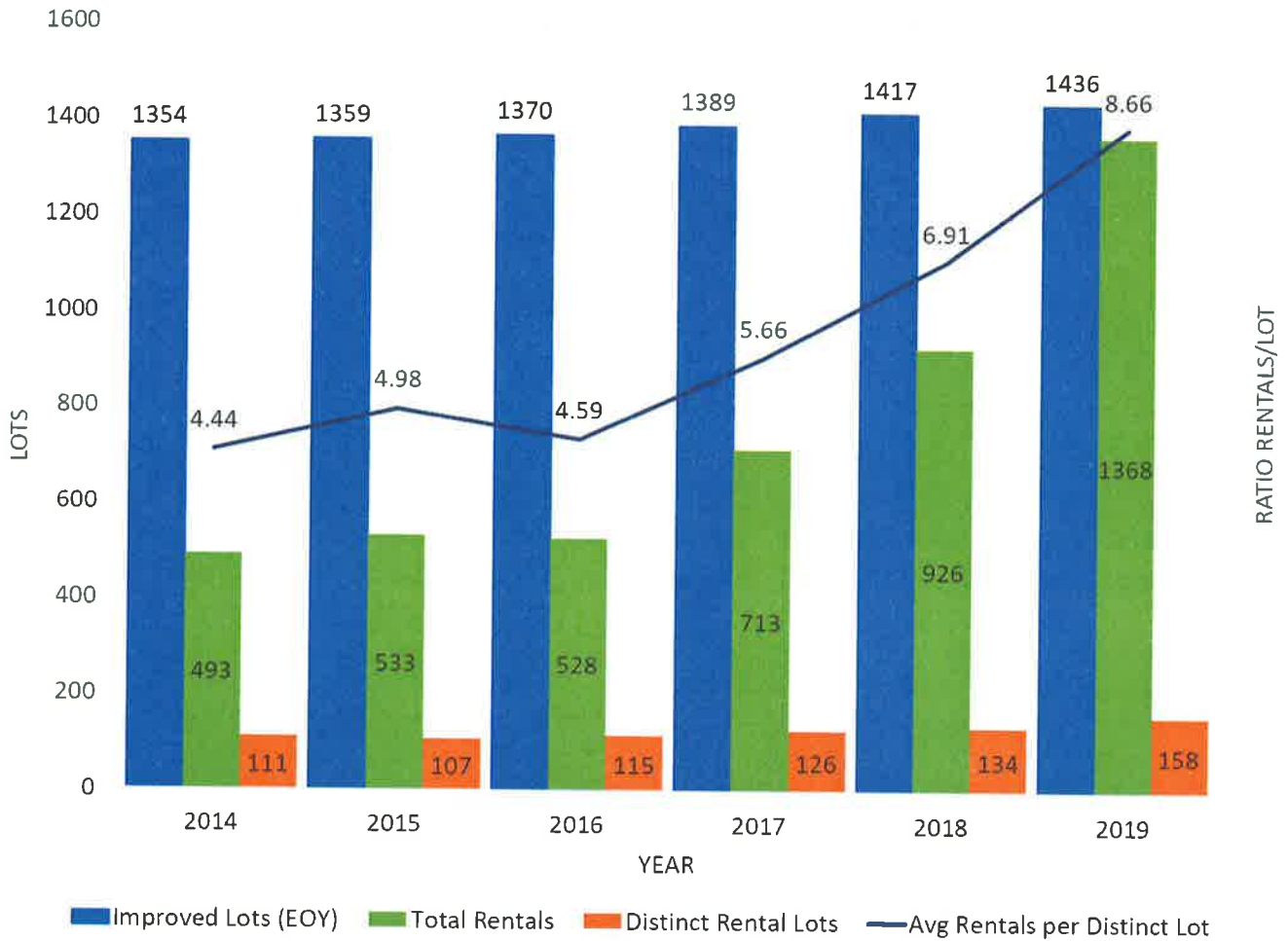
When will these new rules go into effect?

As is usual with new policies, the Board will decide on an effective date if and when the final policy is adopted. This will need to take into account rentals already registered and the fiscal year of the community.

Rental Data

Rental Trends 2014-2019

Note: Not every property registered as a rental lot rents every year. For the years 2014-2019, we had data on 288 rental lots, but only the number listed in the orange bars rented for the respective year.



Key Data Comparison 2016 to 2019

The average number of rentals is flat between 2014 to 2016. Beginning in 2017, the total number of rentals and the average number of rentals per rental lot increase drastically. The following is a sample of key data in comparison between 2016 and 2019.

	2016	2019	Percent Change from 2016 to 2019
Total Number of Rentals	528 (100%)	1368 (100%)	259%
Duration of Rental: Number of Rentals...			
...Up to 3 days	326 (62%)	993 (73%)	304%
...More than 3 up to 30 days	190 (36%)	353 (26%)	186%
...More than 30 days	12 (2%)	22 (2%)	183%
Total Number of Rental Lots	115 (100%)	158 (100%)	137%
Number of Rentals: Rental Lots with...			
...More than 25 rentals	3 (3%)	11 (7%)	367%
...More than 12 up to 25 rentals	8 (7%)	27 (17%)	338%
...Up to 12 rentals	104 (90%)	120 (76%)	115%