

# Short-Term Rental Deed Restriction Amendment Frequently Asked Questions

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**Facebook:** [facebook.com/groups/NaomiNeighborsForResponsibleRenting](https://facebook.com/groups/NaomiNeighborsForResponsibleRenting)

Updated May 3, 2023

**I have been reading the posts on Facebook and I am confused. Can you summarize the intent of the deed restriction amendment?**

- The proposed deed restriction allows people who use their homes a reasonable amount of time to rent and offset their expenses. What it discourages is people who want unrestricted rentals and can give you a new neighbor every weekend.

When the original deed restrictions were written, we did not have Air BNB and VRBO. It was always understood you could rent your home, but it was never contemplated that you could run it like a hotel.

If you aren't running a rental business, you should look at the restriction objectively. Does the proposed deed amendment unreasonably restrict your right to do rentals? And if they do restrict people who want to run rental businesses, is that a desired use for our family based community?

Each Member of the HOA will have the opportunity to agree or disagree by use of a digital ballot that will be provided to you by email, on Monday May 8, 2023. It is your right and your responsibility to complete that ballot and make your voice heard.

**I have read the email that was sent to me requesting support for a Deed restriction vote. I would like to understand how the HOA can restrict my deed which is issued by the Town. I understand that the HOA rules can be altered by a vote but I do not see how a non government entity can alter my Deed. I also understand that the Deed for the common area is owned by the HOA. However this email seems to infer that the restriction will be placed on my property deed. I come to this conclusion since one does not rent common areas but homes which are privately owned.**

- When you bought your property in Timber Trails your chain of title contained HOA Deed Restrictions. A copy of those deed restrictions was provided to you prior to the sale by the seller of your property through the Resale Certificate. If the HOA membership believes that the deed restrictions need to be altered, an amendment can be presented to be agreed upon by the Membership. 67% of the HOA Membership must agree to a deed restriction change. If 67% of the HOA Members agree and consent to the amendment, the amendment will pass, and the deed restrictions will become binding against all properties in the HOA.

**Can you provide some of the rental data? How many owners are renting? How many complaints are there? I don't have short term rental properties near me, and I don't understand the big deal? Are those properties causing the issues being fined according to the Code of Conduct?**

- As of year end 2022 our data indicates that there are 142 Rental Properties in Lake Naomi (PPCA) and 47 Rental Properties in Timber Trails (TTCA).

Until the Township of Tobyhanna passed their Short Term Rental Ordinance there was no accurate way to track the short term rentals in the PPCA, the Board could only go on who was registered with the Club for Temporary Membership and on complaints and concerns from neighbors.

TTCA, due to the gatehouse and being able to require TTCA owners to apply for gatehouse passes, has been able to accurately track the short-term rental trends. TTCA is also able to require that all TTCA rental guests be registered, and they also must sign that they have received and read the community documents, most importantly the Code of Conduct.

Regarding warnings and fines, the PPCA billed \$3,100 in fines in 2022. Please remember that the Rangers must be notified and must witness the violation. There are many times that by the time the Rangers arrive, the fireworks or noise has ended, or a warning is given and the noise calms down. Garbage complaints have also seen an increase and management handles those by sending litter patrol to clean it up and the owner is billed for that service. If it is ongoing, a fine will also be issued.

Updated April 28, 2023

### **When will this amendment go into effect, if approved?**

- This will not impact anything this summer or in the entirety of 2023. If approved, these changes would begin in 2024.

### **What are the basics of the amendment?**

- A “yes” on this plan would indicate support of the following guidelines for rentals, which are very similar to the rules in place for membership at Lake Naomi Club:
- A maximum of ten (10) total rentals per calendar year.

- No more than four (4) of those rentals shall occur between the Friday of Memorial Day weekend, and Labor Day.
- Those “in-season” rentals must be a minimum of seven (7) days in length. If your rental is more than seven days, it still counts as just one rental.

**Under this amendment, can I lend my house to my family? Does this count against my 10 rentals?**

- You can absolutely continue to lend your home to your family. It will not count against your 10 rental weeks when the home is not rented and only used by family members.

**Are the PPCA and TTCA trying to phase out rentals in Lake Naomi and Timber Trails?**

No - rentals have always been and continue to be a way for new families to find and try out our wonderful community. We hope many of our renters will eventually become homeowners.

Updated April 20, 2023

**Why should we do this?**

- Regulation of short term rentals should promote the following outcomes:
- Maintaining the residential character of our community.
- Preserving our sense of community
- Preserving our amenities that were funded by our community.
- Maximize the use of our community funds for residents rather than incurring additional costs associated with unlimited rentals.

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## **What are the basics of the rental plan being proposed?**

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## **I don't usually rent my home. Why should I care if my neighbors do?**

- Our residents purchased their homes in a planned community so they could enjoy the mountain lifestyle and all it has to offer. Part of that planned community was not living next door to a commercial rental business.
- It helps preserve the sense of community and allows our homeowners to enjoy their properties without the constant turnover of short-term renters next door.
- It helps reduce overcrowding of the member funded amenities.
- Maintains the residential character of our community rather than turning it into a commercial resort style operation.
- An equitable rental policy is not a maximization of profits for one individual at the expense of a neighbor's enjoyment of their property.

- Commercial businesses will make it unaffordable for families to own here.

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### **Why is this being addressed now?**

If we don't act now, each year will be more difficult as additional properties are purchased by businesses for rental income. There are currently no restrictions on the number of times a property can be rented.

Many corporations are entering the STR market and are buying thousands of properties in select areas nationwide with varying ownership opportunities. This may not seem like a huge issue today, but 5-10 years from now it will be. We must act now before more and more people invest here for the wrong reasons.

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### **We have always had rentals, haven't they been useful?**

Rentals are important to our community and remain an important portal to ownership in our community and membership in the Lake Naomi Club. Short-term rentals have always been here and serve two purposes here:

It allows people unfamiliar with this community to experience it for themselves.

Rentals permit owners to offset some of the costs of ownership

It is the exponential growth of the numbers due to the profiteering that requires regulation.

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### **Why don't we enforce the rule in the Deed Covenants that says businesses are not permitted?**



There is a difficult line between an occasional rental and rental as a business. When does an occasional rental become a business? Strict enforcement would not benefit our community.

Rentals were envisioned in our founding documents and we have always permitted the occasional rentals.

It is the cross-over now to unregulated, unlimited rentals that will impact the nature of our community.

If we restrict all rentals then we would do a disservice to our owners who rent occasionally without impacting their neighbors, as well as limiting the opportunities for future members to experience the beauty of our community.

Having rental rules that consider the needs of all owners is the appropriate way to maintain our community and enable rentals on an equitable basis.

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**Will the implementation and enforcement of this program cost residents of both communities money?**

Mirroring other communities, the rental program will require fees to administer and cover costs associated with renting. These fees will be paid by those renting their properties so as to not encumber other members.

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**Are residents in favor of restrictions?**

Per the results of the survey, most residents are in favor of the residential nature of this community and want that to remain the case.



- 67 percent of households responded to the survey.
- 72 percent of respondents are worried about the long-term impact of unlimited rentals.
- 73 percent were concerned about having unlimited different occupants on a short-term basis next to them or nearby.
- 66 percent were in favor of limiting the minimal rental period.
- 67 percent were in favor of limiting the number of rentals per year per property.

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**Our community relies on the services of hundreds of volunteers in many committees. How will we get volunteers if we have so many transient renters?**

Hundreds of members across both associations volunteer to make this community work. Short term transient renters will not contribute to our community and we will have to employ additional staff to help. This will never address the impact that our wonderful volunteers make.

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**Is the next step to eliminate rentals altogether?**

No. There are absolutely no plans or intentions to eliminate property rentals. Rentals provide a unique opportunity to help individuals offset their taxes, mortgage payments and membership dues. Rentals have always been a wonderful opportunity for potential owners to experience our community.

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**What will happen if there aren't enough consents to pass?**





Eventually the nature of the area will change as we have transient renters just coming and using the homes.

- We will not be able to keep our area as a “community” where we know and have relationships with our neighbors.

- We will not be able to maintain our various programs and activities as we rely on 200-300 volunteers to supplement staff.

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**Do temporary members of Lake Naomi Club (renters) have the same rights as members and same usage privileges provided to club members?**

Yes.

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**Does this proposal cover just short-term-rentals?**

The proposed rules would cover all rentals of any length.

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**What costs do I incur as a homeowner due to unlimited rentals?**

There are multiple costs when renters use PPCA and TTCA properties, including additional security demands on Ranger staff:

- Policing facility usage

- Dealing with noise complaints and unruly behavior
- Extra gatehouse personnel to deal with renter check-ins
- Extra office personnel to manage rental applications and temporary membership applications
- Additionally, hundreds of members volunteer annually to make this community more enjoyable by serving on committees and running activity programs. Short-term transient renters will not contribute their time to our community. We will have to hire paid staff to perform all these necessary functions.

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### **How will this rental program be monitored and enforced? Will there be inspections?**

No. There will not be regular inspections. There will be enforcement if there is a complaint. The issuance of a Short-Term Rental Permit is not a warranty that the premises are lawful, safe, habitable, or in compliance with this chapter. Nor are there any guarantees for the protection of the owner or his/her property.

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### **How does this benefit landlords?**

Limiting the number of rentals allows for an equitable policy that mutually protects the interests of owner/lessors and non-rental property owners. Limiting short-term rentals will dissuade the large commercial rental companies from investing in our community and changing the character and focus of our community and club. An equitable policy reflects a balance between the needs and desires of the owner/landlord and that of their neighbors.

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**What are the secondary benefits of having a more defined policy such as this one?**

Having a known policy of frequency limitations that homeowners can work with, rather than being concerned about what might be enacted later. It may encourage residents to rent for longer periods. It will also help us ensure that those advertising rentals are doing so legitimately. We have had homeowners who are not members in Lake Naomi Club advertising club facilities as being available to renters, when they are not.

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**What is the issue with transient visitors?**

This is not a transient community where hotel-like rentals are permitted. Even transient communities -- like Aspen and Breckenridge -- have placed restrictions on short-term rentals. We like to know and socialize with our neighbors and build community.

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**Does this override the Tobyhanna Township Rules?**

To maintain consistency between associations, all rentals shall follow rules for rentals in effect by Tobyhanna Township. However, those rentals will have the time and frequency limits as defined here, and basic rules for enforcement and to preserve the character of our community.

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**What are some of the rules on homeowners and renters that have been implemented by Tobyhanna Township?**

The township has rules that apply to homeowners and their renters, and would remain in this proposed program. They are not limited to the following:



- Rental permit required, with annual renewal.
- A maximum occupancy of two persons per bedroom with a max of 10 persons.
- Minimum two-night stay.
- No fireworks.
- Parking must be sufficient and off-street.
- No inspections but provisions for safety.
- Proper payment of county and state taxes.
- Noise monitoring recommended.

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### **How and when do I provide my agreement/consent in favor of this amendment?**

You will receive an email agreement/consent form from DirectVote.net which is an online balloting company titled Surveys & Ballot Systems. Survey & Ballot Systems will conduct the polling and provide the results to the PPCA and TTCA Boards. Each property will be provided two (2) Agreement Consent forms that will be accessed through an email link directly to the member. Each Member/Member Spouse will complete agreement/consent and submit. If you as a Member do not have a spouse or significant other, you may fill out both! The Lake Naomi Club used S&B for a similar application in May of 2022 and it was very professional and successful. We expect this link to access your agreement/consent to be sent to all Community Members on or around May 8, 2023. If you are unable to provide your agreement/consent via the online format, please contact the Administrative Office at 570-646-9191 and be prepared to provide your Lake Naomi-Timber Trails address.

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### **If I don't take part in the process, how is my input counted?**



It would not be counted! Anyone who does not return the approval form is considered a "NO." In order to pass, 67 percent of ALL RESIDENTS must approve of the change

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**When will this take effect if passed?**

If passed, this will come into effect on January 1, 2024.

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**If I use my house for the summer, how many times can I rent in the offseason?**

There are 10 rentals permitted per calendar year, so if you don't use the 4 available for the summer season, you can rent 10 times in the offseason for as little as 2 nights.

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**The amendment states that the Board of Directors may adopt and amend such reasonable rules and regulations with respect to leasing and subleasing of lots as may be necessary and appropriate based upon the purposes of the Association. What kind of rules and regulations might these be?**

As the Boards have adopted the Code of Conduct as their current set of "Rules & Regulations", language could be added to cover the registration of short term rentals and management of short term rentals and fees could be assessed for this service, along with requirements for responsible parties to be within a certain time distance for response, containment of garbage, septic monitoring requirements, etc.

