

## **Statement from the KDCA Board of Directors**

Recently, a home in Kensington Downs (KD) was purchased by an out-of-state owner, and currently it is being used as a rental home. Some KD residents are concerned that a large number of homes used exclusively as rental properties will adversely affect property values for current owners and alter our neighborhood's appearance, if the owners of rental homes and/or their tenants do not maintain the property (house & yard) with the same pride of ownership displayed by current KDCA homeowners.

Other neighborhoods in Fort Wayne, and across Indiana as well as out-of-state, are experiencing these "rental property issues" too, and they have deemed this to be a problem. Their reaction has been to change their covenant documents to prohibit or limit rentals in their neighborhoods. Changing a community's covenant documents is a time-consuming and expensive legal matter. There are multiple forms that rental restrictions might take, from completely restrictive to partially restrictive with waiting periods or only allowing a defined percentage of the subdivision's homes to be rental properties.

It has been suggested that we change the KDCA Covenant documents to **prohibit** all KDCA property owners from using their homes as rental properties, which would mean that all homes/dwellings in KDCA must be owner occupied. As currently written, the KDCA Covenants (with the exception of Section II, The Villas) and the KDCA Bylaws are silent on the subject of "rentals", meaning there are no restrictions for KD homeowners who want to rent their home/property.

Since early August 2023, the KDCA Board of Directors has been consulting with attorneys at Eads Murray and Pugh, P.C. (Indianapolis, IN), a law firm that specializes in Indiana HOA law. Since Indiana homeowners association and condominium law is the sole focus of their practice, these attorneys have offered invaluable advice to us. Any rental restriction that we might consider adopting needs to take into account the individual property rights of each KD homeowner. We should seek to strike a balance here. Furthermore, we should consider adopting language that would prevent any institutional investors from buying up homes in KD for the sole purpose of turning those properties into "rental homes".

Changing the KDCA covenants would require agreement by seventy-five percent (75%) of the KDCA property owners before any change(s) can be initiated. Since there are so many different aspects to consider as we formulate "language" for a possible amendment to our covenants, we should deliberate carefully as a community before going forward.

**In order to get the discussion started**, the KDCA Board of Directors has included two (2) questions on the annual meeting ballot to determine if there is enough homeowner interest in considering amending the KDCA covenant documents to restrict "rental properties" in our community.