



INFORMATION PAPER

Homeowner Property Inspections

Issue:

Changes to homeowner property inspections cycle, timing and scope as a result of snow coverage, realtor request and point of sale, member feedback.

Background:

There has always been an element of homeowner inspections at Tahoe Donner whether they are complaint based, programmatic related, or project generated. In 2013 Tahoe Donner instituted a more formal home inspection to address on-going maintenance standards for the community. The committee and staff have reported on the strengths and weaknesses of this particular program to the board over time and have made incremental improvements over the last three years.

However, the impact of the program particular to the timing of the inspections relative to snow coverage, scope, and realtor/point of sale dynamic caused the Architectural Standards Committee to agendaize and discuss key elements of the program including:

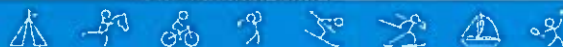
- On-Going Maintenance rules
- Timing of inspections relative to snow coverage
- Scope of inspection relative to the homeowner inspection program, projects, and complaints
- Communication with customers including members, their agents, etc. as it pertains to the above
- Enforcement of minimum maintenance standard and projects completed without a permit

The Committee has recommended a set of On-Going Maintenance rules, which are currently out for member comment.

This information paper is provided to continue the conversation of the scope and timing of the inspections along with the Committee's recommendation for improvement changes and a recommended member communications and engagement plan.

Snow Coverage

The impact of having an actual winter with substantial snow on the ground made doing a full property inspection impractical and unadvisable from a staff safety perspective. As such, the Committee decided that a street view inspection was to be completed at the time of deed transfer or realtor request with a follow-up full property inspection in June or whenever the snow has sufficiently cleared to make the inspection feasible. This procedure adds in the





expense of a second inspection and creates a difference between the information available at point of sale different for summer and winter inspections.

Doing the winter inspection as a street view and a follow up full property inspection creates additional expense and makes it different from the summer inspections at the point of sale time. Also, the full inspection at point of sale frequently creates substantial amounts of staff time helping the seller and realtor resolve the inspection items. The full property inspection does create a fair amount of friction with the outgoing and incoming members.

Scope and Timing of Inspections

The current timing of inspections related to Architectural Standards are:

- Deed Transfer – full property inspection
- Homeowner/Realtor Request – full property inspection
- Complaint Based – full property inspection or specific
- Project Inspection – full property inspection regardless of project scope
- Street View – occurs on a per street, per year schedule

A “street view” inspection is what one would see if walking by the house on the edge of the street (front elevation and partial views of the side and roof). A full property inspection is one when the inspector walks the perimeter of the house and lot, including the rear and side setbacks.

The Committee is of the opinion that the timing and scope of the inspections need to be changed, especially with regard to the Homeowner Inspection Program. This opinion is based on their discussions at committee meetings, as well as collaboration with the Tahoe-Truckee Board of Realty, and membership feedback.

Recommended change of inspection timing and scope is as follows:

Homeowner Inspection Program Changes

- Deed change based inspection to street view
 - 500+ / year with deed and realtor requests
- Continue 250 street view inspections per year
- Total street views: 750+

Complaint and Project Inspection Changes

- Complaint: continue full property inspection
- Project: to determine a level at which a full property inspection is required and reduce inspection scope for minor projects like light changes





Member Communication and Engagement

The Committee is suggesting that the Committee and staff engage in a member communication and engagement plan through workshops over the next month to discuss the inspections scope and timing. These workshops would also allow for further member communication on the On-Going Maintenance rules currently out for member comment.

After these workshops, the Committee will review the feedback and provide a final recommendation to the Board of Directors.

Prepared By: Annie Rosenfeld, Director Risk Management and Architectural Standards Committee

Board Meeting Date: April 22, 2016

General Manager Approval to Place on the Agenda:





Architectural Standards Homeowner Inspection Program

April 2016



Program Details

Purpose

Inspect homeowner properties in order to ensure compliance with the governing documents. Emphasis will be placed on compliance not on a punitive measure .

Vision

A community standard for property homeowner developed lots.

Goal

Preserve the appearance of Tahoe Donner homes so as to maintain home values in an aging community.

Association management recognizes that “age” alone is not the sole factor of declining property appearance and will identify specific properties in need of significant maintenance attention and communicate their findings to the property owner.



Program Operational Consequences

- Realtor requested inspections
 - Volume
 - Point of sale disclosure addendum
- Outgoing member experience
- Incoming member reception and experience
- Snow coverage
 - Necessitates street-view inspection and the second inspection during no-snow period to achieve full 360
 - Concern about equanimity of inspections as a result

Home Inspections	Mar-16	YTD 2016	Projected for 2016	Mar-15	YTD 2015	Actual 2015	Actual 2014	Actual 2013
Realtor based	13	34	250	15	43	236	242	260
Deed based	0	2	25	4	12	36	29	32
Grid based	0	1	250	41	41	85	125	213
Complaint	2	3	30	1	1	21	15	50
Total	15	40	555	61	97	378	411	555

*Total number of annual inspection reflects initial inspection and no re-inspections.



Additional Stats

Program to Date	Pass	%	Pass w/ Reinspection	%	Pass w/ 2nd Re-inspection	%	ASC w/ Pass	%	Total Passes	%
Realtor	145	26%	333	60%	73	13%	3	0%	554	73%
Deed	23	32%	29	40%	20	27%	1	0%	73	72%
Grid	168	44%	189	50%	21	6%	1	0%	379	91%
Complaint	2	12%	5	29%	8	47%	2	0%	17	39%
Total	338	33%	556	54%	122	12%	7	0%	1023	77%

Program to Date	Minor Repairs	Major Repairs	Total Repairs Outstanding	%	Total Inspections	ASC Major Outstanding Repairs	ASC Minor Outstanding Repairs	ASC Outstanding Total
Realtor	122	88	210	27%	764	4	6	10
Deed	21	7	28	28%	101	0	4	4
Grid	22	17	39	9%	418	2	2	4
Complaint	7	20	27	61%	44	6	4	10
Total	172	132	304	23%	1327	12	16	28

Recommendations for Programmatic Change

- Recommendation: Change timing and scope level of inspections
 - Deed change based inspection to street view
 - 500+ / year with deed and realtor requests (this includes re-inspections)
 - Continue 250 street view inspections per year
 - Full property and improvement inspection: complaint and project only
- Existing Program:
 - Full inspection at time of deed transfer ~300 properties per year
 - Accept realtor request inspection volume ~500 properties per year
 - Continue 250 street view inspections per year



Communication & Engagement

MEMBERSHIP

April 22 Board Meeting

- Discussion of recommended changes and community engagement

May Membership Workshop: Discussion/feedback on

- Recommended inspection changes
- On-Going Maintenance rules which is out for member comment

May 27 Board of Directors Meeting

- Action on recommended inspection changes
- Action on On-Going Maintenance rules

OTHER CUSTOMERS (REALTORS, CONTRACTORS, ETC.)

Provide overview of potential changes:

- Realty board presentation
- Broker house presentations
- CATT/communication pieces to contractor community