

# DECISION PAPER



## **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.

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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+

## *Member Communication and Engagement*

The Committee held two town hall meetings, May 18 and 21, 2016, to discuss and hear feedback on several topics including the Homeowner Inspection Program inspection scope. The homeowner inspection program feedback was overall supportive of the change from a full

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property inspection to a street view inspection. There was mixed opinion regarding timing of the inspection, meaning at deed transfer or moving the program to a cycle similar to the defensible space program. The majority of verbal feedback preferred the program be cyclical.

## *Recommendation*

The Committee is recommending 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+

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

**Board Meeting Date:** May 27, 2016

**General Manager Approval to Place on the Agenda:**



## ARCHITECTURAL STANDARDS TOPICS MAY 18 AND 21, 2016 TOWN HALL SUMMARY

Two town hall meetings were offered for member participation May 18 and 21, 2016. A presentation and discussion outline was provided by power point which was posted online prior to the town hall meetings, and provided as a hard copy to attendees. Architectural Standards Comment Cards were provided. Approximately 36 members attended the Wednesday, May 18 meeting and approximately 34 attended the Saturday, May 21 meeting.

Below you will find member verbal feedback and submitted written feedback.

### Member Verbal Feedback/Comments

- **Homeowner Inspection Program**
  - Deed based inspection
    - Current deed based inspection becomes a point of after sale issue.
    - Like the change from full inspection to street inspection; however believes cyclical approach i.e., similar to Defensible Space program cycle makes more sense for operations, members, and others.
    - Eliminate deed based inspection and just do 750 Street View inspections per year like Defensible Space program.
    - What is the cost involved in the inspections for this program, ie, what do members have to pay to have their home inspected? Answer: a portion of the deed transfer fee supports this program inspection.
    - Like the deed based inspection as it provides a buyer with further assurances of home following guidelines and is compliant.
    - Deed based inspection creates negative buyer perception, not a nice welcome into the community.
    - Concern over purchasing a home in Tahoe Donner and then finding additional non-compliant items.
    - Deed based inspection creates unrest and distrust in the Association.
    - This inspection is not fair to the new owner.
    - Should not discontinue the deed based inspection, it is pro-buyer and improves disclosure of property. In favor of moving from full inspection to street view.





- **Project based inspection**
  - Members want inspections for projects to only include the project and not a full property inspection.
  - Do not hold up finaling project due to other unrelated non-compliance items. Either open a non-compliant item or address at a later date.
  - Full property inspection in addition to project final creates distrust, and creation of new laundry list can be daunting and causes members to not want to inform the Association about projects.
  - Just inspect for project.
  - Allow photo verification of projects rather than field inspection, at least for minor related projects.
  - Empower staff to approve and permit minor projects.
  - What benefit will the “permit” be when the owner may also be penalized by other improvement issues.
  - Why perform inspections for projects? Understand reasoning behind the inspection before requiring the inspection.
  
- **Complaint based inspection**
  - Continue to perform as is.
  
- **On-Going Maintenance Rules**
  - Appearance standards are the reason property values are good here and benefit the neighborhood.
  - For any new rules, and these in particular, what benefit do they bring to the table?
  - Variation need to be correct.
  - Notes that roof language is the biggest change. Why create a percentage? Why not just leave it up to the inspector to determine whether it is failing rather than putting the percentage? What if the roof is at 19%?
  - Would rather rely on a good inspector to determine what maintenance should be done.
  
- **General Architectural Standards Comments**
  - For multi-residential units suggest reducing requirement to match each building, unit. For instance, one unit’s lighting can be different than another.
    - Suggest setting prioritization with the multi-residential units when addressing maintenance issues.
    - Also consider effect and overall goal of requiring older multi-residential complexes to comply when communication can be extremely difficult between owners.





- Suggest moving Architectural Standards meetings move from Wednesdays to night or Saturdays.
- Does the Architectural Standards Committee ever consider grandfathering projects? If so, how do they approach that? Answer: When faced with this issue, the Committee looks at the issue and works with the member to find a reasonable end result for both the Association and the member where appropriate and allowable.
- Is there a possibility of changing permit requirements for minor items?
- Improve the language in the letters being sent. They still seem very negative and overly authoritative.
- Create email address for positive suggestions to deal/handle with Architectural Standards issues.
- Better define the difference between major and minor projects.
  - Suggestions included for minor but no permit required: doors, window, lights, paint, roof same and color, landscaping non-structural
- Allow staff to approve minor projects and look for additional simplicity driven actions to improve the system.
- Define major and minor projects with a checklist that helps guide members to determine what they will need and whether they need a permit.
- Create a comparison chart of what Town of Truckee requires for permitting vs TDA, illustrate TD is about aesthetics not code and vice versa.
- We can go a long way towards improving customer relations if consider reducing burdensome paperwork, approvals, and fees where appropriate.
- Simplify as much as possible: for example, make a list of things owners can do without notification; make a list of things that must be approved; create a vendor list and standards models like an allowed paint palette, and roofing materials.
- Have the committee in the office more that way you can reduce costs. Answer: The Committee meets twice a month on Wednesdays for a formal meeting generally from 9:00 a.m. to 12:00 p.m. and when necessary longer. On the opposite Wednesdays, a committee member provides “one-member committee review” for those projects or requests not needing full committee review.

## Member Written Feedback/Comments

When I read the guide (On-going Maintenance Rule proposal), every house in Tahoe Donner violates the rules after a harsh winter. Instead of a rule, add thresholds like the roof and publish the proposed ASC maintenance rules as an online guide to help the inspector and homeowner.

Consider dropping an inefficient deed transfer program for a more efficient grid program.





6500 divided by 50 weeks divided by 40 hours equals 16.25 homes per hour passed. If the inspector focused on only eyesores, you could pass all the houses in one or two years. Thresholds are how to focus the inspector: 20% of roof and 50% peeling paint as an example for the next 2 years. If all the eyesores are in the program, you can change the thresholds or add criteria.

Cohort reporting (especially of complaints) to create more visibility for Tahoe Donner homeowners.

Take a hard look at site plan and elevation requirements. Those are the biggest areas of complaints for remodel permits.

Consider dropping fees for small projects like painting, lighting, garbage enclosures, etc. I don't want to discourage neighbors from doing this work with permit due to cost.

Additional written feedback provided in a power point presentation totaling six slides, of which are included.



# Tahoe Donner Architectural Standards

Town Hall Meeting 5/21/2016 Member Written  
Comment provided (6 slides)



## What do homeowners expect from AS?

- AS “ensures that structures and properties in Tahoe Donner are in harmony with their natural surroundings and benefit the quality of life and property values of association property owners”
- ASC writes reasonable AS rules, which benefit homeowners.
- ASC/ASO publishes guidelines, recommendations, available resources
- ASC/ASO resolves neighbors’ complaints
- ASC/ASO ensures that there are no ‘eyesore’ properties
- ASO helps owners in planning their improvements (land use, design)
- **Homeowners expect ASO to be the place, where to get help and advice, instead of where to go in fear of being penalized.**

## Cost - Benefits Analysis: Benefits

- Are the AS rules reasonable? Too much details; focus on processes, not on important parts.
- How many owner complaints have been resolved to the mutual satisfaction of the owners in 2015? Filed 50 in 2013, 14 in 2014, 21 in 2015; takes 6 months or more to resolve esp with bank-owned.
- How many projects benefited from the ASC review in 2015? Total 395 projects in 2015: 32 new homes, the rest modifications and compliance work. "the staff and committee helped each owner through the process of codifying the work done and where at all possible approved the work"
- How many "eyesore" properties were dramatically improved as a result of grid inspections? There is a lot of work in this direction, but the results are hard to measure.
- How many owners got help preparing useful documentation for ASC? A lot of help preparing documentation, which is not useful. Too much ASO load is related to bloated paperwork. The important parts are about land use: easements, deeds, etc. Help in coverage calculations.
- What are the other benefits provided by ASO to the owners last year? Information hub; help choosing building professionals.

## Cost - Benefits Analysis: Costs (\$300K + 7K hrs)

- ASO/ASC Budget: \$250K
- Fees, fines, etc: \$125K
- Time spent on AS matters
  - ASO: 3 (+ 1 in 2016) FT employees 40 to 80% dedicated to AS, the rest to Covenants..
  - ASC: volunteers' time ~1,500 man-hours/year
  - Homeowners and their reps: ~2,500 hrs = 300 projects x 5hrs + 100 compliance work x 10hrs

## Cost - Benefits Analysis: Summary

Need a better “bang for the buck”! How? See next slides.

Additional question: What percent of all improvements in Tahoe Donner has been done with ASC permits? (100% or 75% or **20%** or 10%)

# How to improve benefits from ASC/ASO?

1. Help in preparation documentation for the Town of Truckee.
2. Help in establishing property borders instead of requiring a professional survey. \$100-200 fee
3. Help in lot cleanups. Some owners are far away. Some can not do manual labor and/or can not afford hiring contractors. ASO can organize volunteers and in special cases provide a dumpster for a reasonable fee.
4. Organize landscaping and house decoration contests with incentives/prizes.
5. Facilitate tool and leftover materials swaps between homeowners for minor projects.
6. Help homeowners with planning improvements. Have a library of recommended projects, recommended colors, materials, light fixtures.
7. Negotiate discounts with vendors of recommended paint, materials, etc.
8. Publish recommendations to the buyers and sellers. How to wisely spend exterior improvement dollars to increase the sale price (involve realtors' wisdom). What to look for if you are buying in Tahoe Donner.
9. Publish recommendations to homeowners how to protect their property from ice, snow, and critter damage. Including examples of low cost solutions from neighbors.

## How to reduce costs for ASC/ASO?

1. Re-establish over the counter review of projects by a single ASC member. By doing this we can avoid a lot of unnecessary documentation, a lot of unnecessary \$\$\$ and time spent both by ASO and owners.
2. Simplify documentation required for ASC reviews. Use photos. Concentrate on what is important. It will save time and money for both ASO and homeowners.
3. Limit the ASO staff. If we implement these proposals, there will be no need hiring another full-time inspector.
4. Limit the scope of project inspections to the project. Owners can do one thing at a time without being forced into more expensive projects due to unrelated "non-compliance".
5. Eliminate most of the fees for ASO services. These fees and the lengthy permitting process are the major reasons that a lot of improvements in TD are done w/o a permit or consultation with ASO.
6. Eliminate penalties for an improvement w/o a permit, if an improvement found during a routine inspection does not violate AS guidelines.

## How to get THERE from HERE?

1. The Board and ASC need to acknowledge that we have a problem.
2. The Board needs to set a goal to make AS more useful and reasonable.
3. Take up Charles Wu on his proposal to facilitate a task force with representatives from ASC, ASO, the Board, a realtor, an architect, a contractor, and homeowners to review AS.
4. Prepare and publish useful AS related information.
  - a. Rules summary/checklists; Pre-approved/recommended options; Community resources.
5. Prepare and implement changes to the concepts of permits and fees.
  - a. Simple review with checklist and no member fees for improvements
  - b. Simple checklist and simplified documentation for new development. No fees(?)
6. Prepare and implement changes to the inspections.
7. Prepare changes to the rules and regulations.





## Architectural Standards Topics Member Town Hall

May 18 and 21, 2016



## Purpose of Town Hall

- Communicate activities of the Committee regarding recommended programmatic changes to the Board of Directors.
- Engage member feedback regarding Architectural Standards Topics.
- Foster clear and open communication between volunteer committees and members at large.
- Provide further avenues for members to understand the Association and its governance.





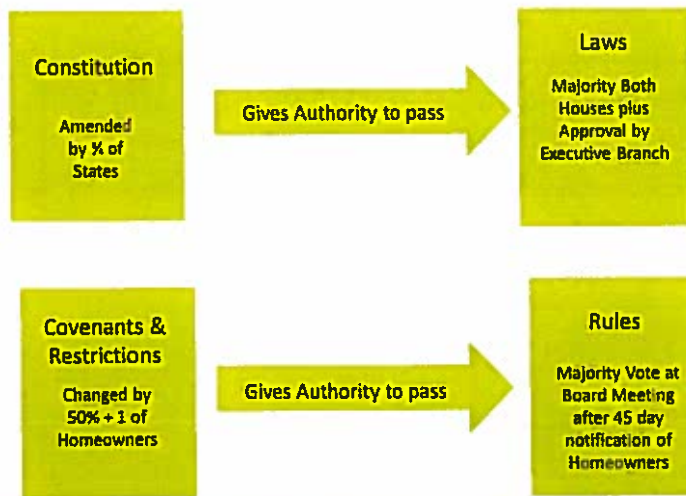
# Town Hall Structure

- Each town hall will be structured the same and discuss the same topics.
- The Architectural Standards Committee has asked Annie Rosenfeld, Director of Risk Management and Real Property to moderate each town hall.
- Speak your Peace meeting guidelines will provide recommended meeting handling both by management, committee members and members at large.
- Meetings will cover three topics:
  - General understanding of Architectural Standards in Tahoe Donner, Committee and staff
  - Home Inspections
    - Homeowner Inspection program
    - Project based inspections
    - Complaint based inspections
  - On-going maintenance rules currently out for member comment



# Governing Documents & Rules

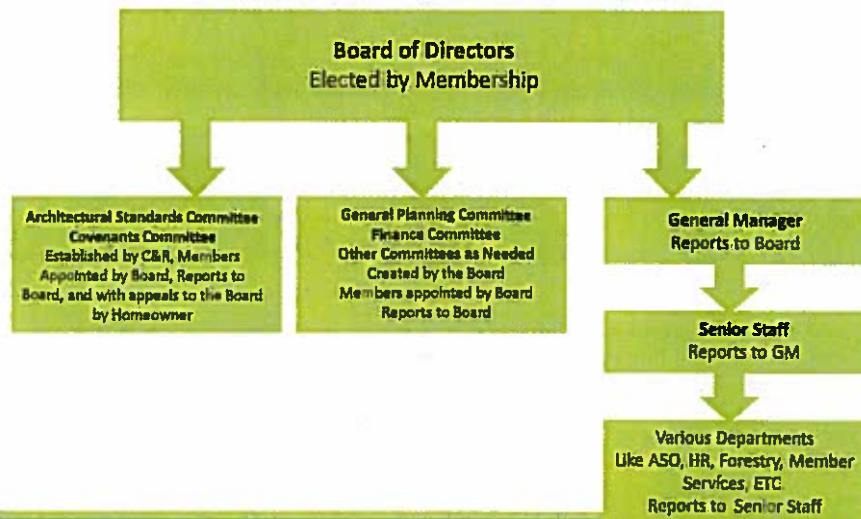
An Analogy



Slow to change

Easier to change

# Tahoe Donner Homeowners Association



## Architectural Standards Committee (ASC) and Architectural Standards Office (ASO) Duties

### ASC Full Committee

- Approves New Homes
- Approves Additions
- Approves Variances w/ demonstrated hardship
- Approves Major Projects like Decks, Landscaping
- Holds Hearings for Violations
- Approves ASC Minutes
- Grants Authorized exceptions to Rules when Appropriate
- Assesses or Waives Fines

### One Person Review (Chair or Member)

- Approves Minor Projects
- Approves Exterior Paint Changes
- Approves Revisions to Existing Project Drawings

All decisions appealable to the Board of Directors

### ASO Manager

- Approves Delegated Minor Projects
- Manages AS Office and Staff including Compliance Inspector
- Records ASC and Covenants Minutes
- Identifies Systemic AS Issues
- Acts as staff liaison to AS and Covenants Committees

### ASO Staff

- Homeowner interface for AS, Covenants and other Land Use
- Maintains AS Records
- Reviews Submittals for Completeness
- Maintain AS Database
- Conduct AS Inspections
- Conduct Covenants Inspections



## Delegation of Approval Authority

- As discussed there is only a few items which staff has approval authority with regards to Architectural Standards changes, projects, etc., namely ARCGE, light fixtures, and roof replacement like for like.
- Architectural Standards Committee is currently working with staff to develop recommendation for additional delegation of approval authority at senior staff and Architectural Standards manager level.
  - Details of this forthcoming recommendation are scheduled for Committee discussion at the regular committee meetings.
- Membership and other customers would benefit from this further delegation by way of expediting certain project type approvals, reducing administrative tasks, approval timeline, inspections, and costs associated.
- Any recommendation will go the Board of Directors to be discussed and considered at a board meeting in the future.



## Homeowner Inspection 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.



# Architectural Standards Property and Improvement Inspections

Association has multiple inspection programs spanning Defensible Space to Complaint based inspections all of which authority is provided for in the Covenants and Restrictions and further clarified in the rules.

Architectural Standards has three inspection programs:

1. Homeowner Inspection Program: property and improvement inspection at deed transfer and cyclical grid street view inspections of 250 per year
2. Project Inspection: property and improvement is inspected at the close of a project whether minor or major
3. Complaint Inspection: property inspection occurs as a result of complaint

# Program Operational Consequences

- Realtor requested inspections on behalf of homeowner (HO)
  - 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
<b>Realtor/HO based</b>	13	34	250	15	43	236	242	260
<b>Deed based</b>	0	2	25	4	12	36	29	32
<b>Grid based</b>	0	1	250	41	41	85	125	213
<b>Complaint</b>	2	3	30	1	1	21	15	50
<b>Total</b>	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/HO	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%
<b>Total</b>	<b>338</b>	<b>33%</b>	<b>556</b>	<b>54%</b>	<b>122</b>	<b>12%</b>	<b>7</b>	<b>0%</b>	<b>1023</b>	<b>77%</b>

Program to Date	Minor Repairs	Major Repairs	Total Repairs Outstanding	%	Total Inspections	ASC Major Outstanding Repairs	ASC Minor Outstanding Repairs	ASC Outstanding Total
Realtor/HO	122	88	210	27%	764	4	6	10
Deed	11	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
<b>Total</b>	<b>172</b>	<b>132</b>	<b>304</b>	<b>23%</b>	<b>1327</b>	<b>12</b>	<b>16</b>	<b>28</b>

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## Recommendations for Inspection Programmatic Change

- **Recommendation: Change timing and scope level of inspections**
  - Deed change based inspection from full property and improvement inspection to street view
    - 500+ / year with deed and realtor requests ( this includes re-inspections)
  - Continue 250 street view inspections per year
  
- **Existing Program:**
  - Full property and improvement 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



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## Inspections Discussion

- **Deed based inspection**
  - Some launching points for discussion:
    - Deed based versus cyclical approach i.e., similar to Defensible Space program cycle
    - Proposed recommendation from full inspection to street view
- **Project based inspection**
  - Some launching points for discussion:
    - Definition of major versus minor projects
- **Complaint based inspection**



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## Proposed New Rules On-going Maintenance Standards

- **Purpose**
  - Setting a written minimum maintenance standard for homes in Tahoe Donner
  - Clarifying language for members, committee and staff
  - Addresses roof maintenance through improved language upon existing rule
  - Separates a minimum maintenance standard from new construction standard which is in Covenants and Restrictions
- **Process for new rules recommendation**
  - Committee and staff worked on development through a year process at committee meetings to draft recommended language.
  - Requested Board to consider new rules to go out for 45-day member notification and comment period with consideration of adopting new rules at the April 2016 board meeting.
  - 45-day member notification in March 2016 TDNews and posted on [tahoedonner.com/45-daymembernotification](http://tahoedonner.com/45-daymembernotification)
  - Committee, staff and board recommended extending member comment period additional month to allow for further member outreach and comments through town hall meetings.
  - Board to consider new rules at the June 2016 board meeting.



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## Proposed New Rules On-going Maintenance Standard

- Member discussion
- Official comments submission as follows:
  - Comments can be written on comment cards present at town hall meetings
  - Email Annie Rosenfeld, [arosenfeld@tahoedonner.com](mailto:arosenfeld@tahoedonner.com) comments for inclusion in board agenda item packet
  - Mail comments to Annie Rosenfeld RE: On-going Maintenance Standard Comments, 11509 Northwoods Blvd. Truckee, CA 96161
  - Email Board of Directors, [board@tahoedonner.com](mailto:board@tahoedonner.com) or Architectural Standards, [aso@tahoedonner.com](mailto:aso@tahoedonner.com)



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## Communication & Engagement

### MEMBERSHIP

#### April 22 Board Meeting

- Discussion of recommended changes and community engagement

#### May Membership Town Hall Meetings 5/18 & 21: 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

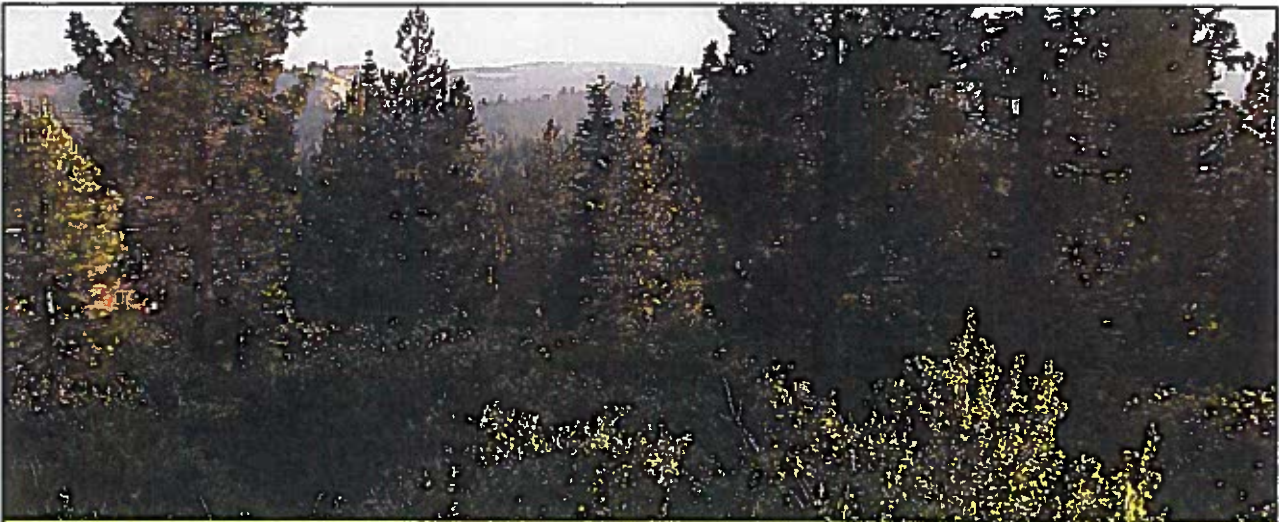
### OTHER CUSTOMERS (REALTORS, CONTRACTORS, ETC.)

#### Provide overview of potential changes:

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



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Thank you for participating.

For any questions or concerns email [arosenfeld@tahoedonner.com](mailto:arosenfeld@tahoedonner.com).





