

DECISION PAPER



December 7, 2017

2018 Architectural Standards Fee Schedule

Issue:

As required by the Covenants and Restrictions, changes to Architectural Standards Fee Schedule must go out for 45-day member notification prior to board consideration and approval.

Background:

Pursuant to Tahoe Donner Covenants and Restrictions Article V Environmental and Architectural Regulation, modifications to the architectural standards fees and fines must go out for 45-day member notification prior to board of director consideration and approval.

In 2015 the Architectural Standards Committee and management recommended and the Board of Directors approved modest Architectural Standards fee increases after more than ten years of no fee changes. In the fall of 2016 the Committee and management recommended the elimination of fees for a subset of minor fees- maintenance projects.

Since April 2017, the Architectural Standards Committee and management have discussed the topic of fee adjustments based on:

- scope of projects,
- associated extension fees
- inspection scope
- inflationary factors since the last fee changes in 2015, and
- member feedback.

Scope of Projects

The effects of larger fees for the smaller major projects which require neighbor notification, along with projects deemed beneficial to the property owner (e. garages, additions under 500sqft) thought to deter the property owner from submitting applications to add beneficial improvements.

The re-categorization of garages and additions (under 500sqft) will reduce fees by \$2,860 and \$610 respectively along with a reduction in extension fees by \$400 for the first extension and \$750 for the second extension.



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Extension Fees

The ASC were concerned the first and second extension fees for smaller major projects which require neighbor notification such as sheds, fences, artificial grass, small additions, garages, and variances etc. were \$500 for the first six-month extension and \$1000 for the second sixth-month extension. They identified the fee should be reduced to right size the fee relative to administrative tasks needed.

Inspections

The Committee identified that the site inspection requires the same planning, time, analysis and scope as that of a final inspection; thus, the fee should be the same \$90 rather than the current \$65 for site inspections and \$90 for final inspections. This recognizes the scope of inspections while simplify the fee structure and communication to members.

Inflationary Factors

Additionally, a recommendation to increase administration fees for all projects by 20% to offset the rising operating cost impacts such Affordable Care Act, minimum wage increases, and labor market. These fees have been held flat since approved changes in 2015.

The Architectural Standards Committee finalized their recommended proposed changes during a special committee meeting on September 17, 2017; meeting minutes included herein.

The proposed recommended changes are addressing scope of projects relative to fees, fees relating to extensions, inflationary factors and member feedback. Overall impact is:

- Reduction in fees to some project fees through project category reclassification
- Reduction in extension fees
- Increase to the administrative fees across all projects of 20%
- Normalize inspection fees to one fee of \$90 for any inspection

Options:

Option 1: Make no adjustments to existing Architectural Standards Fee Schedule in 2018.

Option 2: Consider approving for 45-day member notification for changes to the Architectural Standards Fee as presented below.

1. Introducing a **Minor Project (with Neighbor Notification)** category and recategorize current Major projects: garages and additions (under 500sqft), decks, sheds, auxiliary structures, variances & miscellaneous.



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Additions and Garages (over 500 sqft): Current Fee Schedule versus Proposed Fee Schedule

	Current Fee Schedule	Proposed Fee Schedule	Comments
Administration Fee	\$850	\$465	Reduction in fee
Site Inspection Fee	\$65	\$90	Increase in fee
Final Inspection Fee	\$90	\$90	No change
Deposit	\$3,000	\$500	Reduction in deposit
Total	\$4,005	\$1,145	

Additions and Garages (under 500sqft), decks, sheds, auxiliary structures: Current Fee Schedule versus Proposed Fee Schedule

	Current Fee Schedule	Proposed Fee Schedule	Comments
Administration Fee	\$850	\$465	Reduction in fee
Site Inspection Fee	\$65	\$90	Increase in fee
Final Inspection Fee	\$90	\$90	No change
Deposit	\$750	\$500	Reduction in deposit
Total	\$1,755	\$1,145	

2. Extension Fees

	Current Fee Schedule	Proposed Fee Schedule	Comments
First 6-month Extension Fee	\$500	\$100	Decrease in fee



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Second 6-month Extension Fee	\$1000	\$250-500	Decrease in fee
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3. Inspection Fees

	Current Fee Schedule	Proposed Fee Schedule	Comments
Site Inspection Fee	\$65	\$90	Increase in fee
Final Inspection Fee	\$90	\$90	No change

4. Administrative Fees

	Current Fee Schedule	Proposed Fee Schedule	Comments
Major Project Administration Fee	\$850	\$1020	20% increase
Minor Project w/Neighbor Notification Administration Fee	\$850	\$465	New Category: decrease in fees for project reclassification as shown above in #1
Minor Project w/o Neighbor Notification Administration Fee	\$100-125	\$125-150	20% increase
Maintenance Projects	No Administrative Fee	No Administrative Fee	No Change



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Recommendations:

The Architectural Standards Committee as of the committee meeting on 9/27/17 and management are requesting the Board of Directors consider approving for 45-day member notification Option 2.

If approved for member notification, Proposed Fee Schedule changes will go out to the 45-day member notification in the January Tahoe Donner News followed with the Board of Directors consideration and action at the February 24 Board of Directors meeting.

Prepared By: Architectural Standards Committee

Reviewed By: Annie Rosenfeld, Director of Risk Management and Real Property

Board Meeting Date: December 16, 2017



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2018 Draft Fee Schedule

The administrative fee, the site and final inspection fees are due upon plan submittal.
 The deposit must be paid prior to permit issuance and is refundable upon final approval.

	Admin. Fees	Site Insp.	Final Insp.	Deposit	Total
Major Projects					
New Houses, Multiples, & Commercial Buildings, Additions (over 500sqft), Garages w/ Addition	\$1,020	\$90	\$90*	\$3,000**	\$4,200
<i>Extension Fee (6-Month): "MAJOR" project 1st Extension fee is \$500, 2nd Extension fee is \$1,000 (approval by ASC).</i>					
Minor Projects (with Neighbor Notification)					
Garages, Additions (under 500sqft), Decks, Sheds, Auxiliary Structures, Variances, & Miscellaneous	\$465	\$90	\$90	\$500	\$1,145
Fences, Solar Panels	\$170	\$90 if required	\$90	\$100	\$360-\$450
Minor Projects (without Neighbor Notification)					
Change to Existing***	\$120-\$150	\$90 if required	\$90	\$100	\$310-\$430

Extension Fee (6-Month): "MINOR" project 1st Extension fee is \$100, 2nd Extension fee is \$250-500 (approval by ASC).

Maintenance Projects

ARGCE, Paint/Stain, Roof, Gutters, AC/Generator & Hot Tub (on existing surface), Window & Door (without reframing), & Exterior Light Changes. \$0

Applications are required to be submitted for review and approval prior to installation.

Multiple Family Units

Condominium or Apartment:

- * \$90 final inspection fee for each unit.
- ** \$3,000 deposit for the initial unit, add \$1,500 for each additional unit.

Commercial

Commercial Structure:

- ** Based on structure up to a maximum of 3,000 sqft. Deposit is \$4,000 for 3,001-4,999 sqft & \$5,000 for structures 5,000 sqft and larger.
- Commercial sign review (per sign) \$145

Minor Projects

*** Projects include: Driveway parking pads, new siding, small deck extensions, window size changes, hot tubs (w/new pad), patio pavers, landscaping and paved walkways etc. An administrative fee of \$150 may be assessed for no-permit applications.

Miscellaneous

Additional Site Inspection Fee	\$90
Additional Final Inspection Fee	\$90
Miscellaneous Inspection Fee.....	\$65
Plan Printing	\$3/plan
Variance Fee.....	\$2/letter

Effective 01/XX/2018



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2018 Draft Fee Schedule and Worksheet for Multiple Unit

Administration fee \$1020

One site inspection..... \$90

One unit final inspect..... \$90

For unit 2 - add \$90

For unit 3 - add \$90

For unit 4 - add \$90

For unit 5 - add \$90

For unit 6 - add \$90

For unit 7 - add \$90

For unit 8 - add \$90

Total.....

Deposit

For unit 1 \$3000

For unit 2 - add \$1,500

For unit 3 - add \$1,500

For unit 4 - add \$1,500

For unit 5 - add \$1,500

For unit 6 - add \$1,500

For unit 7 - add \$1,500

For unit 8 - add \$1,500

Total.....

Administration fee..... \$1020

Inspection fee total

Deposit total

Project total

Extension Fee (6-Month): Multi Unit Projects are considered **“MAJOR”**
1st Extension fee is \$500 for 6 months
2nd Extension fee is \$1,000 (approval by ASC)

Rev 01/03/2018



Architectural Standards Committee Special Meeting

Minutes for September 20, 2017

Members Present: Rod Whitten, Nick Sonder, David Hipkins, Bill Staehlin, Jason Wooley, Mitch Clarin (left 11:05am)

Staff Present: Sheryl Walker, Annie Rosenfeld, Robb Etnyre

Others Present: Jeff Schwerdtfeger (left 10:08am)

Tele-conference: none

Agenda: Discuss ASC Fees, Fee Structure, Permits and Efficiencies for Architectural Standards.

Meeting called to order: 9:00am.

Member Comment: None

ASC Discussion: ASC Fees, Fee Structure, and Efficiencies:

Jeff Schwerdtfeger introduced the discussion topic regarding ASC Fees, Fee Structure, and Efficiencies to change the perception of the ASO Office to benefit both the membership and ASO staff as well. Jeff gave credit to the hardworking ASO staff with the increase of volume to process this summer.

Annie Rosenfeld summarized the goals of the special meeting being:

Goal #1 Enhance the perception of the office

Goal #2 Reduce / eliminate minor permits

Goal #3 Increase fees

Goal #4 Should a permit be required with inspections at all or a deposit be required.

Goal #1:

Mitch Clarin asked to quantify the complaints and asked how many complaints there are and if they are in writing. Jeff Schwerdtfeger stated they are in email, face to face, and telephone calls and could provide the committee with these complaints.

Jason Wooley explained his experience as an architect, working with more than ten other HOA's, that Tahoe Donner is not a difficult HOA to work with. Jason stated that if only 5% of the membership has complaints, then this is not atypical. He said that without quantifying the complaints it's difficult to know if there is even a problem.

Nick Sonder stated he thinks the complaints may be coming from an owner wanting help understanding the rules and to submit documents and plans without a design professional. He stated limiting or eliminating permits could then open another set of complaints.

Rod Whitten explained the history of the Homeowner Inspection program. He explained the largest complaint he has observed within the membership submitting for a project is the site plan requirements and addressing encroachments when it is found that there is construction over boundary lines.

Past ASC committee chairs Mitch Clarin, and Jason Wooley along with current ASC Chair Rod concurred their goal was to have owners leave happy from the ASC meetings.

Nick Sonder suggested to meet Goal #1 then fund the department with staff to answer all calls and help all walk-ins and then have separate dedicated staff to plan check and conduct inspections.

Recommendation: The committee recommend to staff the ASO office with additional staff to meet the needs of the membership in relation to permit processing and answering questions.

Goal #2:

The committee discussed the suggestion to eliminate the permit process for minor projects and some major projects. Rod Whitten explained these permits and associated requirements for accurate plans and the project review process are not just for the benefit of the subject property, but for the adjoining property owners to ensure or safeguard that improvements do not go onto their property or into the setbacks. The committee explained they are seeing many encroachments onto setbacks and neighboring properties from the surveys submitted on the new house construction projects.

The committee agreed that if you eliminate the work that goes into minor project processing you could then help to achieve Goal #1; however, the committee unanimously agreed that they think eliminating minor permits would not meet the requirements of our C&Rs and that not having minor project permits would lead to encroachments onto neighboring lots and setbacks, construction that unnecessarily impinge on the privacy of the neighbor, and create an atmosphere of filing complaints on their neighbors.

Recommendation: The committee recommended to maintain the minor permit requirements as required per the current TDA Governing Documents.

Goal #3:

Because reducing minor project permits was not felt practical, the committee discussed fee increase options. Mitch Clarin said that he had spoken to the CA-TT and believes there needs better reasoning for a large increase in new home construction than the reason of subsidizing minor projects (proposed in Jeff S. Discussion Paper). CA-TT has hired an attorney to fight a large fee increase in a neighboring county. It was also felt that one group of homeowners should not have to subsidize the other groups. Nick Sonder, Jason Wooley, and Mitch Clarin stated we are inexpensive in fees in comparison to other HOAs in the general area.

Bill Staehlin suggested to look at revenue forecasting with foreseeable build out approaching which will reduce revenues in the foreseeable future from less new construction.

The committee agreed a 20% increase in administrative fees and increasing site inspections to \$90 to match the final inspection fee based on the similar scope of work with each inspection. There has only been two small fee increases in the last 10 years for Architectural Standards projects.

The committee agreed to re-draft the fee schedule with changes discussed at the next ASC Meeting on September 27, 2017 for final review.

Recommendation: The committee recommended a 20% across the board increase for administration fee and to increase the site inspection to \$90 to match the final inspection fee. The committee agreed to re-draft the fee schedule with changes discussed at the next ASC Meeting on September 27, 2017 for final review.

Goal #4:

The committee discussed should a permit be required with inspections at all or a deposit be required. The committee agreed that currently per the current TDA Governing Documents any improvements are required to have permits. It was noted that the worst performing category of permit closure was the no fee maintenance projects. The lack of closure of the projects by the homeowner adds administrative burden on the ASO.

Recommendation: The committee recommended to maintain current permit requirements as required per the current TDA Governing Documents.

Action 3:0 (Whitten, Sonder, Hipkins) The committee agreed to the above recommendations and agreed to re-draft the fee schedule with changes discussed at the next ASC Meeting on September 27, 2017 for final review.

Rod moved to adjourn, David seconded the motion at 11:10pm

ASC Minutes Approved by Committee Chairman:

R. Whitten / *9/22/17*

Rod Whitten Date