

# DECISION PAPER



February 14, 2018

## Issue:

Proposed 2018 Architectural Standards Fee Schedule changes went out for 45-day member notification prior to Board consideration and approval at the February 24, 2018 Board of Directors meeting.

## Background:

At the December 18, 2017 Board of Directors meeting, the Board of Directors approved 45-day member notification of the recommended changes made by the Architectural Standards Committee and management, to the Architectural Standards Fee Schedule. Following member notification, the Board of Directors is to consider and action on the recommended changes as written or with modification.

In summary, 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

Proposed changes include:

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

### *Garages, Current Fee Schedule versus Proposed Fee Schedule*

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

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## *Additions (under 500sqft),: 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
<b>Total</b>	<b>\$1,755</b>	<b>\$1,145</b>	

## *Reduction in Extension Fees for Garages, Additions (under 500sqft), decks, sheds, auxiliary structure, miscellaneous, variance projects, fences and solar panels: Current Fee Schedule versus Proposed Fee Schedule*

2.

	Current Fee Schedule	Proposed Fee Schedule	Comments
First 6-month Extension Fee	\$500	\$100	Decrease in fee
Second 6-month Extension Fee	\$1000	\$250-500	Decrease in fee

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

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## 4. Administrative Fees

	Current Fee Schedule	Proposed Fee Schedule	Comments
Major Projects 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	\$120-150	20% increase
Maintenance Projects	No Administrative Fee	No Administrative Fee	No Change

The propose Architectural Standards Fee Schedule Changes were published in the January 2018 TDNews 45-day member notification. Reminders of the 45-day member notification went in three (3) February member eblasts, posted on Nextdoor, and is available for review on the website under the Members tab, “45-day Notices” <http://www.tahoedonner.com/members/homeowner-guidelines/45-day-notice/>. A copy of the 45-member notification is attached for reference.

To management’s knowledge, there has been one member comment submitted via email, and consensus comments provided by the ASO/ASC Task Force via January 27, 2018 Board of Directors’ presentation by the task force; submitted member email comment and task force presentation included for review.

### Options:

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

Option 2: Consider approving the proposed 2018 Architectural Standards Fee Schedule as presented in the 45-day member notification.

Option 3: Consider approving the proposed 2018 Architectural Standards Fee Schedule with modifications

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## Recommendations:

The Architectural Standards Committee and management recommends the Board of Directors consider approving Option 2: the proposed 2018 Architectural Standards Fee Schedule as presented in the 45-day member notification.

	2017 Admin Fee	Proposed 2018 Admin Fee	2017 Site Insp.	Proposed 2018 Site Inspection Fee	2017 Final Insp.	Proposed 2018 Final Inspection Fee	2017 Deposit	Proposed 2018 Deposit
<b>Major Projects</b>								
New Houses, Multiples, Commercial Buildings, Additions (500sqft and larger), Garages (w/living area)	\$850	\$1,020	\$60	\$90	\$90	No Change	\$3000**	No Change
<b>Major Extensions</b>								
1st 6-month Extension	\$500	No Change						
2nd 6-month Extension	\$1,000	No Change						
<b>Minor Projects (with Neighbor Notification)</b>								
	New category proposed. Moving current Major Projects: Garages, Additions (under 500 sqft), Decks, Sheds, Auxiliary Structures & Miscellaneous = Reduction in fees							
Garages,	\$850	\$465	\$65	\$90	\$90	No Change	\$3,000	\$500
Additions (under 500 sqft)	\$850	\$465	\$65	\$90	\$90	No Change	\$750	\$500
Decks, Sheds, Auxiliary Structures, & Miscellaneous	\$850	\$465	\$65	\$90	\$90	No Change	\$500	No Change
Variance	\$385	\$465	\$65	\$90	\$90	No Change	\$500	No Change

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Fences	\$140	\$170	\$65 if required	\$90 if required	\$90	No Change	\$100	No Change
Solar Panels	\$140	\$170	\$65 if required	\$90 if required	\$90	No Change	\$100	No Change
<b>Minor Projects (without Neighbor Notification)</b>								
Change to Existing***	\$100-125	\$120-150	\$65 if required	\$90 if required	\$90	No Change	\$100	No Change
Minor Extensions								
1st 6-month Extension	\$100	No Change						
2nd 6-month Extension	\$250-\$500	No Change						
<b>Maintenance Projects</b>								
ARGCE, Roof, Gutters, Paint, Exterior Lights, Hot tubs, etc.	\$0	\$0	\$0	No Change	\$0	No Changes	N/A	N/A
<b>Miscellaneous</b>								
Misc. Inspection			\$65	\$90				
Variance Letters	\$2 per letter	No Change						
Plan Printing	\$3/plan	No Change						

**Prepared By:** Annie Rosenfeld and Architectural Standards Committee

**General Manager Approval:** \_\_\_\_\_

**Date:** \_\_\_\_\_

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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
<b>Total</b>	<b>\$4,005</b>	<b>\$1,145</b>	

## *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
<b>Total</b>	<b>\$1,755</b>	<b>\$1,145</b>	

## 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.

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**Prepared By:** Architectural Standards Committee

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

**Board Meeting Date:** December 16, 2017



**TAHOE DONNER ASSOCIATION**  
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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.

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

*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 01/00/2018*



# 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

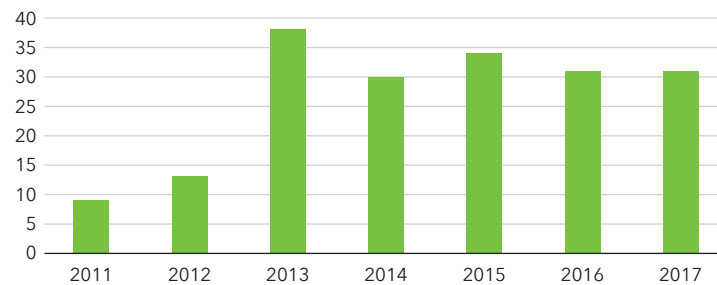
# ARCHITECTURAL STANDARDS OFFICE 2017 YEAR IN REVIEW + 45-DAY NOTICE

## 2017 YEAR IN REVIEW

We at the Architectural Standards Office (ASO) hope you had a delightful holiday season and a Happy New Year! I'd like to take this opportunity to thank the members who volunteered on the Architectural Standards Committee (ASC) and Covenants Committee this year.

The ASC members have done a wonderful job reviewing and approving 314 projects and 101 project revisions in 2017. Thirty-one (31) projects were new homes to be constructed in Tahoe Donner.

### 2017 ASC APPROVED NEW HOME PROJECTS



2017 YTD new house projects submitted compared to previous year-end totals.

I would also like to thank the members of the Covenants Committee for their dedication and generous participation each month, which always lead to favorable results for the Tahoe Donner community.

I also want to commend my team – Darren, Ali and Tommy, along with part-time staff Mindy and Kelli – on all they accomplished in 2017. The year started out with an extraordinary winter followed by a busy construction season with large volumes of winter damage repair projects and an increased level of new construction over the summer.

Finally, I want to thank the Tahoe Donner homeowners and their hired professionals that we've worked with during the last year during our transition to digital submittal software OneStop. Everyone has been very diligent and supportive of the new technology and the ASO going paperless since May. Both committees and ASO staff have created lasting positive relationships with these homeowners to ensure that the aesthetics and minimum standards of our community are upheld.

With close to 400 property transfers in 2017, we look forward to meeting new members in the coming year.

**SHERYL WALKER** | MANAGER, ARCHITECTURAL STANDARDS OFFICE

## 2018 ARCHITECTURAL STANDARDS COMMITTEE MEETINGS

Below is the schedule of Architectural Standards Committee meetings for the first half of 2018, as well as the last date that a plan can be submitted through the online owner portal OneStop to be on the agenda for that meeting.

As a reminder, if you want to make any changes to the outside of your house or to any other structure on your property, including adding a fence, you are required to apply for a permit. We notify owners of adjacent properties of proposed major projects so they may have the opportunity to comment. For that reason, all submittals must be made on or before the deadline so we have enough time to review the completeness of the application and send appropriate notification to your neighbors.

Please may apply online at OneStop, located in the Quick Links or Member Section at [tahoedonner.com](http://tahoedonner.com).

2018 MEETING DATE	DEADLINE FOR SUBMITTAL
Wednesday, January 17	Friday, December 8, 2017
Wednesday, February 21	Friday, January 19
Wednesday, March 14	Friday, February 9
Wednesday, March 28	Friday, February 23
Wednesday, April 11	Friday, March 9
Wednesday, April 25	Friday, March 23
Wednesday, May 16	Friday, April 13
Wednesday, May 30	Friday, April 27
Wednesday, June 13	Friday, May 11
Wednesday, June 27	Friday, May 25

## 45-DAY NOTICE: ARCHITECTURAL STANDARDS FEE CHANGE

Changes to the architectural standards fees will be considered for action by the board of directors. The board of directors is expected to take action to adopt these fees, as they are presented here or with some modification, at its February meeting, currently scheduled for Saturday, Feb. 24, 2018. The board welcomes any input you may wish to offer regarding this process.

### RATE HISTORY

In late 2015 and early 2016, the Architectural Standards Committee and management recommended and the board of directors approved modest architectural standards fee increases after more than 10 years of no fee changes. Additionally, in the fall of 2016 the committee and management recommended the elimination of fees for a subset of minor projects—maintenance projects, which the board also approved.

### CURRENT THINKING

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
- Member feedback

The Architectural Standards Committee finalized their recommended proposed changes during a special committee meeting on Sept. 17, 2017. 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

At the December 16, 2017 board of directors meeting, the board approved the proposed rates to go out for 45-day member notification. Members can view more detailed information located at [tahoedonner.com/wp-content/uploads/2017/02/Item-E-DP-2018-Architectural-Standards-2018-Fee-Schedule.pdf](http://tahoedonner.com/wp-content/uploads/2017/02/Item-E-DP-2018-Architectural-Standards-2018-Fee-Schedule.pdf).

Your comments are welcome at [arosenfeld@tahoedonner.com](mailto:arosenfeld@tahoedonner.com), (530) 582-9630 or by mail at Tahoe Donner Association 11509 Northwoods Blvd., Truckee, CA. 96161.

	ADMIN FEE		SITE INSPECTION FEE		FINAL INSPECTION FEE		DEPOSIT	
	2017	2018*	2017	2018*	2017	2018*	2017	2018*
<b>MAJOR PROJECTS</b>								
New Houses, Multiples, Commercial Buildings	\$850	\$1,020	\$65	\$90	\$90	No Change	\$3,000	No Change
Additions (500 sq. ft. and larger) and garages (w/ living area)	\$850	\$1,020	\$65	\$90	\$90	No Change	\$3,000	No Change
<b>MAJOR PROJECT EXTENSIONS</b>								
1st 6-month Extension	\$500	No Change						
2nd 6-month Extension	\$1,000	No Change						
<b>MINOR PROJECTS WITH NEIGHBOR NOTIFICATION</b>								
New category proposed. Moving current Major Projects: Additions (under 500 sq. ft.), Decks, Sheds, Auxiliary Structures & Miscellaneous = Reduction in fees								
Additions (under 500 sq. ft.) and garages	\$850	\$465	\$65	\$90	\$90	No Change	\$750	\$500
Decks, Sheds, Auxiliary Structures, Miscellaneous	\$850	\$465	\$65	\$90	\$90	No Change	\$500	No Change
Variance	\$385	\$465	\$65	\$90	\$90	No Change	\$500	No Change
Fences	\$140	\$170	\$65 if required	\$90 if required	\$90	No Change	\$100	No Change
Solar Panels	\$140	\$170	\$65 if required	\$90 if required	\$90	No Change	\$100	No Change
<b>MINOR PROJECTS WITHOUT NEIGHBOR NOTIFICATION</b>								
Change to Existing	\$100-125	\$120-150	\$65 if required	\$90 if required	\$90	No Change	\$100	No Change
<b>MINOR PROJECT EXTENSIONS</b>								
1st 6-month Extension	\$100	No Change						
2nd 6-month Extension	\$250-\$500	No Change						
<b>MAINTENANCE PROJECTS</b>								
ARGCE, Roof, Gutters, Paint, Exterior Lights, Hot tubs, etc.	\$0	No Change	\$0	No Change	\$0	No Change	\$0	No Change
<b>MISCELLANEOUS</b>								
Misc. Inspection			\$65	\$90				
Plan Printing	\$3/plan	No Change						

\*Proposed Change



**Tahoe Donner Association**  
**ASO P&L by Activity - for 2017 Actual (Annual)**  
**updated 1/23/2018**

	2017 Actual	Homeowner Projects			Inspection	Enforcement	
		Major	Minor	Maintenance	HOIP/grid	ASO	Covenants
<b>Revenue</b>	<b>177,161</b>	<b>50,712</b>	<b>34,893</b>	<b>1,611</b>	<b>86,200</b>	<b>1,750</b>	<b>1,995</b>
Project Fees	54,430	37,556	16,874	-	-		
Inspection Fees	24,135	9,630	12,894	1,611	-		
Other revenue	8,541	3,416	5,125	-	-		
Fines	3,745				-	1,750	1,995
Transfer Fees	86,200	-	-	-	86,200		
Interest Income	110	110			-	-	-
<b>Payroll Direct</b>	<b>216,468</b>	<b>41,935</b>	<b>49,682</b>	<b>34,035</b>	<b>45,412</b>	<b>11,608</b>	<b>33,699</b>
<b>Payroll Burden</b> <b>a1</b>	<b>64,236</b>	<b>12,444</b>	<b>14,743</b>	<b>10,100</b>	<b>13,476</b>	<b>3,444</b>	<b>10,000</b>
Payroll Taxes, Work Comp,	30%						
Health Insur, 401kMatch							
<b>Expenses</b>	<b>25,786</b>	<b>5,173</b>	<b>5,397</b>	<b>3,517</b>	<b>5,412</b>	<b>1,923</b>	<b>4,365</b>
m     Fuel Costs	1,373	150	150	150	403	150	370
m     Vehicle R&M	4,948	570	570	550	1,358	550	1,350
m     Postage	2,026	400	400	350	426	250	200
m     Credit card fees	1,828	1,060	768	-			
m     Insurance	1,200	200	200	200	200	200	200
a1   Staff Expense	1,658	321	381	261	348	89	258
a1   Telephone	2,288	443	525	360	480	123	356
a1   Janitorial	2,700	523	620	425	566	145	420
a1   Office Supplies	1,350	262	310	212	283	72	210
a1   All Other	6,422	1,244	1,474	1,010	1,347	344	1,000
<b>Net Operating Result</b>	<b>(129,203)</b>	<b>(8,840)</b>	<b>(34,930)</b>	<b>(46,040)</b>	<b>21,901</b>	<b>(15,225)</b>	<b>(46,068)</b>

*NOR has no capital charge or overhead allocation.*

a1 - expense item split based on on Payroll Direct split in total

m - expense item manually split between the categories

ASO FEES ANALYSIS

ASO Revenue	2017		2016	2015
	Actual YTD	Annual Budget	Actual	Actual
ASO fees	\$ 38,960	\$ 57,500	\$ 67,185	\$ 63,110
Inspection fees	\$ 13,050	\$ 30,000	\$ 33,700	\$ 29,905
Fines (AS and C)	\$ 3,583	\$ 6,000	\$ 8,365	\$ 22,350
Interest	\$ 42	\$ 120	\$ 146	\$ 137
Other Revenue	\$ 2,018	\$ 5,880	\$ 9,842	\$ 8,449
Transfer Fees	\$ 41,600	\$ 68,500	\$ -	\$ -
	\$ 99,253	\$ 168,000	\$ 119,238	\$ 123,951

ASO REVENUE: ASO FEES	2017 YTD	2016	2015
<b>Major Project Fees</b>			
New Const,Garage, Additions	\$ 21,250	\$ 39,950	\$ 43,725
Decks, Sheds, Variances, etc	\$ 1,846	\$ 5,595	\$ 3,335
Fences and Solar	\$ 280	\$ 840	\$ 1,135
<b>Minor Projects</b>			
Change to existing misc.	\$ 15,584	\$ 20,800	\$ 16,915
	\$ 38,960	\$ 67,185	\$ 65,110

ASO REVENUE: INSPECTION FEES	2017 YTD	2016	2015
<b>Major Project inspection Fees</b>			
New Const,Garage, Additions	\$ 4,400	\$ 8,500	\$ 8,215
Decks, Sheds, Variances, etc	\$ 2,150	\$ 3,400	\$ 3,335
Fences and Solar	\$ -	\$ 830	\$ 1,135
<b>Minor Project Inspection Fees</b>			
Change to existing misc.	\$ 6,000	\$ 17,075	\$ 14,915
<b>Other Project Inspection Fees</b>			
Maintenance, No Permits, etc.	\$ 525	\$ 3,895	\$ 2,305
	\$ 13,075	\$ 33,700	\$ 29,905

**NOTES:**

2017 projects within Minor Projects are up due to storm damage with owners resulting in enhance projects. Like for like for storm related damage is \$0 permit.

**Major Projects 3 Fee sub categories**

- \$850 New Houses, Garages, Multiples, Commercial Buildings, Additions (500SQFT+ and Under 500SQFT)
- \$385 Decks, Sheds, Auxiliary Structures, Variances, and Miscellaneous
- \$140 Fences and Solar Panels

There were a total of 60 major projects in 2016

**Minor Projects: is any project without Neighbor notification**

These are change to existing projects with admin fee \$100-125: driveway parking pads, new siding, small deck extensions, window changes, hot tubs, patio pavers, landscaping, etc.

There were a total of 175 minor projects in 2016

**NOTES CONT:**

**Inspection Fees:**

Inspection fees are related to the projects including minimum of \$65 site inspection and a \$90 final inspection per project totalling \$155 minimum in project inspection fees. Additional inspection fees are collected if inspections fail either the site inspection or final inspection. There are some Minor projects which do not require \$65 site inspection.

**Recent Fee Changes**

September 2016 Board of Directors approved the eliminate a set of minor project fees including:

- Front door /Garage door paint/stain changes
- Roof/gutter changes
- Exterior lights updates
- Door changes: garage, front/back/side (without reframing)
- Window changes (without reframing)
- Animal Resistant Garbage Can Enclosures – with the exception of custom built
- Hot tubs placed on/under existing structures
- A/C placed on/under existing structures

Approximate annual impact forecast August 18, 2016 was \$6,000 less revenue on an annual basis.

Member Comment Submitted Via Email

Hello-

I'm writing to support the proposed ASC fee changes, that are being considered for approval on February 24.

I've learned about the ASC fee structure while planning modifications to my detached garage (increasing the length of the garage, and adding a covered walkway between the house and garage).

I support making a separate category for 'Minor Projects', including additions under 500 sq ft (like mine). These sort of projects are clearly less complicated than Major Projects, so it makes sense to separate them.

Thank you for considering this  
Bill Kreamer



# Architectural Standards Task Force

Charles Wu  
Team Lead

January 27, 2017

# Data Collection Update

- ASO Staff Interviews - Initial Interviews Complete. Follow up may be needed
- ASO Data Requests - In Progress
- ASC Staff Interviews - Almost Complete
- Designer/Contractor Interviews - Almost Complete
- Real Estate Agent Interviews - Not Planned
- Other HOAs/Town of Truckee Review - In Progress
- Homeowner Survey - Going out this month

# Caveat

The Following is a Work In Progress

**Incomplete Data** - Homeowner Impressions

**Incomplete Analysis** - Additional and Modified Feedback will occur as we move through the next phase of Analysis

# Preliminary Permit Fee Structure

- From a homeowner perspective there are 2 major fees/costs categories
  - Administrative and Inspection fees to Tahoe Donner
  - Documentation/Execution costs of 11x17, 24x36 scaled site plan, plot survey (finding corners), elevation drawings, etc.



# Number of Permits\*

	2015	2016	2017	Notes
Major Projects	90	92	67	
Minor Projects	275	205	89	
Maintenance		33	95	Maintenance permits started Sept. 2016

\*Number of Permits before 2017 included homeowner starts but not necessarily paid permit applications

# Project Cost Comparisons\* - DRAFT

	Northstar	Old TD	Current Proposal
New Construction	\$3000	\$1000	\$1200
Large Remodels & Additions	\$1500	\$1000	\$1000
Quick Turn Around Review	\$1000	N/A	N/A
Small Remodels & Additions	\$750	\$1000	\$645
<b>GM Review “In-House”:</b>			
Decks (minor)	\$250	\$1000	\$645
Landscape, Windows, Paving	\$250	\$280	\$330
Variance Request	\$250	\$540	\$645

\*Data Assumes 2 Inspections per Permit

# Pricing Strategy Ideas - Discussion Only

Should Tahoe Donner have Market Based Pricing or Cost Based Pricing?

	Current Proposal (Cost Based*)	Market Based modification
Major Projects	\$1200	\$1500 (low end of Northstar)
Minor Projects with Neighborhood Notification	\$645	\$645**
Minor Projects without Neighborhood Notification	\$330	\$280** (old pricing)

\*Tahoe Donner usually breaks even on Major Permits and loses money on Minor Permits/Maintenance

\*\*Administrative fee shall not be more than 10% of a reasonable professional contractor cost of materials and installation as reasonably determined by the ASO

# Questions?

[charles@aventechcapital.com](mailto:charles@aventechcapital.com)

# Appendix

# Jeff Schwerdtfeger's Asks

- Phase I
  - HOIP Review
  - Software Review
  - Communications Review
- Phase II
  - Review of Permit Pricing
- Phase III
  - AS Rules Review

## ASO/ASC Task Force Comments on Proposed 2018 Architectural Standards Fee Changes

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We have been asked to provide Task Force input to the Fee Decision Paper. Task Force leader Charles Wu submits last BOD presentation, "Comparable" Rate Analysis and most Recent Permit/Breakdown Average Cost Analysis.

As additional backup to the BOD presentation – Task Force leader Charles Wu put together the following thoughts.

The reasons for our recommendation is that:

- 1) Architects and Contractors had no issue with existing fees for major construction or new homes.
- 2) Over half the Task Force members had issues with minor project fees being too high as a percentage of project costs. Our viewpoint is that Tahoe Donner should be doing what they can to encourage renovations that improve the appearance and usability of existing homes.
- 3) Comparative analysis with other communities. We focused on Northstar since Rod felt it was the most comparable neighborhood. We didn't feel that Martis Camp or Grays Crossing was comparable but they do provide a pricing ceiling of \$6K.

Overall - the general viewpoint re the fee schedule was:

- 1) Simplify the Fee Schedule - ie include 2 inspections in the fees.
- 2) Increase the New and Major Construction Fees even more than what was suggested (especially to make up for any Minor Construction Permit Price Freeze or Reductions).
  - a) It's much lower than Northstar, Martis Camp etc. It's higher than other "less desirable" neighborhoods.
  - b) It's a very small percentage of total costs.
  - c) It's argued that Spec Home Builders are "Homeowners" also. That they shouldn't subsidize existing residents that want to do minor projects or maintenance permits. I would argue there's a major difference between a spec builder vs. a resident homeowner.
  - d) It's also argued that we may "discourage" new home building with a pricing increase. I didn't know the role of the ASC was to "encourage" new home building. I thought it was to make sure the neighborhood looks good. I certainly want to encourage maintenance projects. Also to encourage small low cost projects that enhance the livability of our older homes.
  - e) Finally, it was argued there was a lawsuit for discriminatory pricing by a building trade association. I don't know the details, but I suspect it had to do with very large \$\$\$ wise increases in permit prices similar to what has happened with the TOT. Second, market analysis would quickly demonstrate it's a "frivolous law suit" as our pricing for new construction is still way below new developments. Also, given that the NOR is negative - it's not like Tahoe Donner is using permit pricing to subsidize the Lodge or some other operation.

3) Keep the Minor Construction Fees flat

a) There are those on the task force that would argue it's too high. Keeping it flat (which may mean not increasing the inspection fees for that group or including 2 free inspections) would just be the easiest approach.

b) The purpose of the ASC is to make sure the neighborhood looks good. We should be encouraging low cost small projects that enhance the look and feel of the neighborhood by existing homeowners. We do hear complaints that it is too expensive as a percentage of the construction costs (who wants to pay \$350+ in permit/inspection fees for a \$1000 horseshoe pit or dog run).

4) So we get to the 10% Cap

a) The major argument is that it "creates" more work for the ASO. If it's structured such that you have to get at least 2 quotes from established contractors with contractors licenses - then it has the effect of making sure the homeowner uses outside contractors rather than doing it themselves or at least better understands the complications that can occur before doing the project.

b) If a homeowner is going to "cheat" the system - then very likely they wouldn't have applied for a permit in the first place.

c) So I would just have a form that indicates that they need to attach 2 quotes from contractors. 10% of the higher number. Yes in this case, we push the homeowner to do extra work if they want to save the money...

5) The other option would be to lower the Minor Construction Fees (maybe not charge for inspections?). I was told, the reason for inspection charges on Major Construction is that it's "abused" by contractors to demonstrate progress to their clients. You don't need to worry about that for Minor Construction.

6) Or you can even go to the level of Pavel's argument that there should be no fee for Minor Construction...

=====

Additional Task Force comments based on above,

There are two conceptual types of fees:

- payment for a service, requested by a payer

- a "tax" imposed on a payer for being a member or for an action of doing something.

It would make sense to have an optional for fee service by ASO/ASC+, where project owners may get consultation from experienced individuals.

The current fees represent a "tax type fee", as no project owners would be willing to pay it, unless the permit requirement was imposed on them.

A tax on new construction may require a different discussion.

A tax on all homeowners as part of annual assessment to fund ASO providing valuable service can be reasoned about.

A tax on project owners in a form of project fee has a purpose to reduce funding ASO from general assessments. IMHO it is counter productive in the majority of cases. (See Charles' 3b.)







7.) Northstar incorporates a "quick turn around" system for an additional 1000										
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Project Categories	Maintenance	Project Categories	Minor	Project Categories	Major	Site Plan Required
Bear Box	28	Deck	38	House/Garage	27	Elevation Plans Required
Roof	24	No Permit	19	Variance	14	Site and Elevations Plans Required
Paint	23	Windows	9	Addition	11	Survey, Site and Elevation Plans Required
Windows	9	Siding	6	Deck	4	Varies Between Scope
Exterior Lights	5	Mudroom/Entry	4	Garage	3	
AC/Generator	2	Patio	3	No Permit	3	
Chimney	1	Landscaping	2	Shed	3	
Custom Gas Meter Shed	1	Retaining Wall	2	Fence	2	
Door	1	AC/Generator	1			
Temporary Snow Protection	1	Chimney	1			
		Commercial Sign	1			
		Door	1			
		Hot Tub	1			
		Wainscot	1			
<b>Grand Total</b>	<b>95</b>	<b>Grand Total</b>	<b>89</b>	<b>Grand Total</b>	<b>67</b>	