



February 14, 2020

DECISION PAPER
Proposed Changes to the Architectural Standards Fee Schedule for 2020

Action:

Proposed changes to the Architectural Standards Fee Schedule went out for 45-day member notification and comment period prior to Board of Directors consideration and approval. The Board will be consider taking action to reject, modify or adopt the proposed fee schedule.

Background:

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

At the September 11, 2019 Architectural Standards Committee (ASC) meeting the Committee reviewed the Architectural Standards Fee schedule. The Committee reviews the schedule every year in order to provide any recommendations for change in the new fiscal year.

The Board of Directors approved the proposed fee schedule to go out to 45-day notice at the December 2019 board meeting. The January TDNews 45-day notice is attached for review.

As summary of the proposed fee changes and sample fiscal impact follows.

Administration Fees

- Reduce Administration Fee for Major Projects (\$1,020-\$20=\$1,000)
- Reduce Minor Projects with Neighbor Notification (\$385-\$85=\$300)

The changes reflect the reduced administration time per project type as a result of process and digitization improvement made this last year and a half. The Major Projects and Minor Projects with Neighbor Notification normally have a design professional familiar with Tahoe Donner rules submitting the application leading to a more efficient processing of the completed application package. The reduction in Minor Projects with Neighbor





Notification of \$85 was to also recognize the differing scope of the actual project when comparing to the major project category.

Inspection Fees

- Increase Site Inspection and Final Inspection fees, if required, from \$90 to \$100 (+\$10) per inspection.

The changes reflect a modest increase from the last change approved 4 years ago in 2016. The cost of inspections has risen despite staff leading on efficiencies, however expenses relating vehicle and fuel costs have risen and minimum wage impacts. For example, the average fuel price was \$2.93 a gallon in 2016 compared to \$4.04 currently in 2019 in California, and minimum wage has increased \$3 per hour (30%).

The ASC proposes to leave the Deposit and the Extension Fee for each type of project the same as 2019. Maintenance Projects continue to have a \$0 Administration Fee.

Revision Fees

The committee proposes a per revision fees for revisions made to the ASC approved set of project plans for two or more revision appointments per project. Proposed new fees follow:

- Major Project - \$200 per revision (2nd revision or greater)
- Minor Project- \$100 per revision (2nd revision or greater)

The changes reflect,

- Staff time taken in a revision process revisiting the particular project,
- Identifying the proposed changes are listed, illustrated on an updated set of plans, and new exterior specifications are submitted. Prepare the project for an additional review with the committee chair and ASO Manager for the Major Projects, Minor Projects with Neighbor Notification, and Minor Projects with typical revision items and the ASC Committee Chair for atypical revision requests for after the fact changes/deviations.
- In addition to the review, staff then communicate the review results back to the property owner and their hired professionals.





The committee agreed that only one revision (or change request) to the project is to be built into the Administration Fee compared to current practice where an unlimited number of revisions occur without additional cost.

For illustrative purposes, below you will see a tabulation of total revisions for the last two years. Proposed revision fees would apply to revision highlighted in yellow. 'Rev' stands for revision with corresponding number of revision events on a project which may also include an appointment in the ASO office. 'After the fact' indicates a revision completed after a final inspection is completed where changes/deviations from approved plans are identified.

2019 REVISIONS		Total = 126					
MAJOR							
REV1	REV2	REV3	REV4	REV5	REV6	AFTER THE FACT	
29	12	11	7	2	0	15	
MINOR W/ NOTIFICATION							
REV1	REV2	REV3	REV4	REV5	REV6	AFTER THE FACT	
10	5	2	0	0	0	5	
MINOR							
REV1	REV2	REV3	REV4	REV5	REV6	AFTER THE FACT	
13	3	0	0	0	0	10	
MAINTENANCE							
REV1	REV2	REV3	REV4	REV5	REV6	AFTER THE FACT	
2	0	0	0	0	0	0	

2018 REVISIONS		Total = 157					
MAJOR							
REV1	REV2	REV3	REV4	REV5	REV6	AFTER THE FACT	
49	25	13	6	4	3	4	
MINOR W/ NOTIFICATION							
REV1	REV2	REV3	REV4	REV5	REV6	AFTER THE FACT	
10	6	2	1	0	0	1	
MINOR							
REV1	REV2	REV3	REV4	REV5	REV6	AFTER THE FACT	
21	6	1	0	0	0	2	
MAINTENANCE							
REV1	REV2	REV3	REV4	REV5	REV6	AFTER THE FACT	
2	1	0	0	0	0	0	





Non-Permitted Improvement Fee

For Minor projects completed without permit, the committee proposes an Administration Fee to be \$100 plus the Administrative Fee for that type of project and for a Maintenance Project completed without permit, the Administration Fee is \$100.

Small increases to miscellaneous fees are as shown on the proposed 2020 ASC Fee Schedule to reflect expense increases related above along with the increase costs of office supply materials

Proposed Fee Schedule Change Impact Based on Prior Year Sample: Sample size equals 130 paid permits from 2019 included within the analysis. Total Net Change of the proposed fee impact sample is \$1,055. Budget expectations are similar to prior year, thus estimated fiscal impact, should the board approve all of the proposed changes, is minimal.

Total Fees	2019	Proposed for 2020	Net Change
Administration	\$38,825	\$37,750	(\$1,075)
Inspection Fees	\$19,260	\$21,390	\$2,130
Total Net Change			\$1,055
Major	2019	Proposed for 2020	Net Change
Administration	\$22,440	\$22,000	(\$440)
Inspection Fees	\$3,960	\$3,800	(\$160)
Minor w/ Notifications	2019	Proposed for 2020	Net Change
Administration	\$7,070	\$5,550	(\$1,520)
Inspection Fees	\$3,420	\$3,800	\$380
Minor	2019	Proposed for 2020	Net Change
Administration	\$6,820	\$6,850	\$30
Inspection Fees	\$10,170	\$11,290	\$1,120
Minor No Permits	2019	Proposed for 2020	Net Change
Administration	\$2,495	\$3,350	\$855
Inspection Fees	\$1,710	\$1,900	\$190





Permits Sample Summary from 2019	
Major	22
Minor w/ Notifications	19
Minor	69
Minor No Permits	20
Total	130

Member Comments

The Board of Directors heard member comment relating to the 45-day notice at the January 31, 2020 board of directors meeting agenda item 6: Proposed Changes to the Architectural Standards Fee Schedule.

During the 45-day membership notice and comment period there were two member comment submitted. Additionally, the ASO/ASO Task Force met with staff and Architectural Standards Chairman, Rod Whitten, to discuss the proposed changes. Following the completion of the discussions, the task force finalized a prepared comment, which is included separately.

At the February 12, 2020 Architectural Standards Committee meeting, the committee discussed the member comment received between January 1-24 and discussed the points in the letter, along with the task force's comments which were framed from the member comment from January 1-24. The committee voiced that the purpose of the revision fee is to:

1. Streamline the process for revisions.
2. Reduce the number of times a project manager (owner or agent) attends to changes.
3. Encourage proactive revisions versus reactive after final inspection with deviations (unapproved changes).
4. Assign the cost of the revision to the owner/contractor requesting the revision in lieu of the general membership.

Upon review and discussion, the points regarding permitting fees, submittals requirements and revision requirements, the committee agreed that no modifications are proposed to the 45-day notice and recommend to the board approve the fee changes as originally proposed.





Options:

Option 1: Approve without Modifications:

Approve proposed changes to the Architectural Standards Fee Schedule as published in the 45-day member notification. Effective date of the approved fee schedule is February 22, 2020.

Option 2. Approve with Modifications:

Approved proposed changes to the Architectural Standards Fee Schedule with modifications as defined by Board of Directors discussion and vote. Effective date of the approved fee schedule is February 22, 2020.

Option 3: Do not approve proposed changes to the Architectural Standards Fee Schedule;

Recommendation:

The Architectural Standards Committee and staff recommends the board of directors consider approving,

Option 1: Approve without Modifications:

Approve proposed changes to the Architectural Standards Fee Schedule as published in the 45-day member notification. Effective date of the approved fee schedule is February 22, 2020.

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

