

Long-term funding proposals

Due to budget shortfalls, the board has been exploring ways to reduce the responsibilities of the HOA. We have several proposals.

We have talked with our insurance agent and if the HOA is not responsible for the exteriors, the HOA would only need liability insurance which would decrease the monthly insurance cost between 70-80%.

We have also talked with our neighbors in Rood Bridge Townhouses which have CC&Rs that we would mimic. All of their units have shared walls so this provides a template for the seven triplexes and one duplex in our HOA. In this scenario, any exterior changes would still require an ARC application and homeowners would still need to follow the siding, painting, and fencing colors and guidelines.

Changing the CC&Rs requires 75% of homeowners to agree on a proposal. We would have to engage our lawyer, which would cost \$5-10,000 to change the CC&Rs and Bylaws. We currently have the funds to do this, so no special assessment would be needed.

Some items to consider when looking at these proposals. If another board takes over and chooses another property management company, that cost would double. Tree trimming has been done by volunteers and is not included in the proposals, but that could also lead to an increase in cost. The same goes for bark dust/wood chips.

A side-by-side comparison of the proposals can be found at https://docs.google.com/spreadsheets/d/1Ix-JUqZ_SsJBum9N9o2a353A5WgiPF5GMLAM2Kxm42o/edit?gid=0#gid=0.

In proposal 2 we would be able to reduce the monthly dues to \$200 a month. In proposal 3, we would be able to reduce the dues to \$175. In each scenario, we would reevaluate the dues each year. This would allow the HOA to build up the maintenance and reserve budgets to three to six times

the budget. Each year we would reevaluate. We would much rather lower the dues slowly, then lower them to the maximum amount only to have to increase them a couple of years later. With less to manage, the HOA could also meet every other month or every quarter, reducing the amount of time homeowners need to volunteer on the board.

Proposal 1 - Keep the CC&Rs the same

The projected total for the **maintenance budget** for the next ten years per homeowner per month, starting in 2027, would be:

- 2027: \$148.06
- 2028: \$159.86
- 2029: \$162.38
- 2030: \$174.49
- 2031: \$189.20
- 2032: \$207.36
- 2033: \$228.41
- 2034: \$252.22
- 2035: \$278.04
- 2036: \$308.35
- 2037: \$343.24

The projected total for the **reserve budget** for the next ten years per homeowner per month, starting in 2027, would be:

- 2027: \$895.04
- 2028: \$895.04
- 2029: \$895.04
- 2030: \$895.04
- 2031: \$895.04
- 2032: \$895.04
- 2033: \$895.04
- 2034: \$895.04

- 2035: \$895.04
- 2036: \$895.04
- 2037: \$895.04

The spreadsheets for the above budgets can be found at:

Maintenance budget -

<https://docs.google.com/spreadsheets/d/1bEdOHdiN9pW7uuUSQflzycJeRNI5EuOO/edit?gid=1084317035#gid=1084317035>

Reserve budget -

<https://docs.google.com/spreadsheets/d/1rvGrGzUhZJQrDVGB97k4rl8v5B2W0cOj/edit?rtpof=true&gid=1379711528#gid=1379711528>

The projected total for **both the maintenance and the reserve budgets**, starting in 2027, would be:

- 2027: \$1,043.10
- 2028: \$1,054.90
- 2029: \$1,057.42
- 2030: \$1,042.53
- 2031: \$1,084.24
- 2032: \$1,102.40
- 2033: \$1,123.45
- 2034: \$1,147.26
- 2035: \$1,173.08
- 2036: \$1,203.39
- 2037: \$1,238.28

Proposal 2 - Change the CC&Rs to have homeowners be responsible for roofing, siding, fascia, porch, and gutters. Some exterior maintenance would be done by the HOA.

The HOA would continue to be responsible for the roads, pathways, trees, irrigation system and landscaping. In addition, the HOA would coordinate

and provide gutter cleaning once a year, moss out once a year, and power washing every four years.

The projected total for the **maintenance budget** for the next ten years per homeowner per month, starting in 2027, would be:

- 2027: \$107.28
- 2028: \$110.83
- 2029: \$114.61
- 2030: \$117.01
- 2031: \$121.32
- 2032: \$125.77
- 2033: \$131.43
- 2034: \$139.21
- 2035: \$148.42
- 2036: \$156.11
- 2037: \$158.83

The projected total for the **reserve budget** for the next ten years per homeowner per month, starting in 2027, would be:

- 2027: \$26.61
- 2028: \$13.52
- 2029: \$2.32
- 2030: \$2.28
- 2031: \$1.06
- 2032: \$6.55
- 2033: \$0.79
- 2034: \$3.64
- 2035: \$0.63
- 2036: \$3.16
- 2037: \$9.10

The spreadsheets for the above budgets can be found at:

Maintenance budget -

https://docs.google.com/spreadsheets/d/1-kdGu2e2-jUcHf29Rtd6AiP_VCyAajxZ/edit?gid=1084317035#gid=1084317035

Reserve budget -

https://docs.google.com/spreadsheets/d/1OcJj5_opuEObeT18wXVBlxzaKfGwclc8/edit?gid=901765487#gid=901765487

The projected total for **both the maintenance and the reserve budgets**, starting in 2027, would be:

- 2027: \$133.89
- 2028: \$124.35
- 2029: \$116.93
- 2030: \$119.29
- 2031: \$122.38
- 2032: \$132.32
- 2033: \$131.51
- 2034: \$142.85
- 2035: \$149.05
- 2036: \$159.27
- 2037: \$167.93

Proposal 3 - Change the CC&Rs to have homeowners be responsible for roofing, siding, fascia, porch, and gutters. No exterior maintenance done by HOA.

The HOA would continue to be responsible for the roads, pathways, trees, irrigation system, and landscaping, but provide no maintenance on the exterior of the homes like in proposal 2.

The projected total for the **maintenance budget** for the next ten years per homeowner per month, starting in 2027, would be:

- 2027: \$78.48
- 2028: \$83.66
- 2029: \$87.44
- 2030: \$89.84
- 2031: \$94.14
- 2032: \$98.59
- 2033: \$104.26
- 2034: \$112.03
- 2035: \$121.24
- 2036: \$128.94
- 2037: \$131.65

The projected total for the **reserve budget** for the next ten years per homeowner per month, starting in 2027, would be:

- 2027: \$26.61
- 2028: \$13.52
- 2029: \$2.32
- 2030: \$2.28
- 2031: \$1.06
- 2032: \$6.55
- 2033: \$0.79
- 2034: \$3.64
- 2035: \$0.63
- 2036: \$3.16
- 2037: \$9.10

The spreadsheets for the above budgets can be found at:

Maintenance budget -

<https://docs.google.com/spreadsheets/d/1-JE3n3bXMuguxJa74DIEUA-j6EfUX173/edit?gid=1084317035#gid=1084317035>

Reserve budget -

https://docs.google.com/spreadsheets/d/1m3lsNoM_-amSWB3pQYBFF7KBB_R1gjq6/edit?gid=1432145839#gid=1432145839

The projected total for **both the maintenance and the reserve budgets**, starting in 2027, would be:

- 2027: \$105.09
- 2028: \$97.18
- 2029: \$89.76
- 2030: \$91.72
- 2031: \$95.20
- 2032: \$105.14
- 2033: \$104.44
- 2034: \$115.67
- 2035: \$121.87
- 2036: \$132.10
- 2037: \$140.75