

Upcoming Member Vote
Governing Document Amendment
Community Enhancement Assessment
May 2019

Your vote is important!

At the March meeting of the Board, Directors approved the concept of adding a Community Enhancement Assessment. Amendments to both our CC&Rs and Bylaws will be needed, both of which require approval of the membership.

Why do we need to consider a new fee?

There are a couple of factors that such a fee could help address. Every year the association receives multiple requests to add new capital projects to the community. These projects, if approved, are funded directly out of our operating account, meaning they are factored into the annual assessment, which is paid by all members. Recently, items such as the bocce ball courts and pickleball courts were added.

The other factor is the age of our community. Many of our amenities and buildings are older and will require improvements or updates. Some basic renovations are included as part of our existing reserve fund, but most major renovations will fall outside of the scope of this fund.

Who will pay the Community Enhancement Assessment?

The assessment, as being proposed, will be a one-time charge paid by new members who buy a property in the community and will be due within 30 days of the purchase date. Current members will not pay this assessment, unless they purchase an additional property in the community.

What is the reasoning to have new members pay this assessment?

Based on our current financial condition, our community has no debt. This means that new members buying into the community have the advantage of enjoying our wide range of amenities that have been paid for by current and past members. In addition, our community's reserve fund is now over \$2 million. New buyers get the advantage of having this fund help replace existing capital assets; again, funded by someone else.

How much will the Community Enhancement Assessment be?

New members will be responsible to pay an assessment that is equal to one half of the annual dues at the time of purchase. If approved by the membership, the Community Enhancement Assessment for a new buyer purchasing in 2019 will be \$799.50.

How much will the Community Enhancement Fee raise?

This will depend on the number of sales that take place each year. As an example, if we average 50 sales per year, then the assessment would raise \$40,000 per year, based on our current annual assessment.

Can the Community Enhancement Assessment be used for any expense?

No. The amendments being proposed will limit how the monies can be used. The Community Enhancement Assessment will only be used to fund existing or new common area and common facilities. A separate fund will be created for the monies received from this assessment.

Are there any property transactions that are exempt from this assessment?

Yes. The following exemptions are contained in the amendments:

- Current owners (unless they buy an additional property)
- Current owner transferring into a trust where the owner is the trustor
- Current owner refinancing their property
- Upon the death of an owner and the beneficiary is subject to a life estate
- Upon the death of an owner and the beneficiary does not take physical title to the property, does not rent the property and immediately attempts to transfer the property to a third party
- Under an FHA foreclosure by the lender
- Under a mortgage assigned to HUD

Do other communities have a similar assessment?

Yes. This is not a unique concept and is used by many other communities, both regionally and nationally.

Will this assessment make it more difficult to sell my property?

Information that we have gathered indicates that just the opposite will likely occur. Realtors in other communities who have adopted this assessment typically use the assessment as a reason to buy in the community. They point out that the community is accumulating funds that will be used to make future improvements in the community, helping with future property values.

Summary

As our community continues to age, more funds will need to go into renovating the amenities and facilities that we currently have. In addition, new capital items may be needed to meet the needs of current and future members. Right now, the majority of funds generated to maintain the community come from our current members. This concept generates additional monies from a new source.

Your vote and support are important!

It takes 916 “yes” votes to make amendments to our governing documents. The Board of Directors encourages all members to vote in support of this new assessment, which will help shape the future of our community.

Ballots and the specific details of the amendments needed will be mailed to all members in good standing approximately June 5 (along with the ballot for this year’s Board of Directors election). Please take the time to vote and return both ballots by the deadline, which is July 5. Questions can be directed to General Manager, Scott Devereaux, at gm@lacchoa.com or by calling the administration office at (530) 596-3282.