

# HOA GUIDEBOOK

*A Roadmap for HOA Projects*

---



## OFFICE LOCATIONS

---

SEATTLE, WA - HQ  
3100 AIRPORT WAY S. #65  
SEATTLE, WA 98134  
0:206.588.1282

PORTLAND, OREGON  
107 SE WASHINGTON ST, #150  
PORTLAND, OR 97124  
0:503.730.4612



# ABOUT US

---

## HOW WE CAN HELP YOU:

- Building Envelope Inspections, Design and Project Oversight
- Roof Inspections & Replacement Design
- Full Service Architectural Design
- 3-D & 2-D Modeling
- Water Testing and Leak Diagnosis
- Litigation and Claim Support
- Project Management
- Budget & Scope of Repair Preparation
- Project Oversight
- Due Diligence Inspections
- Budget Preparation
- Bid Package Creation and GC Management
- Owner Representation

”

They are an essential element of the job. We've developed a great partnership over the years, and their dedication to our portfolio is evident in their communication and work product. We appreciate their responsiveness and the creative solutions they bring to the table.....

- Keren Eichen | Unico Properties



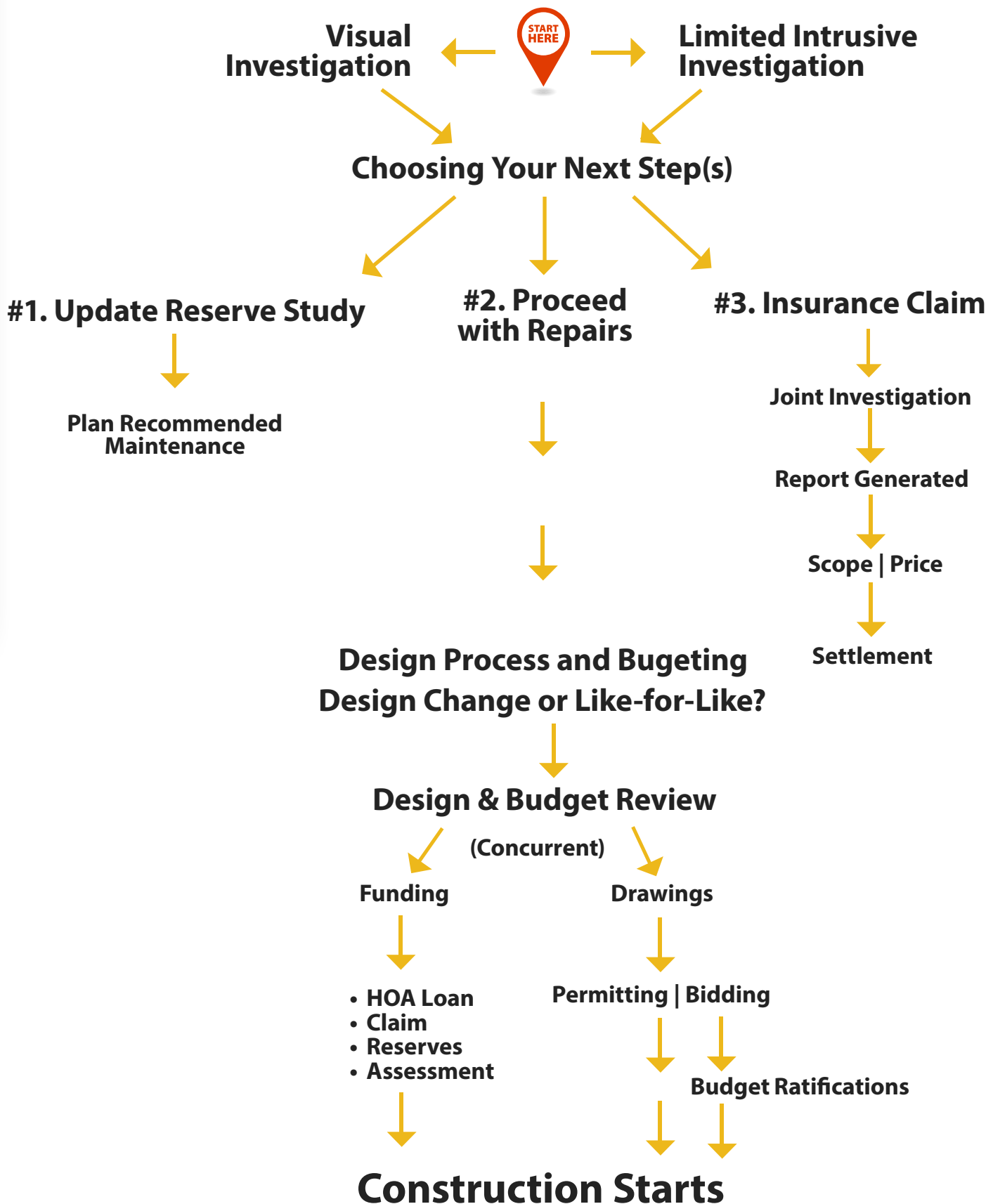
**Questions? Please Ask!**

**Jackie Roethel**

jackie@evolutionarchitecture.net  
253-330-7075



# ROAD MAP FOR CONSTRUCTION PROJECTS



Once construction is completed, update your reserve study and plan for future maintenance

# Which Type of Investigation are you Choosing?

---

## Visual Investigations -

---

A visual investigation at a condominium or apartment building involves a thorough examination of the property's building envelope, focusing on observable conditions without conducting invasive or destructive testing. This inspection aims to identify any visible defects, maintenance issues, or safety concerns. Key areas typically assessed include:

- Exterior Structure: inspecting the building facade, walls, roof, windows, planters, courtyards, garages and decks for damage or detail issues.

It's important to note that a visual inspection is not as comprehensive as a detailed intrusive inspection, which involves removal of siding materials.



Evolution Architecture In-House Photography

## Limited Intrusive Investigations -

---

A limited intrusive investigation is a more in depth review of the building envelope involving removal of the siding materials at several locations. The purpose of these openings is to assess the underlying conditions, identify potential issues, document hidden water damage, and determine the extent of repairs needed.

During the investigation, the wall sheathing and any exposed framing will be tested for water content. Following the investigation, Evolution develops a findings report with photo documentation and descriptions of the existing conditions.

The limited intrusive approach is a highly sought after option for Boards to learn more about their building with minimal disruption to residents while still obtaining valuable information.



Evolution Architecture In-House Photography

# Recommendations & Findings from your Investigation:



## BUILDING ENVELOPE INVESTIGATION REPORT

March 15, 2023

With either method of investigation, a report is issued to the Board, with recommendations categorized by priority.

This phase of the project cycle is when the Board begins conversations about next steps.

Generally, the Board has three options - with the initial conversation of reviewing prioritization of repairs in conjunction with your budget;

1. Update your Reserve Study, and Schedule Future Work
2. Proceed with Repairs
3. Pursue an Insurance Claim

## 6.0 RECOMMENDATIONS

### A. POTENTIAL LIFE SAFETY ISSUES

- a. None identified.

### B. ISSUES THAT REQUIRE ATTENTION

- a. Unit entry stairwells at the ends of the buildings require remediation of water damaged sheathing. This will require the removal and replacement of siding and trim materials at the columns, beams, and landings.
- b. Sheet-applied waterproofing membrane requires replacement at all unit entryways. This will necessitate removal of the waterproofing, plywood underlayment, flashing materials, and a portion of the siding and trim to allow for proper integration of flashing materials and existing building paper.
- c. Soil and landscaping materials that are in contact with siding should be regraded to allow for a minimum of 6-inches of clearance.
- d. The siding and trim at the south elevation of 1672 required removal and replacement due to the damage that was uncovered. Further investigation is warranted to determine the source of the damage as an exterior location for water intrusion could not be identified during the investigation. Thermal imaging of all buildings should be employed to locate other areas where similar conditions exist as Evolution could not identify a systemic problem with the siding or flashing at windows.
- e. Due to poor flashing details, the existing condition of the roofing shingles, and the presence of damage to the roof sheathing, as seen from under the eaves, the roofing should be planned for replacement when financially feasible.

### C. MAINTENANCE ITEMS

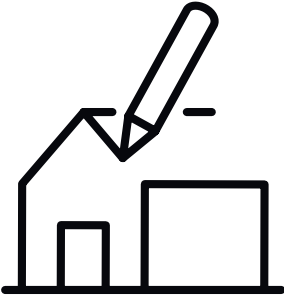
- a. The siding and trim are due for painting. At the time of painting, water damaged trim materials should be replaced.
- b. Siding and trim require replacement at the dumpster enclosures. This is a low priority as it not occupied space. The work should be scheduled concurrently with the painting project.
- c. Corroded stair tread hangers should be wire brushed and painted.
- d. Damaged tile caps at downspout connections should be replaced.
- e. Flappers should be installed or replaced at vents where bird nesting is evident.
- f. The unit decks membranes should be regularly monitored for adhesion failures, similar to what exists at unit entries. The asphaltic emulsion leaching from the walls is an aesthetic issue only.
- g. A window company should be contacted to determine if failed IGU's can be replaced. The windows may be under warranty depending on the manufacturer.

# Three Options Post Investigation -

---

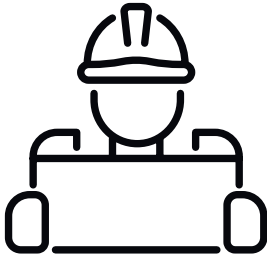
## OPTION 1

Update Your Reserve Study



## OPTION 2

Proceed with Repairs



## OPTION 3

Pursue a First Party Claim



# Option Breakdowns

---

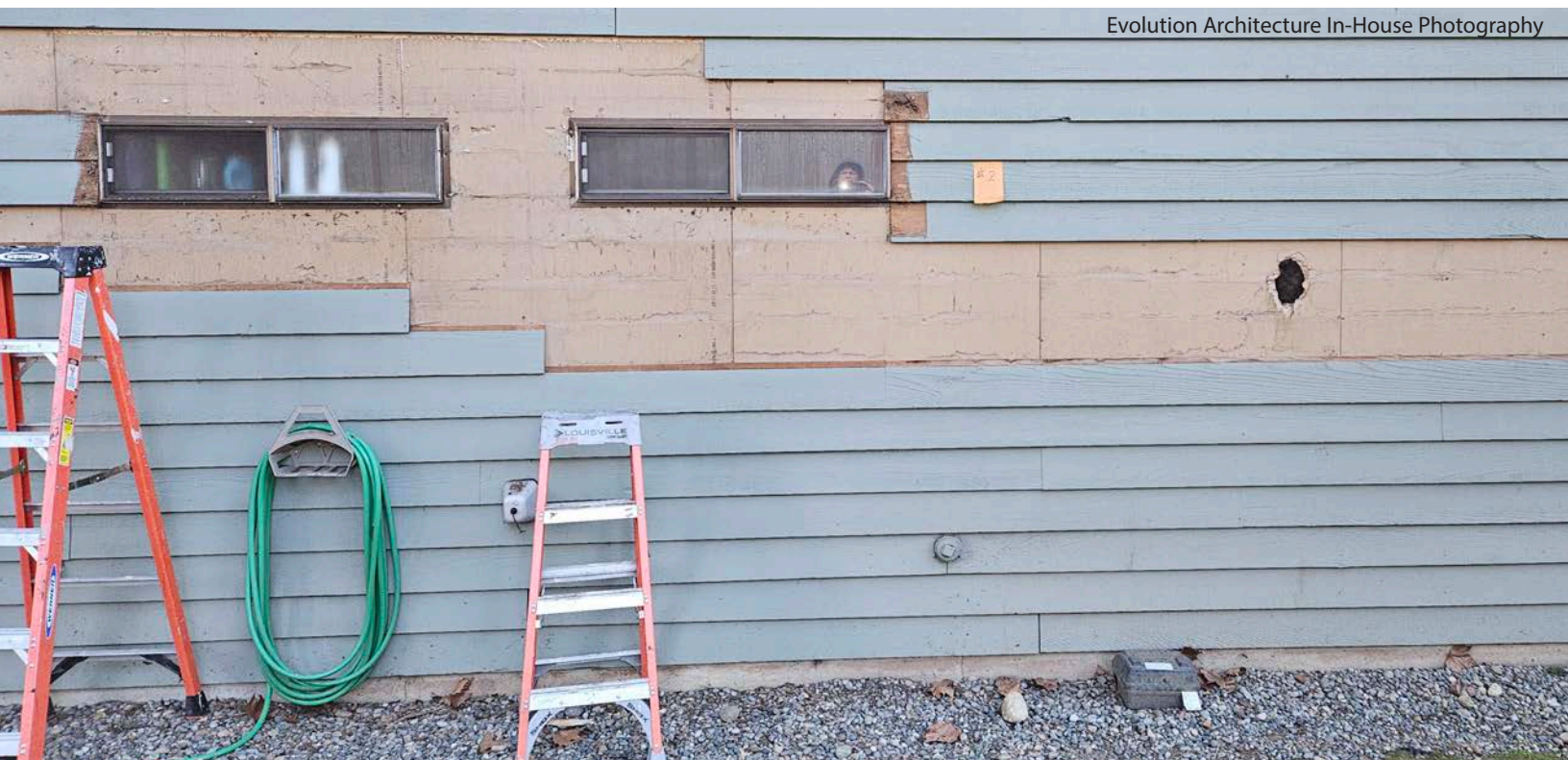
## 1. Updating your Reserve Study:

---

After a condo inspection reveals that there isn't an immediate need for work to be performed, it's important to update your reserve study per the report findings. However, it's equally crucial to develop an appropriate maintenance plan for your condo or townhouse during this interim period. Here's a suggested plan of action:

- **Update Reserve Study:** Incorporate the findings of the inspection into your reserve study. This involves adjusting timelines and budget allocations for future projects based on the assessment.
- **Regular Maintenance Checks:** Implement a schedule for regular maintenance checks on the building exterior. This includes inspections for signs of water damage, or other issues that could potentially lead to damage.
- **Educate Residents:** Keep residents informed about the findings of the inspection and the steps being taken to maintain the building(s). Encourage residents to report any signs of damage or maintenance issues they observe.
- **Budget Appropriately:** Modifying budgeting practices in preparation for projects coming up in the near future.

Evolution Architecture In-House Photography



## 2. Proceeding with Repairs

---

**SCOPE PREPARATION:** Every new project begins with drafting of the building(s) to provide the Board conceptual designs to design the new look of the exterior and allow for proper quantification of materials for budgeting. This is a unique and exciting time for Boards to begin to witness and be part of the property transformation and next life.

Below are some points to consider during the Design / Scope phase of the project;

- **Budget:**

This is arguably the biggest conversation in changing the aesthetic of your property, and deciding the overall scope of repair. Changing the design will incur additional costs, engineering | architectural fees, and material costs.

- **Architectural Style & Compatibility:**

An opportunity to reshape the appearance of the property is a great opportunity. Taking into consideration the style and appearance of neighboring buildings is also a factor to consider in the design choices.

- **Maintenance & Durability:**

Assessing the long term maintenance and durability of products on the market. A life cycle cost should be considered when choosing products.

- **Funding Options:**

Choosing the best funding options for the HOA is pivotal. These can include reserves, special assessments, HOA loan and / or an insurance claim.





### 3. Pursue an Insurance Claim -

What is a **FIRST-PARTY CLAIM**? This refers to an insurance claim filed by the HOA for damage or loss to the building(s). In this scenario, the condominium HOA, also known as the policyholder, is the first party, and they are directly seeking compensation from their own insurance policies. These claims are distinct from third-party claims, where an HOA seeks compensation from someone else's insurance policy for damages caused by that third party, such as construction defect by a contractor.

Pursuing a claim is a great option for funding repair projects, as there is little up front costs the HOA needs to spend, with a possible settlement paid out by insurance policies they've already paid for.



Evolution Architecture In-House Photography

Evolution has assisted with successfully recovering tens of millions of dollars for our clients through these insurance claims.

A First Party Claim is a potential option to consider if a property is in the midst of;

- Planning a major project, such as new siding and windows
- Painting the building exteriors
- Reported leaks or other signs water damage may be present
- Building envelope inspection

#### DO YOU PAY FOR PROPERTY INSURANCE?

**MYTH:** The building is more than 4 years old, so there isn't any recourse for damages.

**REALITY:** These aren't 3rd Party claims against a contractor or developer, such as traditional 4 year Washington Condo Act claims. These are property insurance claims that can possibly be made against all previous property insurance policies including earthquake policies.

**MYTH:** My association's attorney and/or expert said there likely isn't coverage or we tried filing a claim and were denied, so it isn't worth pursuing further.

**REALITY:** A very limited number of attorneys have the specialized knowledge and track records to be able to successfully pursue these claims. Any expert that steers you away from pursuing a claim either doesn't understand the process, or is more interested in the prospect of work now than the best interests of their client.

### 3.1 First Party Claim - Joint Intrusive and Reporting:

---

Once a Board decides to pursue a First Party Claim, Evolution partners with a legal team with expertise in these claims. The legal team reviews all insurance policies the property has on file (for free) and consults with the Board on viability and steps.

Once the claim is initiated, the insurance carriers have a responsibility and duty to investigate the claim, which leads to a Joint Intrusive Investigation.

A **JOINT INTRUSIVE INVESTIGATION** is a much larger and more invasive investigation scheduled at the property. During this investigation, a Contractor performs numerous openings, each one being documented by insurance carrier experts and Evolution.

A joint intrusive investigation takes anywhere from 2-5 days, and from there the Board receives a thorough report that includes documentation of each opening.



Evolution Architecture In-House Photography

### 3.2 First Party Claim - Scope:

---

Following the joint intrusive investigation, and included as part of the findings report, a scope of repair is prepared. The scope is then shared with the General Contractor, who estimates the cost of repairs. The repair estimate will be used as the monetary basis for the claim.

Important Note: The price is based on like-for-like costs, and does not include any upgrades and enhancements.

### 3.3 Investigation - Settlement:

---

Your attorneys will work with the insurance companies on settling the claim.

# Budget Breakdown and Options for your Community -

---

## Funding Options:

There are several funding options to consider for your construction project.

- **HOA Loans:** An HOA loan involves borrowing money from a financial institution to cover the expenses of the project. This option allows the HOA to spread out the cost over time,
- **Special Assessments:** A special assessment involves charging HOA members a one-time fee to cover the costs of the project. This fee is typically based on each member's share of ownership or square footage and is in addition to regular HOA dues. While a special assessment can provide immediate funding for the project without incurring interest or repayment obligations, it may be met with resistance from HOA members who may perceive it as an unexpected financial burden.
- **Tapping into Reserves:** HOAs set aside funds in reserve accounts for anticipated expenses, such as maintenance or repairs. Utilizing reserves for your project means tapping into these funds rather than taking out a loan or imposing a special assessment. While using reserves can provide immediate access to funds without incurring debt, it's crucial to ensure that the reserves are sufficient to cover the project costs without depleting essential funds needed for future expenses.
- **First Party Claim:** Utilizing settlement funds from a First Party Claim (FPC).

## Getting your Loans:

---

Below is a check-list to help get you started on the loan process.

1. Do you have HOA approval to take out a loan?
2. Connect with your Lender to help you assess your properties current financial status.
3. Does your project have a scope of work by a licensed professional?
4. Do you have a licensed Architect on board to help with the pre-application process and permitting?

## NOTE - RCW 64.55

---

### Definition:

"...If construction work on a building enclosure is not rehabilitative construction because the cost thereof is not more than 5% of the assessed value of the building, any changes to the building enclosure design documents that alter the manner in which the building or its components is waterproofed, weatherproofed, and otherwise protected from water or moisture intrusion shall be stamped by the architect or engineer..."

#### 64.55.020

- Definition: For any construction of or rehabilitation of a multiunit residential building where the cost of the construction exceeds five percent of the tax assessed value of the building, a stamped set of drawings for a design professional are required for the acquisition of a building permit.
- Importance: This is the 5% standard that triggers the requirement for a design professional to be hired to prepare stamped drawings and details, including waterproofing details.

#### 64.55.030

- Definition: All multiunit residential buildings shall have the building enclosure inspected by a qualified inspector during the course of initial construction and during rehabilitative construction.
- Importance: This is the requirement for having a qualified inspector review the work in progress during the course of construction.

### Need to Know:

---

- 5%
- Licensed Professional
- Quality Inspection
- Window Testing
- Architect of Record sign off on the project

### Why it's Important:

---

It is important to know what triggers this statute. It is required for **any** repair project that involves the building envelope where the cost of the repair exceeds 5% of the tax assessed value of the building (not including land). The building envelope is defined as, "The assemblies, components, and materials of a building that are intended to separate and protect the interior space of the building from the adverse effects of exterior climatic conditions. (RCW 64.35.105(3))" In other words, all components of the exterior walls, roofs, decks, foundations, etc.

#### 64.55.050 (a)

- Definition: Water penetration resistance testing of a representative sample of windows and window installations. Such tests shall be conducted according to industry standards.
- Importance: This is the requirement for water testing which in most instances requires the replacement of all windows. The representative sampling language is what drives the need to test or replace windows that were previously replaced by individual owners.

#### 64.55.060

- Definition: Upon completion of an inspection required by this chapter, the qualified inspector shall prepare and submit to the appropriate building department a signed letter certifying that the building enclosure has been inspected during the course of construction or rehabilitative construction and that it has been constructed or reconstructed in substantial compliance with the building enclosure design documents.
- Importance: This is the requirement for a letter to be drafted at the end of the project stating that the work followed the details and drawings prepared by the design professional. This letter is required to close out the building permit.

# Project Start: From Design to Construction

"THEIR CONTRACT ADMINISTRATION DURING THE COURSE OF THE PROJECT IS ONE OF THE BEST IN THE INDUSTRY. THEY ARE VERY TIMELY IN THEIR RESPONSES TO COMMUNICATION, WHICH IS CRITICAL IN KEEPING PROJECTS ON SCHEDULE. WITHOUT HESITATION, I CAN RECOMMEND EVOLUTION ARCHITECTURE FOR ANY TYPE OF PROJECT THAT INVOLVES THE BUILDING ENVELOPE AND/OR REPLACEMENT OF THE EXTERIOR FAÇADE."

- ARNIE QUACKENBUSH  
ABBOTT CONSTRUCTION

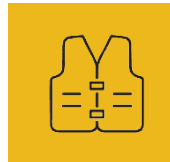


## Drawings

A set of Architectural Drawings by a licensed professional are generated for the Board to review, and approve (1), to include in the permitting process and pre-application with the city.

A set of drawings is a visual representation of what your property will look like post construction and is also what is used to include in your bid package for a contractors and used for permitting.

Evolution Architecture In-House Photography



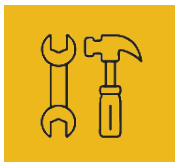
## Permitting

Submitting drawings for permit approval requires careful attention to detail, compliance with regulatory requirements, and effective communication with permitting authorities to ensure a smooth approval process.

Depending on your jurisdiction, permitting approval process can take several months.

Permit Submission Requirements:

- Application form
- Set of Architectural drawings stamped by a licensed professional
- Loan information
- Permit fees
- Other supporting documentation that might include product specifications, materials, or any additional information the city may require.



## **Bidding**

---

Part of Evolution's scope is helping assist the Board managing the process of soliciting bids from multiple contractors that specialize in occupied restoration projects. We help ensure transparency, fairness, and encourage contractor interviewing when necessary.

Evolution's team is comprised of multiple construction professionals with decades of hands on project experience and budget preparation, making our team a solid partner in helping the Board / Ownership navigate the project bidding with our vetted and qualified contractor pool.



## **Selecting a Contractor**

---

Selecting a Contractor for your project is an important step.

Evolution strongly vets their contractors for all the bid packages assembled, choosing contractors that have a strong expertise and who would be a great partner.

Evolution helps the Board / Ownership compare and analyze bids, and help facilitate interviewing.

Evolution Architecture In-House Photography



Before



After



Evolution Architecture In-House Photography

## Construction | Project Oversight | Closeout

---

### Construction Starts:

Once a contractor is selected by the Board and permitting has been approved, the project can start.

### Project Management Services Include:

- Owner, Architect, Contractor (OAC) Meetings: Attend weekly construction meetings with contractor and Board representative(s).
- Field Reviews: Perform visual inspections of work being performed to ensure strict compliance with plans and specifications.
- Submittal Review: Review contractor submittals for products and materials to be utilized on the project to ensure conformance with the contract documents.
- Pay Application Review: Review contractor's monthly pay applications to be submitted monthly to verify the amount submitted is consistent with the work that has been performed.
- Change Order Review: Review proposed change orders and change order requests from the contractor to verify validity and cost.
- Request for Information (RFI): Review and respond to requests for information from contractor as required to facilitate and install the work.
- Third-Party Inspections: Perform periodic inspections as required by RCW 64.55. Draft a letter at the end of the project indicating that the work complies with the construction documents. This work will be performed concurrently to the field reviews.

### Project Closeout:

- Punch List & Closeout: Perform punch list field reviews at the end of the project to ensure that all work is completed prior to certifying the final application for payment from the contractor.
- Third-Party Inspections: Perform periodic inspections as required by RCW 64.55. Draft a letter at the end of the project indicating that the work complies with the construction documents. This work will be performed concurrently to the field reviews.
- Work with contractor to compile as-built drawings, project records, maintenance and warranty information.

# Project Work Chart

A Board tool to gauge project timelines and milestones

BEFORE	DURING	AFTER
<p><b>PRE-PROJECT TIMELINE:</b></p> <p>CONTACT ATTORNEY AND LENDER EARLY</p>	<p><b>KNOW THE CONTRACT:</b></p> <p>COST, DURATION, TIMELINE, ROLES/ RESPONSIBILITIES</p>	<p><b>FINAL PAYMENT &amp; CLOSEOUT:</b></p> <p>JOB CLOSEOUT DOCUMENTATION –PLANS &amp; SPECIFICATIONS, O&amp;M MANUAL, CONTRACT WITH CHANGE ORDERS, PROJECT PHOTOS, MATERIALS USED, PERMIT CLOSEOUT WITH JURISDICTION</p>
<p><b>SCOPE OF WORK - WANTS VS NEEDS BASED ON:</b></p> <ul style="list-style-type: none"> <li>• PROPERTY ASSESSMENT/ INVESTIGATION</li> <li>• RESERVE STUDIES, INSURANCE REQUIREMENTS</li> <li>• BUNDLE PROJECTS FOR LOAN</li> </ul>	<p><b>CHANGES HAPPEN.</b></p> <p>COMMUNICATE WITH YOUR CONSULTANT</p>	<p><b>CONTRACTOR WARRANTIES:</b></p> <p>MATERIAL AND WORKMANSHIP WARRANTIES.</p>
<p><b>FUNDING SOURCES:</b></p> <p>RESERVES, LOAN, INSURANCE</p>	<p><b>PROJECT LOGISTICS &amp; COMMUNICATION:</b></p> <p>DESIGNATED STORAGE AND PARKING AREAS; ACCESS RESTRICTIONS; NOTICES TO HOMEOWNERS AND TENANTS; ANSWERING QUESTIONS (YOU WILL BE ASKED!)</p>	<p><b>OWNER-REQUIRED MAINTENANCE:</b></p> <p>IF NOT PERFORMED, COULD VOID WARRANTIES</p>
<p><b>DO YOU HAVE A QUALIFIED TEAM IN PLACE?</b></p> <p>CONSULTANT/CONSTRUCTION MANAGER/DESIGNER, CONTRACTOR</p>	<p><b>HOA TIME COMMITMENT:</b></p> <p>WEEKLY OAC (OWNER, ARCHITECT, CONTRACTOR) MEETINGS. BOARD REPRESENTATION HELPS WITH TIMELY DECISION MAKING</p>	<p><b>UPDATE RESERVE STUDY:</b></p> <p>PERIODIC INVESTIGATIONS STILL RECOMMENDED</p>