

## **Renovation Rollout – Opportunities Waived / Savings Realized**

Prolog by Ross Minion

The process of selecting and finalizing the products and materials to complete our renovation project has been ongoing for years. There were obvious items to be selected, such as siding and roofs, but also the less obvious items, including: house numbers, porch lights, cable channels for the side of the buildings, what to do with the planters, faux balconies, etc... Each item presented its own set of challenges as we attempted to find materials that were long lasting, met our fire life safety goals, and were aesthetically beneficial, affordable and added value.

This major renovation project is the perfect time to think out of the box. Usually we're repairing or replacing to match what was originally designed and built in the 1970s. This time we got to completely redesign and rebrand ourselves, and build a better Newport Terrace. It provides a great opportunity to correct old issues; materially, functionally and aesthetically in Newport Terrace. The committee came up with some great ideas, most of which were independently affordable and would have a big impact on the value and usability of our community.

However, we already have so many items which are in dire need of replacement and the accumulative price tag is not small. As homeowners living within tight budgets ourselves, we know there just isn't room in the project for major improvements. Even some items which are part of the current buildings had to be cut or reduced and other projects have been pushed out, even though the lifespan of those assets are near their end.

Following is report about the items which did NOT make it into the Renovation plan and where savings have been realized:

## **Renovation Cost Savings Solutions**

By Dede D'Alessandro & John Sisker

The majority of residents are pleased with the renovation package and loan; however a few have expressed concern about the \$8,000,000 loan and scope of work for the renovation, thinking it is too much. They have logically suggested trimming the fat, do just what needs to be done now, and do the rest sometime down the road. That seems like a simple solution, if it were only that simple!

The problem is we already eliminated items and “trimmed the fat” before presenting the package. If this price tag made your eyes bug out, you would have gone into shock with the Full Monty! We could have presented the complete “wish list” and then cut it down but we felt it was best to trim first because we know we don't have the money for upgrades such as a clubhouse and we don't have a meadow full of money trees.

The Scope of Work presented at the Rollout is what we realistically need to do. We thought, “Why the heck do they think we can shave a few million off when we've already cut so much and spent so much time researching cost saving solutions?” After hearing the same question repeated, the light bulb went on - you didn't know we had already trimmed the fat because we didn't tell you!

Therefore, we developed the table below so you can see what we did. The table will evolve as we continue researching more cost savings solutions.

As of today, we have about \$8,500,000 of work that needs be done with or without the loan. Without the loan that number will grow over time to roughly \$13,000,000 as assets fail, the cost of materials and labor increase, we have to pay for 10+ years of project management, lose economies of scale, etc.

How did we decide what to trim? We trimmed the fat, but we kept all Fire-Life-Safety components. We did long term forecasting of cost, Reserves (our savings account), risk assessment etc., then we balanced short term savings vs. long term costs and eliminated components that could safely be done later.

We could not simply pick some projects to do now, leaving the rest for later. The things that need to be done now but are not would then become a liability, thereby eliminating our ability to secure a loan in the first place.

We identified 7 keys to saving money now as well as long term:

- 1) Cut from renovation what can logically wait: i.e. Roads don't need to be replaced now; we can do them later (but must still fund our Reserves for their replacement.)
- 2) Build a better mousetrap: Use better materials like Hardie which has a 50 -100 Year lifespan. It costs more than wood but we'll save money long term with decreased maintenance (including labor and materials).
- 3) Buy in quantity: The price gets lower as the quantity increases. This is true for many items like front doors, lights etc. If work/replacement was done in phases, discounts wouldn't be as good.

- 4) Efficiency: Do all related work once so no wasted \$ repeating common steps of the work. i.e.: Do all underground work together, saves labor, only replant landscape once, and reduces damage to components/landscape.
- 5) Bargain shop: Shopping, shopping, shopping! We bargain shopped, even for contractors (went out for bid). And little things too like House Numbers
- 6) Know Codes etc.: Do it right the first time, and per code.
- 7) Preventative maintenance: It's much cheaper and safer to replace now than when it fails. IE: Replace underground exposed electrical before a gopher chews it and starts an electrical fire.

The following table describes how the Architectural and Construction Committees lowered the price of the renovation (short term and long term) while maintaining quality. It includes items cut from the package/loan and cost savings solutions using the 7 keys above.

**Table of Renovation Cost Savings Solutions – in work**  
(Please consider this a “Draft” as we’re still working on solutions.)

<b>Asset / Goal / Question</b>	<b>Solution</b>	<b>Rationale/Savings</b>
Add a Club House (room) onto the pool building	Eliminated from scope	Estimated \$120,000 cost.
Roads	Eliminated from scope	Use Reserves when due. Expect replacement to be due in 10 years if properly maintained. Plan for \$1 Million.
Sidewalk repair / replacement	Eliminated from scope	we can deal with uneven and cracked sidewalks
Renovate Pool Area. <ul style="list-style-type: none"> <li>• Replace Pool Area Pergola</li> <li>• Replace Pool Deck</li> <li>• Renovate kitchen/ picnic area &amp; pool house</li> </ul>	Eliminated from Scope. Do mini makeover instead. <ul style="list-style-type: none"> <li>• Bought Umbrellas &amp; Tables</li> <li>• Planted Pool Pots</li> <li>• Clean/resurface deck</li> <li>• picnic tables and new tile</li> </ul>	Completed necessary repairs. Replaced some original items.  Committee Research & Design a Mini Pool “Bang for the Buck” Makeover <ul style="list-style-type: none"> <li>• Bargain shop/ buy/ install Umbrellas, Tables. Paint old metal umbrellas.</li> <li>• Designer Pots &amp; Plants. Started a “plant nursery” from cuttings etc.</li> <li>• Replace/repair deck when due</li> <li>• Design/select Kitchen Shower Floor Tile; contractor install.</li> </ul>
Perimeter fencing/gates	Eliminated from scope	Add/replace as needed, wrought iron-style. Committee research, design, bargain shop (rotted Starfish/ Talbert fence replaced as a test of new material)
Replace all metal railings	Eliminated from scope	Replace as needed
Rollup Garage Doors - paint to	Eliminate from scope.	Short & Long term savings in paint/labor.

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match new color schemes	Design color schemes around existing garage door color	Powder coating has a long life before needing paint. Once painted, they need continual painting. This savings cost committee members a lot of gray hair, coordinating colors!
Fire Life Safety	Clad buildings in fire retardant materials, reduce/eliminate other Fire Life Safety issues	Numerous short/long term savings in the event of fire (e.g. Embers from Talbert landing on roof), etc..
Environmental	Use “Green” products	Good for the environment, saves energy which saves money.
Save money on paint	Looked at 4 brands. Decided on Dunn Edwards (Premium) paint	Long term savings, need less to paint, paint lasts longer
Siding (currently T1-11 wood)	Switch all wood to Hardie.	50 year lifespan. Greatly reduced future maintenance on labor/material
Consider moving to 100% Stucco	Eliminated; Considered moving to all Stucco - not enough savings to justify the design change.	Stuccoing “Woodside” carports instead of using Hardie lap siding was roughly the same price, wouldn’t look as good. Full impact of converting “Woodside” buildings into stucco not researched.
Consider adding lap side to stucco buildings to blend with lap side units	Eliminated from scope	Too expensive.
Option to paint now & renovate over 10+ years	Eliminated from scope	Putting lipstick on a pig. \$500,000 savings by putting the \$ into renovation.
Improve Building integrity	Seal holes (old & new) in stucco with waterproofing material.	Protects from water/insect intrusion. Minor short term cost, long term maintenance savings.
Protect buildings/people from rain. Extend roof over eaves; build porch roofs and covers over windows.	Add gutters & downspouts, some window trim.	Cheapest solution. Diverts water away from buildings protecting them. Stucco units will have trim on 2 <sup>nd</sup> story rear windows – added protection & architectural interest.
Front doors	Chose pre-hung Fiberglass	Buy in bulk. Longer lifespan, better insulation. Pre-hung cheaper/easier to install.
Planter boxes	Redesigned to bench style in Trex, recycled footing.	Cheaper. Built on original footing. Much longer lifespan, less maintenance than wood. More versatile, modernized look. Limited replacement to main windows only.
House Numbers	Replace with code compliant	Old ones damaged/not visible. Bought close-outs in bulk, that comply with Fire Code (bigger)
Faux balconies (stucco units)	Replace with smaller iron faux balconies.	Buy in bulk, cheaper than rebuilding existing. Modernized, looks better than

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		leaving baron.
Chimney caps	Replace with new design, powder coated. Bulk purchase to save 40%.	Long term savings. Cheaper to replace with new Powder coat caps. Many damaged. Bang for the Buck – improves property value.
Mailboxes	Many need replacing, some already replaced by homeowners.	TBD Looking at like-for-like replacement
CATV/PHONE cables	Install cable channel on buildings and rerun cable.	Less damage/intrusion to buildings, visually more appealing.
Roofs – to replace or not to replace	Reroof with Reno; at end of life	New lifetime, fire retardant roof, recyclable.
Roofs – can another later be added?	Remove and replace roof	Code Compliance. Need to inspect/ repair old wood, structural supports beneath.
Roofs – Type of shingle to use	Replace with GAF high quality lifetime roof	Costs a bit more now, huge long term savings. Lifetime roof w/ 40 yr. warranty.
Soil / Clearance to foundations	Remove excess to prevent damage/preserve structural integrity	Saves on maintenance, reduces (structural) damage from moisture, termites, mold and other intrusions. Excess soil voids Hardie warranty.
Porch & alley lights	Replace - past life expectancy, buy in bulk, Powder coated	Cheaper to replace with Reno when they are removed anyway. Old Porch lights safety issue- no junction boxes
Pole Lights – will painting extend their life?	Replace. Past life expectancy. Buy in bulk, energy efficient	Painting is a waste of \$. Fire/Life/Safety hazard, some broken, missing, inadequate lighting, potential for electrocution/fire.
Common Area lighting	Bollards instead of poles. Buy in bulk, energy efficient	Where they provide adequate lighting. Dark Sky Compliant (less light shining in window)
Is there a better option for light poles?	Powder coated Aluminum; buy in bulk, energy efficient.	Cost, Long life. Cheaper in bulk. Spec'd to eliminate corrosion at base. Dark Sky Compliant (less light shining in window)
Value Engineer lighting options	Find cheaper brand	In work. Research local options/suppliers
Codes and regulations affecting Lighting project	Avoid Title 24 requirement of more lights	Designed around
Alley lights	SCE rebates assistance	In process
Fences (carport/patio)	Looked at Hardie, Vinyl, Trex, priced Stone/Brick. Decided on Wood	Short term savings, homeowner friendly (nails OK). Spec'd to prime/paint all sides (including bottom) to extend life.
Misc. Savings	Bulk Discount	Take advantage of quantity discounts
Are there discounts to be a “test” case for new products?	In work	
Are there Grants/Rebates for drought tolerant landscaping?	In work	
Any Discounts or Rebates for selecting Green products?	In work	