

Del Mesa Carmel Community Association

Level 3 Reserve Study



Report Period - 1/1/2022 to 12/31/2022

Client Reference Number	15435
Property Type	PUD
Number of Units	289
Fiscal Year End	12/31
Type of Study	Update without Site Visit
Date of Site Visit	N/A
Prepared By	Robert Forney
Analysis Method	Cash Flow
Funding Goal	Full Funding

Report prepared on - Oct 18, 2021



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Executive Summary - Del Mesa Carmel Community Association - ID # 15435

Information to complete this Update without Site Visit Study was gathered through research with the client as well as from the previous report. In addition, we may also have obtained information by contacting any vendors and/or contractors that have worked on the property recently. To the best of our knowledge, the conclusions and recommendations of this report are considered reliable and accurate insofar as the information obtained from these sources.

Projected Starting Balance as of 1/1/2022	\$2,330,625
Ideal Reserve Balance as of 1/1/2022	\$6,391,762
Percent Funded as of 1/1/2022	41%
Recommended Reserve Contribution (per month)	\$95,538
Minimum Reserve Contribution (per month)	\$80,000
Recommended Special Assessment	\$0

Property Details

The Del Mesa Carmel Community Association is a 289 unit (PUD) planned unit development located in Carmel CA. The association has a clubhouse, restaurant, pool house, and many other amenities. The association was originally constructed in 1969.

Currently Programmed Projected

Projects programmed to occur this fiscal year (FY 2022) include: Roofing - Replace (Comp #101). Interior Surfaces - Repaint (Comp #216). Interior Surfaces - Repaint (Comp #216). Siding/Trim - Repair (Comp #301). Siding/Trim - Repair (Comp #301). Siding/Trim - Repair (Comp #301). We have programmed an estimated \$1,464,202.5 in reserve expenditures toward the completion of these projects. (See Page(s) 34 - 52)

Significant Reserve Projects

The association's significant reserve projects include: Wood Decks/Railings - Replace (Comp #603). Siding/Trim - Repair (Comp #301). Forest Management (C) (Comp #1802). Elastomeric Balconies - Resurface (Comp #606). The fiscal significance of these components is approximately 9%, 9%, 6% and 4% respectively. A component's significance is calculated by dividing its replacement cost by its useful life. In this way, not only is a component's replacement cost considered but also the frequency of occurrence. These components most significantly contribute to the total monthly reserve contribution. As these components have a high level of fiscal significance the association should properly maintain them to ensure they reach their full useful lives. (See Page(s) 21) - 29

Reserve Funding

In comparing the projected starting reserve balance of \$2,330,625.48 versus the ideal reserve balance of \$6,391,761.58 we find the association's reserve fund to be approximately 41% funded. This indicates a fair reserve fund position. In order to continue to strengthen the account fund, we suggest adopting a monthly reserve contribution of \$95,537.64 (\$330.58/unit) per month. For comparison purposes, we have also set a minimum reserve contribution of \$80,000 (\$276.82/unit) per month. If the contribution falls below this rate, then the reserve fund may fall into a situation where special assessments, deferred maintenance, and lower property values are likely at some point in the future.

Starting Reserve Balance

The starting reserve balance was provided by the client and was calculated as follows: \$1,948,474.92 balance as of 8/31/21 plus four months of reserve contributions of \$95,537.64 a month for an estimated reserve balance of approximately \$2,330,625.48 at 1/1/2022.