



Mission Del Oro HOA

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Mission Del Oro is an upscale, gated community with tennis courts, tropical landscape, and a resort style pool that one would expect in a Southern California community called Oceanside. Located only three miles from the Pacific Ocean, Mission Del Oro is comprised of 74 condominiums and is a well-managed community with active residents involved with the Homeowners Association, and a Board of Directors dedicated to solving problems. But it wasn't always that way. Board member, Dave Clark remembers when he moved in 2004. "I grew up in a well-run homeowner association community and just assumed the HOA was running like a top." After his first 6 months in his new home, Clark was shocked to receive a special assessment notice.

By that time, he was a volunteer on the landscape committee and read the existing Reserve Study. "It was 15 lines mostly about the landscaping, roofs and not much else. I finally read all the documents you're supposed to read when buying a condo." Turns out the property was involved with a builder lawsuit and needed some structural fixes. While some funds were received, the Association used existing Reserve funds to cover the costs not reimbursed from the lawsuit. Since nothing had been done to rebuild the Reserve fund, a special assessment was instituted.

Built in 1990, Mission Del Oro's early Reserve Studies "relied on the newness of the community", said Clark. Some reports were created internally by the management company. The Association tried several Reserve Study providers before finding Association Reserves (AR)- San Diego in 2007. Clark likes the methodology and rational displayed in the AR Reserve Study. "When you read the report, it just makes sense. There's a reasonableness in the thought process that I can really appreciate. The graphs help communicate the needs and priorities of the HOA."

This was especially important to the residents as they had to face some tough decisions. According to Clark "When the recession hit in 2008, it was hard on us because lenders weren't funding loans, so people struggling financially had trouble selling." The Reserve funds were barely over 30%-funded and Clark worried that another special assessment could be imminent.

An environmental engineer by training, Clark manages environmental clean-ups for the military. He harnessed those skills and applied them to his own community to help steer the property through the process of cleaning up and rebuilding the Reserve funds while still meeting the maintenance needs of a 20-year-old property. It wasn't always easy to build a consensus. At times, Clark and the Board struggled against differing opinions. Some residents believed "the assessments should follow the economy." But the Board of Directors understood economic downturns don't stop roofs from deteriorating. Armed with an AR Reserve Study, the Board was able to prioritize projects and even complete money-saving upgrades.

With water rates constantly increasing, Mission Del Oro modernized their landscaping and irrigation system. The result was a 20% reduction in usage. In addition, they added sub-meters to each unit so the individual owner became responsible for their own consumption. With these types of savings and autonomy, residents could really see the benefits of the Board's efforts to their community.

As Matt Swain, president of AR- San Diego says "I've worked with the Board and Dave Clark since 2007 and they just get it." Swain describes how the working relationship has evolved over time to something akin to a well-oiled machine. "Dave and the Board keep all the data throughout the year, so when we meet I get all the necessary information needed to produce a report tailored for them. The Board is very thoughtful and strategic with their actions. They know how to maximize their resources and develop an effective plan for the future."

Since 2007, Mission Del Oro's Reserve fund has steadily increased to levels consistently over 70%-funded and the risk of a special assessment is low. Clark acknowledges it took some time "to get out of crisis mode" as it hasn't been easy balancing the maintenance needs of an established community with limited finances. But Mission Del Oro successfully managed to keep projects on track and at the same time rebuilt the Reserve fund.

Mission Del Oro is a perfect case of how a community can come back from the precipice of a special assessment and thrive. Today, the Reserve fund is at 75%-funded, maintenance projects are performed in a timely manner and the annual assessments are competitive with neighboring communities. This dedicated team of Board members continues to utilize a Reserve Study, updated annually by Association Reserves, to evaluate options. Their methodical approach has created the financial security necessary to sustain property values and a high quality of life for their residents.