PRIMARY TASKS OF THE STUDY

1. To examine the relationship between the services of Fairfax County and the services of the Home Owners Associations of the

2. To examine the financial viability for the Association to provide services and identify categories of services which could be

3. To analyze the current Association/staff structure and determine its inherent capacity to provide services effectively today and in the future.

4. To determine the optimum Association/staff structure based on today's needs as well as providing for future growth.
STUDY OF THE
ORGANIZATION AND SERVICES
OF THE
HOME OWNERS ASSOCIATIONS IN RESTON

1. To examine the relationship between the services of Fairfax County and the services of the Home Owners Associations.

2. To examine the financial feasibility for the Association to provide the services and identifying the categories of services for which fee increases could be implemented.

3. To analyze the current Association/staff structure and determine its inherent capacity to provide services effectively today and in the future.

4. To determine the optimum Association/staff structure based on today's needs as well as providing for future growth.
THE APPROACH TO THE STUDY INCLUDED MEETING WITH
SEVERAL GROUPS PERTINENT TO THE
PURPOSE OF THE STUDY

- Fairfax County Government Representatives
- First Home Owners Association Board Members
- Second Home Owners Association Board Members
- The Associations' Professional Staff
- Reston Community Association Representatives
- Reston Foundation Representative
- Gulf Reston Representatives
THIS PRESENTATION IS COMPRISED OF TWO MAJOR PARTS

I. FINDINGS AND CONCLUSIONS

   1. Services
      Association organization

II. RECOMMENDATIONS
RESTON EXISTS CURRENTLY, AND IS LIKELY TO EXIST IN THE FUTURE, AS AN UNINCORPORATED PART OF FAIRFAX COUNTY.

The code setting forth the urban-county executory form of government in Fairfax County provides that it shall become incorporated subsequent...

I. FINDINGS AND CONCLUSIONS

It is unlikely that the County would support moves in court to permit Reston to become incorporated.

Current political representation is provided through the District Supervisor.
RESTON EXISTS CURRENTLY, AND IS LIKELY TO EXIST IN THE FUTURE, AS AN UNINCORPORATED PART OF FAIRFAX COUNTY

The code setting forth the urban county executive form of government in Fairfax County provides that no community shall become incorporated subsequent to adoption of the form.

It is unlikely that the County would support moves in court to permit Reston to become incorporated.

Current political representation is provided through the District Supervisor.
UNDER THE PURVIEW OF FAIRFAX COUNTY GOVERNMENT, THE CITIZENS OF RESTON ARE PROVIDED A BROAD RANGE OF SERVICES

- Police protection and courts
- Fire protection
- Highways and roads
- Sanitation
- Public welfare
- Education
- Libraries
- Public health and hospitals
- Parks and recreation
- Housing and renewal
- Water (through water authority)
- County comprehensive planning
- Zoning
QUESTIONS

What are the Reston Home Owners Associations and why were they formed?

What were they intended to do?
THE HOME OWNERS ASSOCIATIONS WERE FORMED TO PROVIDE SPECIFIC SERVICES INHERENT IN THE STATUS OF RESTON AS A RESIDENTIAL PLANNED COMMUNITY

RPC zoning sets forth various controls on the developer of the land. Among many controls, the RPC zoning states that the developer must designate open space, recreation areas, playgrounds, parks, and parking lots, and to ensure continuing protection of those areas as to their use.
THE PURPOSE OF THE ASSOCIATIONS FOCUSES PRIMARILY ON
THE OPERATION AND MAINTENANCE OF COMMON LANDS AND
FACILITIES

To operate and maintain designated properties as
parks, open spaces, paths, streets, or other
facilities, and to enforce the protective covenants
and restrictions

To do other lawful things for the benefit of the lands,
owners, and inhabitants thereof.
A LIMITED INTERFACE EXISTS BETWEEN THE COUNTY SERVICES
AND THE ASSOCIATIONS

<table>
<thead>
<tr>
<th>County Services</th>
<th>Home Owners Associations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police protection and courts</td>
<td>Maintain recreational areas and open space</td>
</tr>
<tr>
<td>Fire protection</td>
<td></td>
</tr>
<tr>
<td>Highways and roads</td>
<td></td>
</tr>
<tr>
<td>Sanitation</td>
<td></td>
</tr>
<tr>
<td>Public welfare</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td></td>
</tr>
<tr>
<td>Libraries</td>
<td></td>
</tr>
<tr>
<td>Public health and hospitals</td>
<td></td>
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<tr>
<td>Parks and recreation</td>
<td></td>
</tr>
<tr>
<td>Housing and renewal</td>
<td>Enforce protective convenants and restrictions</td>
</tr>
<tr>
<td>Water (through water authority)</td>
<td></td>
</tr>
<tr>
<td>County comprehensive planning</td>
<td></td>
</tr>
<tr>
<td>Zoning</td>
<td></td>
</tr>
</tbody>
</table>
OPPORTUNITIES TO PROVIDE ADDITIONAL SERVICES HAVE BEEN IDENTIFIED BY THE ASSOCIATIONS

Facilities and Equipment--Includes large constructed facilities such as municipal buildings, multipurpose recreation buildings, single purpose recreation buildings, hospital, trash trucks, mini-buses, recreation equipment, and various land maintenance equipment.

Programs and Services--Includes recreation programs, youth programs, consumer co-op activities, volunteer work programs, aesthetic amenities, and other community oriented programs. Many of these programs would be designed to operate in association-constructed facilities or the recreation and open spaces owned by the Association.
OTHER ORGANIZATIONS IN RESTON EXIST TO PERFORM OTHER COMMUNITY FUNCTIONS

- Reston Community Association
- Reston Foundation for Community Programs
CURRENTLY, TWO SIMILAR HOME OWNERS ASSOCIATIONS EXIST IN RESTON

Purpose

Structure

Membership (requirements)

Funding (method)

Common professional staff
Board of Directors

President

Treasurer

Secretary

Committees

Both Associations
Recreation
Budget and Planning
Environmental Management
Rules and Regulations
Information

First Home Owners Association
Management Systems

Second Home Owners Association
Committee to Enforce the Covenants

WHEN THERE ARE SIMILARITIES BETWEEN THE TWO ASSOCIATIONS, THE SECOND, LESS VARIOUS THAN THE FIRST, GENERATES LESS REVENUE THAN THE SECOND, AND HAS A MORE VARIOUS MANAGEMENT SYSTEM.
WHILE THESE SIMILARITIES EXIST, THERE ARE MEANINGFUL DIFFERENCES BETWEEN THE TWO ASSOCIATIONS

<table>
<thead>
<tr>
<th>Year</th>
<th>First Home Owners Association</th>
<th>Second Home Owners Association</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Townhouses</td>
<td>Apartments</td>
</tr>
<tr>
<td>1970</td>
<td>1,000</td>
<td>2,000</td>
</tr>
<tr>
<td>1971</td>
<td>1,500</td>
<td>2,500</td>
</tr>
<tr>
<td>1972</td>
<td>2,000</td>
<td>3,000</td>
</tr>
<tr>
<td>1973</td>
<td>2,500</td>
<td>3,500</td>
</tr>
<tr>
<td>1974</td>
<td>3,000</td>
<td>4,000</td>
</tr>
<tr>
<td>1975</td>
<td>3,500</td>
<td>4,500</td>
</tr>
<tr>
<td>1976</td>
<td>4,000</td>
<td>5,000</td>
</tr>
<tr>
<td>1977</td>
<td>4,500</td>
<td>5,500</td>
</tr>
<tr>
<td>1978</td>
<td>5,000</td>
<td>6,500</td>
</tr>
</tbody>
</table>

The first Home Owners Association is larger, generates more revenue than the second, and has a more varied membership.

The second Home Owners Association is smaller, generates less revenue, and today has a singular type of member.
### OPERATING UNITS--BEGINNING OF CALENDAR YEAR

**First Home Owners Association**

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Lots</td>
<td>300</td>
<td>300</td>
<td>300</td>
<td>300</td>
<td>300</td>
<td>450</td>
<td>1,000</td>
</tr>
<tr>
<td>Townhouses</td>
<td>750</td>
<td>1,100</td>
<td>1,500</td>
<td>1,500</td>
<td>1,500</td>
<td>1,500</td>
<td>5,500</td>
</tr>
<tr>
<td>Apartments</td>
<td>1,000</td>
<td>1,600</td>
<td>2,500</td>
<td>2,500</td>
<td>2,500</td>
<td>2,500</td>
<td>6,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,050</strong></td>
<td><strong>3,000</strong></td>
<td><strong>4,300</strong></td>
<td><strong>4,300</strong></td>
<td><strong>4,300</strong></td>
<td><strong>4,450</strong></td>
<td><strong>12,500</strong></td>
</tr>
</tbody>
</table>

**Second Home Owners Association**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Lots</td>
<td>900</td>
<td>1,350</td>
<td>1,700</td>
<td>2,100</td>
<td>2,400</td>
<td>2,600</td>
<td>2,600</td>
</tr>
<tr>
<td>Townhouses</td>
<td>0</td>
<td>0</td>
<td>300</td>
<td>900</td>
<td>1,500</td>
<td>2,100</td>
<td>2,500</td>
</tr>
<tr>
<td>Apartments</td>
<td>0</td>
<td>0</td>
<td>300</td>
<td>1,000</td>
<td>2,100</td>
<td>3,100</td>
<td>6,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>900</strong></td>
<td><strong>1,350</strong></td>
<td><strong>2,600</strong></td>
<td><strong>4,000</strong></td>
<td><strong>6,000</strong></td>
<td><strong>7,800</strong></td>
<td><strong>11,100</strong></td>
</tr>
</tbody>
</table>

**Combined Total**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,950</strong></td>
<td><strong>4,350</strong></td>
<td><strong>6,900</strong></td>
<td><strong>8,300</strong></td>
<td><strong>10,300</strong></td>
<td><strong>12,250</strong></td>
<td><strong>23,600</strong></td>
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</table>
## ESTIMATED REVENUE POTENTIAL

### First Home Owners Association

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit Assessments</td>
<td>$82,000</td>
<td>$120,000</td>
<td>$172,000</td>
<td>$172,000</td>
<td>$172,000</td>
<td>$178,000</td>
<td>$500,000</td>
</tr>
<tr>
<td>Pool Revenue</td>
<td>67,800</td>
<td>106,400</td>
<td>139,800</td>
<td>139,800</td>
<td>139,800</td>
<td>145,200</td>
<td>414,000</td>
</tr>
<tr>
<td>Tennis Revenue</td>
<td>8,200</td>
<td>12,000</td>
<td>17,200</td>
<td>17,200</td>
<td>17,200</td>
<td>17,800</td>
<td>50,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$158,000</td>
<td>$238,400</td>
<td>$329,000</td>
<td>$329,000</td>
<td>$329,000</td>
<td>$341,000</td>
<td>$964,000</td>
</tr>
</tbody>
</table>

### Second Home Owners Association

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit Assessments</td>
<td>$36,000</td>
<td>$54,000</td>
<td>$104,000</td>
<td>$160,000</td>
<td>$240,000</td>
<td>$312,000</td>
<td>$444,000</td>
</tr>
<tr>
<td>Pool Revenue</td>
<td>32,400</td>
<td>48,600</td>
<td>81,000</td>
<td>138,000</td>
<td>203,400</td>
<td>262,200</td>
<td>363,000</td>
</tr>
<tr>
<td>Tennis Revenue</td>
<td>3,600</td>
<td>5,400</td>
<td>10,400</td>
<td>16,000</td>
<td>24,000</td>
<td>31,200</td>
<td>44,400</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$72,000</td>
<td>$108,000</td>
<td>$195,400</td>
<td>$314,000</td>
<td>$467,400</td>
<td>$605,200</td>
<td>$851,400</td>
</tr>
</tbody>
</table>

### Combined Total

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Combined Total</td>
<td>$230,000</td>
<td>$346,400</td>
<td>$524,400</td>
<td>$643,000</td>
<td>$796,400</td>
<td>$946,200</td>
<td>$1,815,400</td>
</tr>
</tbody>
</table>
COMPARISON OF REVENUE

Dollars (000's)

FHOA
SHOA

Development was to begin in two locations.

The type development was to vary considerably between the two locations.

The Lake Ann Development was to be highly experimental and represented a risk.

The developer moved to protect Pinecrest Woods by creating two associations.

Today, Lake Ann has been extremely successful, obviating the need to protect Pinecrest Woods; rather, as pleasing concepts will be applied there.
THE REASON FOR TWO HOME OWNERS ASSOCIATIONS WAS BASED ON PREMISES WHICH NOW ARE IRRELEVANT

Development was to begin in two locations.

The type development was to vary considerably between the two locations.

The Lake Ann Development was to be highly experimental and represented a risk.

The developer moved to protect Hunters Woods by creating two associations.

Today, Lake Ann has been extremely successful, obviating the need to protect Hunters Woods, rather, as planned, the same concept will be applied there.
THE ASSOCIATIONS PARTICIPATE JOINTLY IN THE EMPLOYMENT OF A PROFESSIONAL STAFF

- Initially this function was performed by the developer.

- In February of this year, an executive director and staff was employed.

- The staff presently provides basic support functions.
PROFESSIONAL STAFF FUNCTIONS

Executive Director

Finance

Recreation

Property Maintenance

Information and Scheduling
PROFESSIONAL STAFF MANPOWER

<table>
<thead>
<tr>
<th>Function</th>
<th>Current Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive</td>
<td>1 executive director, full time</td>
</tr>
<tr>
<td>Finance</td>
<td>1 bookkeeper, full time</td>
</tr>
<tr>
<td></td>
<td>1 accounts clerk, part time</td>
</tr>
<tr>
<td>Secretarial</td>
<td>1 secretary, part time</td>
</tr>
<tr>
<td>Information and Scheduling</td>
<td>1 director, full time</td>
</tr>
<tr>
<td></td>
<td>1 assistant, full time</td>
</tr>
<tr>
<td></td>
<td>1 assistant, part time</td>
</tr>
<tr>
<td>Property maintenance</td>
<td>1 maintenance assistant, part time</td>
</tr>
<tr>
<td></td>
<td>Summer student crew</td>
</tr>
<tr>
<td></td>
<td>Contract</td>
</tr>
<tr>
<td>Recreation</td>
<td>Contract</td>
</tr>
<tr>
<td></td>
<td>Volunteer</td>
</tr>
</tbody>
</table>
VOLUNTEER WORK IN THE ASSOCIATION IS DESIRABLE AND CAN BE EFFECTIVE; HOWEVER, ITS LIMITATIONS SHOULD BE RECOGNIZED.

- Volunteer work is most effective where a title is given and individual recognition can be achieved.
- Volunteer work is effective on a temporary short-term project oriented basis.
- Volunteer workers cannot always be relied upon and can present control problems.
- Especially in Reston, tasks can quickly grow too large to be managed by volunteers.
THE CURRENT MULTIPLE ASSOCIATION FRAMEWORK HAS SOME FAVORABLE ASPECTS

- Provides for a form of neighborhood program planning and participation

- Provides for more extensive citizen participation and identification
HOWEVER, WEAKNESSES ARE INHERENT IN THE MULTIPLE ASSOCIATION FRAMEWORK

- Hinders coordination of policy and planning on a community-wide basis
- Presents potential of misrepresentation of Reston and Reston homeowners
- Presents complicated ownership problems or could prohibit ownership of community facilities entirely
Provides a mechanism for minority veto

Contributes to staff problems in terms of duplication and cost

In the future, would waste the assessment dollar due to multiple staffs and further could diminish the potential quality of staffing
A MORE WORKABLE MECHANISM FOR THE HOME OWNERS ASSOCIATIONS SHOULD BE ESTABLISHED

The mechanism should provide for effective neighborhood/village orientation and participation.

The mechanism should provide for improved community-wide coordination and effectiveness.
II. RECOMMENDATIONS

To operate and maintain designated properties as parks, playgrounds, streets, or other facilities, and to enforce the protective covenants and restrictions.

To do other lawful things for the benefit of the landowners, and inhabitants thereof.
NEW COMMUNITY-WIDE SERVICES AND PROGRAMS SHOULD BE APPROACHED WITH CAREFUL CONSIDERATION.

PROVIDING THE SPECIFIC SERVICES OUTLINED IN THE ARTICLES OF INCORPORATION AND DEEDS OF DEDICATION SHOULD BE OF PRIMARY EMPHASIS.

- To operate and maintain designated properties as parks, open spaces, paths, streets, or other facilities, and to enforce the protective covenants and restrictions.

- To do other lawful things for the benefit of the lands, owners, and inhabitants thereof.

Operations and budgeting should provide funds for return to investment.
NEW COMMUNITY-WIDE SERVICES AND PROGRAMS SHOULD BE APPROACHED WITH CAREFUL CONSIDERATION

Services should not duplicate or replace County services.

Services and programs should make maximum use of existing Reston and County facilities.

Construction and capital equipment expenditures should be viewed with caution.

- Debt financing
- Maintenance costs

Operations and budgeting should provide funds for return to investment.
<table>
<thead>
<tr>
<th>Year</th>
<th>Estimated Revenue</th>
<th>Potential Revenue For Investment</th>
<th>Cumulative</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>$230,000</td>
<td>$34,500</td>
<td>$34,500</td>
</tr>
<tr>
<td>1971</td>
<td>346,400</td>
<td>51,960</td>
<td>86,460</td>
</tr>
<tr>
<td>1972</td>
<td>524,400</td>
<td>78,650</td>
<td>165,120</td>
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<tr>
<td>1973</td>
<td>643,000</td>
<td>96,450</td>
<td>261,570</td>
</tr>
<tr>
<td>1974</td>
<td>796,400</td>
<td>119,460</td>
<td>381,030</td>
</tr>
<tr>
<td>1975</td>
<td>946,200</td>
<td>141,930</td>
<td>522,960</td>
</tr>
<tr>
<td>1980</td>
<td>1,815,400</td>
<td>272,310</td>
<td></td>
</tr>
</tbody>
</table>
The key recommendation of this study relate to the organization of the existing two Home Owners Associations. In that regard, we recommend that these associations be consolidated.

The remainder of this presentation deals with organization considerations associated with this recommendation.
ORGANIZATIONAL RECOMMENDATIONS

- Executive director and professional staff
- Local neighborhood/village organization
  - Elected leadership
  - Village committees
- Executive council of vice presidents
- Community-wide committees
- Board of directors
- Reston Home Owners Association
THE ROLE OF THE EXECUTIVE DIRECTOR SHOULD BE STRENGTHENED AND CONSIDERATION SHOULD BE GIVEN TO FUTURE GROWTH OF THE PROFESSIONAL STAFF

- The executive director should have a stronger role in policy formulation and administration.

- Attention should begin to focus on the potential growth of the staff in response to operational requirements.
AN OPPORTUNITY FOR NEIGHBORHOOD / VILLAGE ORIENTATION AND PARTICIPATION SHOULD BE ENCOURAGED AND SUPPORTED

Leadership should be elected from within the village.

Village committees should be formed to work on local village programs and projects.
NEIGHBORHOOD/VILLAGE STRUCTURE
AN EXECUTIVE COUNCIL SHOULD BE FORMED TO PROVIDE FOR
RESTON-WIDE COMMUNITY PLANNING PERTINENT TO THE HOME
OWNERS ASSOCIATIONS FUNCTION

The council should be comprised of elected leaders from the villages and community.

The council should focus on planning and budgeting for community-wide services and programs.

The council should provide a formal communication mechanism for the transfer of local experience and debate of community-wide issues.

The council should appoint community-wide program and project committees.
COMMUNITY-WIDE COMMITTEES

Executive Council

Recreation

Environmental Management

Youth

Information
COMMUNITY / VILLAGE INTERFACE

Executive Council

Recreation

Environmental Management

Youth

Information
BOARD OF DIRECTORS

Appoints the president, treasurer, and secretary of the corporation

Approves the budget of the corporation

Provides policy direction and ensures that long-range considerations are met

Suggests programs and projects

Embodies general powers for managing the affairs of the corporation
NEXT STEPS

1. Provide for consolidation of the current Associations into one Reston-Wide Home Owners Association

2. Provide for interim operation or combined Associations until the consolidation becomes effective

3. Provide for the election of the board of directors and vice presidents of the new Association; coincident with the effective date of the new Association