

CROWN COLONIST

Volume 33 Number 7

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Earthquake...

Crown Colony is located between two major earthquake fault lines. The San Andreas Fault lies approximately 1 mile to our West. The Hayward Fault is located 15 miles to our East. Because of our location, Crown Colony could suffer serious damage during a major seismic event.

Since a major earthquake in Bay Area is inevitable, the Board has begun to explore the two major issues and their effects on our complex. They are: the soft-story problem and the cost of earthquake insurance. The Board is currently talking about these issues. The end-product of these discussions will be options that will be circulated among you, our members, for your input. The rest of this article briefly describes these issues to acquaint you, the owners, with the topics that are being discussed by the Board.

The Soft-Story Issue

A soft-story building is a multi-story building where the bottom floor has large unobstructed spaces and openings where normal seismic design would require shear walls. Soft-story buildings are prone to collapse in moderate to strong earthquakes.

There are twelve 4 story corridor-type buildings at Crown Colony which fit into the soft-story category. These buildings are made up of 3 wood frame residential stories resting on a concrete slab over a ground level garage (the soft-story). At the garage level, the first floor slab is supported by a system of concrete columns and perimeter concrete block walls with open spaces. This story has no internal walls. The large open areas and lack of internal walls in the parking garages and openings in their perimeter walls, make it more likely that these buildings would collapse or tip over in a major earthquake. In the 1989 Loma Prieta Earthquake, soft-story failures accounted for nearly half of all homes that were deemed uninhabitable.

What can be done to lessen any damage to the soft story? Crown Colony's soft-story buildings could be retro-fit with proven techniques which would improve their seismic performance. Steps would need to be taken to strengthen each garage level. One mitigation measure that could be taken is to reinforce the existing open areas of the perimeter walls and open areas of the garages with prefabricated steel braces. The wooden structure above would be securely tied to the garage level below. Unfortunately, this relatively simple retro-fit comes at a sizeable cost. It is estimated that it would cost \$5,000,000 to take the mitigation measure mentioned above. In order to do this work, every owner would have to pay a special assessment of almost \$5,450.

Other possible solutions are to install diagonal tension rods or diagonal tension cables on the garage columns and the perimeter columns. The rods would be secured to collars installed at the top and bottom of each column and have adjustable turnbuckles to ensure proper tension is maintained. The cables would be strung on both sides of the columns, alternating top and bottom, and tensioning clamps would be attached between the cables to ensure proper tension. The exact cost of these mitigation measures is currently being investigated, but it would be less than the steel brace solution. This diagonal bracing system is similar to that used on the Building 7 & 20 Inner Courtyard catwalks.

Earthquake Insurance

Earthquake insurance for common interest developments (CIDs) like Crown Colony can be purchased in a couple of different ways. The first type of policy can be purchased directly from an insurance company. Such a policy usually has a 10, 15 or 20% deductible. During the mid-90s, California established the California Earthquake Authority (CEA). Companies that sell residential property insurance in California can become participants in the CEA. Only participating insurance companies can offer CEA earthquake insurance policies. This second type of policy offers Earthquake Loss Assessment coverages of \$25,000, \$50,000 and \$75,000 with varying deductibles. Additional coverage may be purchased in conjunction with a CEA policy.

Loss Assessment Coverage

In CIDs like Crown Colony, building exteriors, certain building components and common areas (elevators, hallways, laundry rooms, etc.) are owned by the homeowners' association. If an earthquake damages such property, Crown Colony's governing documents allow it to impose an assessment against its members to pay for repairs. Loss Assessment coverage will help you pay part or all of your share of such assessments.

Since all the condominiums at Crown Colony have a market value greater than \$135,000, owners can purchase either \$50,000 (deductible - \$7,500) or \$75,000 (deductible - \$11,250) in loss assessment coverage from the CEA. You can buy CEA coverage only through the insurance

Policy	Coverage Limits	Deductible	Annual Cost	Cost /Unit	Cost /Unit/Mo.
CEA	\$46M	\$6,900,000	\$276,000	\$300	\$25.00
SC-10%	\$50M	10%	\$519,000	\$564	\$47.01
SC-15%	\$50M	15%	\$433,000	\$471	\$39.22

Table #1 Policy Cost

company that provides your residential property insurance, but only if that company is a CEA- participating insurance company. Currently a \$50,000 Loss Assessment Policy would run an owner \$300/year. This policy cannot be purchased by the Association, coverage must be purchased by the individual Association's members.

All the policies listed in Table #1 have the following standard exclusions: 1) Non-residential structures; 2) Satellite dishes; 3) Water features; 4) Irrigation systems; 5) Electrical lighting systems; 6) Underground pipes; 7) Fences and retaining walls; 8) Trees, lawns plants and shrubs; 9) Swimming pools and spas; and 10) Paved surfaces. Coverage for many of the listed exclusions can be added to policies SC-10% and SC-15% for an additional premium. They cannot be added to a CEA policy and would create an additional out of pocket expense to the owners in case of a loss.

Table #1 compares the cost of a CEA policy and \$50 million policies with 10 or 15% deductible. At first glance, it appears that the CEA policy gives coverage for the fewest dollars. Remember none of the policies shown in Table #1 cover a lot of Crown Colony community assets that could be damaged. The individual owners would have pay for their reconstruction or repair.

Table #2 shows a comparison of the deductible amount (which each owner must pay out of pocket) and policy payouts for five different loss experiences. It is readily apparent that the CEA policy generally has the highest deductible cost for the losses listed. As a matter of fact, the CEA deductible is the highest until a loss passes around the \$45 million mark for the SC-15% policy.

	Policy	Deductible Amount	Each Unit Must Pay	Policy Pays
\$10M Loss	CEA	\$6,900,000	\$7,500	\$3,100,000
\$20M Loss	CEA	\$6,900,000	\$7,500	\$13,100,000
\$30M Loss	CEA	\$6,900,000	\$7,500	\$23,100,000
\$40M Loss	CEA	\$6,900,000	\$7,500	\$33,100,000
\$50M Loss	CEA	\$6,900,000	\$7,500	\$43,100,000
\$10M Loss	SC-10%	\$1,000,000	\$1,087	\$9,000,000
\$20M Loss	SC-10%	\$2,000,000	\$2,174	\$18,000,000
\$30M Loss	SC-10%	\$3,000,000	\$3,261	\$27,000,000
\$40M Loss	SC-10%	\$4,000,000	\$4,348	\$36,000,000
\$50M Loss	SC-10%	\$5,000,000	\$5,435	\$45,000,000
\$10M Loss	SC-15%	\$1,500,000	\$1,630	\$8,500,000
\$20M Loss	SC-15%	\$3,000,000	\$3,261	\$17,000,000
\$30M Loss	SC-15%	\$4,500,000	\$4,891	\$25,500,000
\$40M Loss	SC-15%	\$6,000,000	\$6,522	\$34,000,000
\$50M Loss	SC-15%	\$7,500,000	\$8,152	\$42,500,000

Table #2 Deductible Assessment

Hopefully, the information contained in this article will give you a better

understanding of the seismic issues facing Crown Colony, their possible solutions and the potential costs involved. It is also intended to give you an idea of some of the basics of earthquake insurance with a brief discussion of its types of policies, its types of coverage and the amount an owner would have to pay to make up its deductibles. In the future, your board will be polling the membership to see what, if any, steps it wishes to take.

May Board Highlights

Financial Report Ending May 31, 2010: Bautista & Co. reflected a deficit for the month of \$12,173, an ending cash balance of \$1,868,031 and total investments of \$1,667,520 designated to reserves.

Ratification of Window and Door Installation: The Board ratified the installation of a window and door at 365 Half Moon Lane #3.

Revision of Architectural Do's and Don'ts - Bikes Stored in Assigned Parking Spaces: The Board approved the consideration of a rule change and a revision to the Architectural Do's and Don'ts to read as follows: "Residents may park no more than 2 adult bicycles under the storage locker of the unit's deeded parking space. No children's bicycles will be allowed. Residents do so at their own risk." This rule was discussed and approved for consideration at the June meeting. The Board will adopt this revision at the July 21, 2010 meeting and will go into effect immediately upon adoption.

Roof Survey Proposal: The Board approved the proposal from D.C. Taylor to prepare a roof survey at 25 buildings for a cost of \$7,495 to be funded from line #9950.

Bad Debt Write-Offs: The Board approved writing off uncollectible bad debts totaling \$19,136.89.

Authorization for Sunrise to Publish Notice of Delinquent Assessments. The Board authorized Sunrise Assessment Services to publish Notice of Delinquent Assessments for TS#s 16031, 16189, 16190, 16192, 16193, 16194, 16195.

Flea Market

Join your friends and neighbors as a vendor or a shopper at Daly City's Shop 'til You Drop Flea Markets. They will be held on the second Sunday of August, September, October and November from 8am to 3pm. The location is the Westlake Community Center/Doelger Center, 101 Lake Merced Boulevard, Daly City.

If you would like to be a vendor, preregistration is encouraged and accepted up until the Thursday prior to the Flea Market date. If you wish to register or inquire about the cost of a space, call Leslie Peay Heckman at (650) 991-8190.



PLEASE do not leave bottles, cans, newspapers, or other trash on top of your parking space's locker. Thank you!

GoGoVerde

Crown Colony has been invited to join in a pilot program with GoGoVerde, a Bay Area startup. GoGoVerde is a free, secure, easy to use local networking site that helps build strong local communities — communities that are connected, friendly, safe, healthy, and prosperous. It's where neighbors meet daily and where they can find recommended local businesses.

GoGoVerde helps foster a connection between neighbors by providing an online space for neighbors to introduce themselves, chat, ask for help, offer recommendations, and announce events. It provides a space where neighbors can request help or offer help in a particular area like home improvement or computer expertise.

Neighbors can offer to rent out something they have or they can ask to borrow or buy something they need. Need a tent for a once a year camping trip? Search your community treasure chest to see if a neighbor has one to offer. If you can rent one from your neighbors, not only does this save you money, it helps slow the depletion of the planet's natural resources. Over time, as more neighbors post stuff, and fill up the chest, your GoGoVerde site becomes your community attic, garden shed and basement.

We are looking for 5-6 people who are interested in helping to get our on-line community started. These people will help recruit members into the community and keep the conversations going by posting items at regular intervals. As long as you can do email, you can easily post on our GoGoVerde community. The time commitment is minimal – attend a one hour organizational meeting, posting on the website at your own pace each week, a check-in meeting for an hour once a month. If you would be interested in being part of the team to launch our Crown Colony on-line community, please contact the Association Office at (650) 756-8220

Did You Know...

August is American Artist Appreciation Month, Cataract Awareness Month, Catfish Month, Eye Exam Month, Golf Month, Immunization Awareness Month, Romance Awareness Month, Spinal Muscular Atrophy Awareness Month and Water Quality Month.

PLEASE only deck furniture, grills, planters, pots & approved storage on decks & patios. No brooms, mops or pots on rails



AUGUST

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1	2	3	4 Grievance Meeting 6 pm	5	6	7 Coffee & Donuts 50¢ each 10:30am
8	9	10	11	12	13	14 Coffee & Donuts 50¢ each 10:30am
15	16	17	18 BOARD OF DIRECTORS Work Session 5:45pm Meeting 7 pm Open Forum 6:45 pm	19	20	21 Coffee & Donuts 50¢ each 10:30am
22	23	24	25	26	27	28 Coffee & Donuts 50¢ each 10:30am
29	30	31	Clubhouse Hours Mon. thru Sat. 10 am - 10 pm, Sun. 10 am - 6 pm Recreation office: 991-3441 Staff: Ferdie & Anne			

The Colonist is a private publication created for the members of the Crown Colony Homeowners Association
 379 Imperial Way
 Daly City, CA 94015

COMMITTEE MEETINGS

Architecture: 2nd Mon. 7:00 pm
 Building, Maintenance & Finance: 1st Mon. 7:00 pm
 Communications: When posted
 Grievance: 1st Wed. 6:00 pm
 Recreation: When posted

Meetings are held in the Clubhouse unless posted otherwise.
 All meeting times approximate

IMPORTANT NUMBERS

EMERGENCY 911
Front Gate (24 Hours) 994-0255
 or dial 350 on any Building Directory

Crown Colony Office 756-8220
 Rita Nicolas e-mail: cchoa@crowncolonyhoa.com
Common Interest Management 286-0292
 Monaca Smith 1720 S. Amphlett Blvd #130
 San Mateo, CA 94402
Bautista & Co. 697-7907
 Cecille Osmena 214 Broadway
 Millbrae, CA 94030
Astound Cable 1-800-427-8686
 Avelix Cueto – 650-683-2072
Comcast Cable 1-800-945-2288
 Craig Oborn – 650-642-0658
Coinmach Laundry 1-877-264-6622
 or www.coinmach.com

BUS to BART

Monday thru Friday

Leaves Crown Colony

6:20 am	7:05 am	8:05 am
6:35 am	7:25 am	8:25 am
6:50 am	7:45 am	8:40 am

Leaves Colma BART

4:35 pm	5:35 pm	6:30 pm
4:55 pm	5:55 pm	6:50 pm
5:15 pm	6:15 pm	7:05 pm

Schedule subject to change