



# North Ravine Project



# North Ravine Project

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# Why does this matter to me?

Before you begin to review this information you may be wondering:

## **“WHY DOES THIS AFFECT ME? I DO NOT LIVE ON THE NORTH RAVINE.”**

The HOA Board of Directors understands this perspective, so we would like to explain why this issue matters to everyone in our community.

As owners of property within the Northpointe Crossing HOA, all of us share the expenses of this community, its repairs, and management. This includes all obligations of the common areas, such as the north ravine. The City of Anna does not hold responsibility to maintain any portion of the ravine. Our ownership of this ravine means that everyone in the community shares the cost of repairs and/ or potential lawsuits as a result of the HOA's failure to maintain its common areas. Potential lawsuits can arise not only from owners directly affected by the ravine but also from the City of Anna via the Code Compliance Department.

If the north ravine is not fixed, the City of Anna can seek authorization to perform maintenance on the ravine and then seek reimbursement from the HOA for that work. Typically repairs made by an outside party, like the City of Anna, will not be a long-term solution based effort but likely a temporary fix that will need repeating with some frequency. The repetition of those efforts can create a significant increase in cost over time. Additionally, residents directly affected by this ravine can sue the HOA for losses suffered by the lack of maintenance and repairs. The HOA will likely suffer additional legal costs in addition to paying for repairs of private property. Those repairs to private property will not fix the root cause of the ravine but rather just isolated portions of private property along the ravine. This means those repair efforts are not solution based but rather a temporary fix for the private owners property.

If the HOA is unable to pay the related costs for forced efforts taken by the city or other outside parties, this can lead to a lien being placed on the HOA. This means that all homes in the community will have a lien placed on their homes preventing our ability to refinance or even sell the home.

Finally, the lack of common area maintenance affects our home values and the ability to sell a home if the community is in disrepair.

**WE CAN EITHER FIX THE NORTH RAVINE THROUGH OUR OWN EFFORTS OR POTENTIALLY BE FORCED TO CORRECT THE ISSUES THROUGH ENFORCED LEGAL ACTIONS, WHICH COME WITH ADDITIONAL COSTS.**

**THE BOTTOM LINE IS THAT THIS RAVINE MUST BE FIXED.**

# History of the North Ravine



The north ravine is a roughly  $\frac{1}{4}$  mile ravine located between CR1106 and Dumas Drive. Stormwater in this ravine flows southeast from CR1106 towards Dumas Drive exiting the community on its eastern border. This ravine borders 20 private residential properties along its span through Phase 1 North of the Northpointe Crossing neighborhood.

# History of the North Ravine



The north ravine was a natural drainage stream before Northpointe Crossing was incorporated in June of 2006.

Phase 1 North of Northpointe Crossing was approved on November 6<sup>th</sup>, 2006. This approval established the layout for the north ravine and the adjacent properties.

Phase 1 of Northpointe Crossing was developed through a joint venture with HLL Development LLC and Lennar Texas Holding Company.





# North Ravine Property Lines



The plat maps for Phase 1 North of Northpointe Crossing designates the property lines for the north ravine and its adjacent properties. Plat maps are filed with Collin County and part of the public record.

As labeled on the plat map, the north ravine is owned and operated by Northpointe Crossing HOA as part of the development plan for our community as established in the Phase 1 North plat map. This means this area is considered private property owned by the Northpointe Crossing HOA and not a public area for the city to maintain.

Additionally, this provides a clear distinction between homeowner private property lines and the HOA common area of the north ravine.

# Ravine Maintenance History



In 2015, LGI was contracted to dredge the north ravine basin prior to the Northpointe Crossing HOA being homeowner operated.

LGI was not the developer of the north ravine and is not liable for its design or failure.

Additional work was performed in 2016 to a small portion of the ravine swell walls behind 316 Vernon Street, however, it is unclear who performed that work as it is not notated in any HOA meeting minutes and there is no available history to determine who performed the repairs.

# Irrigation System History



On January 6th, 2021 the HOA Board of Directors was informed by our previous landscaping contractor that the previous HOA Board of Directors had given the landscapers the directive to disable all of the irrigation systems within the HOA, except for limited watering of the flower gardens. It was expressed that these systems were off for a minimum of 4 years from the landscaping company's knowledge.

Until this conversation on January 6, 2021, all sitting board members in January 2021 were completely unaware the irrigation systems were disabled. The HOA Board of Directors took immediate steps to re-enable our irrigation systems through several needed repairs over the first quarter of 2021.

However, the zones that supplied water to the ravine suffered too much damage and could not be repaired. These areas would require the installation of a new irrigation system to become functional.





# Erosion Cause and Challenges



Unfortunately, over the years the swell walls have eroded away causing the earth to slowly begin settling back into the ravine. This erosion is a direct result of the irrigation system not being maintained which allowed the root systems to die, which allowed the earth to erode. This erosion has begun to pull the private property fences and soil into the ravine as the earth continues to shift from the failed ravine.

Due to the erosion, our landscaping vendors have endured several events of their equipment sliding into the ravine, causing damage and hours of effort to retrieve the equipment back from the ravine. At this point, our vendors are unable to safely maintain various areas of the north ravine which is causing a large issue with vegetation overgrowth.

# Dumas Drive Culvert Blockage

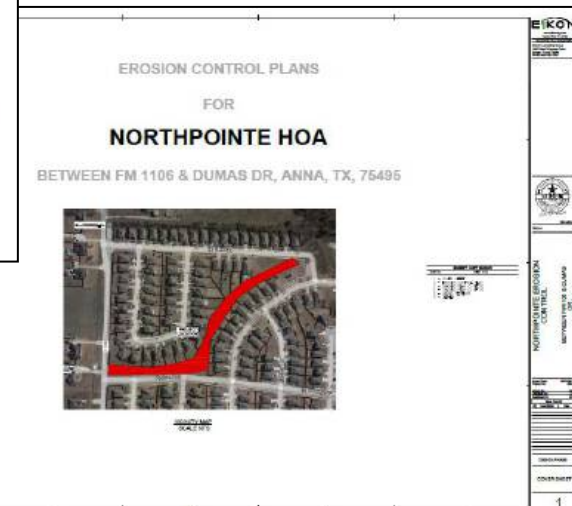


Ravine maintenance efforts approved by the previous HOA Board of Directors left a significant blockage of the culvert under Dumas Drive at its southern stretch. Those maintenance efforts cut the overgrowth back but did not remove the remaining debris, which allowed it to collect at the Dumas Drive culvert. This debris created a blockage preventing the ravine's ability to drain. In July 2021, the HOA Board of Directors hired a vendor to address the blockage at the southern section of the ravine to ensure water was able to exit the community. Unfortunately, that effort is just a band-aid without a significant plan to address the larger erosion issue within the north ravine.

Due to the amount of erosion from the swell walls the basin of the north ravine is no longer graded properly, which allows water to collect, further challenging our ability to maintain the north ravine.

# Civil Engineers and Bid Acquisition

In March 2021, the HOA Board of Directors began working to address the severe erosion in the north ravine. Over the last two years, we have achieved several milestones. The first step was acquiring a civil engineering study from EST Inc. to determine the potential causes of the ravine failure and options for rebuilding the drainage system. The HOA has worked with two separate civil engineering teams, acquired quotes from three separate contractors, held pre-develop meetings with the City of Anna, and are working through the final financial challenges to begin construction.



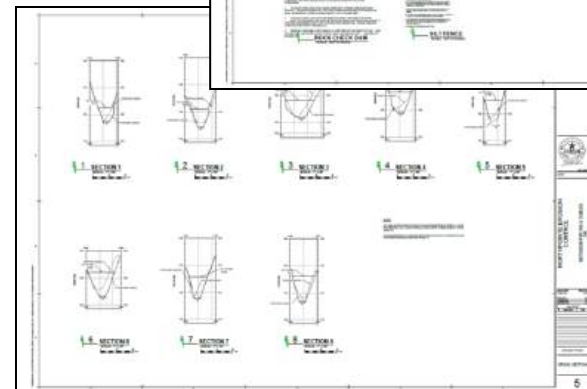
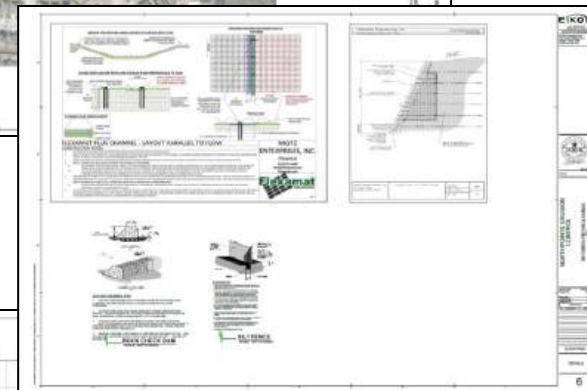


# North Ravine Repair Design

These efforts since the start of 2021 have led to acquiring an erosion control design plan. The images below and on the next slide are portions of the design drawings which have also been reviewed by the City of Anna. Additionally, a few product images that will be used during construction have been included on the next slide.

The repair design includes retaining walls installed at specific areas of the north ravine. The estimated cost of the project also includes replacing the rear fence line of the 20 directly affected properties with a new 6 inch wide dog eared picket fence 6 feet tall with new metal posts.

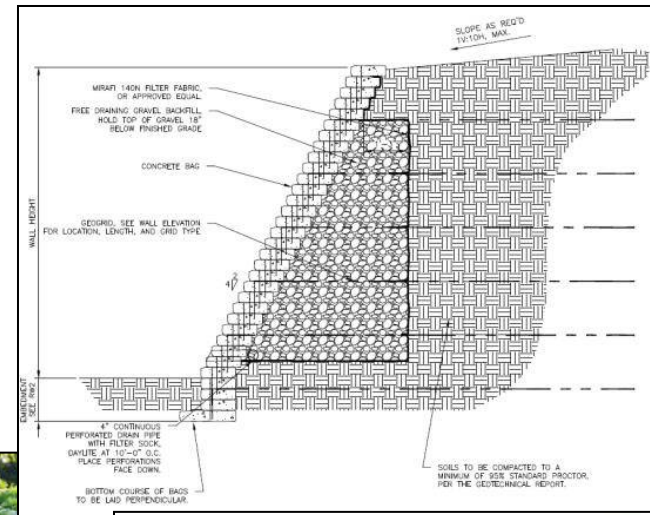
Any potential repairs to the directly affected properties will be performed in alignment with the owners.



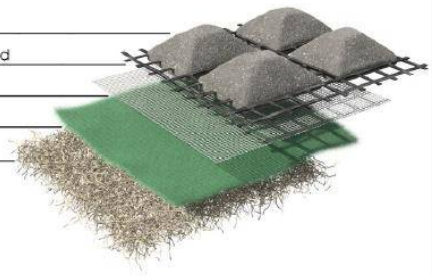


# North Ravine Repair Design

The project plan also includes the addition of a metal gazebo at the community playground. A new irrigation system will be installed throughout the ravine and around the community playground.



- 5000 PSI Concrete Blocks
- High Strength Biaxial Geogrid
- 5-Pick Leno Weave
- Recyclclex® TRM
- Curlex® II Wood Excelsior



# Estimated Repair Costs

The estimated cost for this construction amounts to ~\$1.4 Million, which does not include any associated legal costs we will encounter as we work through resolution agreements with the twenty private properties directly affected by this erosion. We are seeking loans in the amount of \$1.75 million

Obviously, this is a substantial cost for an HOA to endure. We have spent months working with various banks to try and acquire the needed funding. This has led to Northpointe Crossing receiving three loan offers. This loan acquisition effort has been challenged by additional factors, such as increasing interest rates over the past year. Bank's loan criteria gained increased requirements with the rise in national interest rates over the past year. One of the largest challenges was the number of delinquent accounts our HOA had on record.

In February 2021, the Northpointe Crossing HOA Board of Directors replaced our previous delinquency lawyer so that we could ensure our delinquent accounts were being held accountable for payment. Our delinquencies greatly affect our interest rates and ability to get a loan for this project. Through all efforts taken the Northpointe Crossing HOA has been able to recoup a significant amount of owed money and more than \$50k of back owed amounts since the start of 2023.



# HOA General Liability Insurance

The HOA Board has held discussions with our insurance company about what they are willing to cover for costs associated with this project. They have expressed that our policies only cover the cost of repair to the private property portions of this project and that our policy does not cover repair costs to the north ravine itself. The corresponding private property repair portions of the project's contract have the potential for inclusion in a resolution agreement with each corresponding homeowner that could allow the HOA to seek reimbursement from our general liability insurance policy. However, this is only a possibility if the owner agrees to those repairs through a resolution agreement.

That estimated potential reimbursement only accounts for around \$250k of the associated costs of this project and can only be recouped if the owner agrees to the resolution agreement. This will help but we cannot rely on these potential reimbursements because they are not guaranteed.

**Homeowners impacted by this ravine failure have the option of filing against our insurance if they choose. They do not have an obligation to agree to repairs on their private property.**



# Special Assessment

The Northpointe Crossing HOA Board of Directors has received three loan offers and these loans are a substantial cost to the HOA and are too significant to pay with HOA assessments alone. All loan offers require the approval of a Special Assessment for the loans to be secured by Northpointe Crossing HOA. The Board of Directors voted in an open board meeting held on July 6<sup>th</sup>, 2023 to approve a special assessment voting details as follows.

*The total amount of the proposed Special Assessment is \$300.00 per Lot. As provided in Article 6, Section 6.4 of the Declaration of Covenants, Conditions and Restrictions for Northpointe Crossing, City of Anna, Collin County, Texas, the Special Assessment proposed by the Association must be approved by a majority vote of those members of the Association present at a meeting, in person or by proxy, at which a quorum exists. Owners will be invoiced bi-annually for the Special Assessment totaling \$300.00, on March 1 and August 1, beginning in 2024, for the next 15 years. Each Owner's Special Assessment will be due within 30 days of the invoice date.*

***The special assessment vote will be held on July 27th, 2023 at 6 PM with the location being JKB Elementary. If needed, the meeting will reconvene August 2nd, 2023 at 6PM with the location being JKB Elementary.***

***Electronic voting will be available through the TownSq platform***

Homeowners, please reach out to [propertymanagement@npchoa.com](mailto:propertymanagement@npchoa.com) if you do not have TownSq Access.



# Special Assessment

Section 6.4 of the C.C.R.s details the requirements for a Special Assessment to be levied. In order to levy a Special Assessment, Article 6, Section 6.4 of the Declaration requires a majority vote of a quorum of Members present, in person or by proxy, at a Members Meeting. Quorum is defined in Article 2, Section 2.11 of the Bylaws indicates quorum is a majority of the members. If a quorum is not present at the first meeting, we will need to adjourn the meeting to a date no less than 5 and not more than 30 days from the first meeting and the reconvened meeting will have a quorum of 10%. The quorum of the first meeting is 366 members and a reconvened quorum is a minimum of 74 members.



*A Special Assessment is an additional fee levied against all accounts within the HOA to pay for unexpected damages, large capital improvements, or to satisfy indemnity obligations under the articles or bylaws. Special Assessments are charges that are in addition to normal HOA assessments.*

Section 6.4 of the  
Northpointe Crossing HOA C.C.R.s

**Section 6.4 Special Assessments.** The Association may impose special assessments ("**Special Assessments**") to make capital improvements to the Common Area, to satisfy its indemnity obligations under the articles or bylaws, or for other similar purposes. Any Special Assessment proposed by the Association must be approved by a majority vote of those members of the Association present at a meeting, in person or by proxy, at which a quorum exists. At least fifteen (15) days prior to any meeting of the Association called to consider any Special Assessment, the Board shall notify each Owner thereof by written notice specifying the total amount of the Special Assessment required, the amount thereof imposed on each Lot (which shall be uniform), the purpose for such Special Assessment, and the time and method of payment thereof. The time for paying any Special Assessment (which may be in installments) shall be as specified in the approved proposal therefore.

# FAQs

**1. What happens if the community votes against the special assessment needed for the north ravine repairs?**

If the north ravine is not fixed, the City of Anna can seek authorization to perform maintenance on the ravine and then seek reimbursement from the HOA for those repair costs. Typically repairs made by an outside party, like the City of Anna, will not be a long-term solution based effort but likely a temporary fix that will need repeating with some frequency. The repetition of those efforts can create a significant increase in cost over time. Additionally, residents directly affected by this ravine can sue the HOA for losses suffered by the lack of maintenance and repairs. The HOA will likely suffer additional legal costs in addition to paying for repairs of private property. Those repairs to private property will not fix the root cause of the ravine but rather just isolated portions of private property along the ravine. This means those repair efforts are not solution based but rather a temporary fix for the private owners property. Finally, the lack of common area maintenance affects our home values and the ability to sell a home if the community is in disrepair.

**2. If the City of Anna performs work on the ravine due to the HOAs lack of resolution, what happens if the HOA does not payback the amounts billed for that work performed?**

The City of Anna can have a lien placed on the Northpointe Crossing HOA. This means that all homes within the community will have a lien placed on their property preventing our ability to seek home refinance or the sale of our property until the lien is removed.

**3. What caused the erosion issues in the north ravine?**

Previous HOA leaders not maintaining our irrigation system in the north ravine allowed the vegetation on the swell walls to die. This vegetation is required to be maintained for this type of ravine design.

**4. Why has the growth in the north ravine not been maintained?**

The estimates received for removing the current growth ranged from \$150k-\$200k. It was decided to save that funding for the repair project since the growth removal would only be a temporary solution. Additionally, the swell walls of the ravine has suffered too much erosion making it unsafe for our vendors to use routine equipment.

**5. Why is the developer not responsible for the failure of the north ravine?**

The failure was caused by a lack of needed maintenance to the ravine and not a design failure. Further this ravine was built in 2006 and is past the statute of limitations.

**6. This is a storm water system, why is the city not responsible for the north ravine?**

The north ravine is owned and operated by Northpointe Crossing HOA as part of the development plan for our community as established in the Phase 1 North plat map. This means this area is considered private property owned by the Northpointe Crossing HOA and not a public area for the city to maintain.

# FAQs

- 7. What is the estimated cost to repair the north ravine?**  
\$1.4 million for construction but we are anticipating up to \$350,000 for legal costs and construction overages. This results in a total price tag of \$1.75 million before interest and fees incurred through a loan.
- 8. Will my HOA assessments increase if the north ravine is repaired?**  
Yes, we do not have a large enough budget through regular HOA assessments to pay for the needed repairs. The Board of Directors voted in an open board meeting held on July 6th, 2023 to approve a special assessment voting session as follows. \$300 special assessment due bi-annually for 15 years. (\$150 x2 / year) Any lot with a remaining special assessment balance will be transferrable to new owners if the property is sold. The special assessment vote will be held on July 27th, 2023 at 6 PM with the location being JKB Elementary. If needed, the meeting will reconvene August 2nd, 2023 at 6PM with the location being JKB Elementary. Electronic voting will be available through the TownSq platform. Homeowners, please reach out to [propertymanagement@npchoa.com](mailto:propertymanagement@npchoa.com) if you do not have TownSq Access.
- 9. When is the special assessment vote being held?**  
The special assessment vote will be held on July 27th, 2023 at 6 PM with the location being JKB Elementary. If needed, the meeting will reconvene August 2nd, 2023 at 6PM with the location being JKB Elementary. Electronic voting will be available through the TownSq platform. Homeowners, please reach out to [propertymanagement@npchoa.com](mailto:propertymanagement@npchoa.com) if you do not have TownSq Access.
- 10. Who can vote towards a special assessment?**  
If you are a property owner within the Northpointe Crossing HOA you will have an opportunity to vote for or against any special assessment. The details of a special assessment can be found in Section 6.4 of the CCRs. Additional details about voting, quorum, and more can be found in Article 2 of the community Bylaws
- 11. What is the plan for the fence lines directly affected by the failure of the north ravine?**  
The estimated cost of the project also includes replacing the rear fence line of the 20 directly affected properties with a new 6 inch wide dog eared picket fence 6 feet tall with new metal posts. Any potential repairs to the directly affected properties will be performed in alignment with the owners.
- 12. Is it possible for the vegetation overgrowth to return after the completion of this project?**  
Yes, however the Flexmat system we are planning to install provides a concrete surface for landscape equipment to drive across for simplified routine maintenance. Additionally, the design of this project greatly improves the sustainability of the north ravine even in the event of future neglect.
- 13. Other drainage areas have severe overgrowth like the large detention pond, what is being done about that issue?**  
We have aligned with the City of Anna stormwater team on work to be performed in additional areas of the community as a first step to resolving these issues. Over the next few weeks, we are allowing the areas to dry out so the soil is solid for equipment to be able to traverse safely. Once these areas are dry we will see additional maintenance efforts to maintain the overgrowth.
- 14. Why are the previous HOA Board members not being held responsible for the failure to maintain?**  
Section 9.8 of the C.C.R.s provides an Indemnification clause. This clause prevents individuals from being held personally liable for performance of their duties while acting as an officer of the association.