

What's New with NFH



Doug Gann, Vice President
National Forest Homeowners
CPCOA Fall Meeting, September 2017

Agenda

- NFH Organization
- NFH Mission
- Current NFH Initiatives
 - Insurance
 - Cabin Marketplace
 - Cabin Trusts
 - On-line Election
 - WA State Shoreline Management
 - Fee Retention
- What's on your Mind?

NFH Organization

Leadership	Volunteers/Employees/Contractors
Board of Directors	15 Elected Volunteers
Staff	2 1/3 Employees Sharon Leach, Executive Director Sharon Karr, Membership Administrator Desiree La Maggiore, Field Director
Committees	14 Committees, 90 cabin owner volunteers
WA DC Representation	Washington Representative (Lobbyist) Summit Strategies Legal Council The Garden Law Firm, P.C.
Contact information on NFH Website	

NFH Mission Statement

“National Forest Homeowners is a member-directed organization representing cabin-owner recreation residence permittees on our national forests. NFH provides leadership, member information and assistance, and advocacy for continuation of all recreation residences. It is dedicated to educating its members and others in sound science stewardship of our forests.”*official mission statement*

“Most NFH efforts have been to preserve & protect from USFS policy decisions and directives, Congressional direction, as well as, high fees that pose a direct threat to the program survival”*quote from past NFH President*

“NFH strives to preserve, protect, and **enhance** the cabin program experience”*some new thinking, Doug Gann*

Cabin Program Threats / Cabin Losses

~20,000 cabins in 1960's to ~14,000 cabins today!

Cabin Loss	Problem	Solution
High Fees	Cabin lost to high fees when owner is unable to pay fee and unable to sell cabin to anyone else due to high fee.	Cabin Fee Act
Natural Disaster	Cabin lost to fire or other disaster and not rebuilt	Cabin owner education Cabin Insurance
Owner Neglect	Cabins lost to permit non-compliance or disinterest. Cabins fall into disrepair and are removed or abandoned rather than sell to another party	Cabin owner education NFH/Tract Assistance Cabin Marketplace
Alternative Land Needs	Cabin lots converted to alternative use. Rare, but process is confusing and USFS has ways around compensating owners	Cabin owner education In-lieu lots NFH Assistance/Notice
Land Exchanges	Not encouraged by NFH, but not a total loss either.	Cabin owner education

Enhance the Cabin Experience

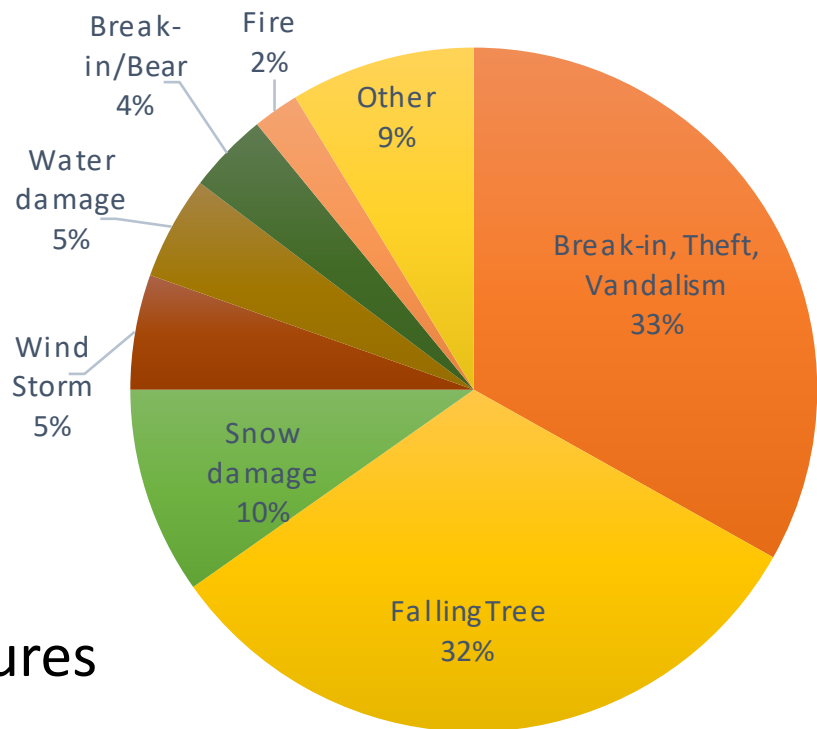
- **Education**
 - Permit Terms
 - Multi-Ownership & Trusts
- **Cabin Publications**
- **Cabin Insurance**
- **Website “Cabin Marketplace”**
 - Craig’s list for cabin owners
- **Fee Retention**

2016 Insurance Survey

- Collect and share cabin owner insurance experience and determine need for Cabin specific insurance offering
- Survey ran December 2016
- 877 completed the survey
- 21% reported cabin damage or loss (10 yrs)



- Understanding potential losses help shape insurance needs & preventative measures



NFH Insurance Initiative

- While most cabin owners have insurance and most are satisfied with their insurer, NFH has identified a clear need for an insurance offering designed specifically for cabins
 - Reports of canceled cabin insurance increasing frequency
 - Many cabin owners struggling to find cabin insurance
 - NFH survey indicates some dissatisfaction with coverage or pricing
- **NFH Endorsed Cabin Insurance Program**
 - ARM Multi-Insurance Services (CA) licensed in most states (2-3 carriers)
 - Property replacement & liability insurance (with cash out option)
 - Strive for competitive availability and pricing
- **Cabin Insurance information on NFH website**
 - Survey Results
 - Cabin Insurers by state report
- **Stay Tuned!**

Authorization & Ownership

Permit Holder

- Individual
- Married Couple
- Trustee of Forest Service approved Single Asset Cabin Trust*

*Trustee must be grantor and can be individual or married couple

*NFH not providing legal advice and recommends cabin owners seek legal counsel regarding cabin ownership or trust questions.

Cabin Owner

- Individual
- Married Couple
- Multiple related individuals or couples
- Multiple unrelated individuals or couples
- USFS approved Single Asset Trust*

*Trustee(s) + one or more Beneficiaries

Multiple Ownership Guidelines

- **Permit holder must be a cabin owner.**
- **Only one permit holder allowed for cabins with multiple owners.**
 - Permit holder has 100% of the responsibility & liability for all owners in the eyes of the USFS
- **NFH recommend a partnership or ownership agreement among multiple owners**
 - Define the shared use, maintenance, and costs of the cabin.
 - Define change of ownership terms
 - Define terms upon death of any owner
 - Not required to share agreement with USFS
- **Transfer fee rules may apply upon change of owners**
 - Transfer fee if permit holder changes due to ownership change
 - No transfer fee if permit holder doesn't change
 - No transfer fee for change of permit holder, but not ownership

Cabin Trust Guidelines

- **Trustee can be individual or married couple (co-trustees)**
- **Trustee(s) are authorized to act on behalf of the trust and it's beneficiaries.**
- **Beneficiaries enjoy or “benefit” from the trust assets or resources, but are not authorized to act on behalf of the trust (think co-owners).**
- **USFS approved trusts are life trusts which dissolved upon death of the Trustee (grantor). The assets of the trust are either distributed to the beneficiaries, or a new trust may be formed by the beneficiaries naming a new Trustee.**
- **Trusts bypass probate process upon death of trustee**
- **Transfer fee rules may apply upon change of owners**
 - Moving cabin from your personal estate into a trust triggers transfer fee
 - Dissolving trust upon death of surviving trustee triggers transfer fee
 - Change of beneficiaries generally doesn't trigger transfer fee
 - Change of trustee generally triggers transfer fee?

Shoreline Management Program

- Washington State **Shoreline Management Act of 1971**
- Dept. of Ecology directs all counties to regulate shoreline use:
 - All lakes > 20 acres
 - All rivers or streams with 20 cfs water flow or more
 - All wetlands & floodplains
 - All lands within 200' from average high water mark
- All Federal & Native lands were exempt from the SMP's as first implemented in the 1970's
- In 2007, counties were directed by the Dept. of Ecology to update their SMP's to bring current to a new set of guidelines
- Updated guidelines include a jurisdiction change, impacting cabin owners:

“Privately owned improvements on Federal Lands fall into the SMP jurisdiction, while Federal owned improvements continue to be exempt.”

Chelan County Concerns

- Jurisdiction Question
 - Authorization assumed by State of Washington?
 - No (obvious) granting of authority by Forest Service allowing State/County management of federal land?
- All National Forest shorelines mapped as **“Natural”** designation.
 - Description includes **“land use not suitable for human activity”**
 - Also includes **“existing structures considered non-conforming”**.
- Consultants ignored private improvements on Federal Lands
 - Study methodology included “no assumption made regarding dwellings”
 - No inventory or mapping of lots/improvements under USFS permits
- Cabin owners have convinced Chelan County to change shoreline designations for USFS permitted shoreline lots
 - To be mapped as “Rural” designation unless compelling evidence to justify another designation

Shoreline Designations

Determines level of protection/regulation

Designation	Protected Buffer	Development Impact
Natural	150-200'	Protect shoreline's natural state, minimize any development
Conversancy	150-200'	Protect shoreline's near natural state, minimize any development
Rural	75-100'	Allows for lower density use (residential, agricultural, etc.)
Urban	50-75'	Allow for higher density use (residential, commercial, etc.)
Aquatic	water	Water improvements (docks)

Chelan County Regulations

- **County Shoreline Permits required for any change to land or structure within jurisdiction**
 - In addition to any USFS approvals
 - In addition to any County building permit
- **Most existing structures can be maintained, even if considered non-conforming**
 - Replacement or expansion of non-conforming structures questionable
- **Most shoreline permits require a fee**
 - Shoreline exemption = \$240
 - Shoreline substantial development permit = \$950
 - Shoreline Environment change = \$1,350
- **What happens if County approvals conflict with USFS approvals?**

NFH On-Line Election

- **NFH Moving to On-Line Election for 2018**
 - Use of NFH Website validates identify of voter & insures single ballot
 - Requires NFH Member sign-in to Website
 - Strongly recommend members sign-in to NFH Website prior to 2018 Election to make sure your username/password functional.
- **Don't know your username or password?**
 - Password Reset Function using your email address, or
 - Submit help request for username/password
- **No Access to Internet or not Computer User?**
 - Vote by mail option available upon request. Instructions will be published in November NFH Newsletter

Looking into the Future

- **Next CUFFA Appraisal Cycle**
 - If the CFA had not passed, the next CUFFA appraisal cycle would be in it's 2nd year and Okanogan-Wenatchee lots would be scheduled for appraisals in 2019-2020
- **2025 Fee Retention**
 - Currently, all RRP fees deposited to the US General Treasury
 - Beginning 10 years after passage of CFA, all Recreation Residence program fees revert to the USFS
 - ~\$36M+ annual revenues nationally
 - ~\$1.6M annual revenues to Okanogan-Wenatchee National Forest
 - CFA directs USFS to use funds to “**.....administer the recreation residence program and other recreation programs**”.
- **2028 Permit Renewals**
 - NFH will proactively work with USFS on permit language several years prior to the 2028 permit renewal cycle

The Take Aways

- **Engage with Chinook Pass Cabin Owner Association**
 - Most cabin challenges are solved at the local level by working together
 - Be a good neighbor.....look out for each other
 - Membership is a small price to pay for staying informed and enhancing your cabin experience
- **Maintain NFH Membership**
 - The only national organization working to protect your interests
 - Source of information and resources to enhance your cabin experience
 - Committed to working with the local tract associations
- **Proactively Work with the US Forest Service**
 - NFH advocates for a positive working relationship at all level
 - Identify issues early and ask for help when needed (CPCOA, WSFHA, & NFH)

National Forest Homeowners



Thank You!
Questions?

