

# HOUSING IMPROVEMENT AREA FINANCING APPLICATION

Legal Name of Association: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Name of Designated Administrator: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Name of Management Firm/Agent (if different than contact person)

\_\_\_\_\_ Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Legal Description of the Project Site: \_\_\_\_\_

\_\_\_\_\_

---

## REQUIRED INFORMATION

Addenda shall be attached hereto addressing in detail the following:

1. Give a general description of the project.
2. Explain how the project will meet the goals of the City of Bloomington as identified in Section 4 of the City's Housing Improvement Area (HIA) Policy.
3. Provide a proposed timeline for the project including the dates of membership meetings to discuss a project, submittal of required petitions, public hearings, construction start, submission of first draw request and project completion.
4. Explain why HIA financing is necessary to undertake the project. Attach any documentation regarding efforts to secure private financing and at least two letters from financial institutions denying permanent loan approval.
5. Explain the process used to determine the scope of the proposed project. Provide documentation regarding owner meetings discussing project.

6. Provide petitions in support from at least 65% of association members.
7. Provide evidence of preliminary approval of temporary construction financing from a private lender. Explain how construction progress will be monitored, and how construction draws will be reviewed and processed.
8. Provide a reserve Study, Reserve Plan, HIA Reserve Plan, and Financial Plan that meets the requirements of the City's HIA policy and that has been prepared by an independent third-party with designation as a Community Associations Institute (CAI) certified reserve specialist. The plans must include the following elements:
  - a. A replacement reserve study (the "Reserve Study") prepared by an independent third party, with designation as a Community Associations Institute (CAI) certified reserve specialist. The Reserve Study must conform to CAI Reserve Study standards. The components of the Reserve Study must include a thirty-year replacement reserve plan (the "Reserve Plan").
  - b. An independent third party prepared thirty-year reserve plan (the "HIA Reserve Plan") with the components of the proposed project for housing improvements removed from the Reserve Plan.
  - c. An independent third party prepared thirty-year financial plan (the "Financial Plan") that reflects the annual replacement reserve contributions based on the HIA Reserve Plan. The Financial Plan will provide a plan for the association's operating budget with cost increases over time to finance maintenance and operation of the common elements within the association and a long range plan to conduct and finance capital improvements therein, that does not rely upon the subsequent use of the HIA tool.
9. Scope of Work for proposed housing improvement project including project budget. Any project for housing improvements financed through the HIA shall address all items not in compliance with the HIA Property Standards. Items defined within the governing documents of the association as common elements are eligible for HIA financing. Limited Common Elements may be eligible for HIA financing if the costs of proposed project for housing improvements are prorated among association members in the same ratio as common elements or such other uniform method as proposed by the applicant. The proposed components for housing improvement projects must be of a permanent nature and must normally be reflected in the Reserve Study.

Attach a copy of the following:

- Application fee of \$5,000
- Recorded Association Declaration
- Association Bylaws
- Certificate of Good Standing from the Secretary of State
- Audited financial statements for the last two years. If the association has not had the practice of having its annual financial statements audited, then audited financial statements for the immediately preceding fiscal year along with unaudited financial statements for the fiscal year before that.

What is the proposed term of the HIA: \_\_\_\_\_ years.

How do you propose the fee to be charged to the affected association members:

Equally among all properties

Other: i.e. -based on unit size, percent interest in association or value.

If other, please identify: \_\_\_\_\_  
\_\_\_\_\_

Amount of HIA financing requested: \$ \_\_\_\_\_

Are there any properties within the HIA which should be exempt from the fee?  No  Yes

If yes, please explain: \_\_\_\_\_

### **REQUIREMENTS FOR HOUSING IMPROVEMENT AREA (HIA) FINANCING**

To apply for HIA financing, the association members must agree to the following:

1. Must use City's choice of bond counsel and financial advisor(s). The City's legal, financial consulting, and administrative costs will be charged to escrow or the project.
2. The association will obtain construction financing through a private lender.
3. Disbursements of bond/loan proceeds must be made through an escrow agent to be selected by the City.
4. Payment of a deposit to the City of \$15,000 for the City's legal and consultant fees and expenses. Additional deposits from the applicant may be required to pay all fees and expenses incurred by the City.
5. Review of the financial structure of the proposed housing improvement by the City's Chief Financial Officer, Financial Advisor and the legal components reviewed by City/HRA legal counsel. If applicable, the review will include analysis of performance and amount of outstanding debt related to any previously approved HIA project.
6. The bond (s) shall be for an issue not less than \$250,000. The City has the sole discretion to determine the source(s) of financing, and sources other than issuing bonds may be used.
7. Service charges (including, but not limited to, construction/housing improvement project costs, cost of issuance of bonds and other pertinent costs associated with the proposed housing improvement project) will be imposed on the association members in the same ratio as common elements or other such uniform method as proposed by the applicant.

By signing this application the Association hereby agrees to the following:

1. I have read and will abide by all the requirements of the City for taxable bond financing. I will also commit all contractors, subcontractors, and any other major contributors to the project to all segments applicable to them.
2. The information contained in this application, including all addenda, is true and correct.
3. The Association will pay all costs involved in the legal and fiscal review of this project. These costs include the Bond Counsel, Financial Advisor and City/HRA legal, and all costs involved in the issuance of the bonds to finance the project.
4. I understand that the HRA/City reserves the right to deny approval of the application.

Signature of Representative: \_\_\_\_\_ Date\_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_