HOUSING IMPROVEMENT AREA (HIA)

March 31, 2015
6:30 pm
What is a Housing Improvement Area (HIA)?

- A defined area within the City where improvements to townhome/condo Associations are made
- Provides loans for Associations unable to obtain private financing for necessary improvements
- Minnesota State Statute 428A.11 – 428A.21
What is a Housing Improvement Area (HIA)?

- Property owners repay the loan through fees imposed by the HIA and collected with property tax payments over a period of time (typically 10-15 years)
- Improvements are for common areas only
What Types of Improvements are Eligible?

- Maintenance and capital improvement repairs which are the responsibility of the Association (must be defined by the governing documents)
What Types of Improvements are Eligible?

• Examples of items that may be eligible
  – Windows
  – Siding
  – Roofing
  – Parking lot resurfacing
  – Common entry doors
  – HVAC
  – Elevators
What Types of Improvements are not Eligible?

- Improvements that are **not** eligible include items that are the responsibility of individual homeowners
What to consider for an HIA Designation

• Association membership determines needed improvements
  – Reserve Study
• What are the costs of needed improvements?
What to consider for an HIA Designation

• Have we exhausted all means of financing?
• Submit petition with at least 60% of the owners included in the proposed area requesting a Housing Improvement Area designation.
Process for Establishing an HIA

• Determine level of homeowner support for HIA application
• Submission of application, bylaws, audited financial statements, fee
• Application package due May 15
Process for Establishing an HIA

- Submission of reserve study
- Provide evidence of no other option for financing improvements
- Submission of project scope
- Receive petition forms from residents
Process for Establishing an HIA

- Seek competitive bids
- Submit final scope/cost to HRA
- Review draft development agreement
- City Council meeting/public hearing
- Execute development agreement between HRA and Association
- Funds available for rehab
Key Points

• Petition (60% approval)
• Reserve study
• Public hearing
• Veto period (45 days)
• Fee structure
Key Points

- How much will each unit be responsible to pay and for how long?
- Minimum project size is $250,000
- Competitive application process
- Due date for applications
- Visit our website: www.BloomingtonMN.gov
Questions?

Bloomington HRA
1800 West Old Shakopee Rd
Bloomington, MN  55431
952-563-8937
HRA@BloomingtonMN.gov

Brian Duerwachter
952-563-8939
bduerwachter@BloomingtonMN.gov
Thank You!