

POLICY RESOLUTION # 1 – Jonathan Association Board of Directors

DATE: February 8, 2011

RE: Housing Improvement Areas (HIA)

While acknowledging that:

1. A housing improvement area (HIA) is a defined area in a city in which housing improvements in condominium or townhome complexes may be financed with the city's economic development authority or housing and redevelopment authority; and
2. An HIA can only be established at the request of at least 25 percent of the owners of the housing units in the proposed area; and
3. If such a petition is filed, then the city must prepare an ordinance that makes a finding that without the HIA the proposed improvements could not be made; and
4. Essentially, the homeowner's association borrows the money and then repays the loan through fees imposed upon their properties and collected with property tax payments made through a fee on an owner's property tax statement, and if the property is sold, the new owner must assume the fee as part of the property taxes; and

In addition to reaffirming that:

5. Jonathan's governing documents require a two-thirds majority approval to borrow money through any loan process. Due to these restrictive covenants, the Association believes that borrowing money may not be feasible; and
6. Jonathan's "2039 Plan" (Reserve Study) findings indicate that an HIA loan is NOT the only way in which common area property improvements can be financed; and
7. Encumbering current and/or future property owners in Jonathan with higher property taxes (which would be necessary for repaying the HIA loan) is not a fair or equitable fiscal policy;

The Jonathan Association Board of Directors resolves, by way of this Policy Resolution on this date (02-08-2011) to forgo financing through a Housing Improvement Area (HIA) loan.

Sandra J. Rossol, Secretary – Board of Directors

Date