



Common Area Assistance Loan Fund

Department of Housing and Community Affairs (DHCA)



Presenter Introductions

- ❖ Mr. Ramon Espin, Common Ownership Communities Manager
- ❖ Mr. Frank Demarais, Consultant

Purpose

To assist homeowner and condominium associations experiencing financial hardship in their efforts to address immediate health or safety repairs in common areas, as documented by professional assessments or government citations.



Objectives

1. Provide low-cost financing to assist County regulated homeowner associations or condominium associations, which are also referred to as a Common Ownership Community (COC).
2. Support critical replacement or repair projects in common areas to resolve risks to occupancy or safety.
3. Serve as gap financing to supplement other funding, with at least 20% of the total project cost paid by the COC's funds.
4. Disburse \$1.23 million approved for Fiscal Year 2025 (through June 2025)

Common Ownership Community Eligibility Requirements

A Common Ownership Community (COC) seeking supplemental loan funding for a critical common area rehabilitation project must:

- ✓ Be fully compliant with the County's COC laws and regulations
- ✓ Have an up-to-date reserve study
- ✓ Have a COC governing board or agent completed Commission on Common Ownership Communities [annual registration](#)
- ✓ Provide documentation of 51% or more owner versus renter occupied housing units



Loan Fund Eligibility and Guidelines

- Loans can only be used for common area replacements or repairs affecting occupancy or safety, based on professional inspections and/or government citations.
- Project scope and cost estimates must be documented by detailed professional engineering, architectural, and/or contractor assessments.
- The COC must demonstrate a financial need based on available reserve funds, assessment history, and efforts to finance the total project cost.
- Financial records provided must show that the COC will be able to repay the loan and pay ongoing operating and maintenance reserve needs.



Eligible Common Area Rehabilitation Projects

Some examples of eligible common area rehabilitation projects may include, but are not limited to, failing:

- ✓ balconies
- ✓ sidewalks
- ✓ water supply lines
- ✓ stormwater drainage
- ✓ fire suppression systems
- ✓ façades
- ✓ parking lots



Loan Terms

- The maximum loan amount is \$500,000.
- No interest will be charged for the loan.
- Repayment deadlines will be up to 15 years.
- A 1% loan commitment fee will be charged at closing.
- No real estate lien is required.
- 20% of the total project cost must come from the COC's funds.
- DHCA's loan will be subordinate to all other loans for the project.
- A promissory note and loan agreement pledging financial assets in event of repayment default is required.



Loan Applications

- Please visit the [Common Area Assistance Loan Fund](#) webpage and apply online beginning November 20, 2024.
- Please review the application [document checklist](#) before applying, incomplete applications will not be accepted.
- DHCA will confirm receipt of the COC's application package within 60 days.
- Applications will be accepted until the available loan funds have been committed.



Questions?

Contact us at [MC311](#) or 240-777-0311 for assistance.



Thank you!

