



Homeowners Association (HOA) Facility Transfer & Voluntary Annexation Programs

Development Services & Public Works

Proposed Guide for HOA Considering transfer of Private Facilities to Village

Background

- **During initial subdivision designs, developers request non-standard Village items** that are owned and maintained in future by Homeowner Associations. These could be:
 - Private streets with different width/curbs/depth of asphalt
 - Lighting system/poles that are decorative
 - Sidewalk/walkways not in front of homes or pass through development
 - Stormwater basin(s)/retention/detention facilities to reduce storm impact to creeks and protect homes
- **As time passes** with new homeowners, increasing costs, and aging infrastructure, HOAs often consider transferring ownership and maintenance to the Village. HOAs also see the opportunity to bring up to Village standards, provide stable and predictable funding, ensure long-term professional maintenance, and reduce risk for the HOA and its membership.

HOA Transfer Program

Goals and Funding

- **The HOA Transfer Program** would provide a clear, step-by-step pathway to request the Village assume ownership and long-term maintenance of certain HOA owned infrastructure. The process would be transparent, financially responsible, and consistent for all HOAs. The transfer would be fully evaluated:
 - Feasibility
 - Long-term maintenance
 - Regulatory compliance
- Due to these improvements benefit only the properties within the subdivision, **a Special Service Area (SSA) or a Special Assessment (SA)** would be required to fund both initial upgrades and ongoing maintenance.
- A SSA or SA are similar funding mechanisms that ensure:
 - Costs are shared fairly among benefiting residents
 - Village-wide taxpayers do not subsidize private facility transfers
 - Adequate, stable funding exists for long-term maintenance (i.e., stormwater ponds)

HOA Transfer Program

Process Steps

1. **HOA Inquiry:** An inquiry is routed to Public Works expressing interest in a transfer of item.
2. **Public Works:** Will provide a **no-fee application** to HOA.
3. **HOA:** Will submit application before any technical review begins. Included with application, a required letter by the HOA stating a two-thirds vote by the HOA has been approved to formally support the exploring transfer and SSA/SA that will be required.
4. **Public Works:** Will conduct a detailed assessment once the application is received that includes:
 - Engineering Evaluation
 - Infrastructure condition Review
 - Required upgrades to meet Village standards
 - Long-term maintenance projectionsPublic Works will also coordinate with Development Services on regulatory and code considerations.

HOA Transfer Program

Process Steps (Cont.)

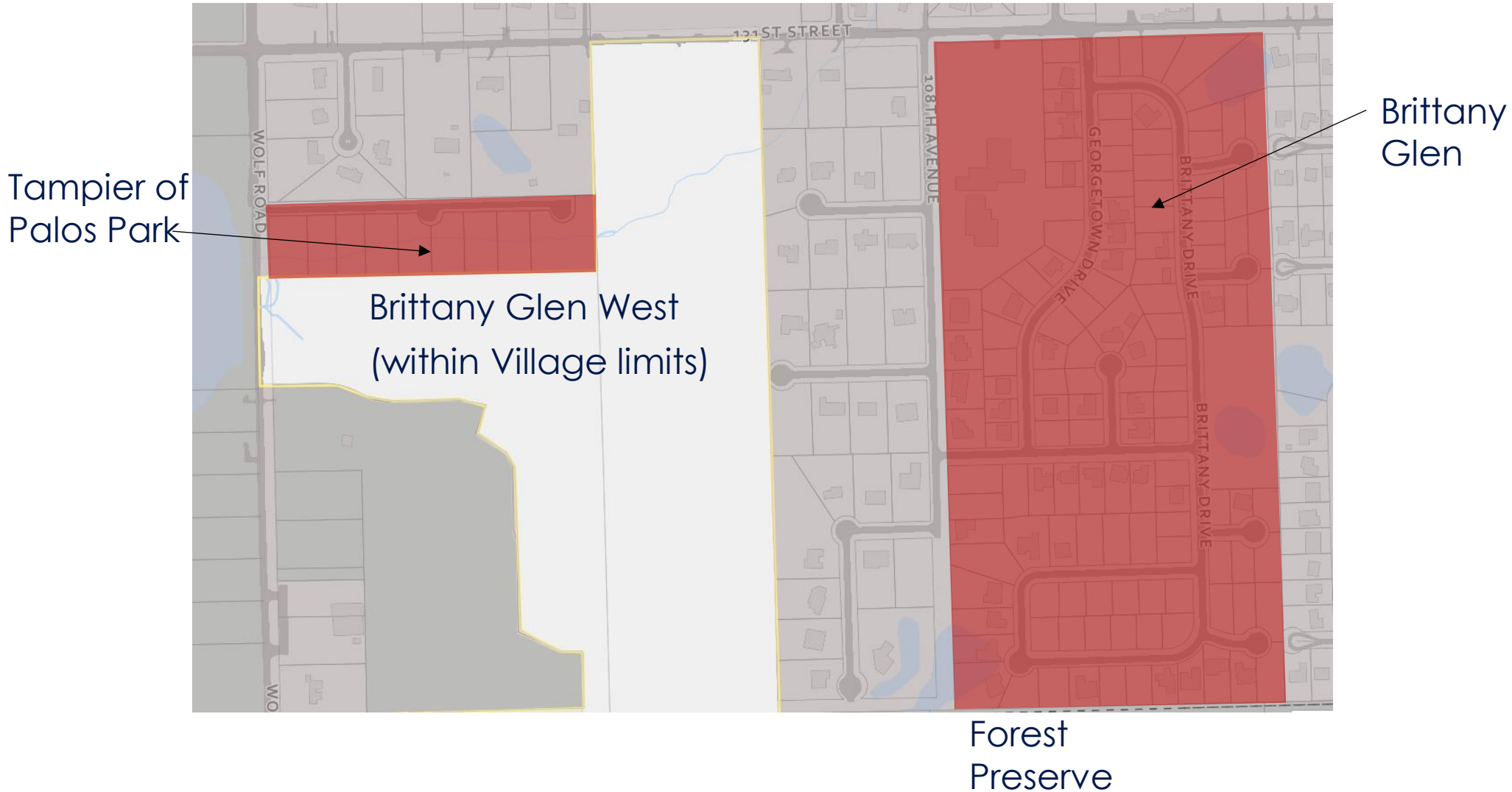
5. **Finance:** The Finance Department will conduct a financial analysis that includes:
 - The cost of required capital improvements
 - Ongoing annual maintenance
 - The estimated **per-household SSA or SA** costInformation will be provided to the HOA.

6. **HOA Decision and Agreement:** After reviewing the financial analysis, the HOA decides whether to proceed. If HOA proceeds:
 - A formal agreement is drafted with the assistance of the Village Attorney
 - The agreement confirms the HOA's support for SSA or SA creation and outlines transfer terms

7. **Village Board Review:** Once the HOA signs the agreement:
 - Development Services schedule the item for Committee and Board agendas
 - The Village Board considers both the facility transfer and the SSA/SA creation
 - **Acceptance is contingent on successful SSA/SA approval**

Voluntary Annexation Program

Recent Requests for Voluntary Annexation

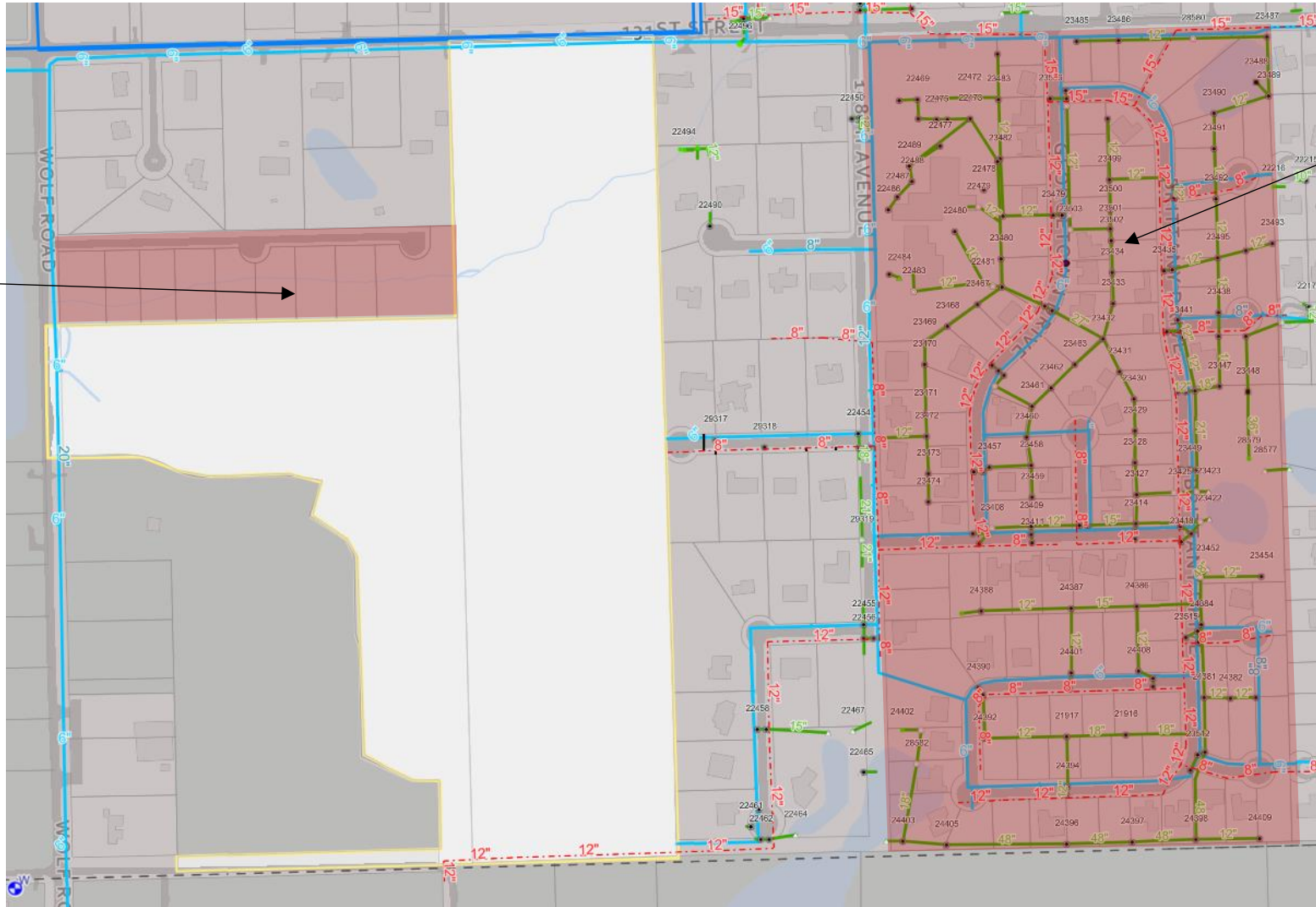


Voluntary Annexation Program

Evaluation of Existing Conditions by Public Works

Tampier of Palos Park

- Utilities need to be extended
- Street does not meet Village's standards



Brittany Glen

- Fully serviced with Village water, sewer and storm systems
- Streets are not in good condition

Why Residents Want to Annex

- Access to Village amenities such as the Sportsplex and Public Library.
- Lower refuse collection costs compared to their current service.
- Potential for increased property values.
- Strong neighborhood support for annexation.
- Connection to Village water and sewer.
- Village maintenance of streets.
- Opportunity to dissolve the HOA.



Voluntary Annexation Process

- Confirmation by Development Services that the annexation request meets the state statute requirements.
- Public Works to evaluate subdivision infrastructure and identification of any improvements necessary to meet Village standards.
- Consideration of funding mechanisms, including the creation of a Special Service Area (SSA) or Special Assessment (SA), to finance initial capital improvements.
- Negotiation of an Annexation Agreement.
- Review and approval of Annexation Agreement and Annexation by the Board of Trustees.

