

Palm Springs Villa Hermosa Condominium Owners Association

Re: Villa Hermosa BALLOT on Special Assessment to Fund Strategic Priorities, Special Projects for 2023-2025.
Please VOTE!

October 5, 2023

Greetings fellow Villa Hermosa Homeowners,

The Board of Directors of the Palm Springs Villa Hermosa Condominium Owners Association would like to first thank homeowners who participated in our September 21 Board meeting to discuss the current state of the property, future plans—and funding of those plans, including funds for capital improvements as well as to supplement our operating budget—at Villa Hermosa.

During this recent meeting, **the Board determined that it is in the best interest of Villa Hermosa to call for a vote on a Special Assessment—the first proposed Special Assessment in Villa Hermosa’s twenty-year history—in order to undertake several capital improvements at our beautiful complex in a more expedient timeframe. We are also asking for some additional funding in the Special Assessment to augment our day-to-day operating budget so that we may avoid a combined 20% increase in owners’ monthly HOA dues/fees for 2024.**

As a result, the Board of the Palm Springs Villa Hermosa Condominium Owners Association is asking for your vote(s) in FAVOR of the enclosed association-wide Villa Hermosa Special Assessment Ballot to approve a total amount of \$66,650.42.

If successfully passed, this amount would be divided among owners and be pro-rated based on unit size (similar to our HOA monthly dues):

Plan 1 (4 units)	\$3,095.43
Plan 2 (16 units)	\$3,181.76
Plan 3 (1 unit)	\$3,360.58

Funds from this Special Assessment will cover the following debt, improvements and expenditures:

Aging Debt

The Association has been carrying an outstanding and now aging debt of approximately \$15,000, which is owed back to our HOA Reserves. The Special Assessment will repay this obligation in full.

Capital Improvements

A combination of urgent and strategic special projects, including property stucco repair, building paint, cement repair, iron-work repair / replacements, and new pool furniture will total approximately \$80,000 (including contingency). The HOA’s reserves will cover a little over 50% of the budget with the remaining balance needing to come from the Special Assessment. The Board has received and reviewed proposals for these much delayed capital improvements.

Operating Budget

As a result of inflation and increased vendor costs, our operating expenses are trending up by approximately 11.5% year-to-date. In order to avoid raising monthly HOA dues for our owners in 2024, which could adversely affect resale values, the Board is proposing that the Special Assessment include an 11.5% (or approx. \$15,000) bump on our 2023 operating budget.

Under the California law governing homeowner associations (the Davis-Sterling Common Interest Development Act of 2014), any homeowner association board must put a proposed Special Assessment of the dollar amount we are proposing to a vote of the entire homeowner membership. A simple majority (51%) of owners voting in favor of such an assessment is required for it to pass.

If passed, the Villa Hermosa Special Assessment will be charged to owners in two (2) equal installments with the first installment due on January 1, 2024, and the second, on July 1, 2024. For any homeowners who may have extenuating circumstances, payment arrangements can be made via board approval and with the Vintage Group.

Should the Special Assessment ballot not receive more than 51% of the vote, the Board will likely need to increase our HOA dues by 20% for the 2024 fiscal year.

As we look out across the next two years, the Board remains firmly aligned on three priority goals: 1) **Ensuring our Financial Strength and Sustainability**, 2) **Investing in our Community** and 3) **Engaging as many Owners as possible**. Recent owner participation on our committees and at our meetings has been an inspiration, and we are very excited to take on this challenge together.

We urge you to seriously consider the Board's recommendation and vote 'YES' on this Special Assessment for the betterment of our lovely Villa Hermosa community.

Respectfully,

Board of Directors
Palm Springs Villa Hermosa Condominium Owners Association