# COUNTY DEPARTMENT AGENDA REQUEST

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| Department: | Planning and Zoning | Presenter(s): | Pete Frisina/ Tom Williams |
| Meeting Date: | Thursday, May 28, 2009 | Type of Request: | Public Hearing |

Wording for the Agenda:

Presentation of an update on the Federal Neighborhood Stabilization Program Gran Program and the grant awarded to Fayette County in the amount of $1,178,544. The public will be allowed to comment or ask questions.

Background/History/Details:

In July 2008, Congress passed the Housing Economic Recovery Act which authorized $3.9 billion to address the home mortgage foreclosure crisis, of which Georgia's allocation is $153 million. Known as the Neighborhood Stabilization Program, its intent is to provide assistance to qualified buyers as incentives for purchasing houses in foreclosure. Fayette County applied for NSP grant funds and is approved to received $1,178,544 to assist eligible buyers in purchasing eligible properties. The Georgia Department of Community Affairs is the administering agency for the State. Federal guidelines require that at least one public hearing be held within 60 days of the date the grant is awarded to discuss "approved activities". These activities, as defined by the Program are:

* Down payment/closing assistance for low, moderate, and middle income persons in the amount of $1,097,832;
* Certified home buyers counseling services in the amount of $10,000; and
* Recovery costs for administration of the Program in the amount of $70,712.

This item was tabled at the May 14, 2009 Board of Commissioners meeting.

What action are you seeking from the Board of Commissioners?

Notice of this public hearing was issued in accordance to federal guidelines. Pete Frisina will present an overview of the status of the Neighborhood Stabilization Program. There is no action needed by the Board of Commissioners. This is a public hearing where the public is allowed to comment or ask questions.

If this item requires funding, please describe:

The Grant will require significant Staff time for administration; however, approximately $70,712 will be available from teh $1,178,544 Grant for administrative costs. The Grant does not require matching funds.

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| Has this issue come before the Commissioners in the past? | Yes | If so, when? | Thursday, March 19, 2009 |
| Do you need audio-visual for the presentation? | Yes | Back-up Material Submitted? | Yes |

## STAFF USE ONLY

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| Approved by Finance | Yes | Reviewed by Legal | Yes |
| Approved by Purchasing | Yes | Approved by County Clerk | Yes |
| Administrator's Approval | Yes | | |

Staff Notes:

**Board of Commissioners**
**March 12, 2009**

## CONSENT AGENDA:

Chairman Smith reminded the Board that Consent Agenda Item 1 was removed from the Consent Agenda and moved to Old Business. Commissioner Horgan moved to approve Consent Agenda Items 2-8. Commissioner Frady seconded the motion. The motion passed unanimously.

4. **Approval of staff's request for authorization to accept a Neighborhood Stabilization Program (NSP) Grant from the Georgia Department of Community Affairs. A copy of the request and Resolution 2009-06, identified as "Attachment 5", follow these minutes and are made an official part hereof.**

# Minutes

Board of Commissioners
Special Called Meeting
January 14, 2009
7:00 P.M.

The Board of Commissioners of Fayette County, Georgia, met for a Special Called Meeting on January 14, 2009, at 7:00 p.m. in the Public Meeting Room of the Fayette County Administrative Complex, 140 Stonewall Avenue, Fayetteville, Georgia.

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| **Commissioners Present:** | Jack Smith, Chairman<br>Herb Frady, Vice-Chairman<br>Robert Horgan<br>Eric Maxwell |
| **Commissioner Absent:** | Lee Hearn |
| **Staff Present:** | Jack Krakeel, County Administrator<br>Scott Bennett, County Attorney<br>Carol Chandler, Executive Assistant<br>Karen Morley, Chief Deputy Clerk |

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Chairman Smith called the special called public hearing to order.

**A. DISCUSSION OF THE NEIGHBORHOOD STABILIZATION PROGRAM (TITLE III, SECTION 2301 OF THE HOUSING AND ECONOMIC RECOVERY ACT OF 2008 HERA):**

Director of Community Development Pete Frisina gave a brief presentation regarding the Neighborhood Stabilization Program. A copy of his presentation, identified as "Attachment No. 1", follows these minutes and is made an official part hereof.

Chairman Smith interjected that this was a public hearing and anyone wishing to speak on this issue could do so at this time.

**PUBLIC COMMENT:**
**JACK BOWDON:** Jack Bowdon of The Heritage Bank felt this was an opportunity for the County to assist people and sell the 100 plus homes in Fayette County. He felt there was no down side to the County to apply for the grant. He remarked that if this money was not used by Fayette County, it would be sent back to the State to be used by another County. He noted that there were no longer any National down payment assistance programs available. He remarked that F.H.A. had gone to a minimum 3.5% down payment and conventional lending had gone to

5%. He said the issue of administration of the program had come up during the meeting he had with several other banking representatives. He said any type of program that could be used to kick start the economy would be beneficial.
Chairman Smith asked if there were people who would meet the criteria of this program who receive this down payment assistance could manage the mortgage payments themselves.

Mr. Bowdon replied yes, that he thought there were. He said he understood part of the money would be used toward financial counseling for qualified applicants. He felt the whole idea of this program was to put qualified buyers into homes to help the economic conditions of Fayette County.

**VANESSA FLEISCH:** Vanessa Fleisch, realtor, respectfully asked for the County not to take advantage of this money. She felt this was not necessary when the free market was taking care of this situation right now. She pointed out that currently there were 102 homes on the market in the Georgia Multiple Listing Service with 37 homes going under contract within the last two to three weeks. She felt this was nothing more than rewarding bad behavior. She said down payment assistance was what got the Country into this mess. She said the County would be beholding to the Federal Government with whatever comes along next.

**JOHN THOMPSON:** John Thompson questioned the short notice given to the public for this special called meeting and felt this was the reason for the small number of citizens in attendance. He said there needed to be a mechanism in place to hold the people accountable as a result of the money they would receive. He felt the Board had not had enough time to investigate this grant especially with the deadline of January 15th for the submission of the application. He said the County needed to look at the entire picture and not just the issue of whether the 100 plus homes were occupied or not. He said with the Board just beginning discussion on this topic last Thursday, he questioned the results of findings in this short period. He felt with the deadline tomorrow for submission of the application, that one week had not been enough time for research. He said the action of the Board should be for the benefit of the County as a whole and not just one area.

Chairman Smith interjected that the qualifications for the loan would be handled through the mortgage institutions and not through the County itself. He said the County would have no role in this process other than to manage the money. He noted that this was a grant program and not a loan program. He said the banks and the mortgage companies who actually make the loans would have the responsibility for any foreclosed property just as they do now. He said the sole purpose of this program was to eliminate some of the homes on the market as a result of foreclosure. He said this would benefit everyone in the County in eliminating empty homes within neighborhoods. He said it would also benefit the County as a result of putting another home on the market that would give a market value relief to the neighborhoods experiencing some potential decline in property values and pricing. He said there was no down side to this program and he noted that this was a grant program from the Federal Government.

Commissioner Frady pointed out that in September of 2010 any unused money goes back to the State.

Chairman Smith said it was possible that the County could apply for the grant, be approved and then the County decide that it did not want to participate. He pointed out that the hearing was advertised to the public five days prior to tonight through the news media and the County's website. He noted that the County staff had just become aware of this grant and this was the earliest and the latest date that the Board could have this hearing.

**LISA RICE:** Lisa Rice remarked that this program would be of great benefit to her and her family. She said she had lived in Fayette County for the last ten years and was a single parent of four children. She said she could not afford a home and this would be a great down payment assistance for her. She also felt it would help a lot of current Fayette County residents get into homes that they otherwise could not afford.

**PAT SOPP:** Pat Sopp said she had been a realtor in Fayette County for the last twenty-nine years. She questioned the administration of this program and exactly how it would work. She questioned if this would involve only local banks or would there be a lottery for the 100 applicants. She asked how people would be selected and who would be eligible for the grant.

Chairman Smith interjected that there were actually Federal guidelines to the grant and the actual selection process was yet to be decided.

County Administrator Jack Krakeel noted that the Federal Government had specific regulations regarding the number of participants in this program. He said at least 25% of the total grant dollars would have to be allocated to those who would meet the income criteria of having less than 50% of the area median income. He said the remaining balance of 75% could be made available to families or individuals that meet the criteria of 120% of the area median income. He pointed out that the amount of assistance was limited to a maximum of $14,999. He said there was the potential for 100 to 125 homes that could come off the market based on meeting the income criteria as well as the individual being able to qualify for the loan specifically.

Ms. Sopp asked for clarification that any mortgage company in the area such as Wells Fargo versus Wachovia would all be able to adhere to the underwriting guidelines that would be acceptable for the grant and Mr. Krakeel replied, yes that was correct.

Ms. Sopp asked if there were any guidelines prohibiting a priority for a current Fayette County resident to be eligible.

Mr. Krakeel replied that to his knowledge the funding would be limited to properties that were located in Fayette County. He said there was a requirement for someone acquiring property under this program that the property would have to be their principle residence.

Chairman Smith asked Mr. Frisina if there was the ability to give preferential treatment to applicants who were current Fayette County residents.

Mr. Frisina replied that he had seen in other jurisdictions where there was some criteria that would allow public safety personnel to have preference and things of that nature.

Chairman Smith said before the County goes too far in this process, the Board would want to have that information.

**DERRYL ANDERSON:** Derryl Anderson, a realtor as well as a Planning and Zoning Commissioner for the City of Fayetteville, questioned the administration of this program. She asked if the County would be the administrator or was the County planning on utilizing a non profit organization to help with this process. She commented that one of the programs that she truly admired here in Fayette County was the Square Foot Ministries. She asked if there was a maximum amount for the price of the properties or location of the properties. She asked how eligible applicants would be selected.

Chairman Smith interjected that the Federal Government did have a guideline of a maximum of $14,999. He said the County would be responsible for maintenance and custody of the funds. He said the actual applicant process and the selection would be administered by the mortgage entities.

County Administrator Jack Krakeel commented on the constrained time frame that the County was operating under. He said the County was notified by the DCA on or about December 10th. He said there had been multiple meetings with various City officials throughout Fayette County to discuss the viability of this program and there had been several presentations by entities interested in assisting Fayette County with the administration of this program. He said the bulk of those activities included purchasing foreclosed properties, rehabilitating those properties and then reselling those properties. He noted that Square Foot Ministries had expressed an interest in actually constructing homes where there were blighted structures or vacant land and using the funds from this program to accomplish that. He said during discussions with various entities during the past thirty days, the potential impact of utilizing these funds for rehabilitation and resale purposes. He said after looking at the real estate market and the potential impact that might be created by utilizing these funds for the actual purchase and rehabilitation of foreclosed properties, it was felt that the impact would be so minimal that it really would not have much value. He said it was felt that the maximum benefit of a program of this nature would be to provide down payment assistance to allow the potential to impact the 100 plus properties through down payment assistance.

**LATREVELLE DUCKWORTH:** LaTrevelle Duckworth, realtor, questioned the requirements for the home ownership program and the applicant's credit rating possibly being a factor. She asked if the foreclosed home prices were going to be adjusted so people could afford to purchase them.

Commissioner Frady questioned the length of time someone has to live in the home.

County Administrator Jack Krakeel interjected that there was a five year period tied to the money and the person could not resell the home at a profit.

Chairman Smith noted that the price of the home was between the buyer and the seller. He said the plan also did not address the credit worthiness of the borrow and this would be decided by the lending institution.

County Administrator Jack Krakeel provided information as to how Fayette County was selected by the Department of Community Affairs for participation in this program. He noted that all of the counties in the State of Georgia were surveyed and analyzed by the Department of Community Affairs and there were 28 counties which were considered the top qualifying counties with respect to the formula utilized by the D.C.A. for this grant funding program. He pointed out that Fayette County ranked 20th out of the 28 qualifying counties and the following factors were taken into consideration (1) the number and percentage of home foreclosures being 2% of the current housing stock; (2) the number and percentage of subprime loans in Fayette County which was 6.8% of the mortgages in Fayette County; (3) the residential vacancy rate of 1.7%; and (4) the number of households with less than 50% of the area median income of 2,171 households.

Chairman Smith asked if anyone else wished to speak on this issue. Hearing none, he asked for the Board's pleasure in this matter.

Director of Community Development Pete Frisina remarked the document was due to the D.C.A. tomorrow and would require the Chairman's signature.

Commissioner Frady made a motion to authorize the Chairman to execute all necessary documents to be submitted to the Department of Community Affairs regarding the grant for the Neighborhood Stabilization Program. Commissioner Horgan seconded the motion, discussion followed.

Commissioner Maxwell interjected that he shared some of the concerns expressed tonight. He expressed concern over the overall scheme of the bailout program that the Federal Government has done. He noted that this was one of the few times that dollars would be coming back into the County. He pointed out that this was a stimulus package and not for individuals who were not otherwise qualified. He said this was a straight grant program and he was in favor of submitting the application but he noted that he was not clear on the next step in the process. He questioned if a local committee was going to be set up consisting of County employees or banking officials in the area. He said he wanted to try this program but wanted to do so very gradually. He felt this grant would help stimulate the local economy and this Commission would be dropping the ball if the money was not applied for.

Commissioner Frady clarified that the County was not doing this in order to get tax dollars. He said these foreclosed homes were sitting there and someone was paying taxes on them and they were going to continue to pay taxes on them.
He said this program would help get people in these empty houses and keep neighborhoods from declining.

The motion carried 4-0. Commissioner Hearn was absent. A copy of the document, identified as "Attachment No. 2", follows these minutes and is made an official part hereof.

Commissioner Horgan made a motion to adjourn the meeting at 7:50 p.m. Commissioner Frady seconded the motion. The motion carried 4-0. Commissioner Hearn was absent.

**NOTICE OF PUBLIC HEARINGS FOR THE**
**NEIGHBORHOOD STABILIZATION PROGRAM (NSP)**
**GRANT AWARD**

Please be advised that a **PUBLIC HEARING** will be held by the **FAYETTE COUNTY BOARD OF COMMISSIONERS** on the **14TH** day of **MAY, 2009,** at **7:00 P.M.** at the **FAYETTE COUNTY ADMINISTRATIVE COMPLEX**, 140 Stonewall Avenue West, **Public Meeting Room**, first floor, Fayetteville, Georgia, to consider the following:

**Discussion of the approved activities of the Neighborhood Stabilization Program (NSP) Grant Award approved on March 27, 2009, in the amount of $1,178,544 to perform:**

- **Downpayment/closing assistance for low, moderate, and middle income persons in the amount of $1,097,832;**
- **Certified homebuyers counseling services in the amount of $10,000; and**
- **Administration in the amount of $70,712.**

**The Public is invited to attend this public hearing to comment and become informed of the project activities.**

Sonny Perdue
Governor

Georgia™
Department of
Community Affairs

Mike Beatty
Commissioner

March 27, 2009

The Honorable Jack Smith
Chair
Fayette County Commission
140 Stonewall Ave West, Suite 212
Fayetteville, Georgia 30214-1520

Re: Fayette County
NSP Grant No. 08-ns-5059

Dear Commissioner Smith:

Congratulations on your community's receipt of a Neighborhood Stabilization Program (NSP) award.

*In receiving this letter, your government or organization has been designated as the responsible entity for administration of NSP funds as awarded herein.* (Other governments or organizations may also be working in partnership with you. They will also receive notice of this award, but your entity is receiving the complete award package for execution and return to DCA.)

Enclosed you will find the Statement of NSP Award, the Statement of General Conditions, the Statement of Special Conditions, the NSP Budget, the Statement of Revisions, if any, the Civil Rights Compliance Certification, the Authorization Agreement for Automatic Deposits, and the Authorized Signature Card.

After careful study of the award package, please acknowledge your acceptance by signing the Statement of NSP Award, the Statement of General Conditions, the Statement of Special Conditions, and the Statement of Revisions, if any. Once signed, the original copy (white) of the Statement of NSP Award, the original Statement of General Conditions, the original Statement of Special Conditions, the Statement of Revisions, if any, and the Civil Rights Certification must be returned to the Department of Community Affairs (DCA) within fifteen (15) days of the grant award. The grant award will not become effective until we receive these completely prepared and properly executed documents. The pink copy of the Statement of NSP Award along with copies of the Statement of General Conditions and the Statement of Special Conditions should be retained for your files. A copy of the Statement of Revisions should also be retained. The Authorization Agreement for Automatic Deposits and the Authorized Signature Card must also be returned to DCA within fifteen (15) days of grant award. (**Note:** For NSP, DCA *requires* a minimum of two (2) signatures on each draw request.) Finally, please note that from a financial accounting and record keeping standpoint, this award should be treated entirely separately from any other federal or state award you may have received.

Please note that your acceptance of these contract documents makes you responsible for all requirements contained in the general and special conditions and the attachments to the grant award. It should also be noted that these requirements include Federal Management Circulars A-87, Uniform Administration Requirements (24 CFR Part 85), A-133 Federal Audit Requirements, HUD's Environmental Review Procedures for Title I Community Development Block Grant Programs (24 CFR Part 58), all applicable HUD Regulations, and the *NSP Recipients' Manual*.

A copy of the Department's *NSP Recipients' Manual* will be provided at the NSP Recipients' Workshop that will be held April 14, 2009 at the Loudermilk Center in Atlanta, Georgia. Information and registration material can be obtained at the following link:
http://www.dca.ga.gov/communities/CDBG/programs/nsp.asp.

If you have any questions in regard to this grant, please do not hesitate to contact the Department of Community Affairs' Community Development and Finance Division. Your primary point of contact for these funds is Glenn Misner at (404) 679-3138.

Sincerely,

Mike Beatty

Mike Beatty
Commissioner

MB/sr

cc:

US Senator Saxby Chambliss
US Senator Johnny Isakson
US Representative Lynn A. Westmoreland
Fayette County Delegation

Enclosures:

Statement of NSP Award
Statement of General and Special Conditions
Budget and Leverage Summary
Statement of Revisions
Civil Rights Certification
Authorization Agreement for Automatic Deposits
Authorized Signature Card

| Georgia Department of **COMMUNITY AFFAIRS** 60 Executive Park South, N.E. Atlanta, Georgia 30329-2231 | **STATEMENT OF NSP AWARD** NEIGHBORHOOD STABILIZATION PROGRAM |
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Recipient: Fayette County

NSP Funds: $1,178,544

Date of Award: 3/13/2009

Grant Period: From 3/13/2009 To 12/31/2009

Grant Number: 08-ns-5059

This Award is hereby made in the amount and for the period shown in accordance with the requirements of the Neighborhood Stabilization Program (NSP), authorized pursuant to Title III of the Housing and Economic Recovery Act of 2008 (HERA), Public Law 110–289, as amended, to the above-stated recipient, in accordance with the plan set forth in the application of the above-stated recipient and subject to any attached revisions and any attached general and special conditions.

This Award is subject to all applicable rules, regulations, statutes, and conditions as prescribed by the Notice of Allocations, Application Procedures, Regulatory Waivers Granted to and Alternative Requirements for Emergency Assistance for Redevelopment of Abandoned and Foreclosed Homes Grantees Under the Housing and Economic Recovery Act, 2008 [Docket No. FR–5255–N–01], the CDBG Entitlement Program Regulations (except where HERA exceptions exist) found at 24 CFR Part 570, the Department of Community Affairs' (DCA's) NSP Substantial Amendment to its Consolidated Plan and DCA's NSP Recipients' Manual as well as the Uniform Administration Requirements ("the common rule") found at 24 CFR Part 85 and OMB Circulars A-87, A-122 (where applicable), and A-133, and the Environmental Review Procedures for Title I of the Community Development Block Grant Program found at 24 CFR Part 58. The Award is also subject to such further rules, regulations, policies, and conditions as may be reasonably prescribed by the State or Federal Government consistent with the purposes and authorization of the Housing and Community Development Act of 1974 and the Housing and Economic Recovery Act of 2008, as amended.

This Award shall become effective on the beginning date of the grant period cited above, provided that within fifteen (15) days of the award execution date cited below the properly executed original of the "Statement of NSP Award" and any attached properly executed revisions, forms, and general and special condition statements are returned to the Georgia Department of Community Affairs.

☐ This award is subject to revisions. (attached)

☒ This award is subject to special conditions. (attached)

DEPARTMENT OF COMMUNITY AFFAIRS

Mike Britt
Commissioner

3/27/09
Date Executed

I, Jack R. Smith, acting under my authority to contract on behalf of the recipient, hereby signify acceptance for the recipient of the above described grant on the terms and conditions stated above or incorporated by reference therein.

Date of Acceptance: April 01, 2009

Jack R. Smith
Authorized Signature

Chairman, Board of Commissioners
Title (typed)

| Georgia Department of **COMMUNITY AFFAIRS** 60 Executive Park South, N.E. Atlanta, Georgia 30329-2231 | **STATEMENT OF NSP AWARD** NEIGHBORHOOD STABILIZATION PROGRAM |
|---|---|

Recipient: Fayette County

NSP Funds: $1,178,544

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This Award is subject to all applicable rules, regulations, statutes, and conditions as prescribed by the Notice of Allocations, Application Procedures, Regulatory Waivers Granted to and Alternative Requirements for Emergency Assistance for Redevelopment of Abandoned and Foreclosed Homes Grantees Under the Housing and Economic Recovery Act, 2008 [Docket No. FR–5255–N–01], the CDBG Entitlement Program Regulations (except where HERA exceptions exist) found at 24 CFR Part 570, the Department of Community Affairs' (DCA's) NSP Substantial Amendment to its Consolidated Plan and DCA's NSP Recipients' Manual as well as the Uniform Administration Requirements ("the common rule") found at 24 CFR Part 85 and OMB Circulars A-87, A-122 (where applicable), and A-133, and the Environmental Review Procedures for Title I of the Community Development Block Grant Program found at 24 CFR Part 58. The Award is also subject to such further rules, regulations, policies, and conditions as may be reasonably prescribed by the State or Federal Government consistent with the purposes and authorization of the Housing and Community Development Act of 1974 and the Housing and Economic Recovery Act of 2008, as amended.

This Award shall become effective on the beginning date of the grant period cited above, provided that within fifteen (15) days of the award execution date cited below the properly executed original of the "Statement of NSP Award" and any attached properly executed revisions, forms, and general and special condition statements are returned to the Georgia Department of Community Affairs.

☐ This award is subject to revisions. (attached)

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DEPARTMENT OF COMMUNITY AFFAIRS

Mike Beatty
Commissioner

3/27/09
Date Executed

I, Jack R. Smith, acting under my authority to contract on behalf of the recipient, hereby signify acceptance for the recipient of the above described grant on the terms and conditions stated above or incorporated by reference therein.

Date of Acceptance: April 01, 2009

Jack R. Smith
Authorized Signature

Chairman, Board of Commissioners
Title (typed)

GEORGIA DEPARTMENT OF COMMUNITY AFFAIRS (DCA)
NEIGHBORHOOD STABILIZATION PROGRAM

STATEMENT OF GENERAL CONDITIONS

Recipient: **Fayette County** Grant Number: **08-ns-5059**

**01.** By accepting this Award, the Recipient acknowledges, agrees and certifies that for all activities and endeavors carried out in concert with CDBG-NSP monies, the Code of Ethics for Government Service as established within Title 45, Chapter 10 and Section 1 of the Official Code of Georgia Annotated will be strictly adhered to, implemented and followed. The Recipient also agrees to make the Ethics statute and/or its principles applicable to sub-recipients through any contractual agreements.

**02.** By accepting this Award, the Recipient acknowledges, agrees and certifies that for the activities and endeavors carried out, it is responsible for insuring the compliance of itself and sub-recipients with all NSP related statutes, regulations and guidance. In particular, the Recipient should note the requirements listed in the Statement of NSP Award, which include the NSP statute, regulations, and guidance and applicable OMB Circulars. Additional applicable federal and state statutes, regulations and guidance that are applicable to specific activities are listed in the NSP Recipients' Manual. As an example only, the Uniform Relocation Assistance and Real Property Acquisition Policies Act (Uniform Act) is applicable to all acquisition and relocation activities. The Recipient should proceed carefully before acquiring or instigating activities on occupied properties.

**03.** By accepting this Award, the Recipient agrees that should any new or additional requirements become applicable (including record keeping and reporting requirements), as a result of directives by the Department of Housing and Urban Development (HUD) or by the Georgia Department of Community Affairs (DCA), that it will take all steps necessary to bring its program into compliance, including but not limited to agreement by the Recipient of new, deleted, or revised general or special conditions.

**04.** By accepting this Award, the Recipient acknowledges and certifies that no project expenditures will be incurred or any CDBG-NSP funds drawn down for any activity (other than for grant administration, design activities and other exempt activities) prior to receipt of an environmental clearance letter releasing funds. This may be obtained by completing an environmental review of each project as described in Chapter 2 of the NSP Recipients' Manual.

**05.** In regard to the initial grant period and in order to insure that NSP funds are being used expeditiously, the Recipient, in accepting this Award, acknowledges and agrees that DCA may refuse to extend the grant period(s) where insufficient progress is being made toward implementation and completion of the project. Under circumstances where it has become apparent to DCA that the Recipient has not initiated the administrative activities necessary to allow the project to proceed or progress, the Grant Award may be canceled prior to the initial expiration date. Under such circumstances, DCA may grant a short additional extension so that the Recipient may close the project, report results and pay any legitimate costs not reimbursed.

**06.** By accepting this Award, and if applicable, the Recipient certifies that it will comply with all requirements of the Georgia State Minimum Standard Codes for Construction.

**07.** By accepting this Award, and if applicable, the Recipient certifies that with the exception of right-of-way requirements, street improvement design and construction will be conducted in accordance with at least the minimum Georgia Department of Transportation standards and specifications. Stated exceptions to the above standards will be considered on a case-by-case basis prior to initiation of the design.

**08.** By accepting this Award, and if applicable, the Recipient acknowledges and certifies, that for residential properties 50 years or older, it will comply with the stipulations of the "Programmatic Agreement Among the Georgia Department of Community Affairs, the Georgia State Historic Preservation Office and the Advisory Council on Historic Preservation for the Administration of the State of Georgia Community Development Block Grant and HOME Investment Partnership Programs". Acceptance and implementation of the Programmatic Agreement fulfills the Recipient's obligation to consult with the Advisory Council on Historic Preservation and the State Historic Preservation Office in accordance with Section 106 of the National Historic Preservation Act and the regulations of the Advisory Council (36 CFR Part 800) for those projects and activities covered by the Agreement, including the rehabilitation, construction, demolition or reconstruction of housing over 50 years old[SR1].

**09.** By accepting this Award, and if applicable, for the payment of any "Project Delivery Costs" or "Developer Fees" (defined as certain professional activities such as appraisals, inspections, homebuyer counseling, etc.) that must be undertaken for specific project units or activities, the Recipient acknowledges and agrees that it will adhere to the project delivery costs schedules as further defined in the NSP Recipients' Manual.

**10.** At least one (1) public hearing must be held to discuss the approved activities within 60 days of the grant award. This hearing must include the estimated amount proposed to be used for the activities that will benefit low, moderate and middle income persons and the Recipient's plans for minimizing the displacement of persons as a result of NSP funded activities and to assist persons actually displaced as a result of such activities. (See the sample notice in the Appendix of the NSP Recipients' Manual.)

**11.** The Recipient acknowledges and agrees that NSP funds can only be used to be pay for Homebuyer Counseling for individuals or families who purchase a home assisted with NSP funds.

**12.** The Recipient acknowledges and agrees that all contracts, properties, services and sub-recipients must be selected through the appropriate federal procurement processes pursuant to the federal regulations at 24 CFR Part 85.36. These regulations are described in the NSP Recipients' Manual.

**13.** The Recipient acknowledges and agrees that all Program Income must be treated in accordance with the CDBG-NSP statutes and applicable regulations and guidance. For Special Conditions that require the submission of "Policies and Procedures" for handling repayments and other program income, Recipients may set up "revolving funds" as defined at 24 CFR 570.500 for purposes of managing repayments and reporting to DCA. Note that for purposes of paying administrative costs from program income, Recipients are limited to the HERA limitations of 10 percent.

14. If applicable, the Recipient acknowledges and agrees that any award conditions and/or stipulations included in any "entitlement" award of NSP dollars made by HUD are hereby incorporated into these General Conditions through general reference. In cases of any conflicts between HUD and State conditions, the Recipient should contact DCA for technical assistance and guidance. NOTE: If you have not yet received your entitlement NSP Award, please contact HUD to obtain copies of any HUD general and special conditions.

15. In regards to reporting outcome and financial data, the Recipient agrees to complete quarterly periodic reports for all expenditures and outcomes. Should these reports not be completed by the date due, DCA reserves the right to withhold additional draw-downs and payments under the Grant Award.

16. If applicable for certain housing activities related to individual residential units, the Recipient agrees to provide NSP project set up forms and completion reports as outlined in the NSP Recipients' Manual. These forms capture information on individual unit expenditures, census tract/zip code locations and beneficiary household income, etc. These forms are published in the NSP Recipients' Manual and on the DCA website.

17. Recipient must submit all required information to clear all Special Conditions within 45 days of grant award.

18. By accepting this award, the Recipient certifies that it will develop and require a certification from all partner organizations and sub-recipients that they are properly organized and that they are in good standing with the Internal Revenue Service, the State of Georgia Department of Revenue, the Georgia Secretary of State's Office and their individual local governments' tax and licensure departments. The Recipient should note that each partner organization and sub-recipient must provide a DUNS number [Data Universal Numbering System regulated by Dun & Bradstreet (D&B)] prior to any payments by the Recipient to the partner organization or sub-recipient.

19. By accepting this award, the Recipient certifies and agrees to enforce provisions that no homes purchased under NSP will exceed 90 percent of the average home cost in the locality.

20. Recipient agrees that in accordance with HERA (Section 2301(f)(3)(A)(ii)) not less than 25 percent of the funds appropriated or otherwise made available under this NSP award or the budgeted amount under this NSP award, whichever is greater, shall be used for the purchase and redevelopment of abandoned or foreclosed upon homes or residential properties that will be used to house individuals or families whose incomes do not exceed 50 percent of the area median income. Recipient also agrees that should DCA find it necessary to raise the budgeted amounts of this award dedicated or otherwise made available to individuals or families whose incomes do not exceed 50 percent of area median income that Recipient will comply with the revised budgeted amounts upon written notice from DCA of the revised amounts.

21. The Recipient acknowledges and agrees to comply with the requirement that all purchases of foreclosed upon or abandoned units must be purchased at a minimum of 15% below appraised value with the appraisal being conducted within 60 days of the offer to purchase being made.

Recipient: **Fayette County** Grant Number: **08-ns-5059**

22. The recipient agrees to comply with regulations contained in 24 CFR Part 35 regarding provisions for lead-based paint for all units built prior to 1978 assisted with NSP funds.

## Certification

I certify that I am authorized by Fayette County to accept these conditions:

Jack R. Smith
Chief Elected Official:
Jack R. Smith, Chairman, Bd. of Commissioners (Seal)
Type or Print - Name and Title

Carol Chandler
Attest:
Carol Chandler, County Clerk
Type or Print - Name and Title

GEORGIA DEPARTMENT OF COMMUNITY AFFAIRS (DCA)
NEIGHBORHOOD STABILIZATION PROGRAM

STATEMENT OF SPECIAL CONDITIONS

Recipient: **Fayette County** Grant Number: **08-ns-5059**

NOTE: Prior to drawdown of funds the recipient must provide appropriate documentation to address the following special conditions and receive a Grant Adjustment Notice from DCA clearing these conditions.

**01.** Recipient must develop, and submit to DCA for review, local policies and procedures for all financing mechanism applications. Statement of Policies and Procedures should describe administration of the mechanisms and must include the following topics:

a. Application intake procedures.
b. Determination of participation amounts and terms
c. Prioritization of funding (first come, first served, etc.)
d. Recapture provisions

**02.** HERA (Section 2301(f)(3)(A)(ii)) requires that not less than 25 percent of the funds appropriated or otherwise made available under NSP shall be used for the purchase and redevelopment of abandoned or foreclosed upon homes or residential properties that will be used to house individuals or families whose incomes do not exceed 50 percent of area median income. Recipient must agree to spend 25% of the total NSP award ($296,636) (or greater if budgeted under the DCA-prepared NSP budget for this award) to individuals or households at 50% or less AMI. Recipient must also provide a detailed description of its approach to meeting the benefit requirement for families or individuals at 50% or less of AMI. DCA is concerned that the maximum subsidy as stated in the application for those at 50% or less of AMI ($14,999) will be insufficient to allow these beneficiaries to acquire and maintain homeownership. The Recipient must provide realistic examples of how this federal statutory requirement will be met (e.g., mortgage payments, home prices, and level of down-payment assistance). Note that Recipient also agrees that should DCA find it necessary to raise the budgeted amounts of this award dedicated or otherwise made available to individuals or families whose incomes do not exceed 50 percent of area median income that Recipient will comply with the revised budgeted amounts upon written notice from DCA of the revised amounts.

**03.** Recipient may only provide NSP assistance for homebuyers that will be purchasing foreclosed upon homes in areas identified on the HUD risk score analysis as 8 or higher.

**04.** Recipient must describe in detail and provide supporting documentation for its administrative capacity to provide the proposed assistance within the 18-month time frame required by NSP.

**05.** Since no rehabilitation activity is proposed, the Recipient must provide DCA the methodology it proposes to use to insure that all units meet the property standards required with the Minimum Georgia Building Codes: www.dca.ga.gov/development/constructioncodes/programs/codes2.asp.

**06.** Recipient must submit methodology for procuring certified homebuyer counseling services for all homebuyers assisted with NSP funds for down payment assistance.

GEORGIA DEPARTMENT OF COMMUNITY AFFAIRS (DCA)
NEIGHBORHOOD STABILIZATION PROGRAM

# BUDGET SUMMARY

Recipient: **Fayette County** Grant Number: **08-ns-5059**

**Housing Improvements**

## NSP Budget

| Activity Code | Description | National Objective | Activity Budget |
|---|---|---|---|
| 5059-002-B | Disposition of Property | LMMH | $2,700 |
| 5059-002-B | Disposition of Property | LMMH | $7,300 |
| 5059-013-A | Downpayment / Closing Cost Assistance | LMMH | $296,415 |
| 5059-013-A | Downpayment / Closing Cost Assistance | LMMI | $801,417 |
| 5059-21A-X | Administration | | $70,712 |
| | | Budget Total | $1,178,544 |

## Match and Leverage Budget

| Fund Source | Match / Leverage | Act Code | Private Description | Type | Activity Budget |
|---|---|---|---|---|---|
| None Budgeted | | | ☐ | | |
| | | | ☐ | | |
| | | | | Budget Total | |
| | | | | Grand Total | $1,178,544 |

# CIVIL RIGHTS COMPLIANCE CERTIFICATION

Fayette County

**Grant Recipient**

58-6000826

**Grant Number**

4/9/09

**Date**

| | Yes | No | N/A |
|---|---|---|---|
| 1. Has your government had any employment vacancies in the past three months? | X | | |
| 2. If so, did you follow equal employment opportunity guidelines in advertising the vacancies? | X | | |
| 3. Do you have written employment and personnel policies available for review? | X | | |
| 4. Do you have employment records available? | X | | |
| 5. Is your employment data detailed enough to determine your staff composition by: | | | |
| ▪ Sex? | X | | |
| ▪ Race? | X | | |
| ▪ Disability Status? | X | | |
| ▪ National Origin? | X | | |
| 6. Is your position and salary information detailed enough to assess hiring, training, promotion and compensation practices? | X | | |
| 7. Does your employment data indicate any deficiencies in providing for equal employment opportunities? | | X | |
| 8. Have any written civil rights complaints been filed against your community? If yes, list and briefly describe below. | | X | |

## Authorization Agreement for Automatic Deposits
## (ACH CREDITS)

*Note: Recipient must attach a voided check to this form.*

Grant Recipient Fayette County

Recipient Federal ID No. 58-6000826

The Recipient hereby authorizes the Georgia Department of Community Affairs, hereinafter called the Department, to initiate credit entries and to initiate, if necessary, debit entries and adjustments for any credit entries in error to the Recipient's Checking account indicated below and the depository named below, hereinafter called Depository, to credit and/or debit the same to such account.

Depository Name:
Wachovia Bank

City: Atlanta

State: Georgia

Zip: 30339

Account Number: _____

This authority is to remain in full force and effect until the Department has received written notification from the Recipient of its termination in such time and in such manner as to afford the Department and Depository a reasonable opportunity to act on it.

Grant Number: 08-ns-5059

Authorized Signature(s):

Typed Name & Signature

Jack R. Smith

Typed Name & Signature

Jack J. Krakeel

Date April 09, 2009

For DCA Use only:

Transit/ABA No. _____

Account No. _____

# Authorized Signature Card
# For Drawdown of Funds
# Under Neighborhood Stabilization Program

| Name of Recipient | Award Number |
|---|---|
| Fayette County, Georgia | 08-ns-5059 |

SIGNATURES OF INDIVIDUALS AUTHORIZED
TO DRAW ON THE CITED LETTER OF CREDIT

(ALL DRAW REQUESTS MUST HAVE ANY 2 OF THESE SIGNATURES)

| | |
|---|---|
| Typed Name: Jack R. Smith<br>Job Title: Commission Chairman<br>Signature: | Typed Name: Jack K. Krakeel<br>Job Title: County Administrator<br>Signature: |
| Typed Name:<br>Job Title:<br>Signature: | Typed Name:<br>Job Title:<br>Signature: |

I CERTIFY THAT THE SIGNATURES ABOVE ARE OF THE INDIVIDUALS AUTHORIZED TO DRAW PAYMENT UNDER THE GRANT CITED ABOVE

Typed Name: Jack R. Smith

Title:

SIGNATURE OF Authorizing Official (*Recipient*) — DATE: 04/09/09

INSTRUCTIONS

An Authorized Signature Card must be signed by at least two signatories (one of which must be a local government employee) authorized to request payment of funds under the grant agreement. The Authorizing Official should also sign the card (on the **SIGNATURE OF AUTHORIZING OFFICIAL** line) to certify that the individuals named are indeed authorized to request payment and that the signatures on the card are theirs. No erasures or corrections may appear on this form.

If the name of someone on this form changes, DCA must receive a corrected signature card with current information within 30 days for the signature to be valid.

Each drawdown form must have the signature of two authorized local government representatives at the time of the draw.