



Legislation Text

File #: 2018-1995, Version: 1

Substitute

Public Hearing: YES NO

Department: Community Development

SUBJECT:

Commission District(s): All

To Approve the Submission of a HUD Section 108 Loan Guarantee Application in the amount of \$7,836,375 for the Design, Engineering, and Construction of a Senior Center with Pool in Districts 4 & 7 - Cost to County -Annual Debt Service on the Loan - \$547,664 Per Year

Information Contact: Allen Mitchell

Phone Number: 404-371-2438

PURPOSE:

To consider approving and authorizing the Chief Executive Officer to execute and submit a HUD Section 108 Loan Application in the amount of \$7,836,375 for the Design, Engineering, and Construction of a Senior Center with Pool in Districts 4 & 7.

NEED/IMPACT:

In August 2016, the Community Development Department retained Houser Walker Architecture to examine the County's portfolio of facilities, with a specific focus on the citizens living in District 4 and District 5. The objective was to examine existing facilities, determine future needs by analyzing data on population, transportation, and other relevant criteria; create location recommendations for future facilities; and derive an ability to develop project budgets for future facilities. The results of the study determined that the County should look to create a Senior Center facility in District 4. This area was determined to be the most geographically dispersed and is currently the most underserved area for senior services and for access to aquatic facilities. The proposed District 4 Senior Center will include a 3,500 sq. ft. therapeutic pool with lap lanes for active seniors. The pool amenities will include locker rooms, bathrooms and showers.

The HUD Section 108 Loan Guarantee, if approved by HUD, would provide \$7.8 million to enable DeKalb County to construct a new state of the art Senior Center facility with pool. The HUD Section 108 Loan Guarantee program provides communities with a source of financing for economic development, public facilities, housing, and other physical development projects. This project is consistent with the DeKalb County Community Development 2014-2018 HUD Consolidated Plan. .

The County is authorized to enter into the HUD Section 108 Loan Guarantee Program pursuant to Georgia Constitution Article III, Section VI, Paragraph II(a)(3) and O.C.G.A. 36-87-1, 2.

FISCAL IMPACT:

For budgeting purposes, at an estimated interest rate of 3.6% for 20 years, the annual repayment amount is \$547,664. The source of the repayment will be County General funds. The \$7.8 million HUD Section 108 Loan Guarantee will have a "Fixed Rate Note". HUD requires collateral for the loan and we are recommending that the land, improvements thereof, equipment and the facility upon completion be pledged as collateral. The required collateral will be a sole first priority lien on the property with an estimated fair market value of no less than \$9,750,000 or 125% of the HUD Section 108 Loan. In the event the property does not appraise at the required amount, additional County assets will have to be pledged to HUD to cover the shortfall in the coverage ratio .

RECOMMENDATION:

To consider approving and authorizing the Chief Executive Officer to execute and submit a HUD Section 108 Loan Application in the amount of \$7,836,375 for the Design, Engineering, and Construction of a Senior Center with Pool in Districts 4 & 7.