



DeKalb County Government

Manuel J. Maloof Center
1300 Commerce Drive
Decatur, Georgia 30030

Legislation Text

File #: 2018-2840, **Version:** 1

Public Hearing: YES ☐ NO ☒

Department: Community Development

SUBJECT:

Commission District(s): Districts 4 and 7

Acceptance of \$7,840,000 HUD Section 108 Loan Guarantee for the Design, Engineering, and Construction of a Community and Senior Center in Districts 4 and 7

Information Contact: Allen Mitchell

Phone Number: (404) 371-2438

PURPOSE:

To consider approving and authorizing the Chief Executive Officer to execute the HUD Funding Approval/ Agreement for a \$7,840,000 HUD Section 108 Loan Guarantee for Design, Engineering and Construction of a state of the art Community and Senior Center with pool.

NEED/IMPACT:

On June 12, 2018 the Board of Commissioners approved the submission of an application for a HUD Section 108 Loan for the Design, Engineering, and Construction of a Community and Senior Center with Pool in Districts 4 and 7

Acceptance of the HUD Section 108 Loan Guarantee will enable the County to complete this key project.

The proposed new state of the art Districts 4 and 7 Community and Senior Center will include a 3,500 sq. ft. therapeutic pool with lap lanes for active seniors. The pool amenities will include a locker room with changing areas, bathrooms and showers.

FISCAL IMPACT:

The \$7,840,000 HUD Section 108 Loan Guarantee loan has a "Variable/Fixed Rate Note." The County will work with HUD to determine the appropriate timing to convert the note to a "Fixed Rate" obligation. For budgeting purposes, at an estimated interest rate of 3.6% percent for 20 years, the annual repayment amount is approximately \$556,634.01. The source of the repayment will be County General Funds. HUD requires collateral for the loans and we are recommending that the completed center and land is pledged as collateral. The required collateral will have an estimate fair market value of not less than \$9,795,468 or 125% of the total amount of advances of Guaranteed Loan funds to the County. If the completed Community and Senior Center does not appraise for at least \$9,795,468, additional County assets will be pledged to HUD.

RECOMMENDATION:

To approve and authorize the Chief Executive Officer to perform all due diligence, execute the HUD Funding Approval /Agreement and Note, for a \$7,840,000 HUD Section 108 Loan Guarantee; and authorize the Chief Executive Officer to execute all other necessary documents.