

AT A SPECIAL MEETING OF THE BOARD OF SUPERVISORS OF THE COUNTY OF JAMES CITY, VIRGINIA, HELD ON THE THIRTY-FIRST DAY OF MARCH, NINETEEN HUNDRED EIGHTY-THREE AT 7:10 P.M. IN THE COUNTY GOVERNMENT CENTER BOARD ROOM, 101 MOUNTS BAY ROAD, JAMES CITY COUNTY, VIRGINIA.

A. ROLL CALL

Perry M. DePue, Chairman, Powhatan District
 Abram Frink, Jr., Vice-Chairman, Roberts District
 Jack D. Edwards, Berkeley District
 Thomas D. Mahone, Jamestown District
 Stewart U. Taylor, Stonehouse District

James B. Oliver, Jr., County Administrator
 John E. McDonald, Assistant to the County Administrator
 Frank M. Morton, III, County Attorney

Mr. Oliver asked the Board of Supervisors to consider a Resolution and Agreement for the CDBG Loan Program, an item deferred from March 28.

Mr. Frink moved for the approval of the Resolution and Agreement. On a roll call the vote was AYE: DePue, Frink, Edwards, Mahone, Taylor (5). NAY: (0).

R E S O L U T I O N

HOUSING REHABILITATION PROGRAM CDBG LOAN PROGRAM AGREEMENT

WHEREAS, the Housing and Community Development Acts of 1977 and 1980, as amended, provide James City County, Virginia with Federal assistance in the form of Community Development Block Grant Funds to carry out eligible community development activities under said acts; and

WHEREAS, James City County has elected to perform housing rehabilitation activities including the provision of loans and grants to property owners within the County's Community Development Block Grant areas and has established procedures for same; and

WHEREAS, the Virginia Housing and Development Authority is willing to assist the County in performing these housing rehabilitation activities, particularly in the provision of loan financing and services to eligible property owners;

THEREFORE, BE IT FURTHER RESOLVED that the Board of Supervisors authorize and direct the County Administrator to execute the Virginia Housing Development Authority CDBG Loan Program Agreement and to perform such duties as may be necessary to implement same.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

JAMES CITY COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT

LOAN PROGRAM AGREEMENT

THIS AGREEMENT made and entered into as of the 1st day of April, 1983, by and between VIRGINIA HOUSING DEVELOPMENT AUTHORITY, a political

subdivision of the Commonwealth of Virginia (hereinafter referred to as the "Authority") and James City County, Virginia (hereinafter referred to as the "County").

WITNESSETH:

WHEREAS, pursuant to the Virginia Housing Development Authority Act, as amended, being Chapter 1.2 of Title 36 of the Code of Virginia, 1950, as amended, (hereinafter referred to as the "Act"), the Authority is authorized in the furtherance of its stated purposes to make loans to eligible borrowers of low and moderate income, to receive and accept aid, grants, contributions, and cooperation of any kind from any source, and to enter into agreements with any locality to assist in the administration of loan programs involving the rehabilitation of residential housing, however funded; and

WHEREAS, the County intends to establish a loan program utilizing Community Development Block Grant ("CDBG") funds in order to serve low and moderate income families and individuals within certain designated low and moderate income target neighborhoods (the "Program") using certain services, facilities, and expertise of the Authority in the making of such loans.

NOW, THEREFORE, in consideration of the warranties, covenants and commitments herein contained, the parties hereto agree as follows:

1. The Authority hereby agrees to perform the functions enumerated hereinbelow for or on behalf of the County in connection with the Program:

- a. The Authority will review, prior to the closing of the loans, all loan documents forwarded to it by the County.
- b. The Authority will prepare the promissory notes and security instruments which will be used in the Program. If approved, the Authority will issue a CDBG Loan Commitment to the borrowers and will return the loan documents to the Closing Attorney for execution by the borrowers.

2. The County shall, upon the direction of the Authority, and pursuant to agreement between the County and the Authority, perform the following functions in connection with the Program:

- a. Establish a CDBG Loan Account into which the County may deposit the CDBG funds with which Program Loans will be made.
- b. Issue checks payable jointly to the borrowers and the approved contractor representing the proceeds of the CDBG Loans.
- c. Deposit and retain all loan repayments in the County's CDBG Account to be used to make additional CDBG Loans.
- d. Keep an accurate account of all loans and all sums committed to borrowers in connection with the Program.

3. The compensation to be paid to the Authority by the borrower for the Authority's services to be performed hereunder shall be equal to seventy-five dollars (\$75.00) per closed loan and shall be paid from loan proceeds, payable at closing. A services fee of \$5.00 per loan per month shall be paid by the borrower, which fee shall be added to the borrower's monthly payment.

4. The County hereby agrees to undertake the following duties in connection with the Program:

- a. Develop all policies necessary for the implementation of the Program.
- b. Accept all liability for the conduct of the Program and responsibility for monitoring compliance with the terms and conditions of the Program and Federal requirements, including but not limited to, the following:
 - i. Flood disaster protection;

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- ii. Equal Employment Opportunity;
 - iii. Lead-based paint hazards;
 - iv. Clean Air Act provisions; Federal Water Pollution Control Act provisions;
 - v. Federal Labor Standards provisions;
 - vi. Nondiscrimination under Title VI of the Civil Rights Act of 1964;
 - vii. Obligations with respect to third party relationships such as contractors, loan applicants, prospective mortgagors, and credit reporting agencies directly involved in the origination of these loans;
 - viii. Interests of federal officials;
 - ix. Interests of members, officers or employees of grantee, members of local governing body, or other public officials; and
 - x. Prohibition against payments of bonus or commission.
- c. Indemnify and hold the Authority harmless for any loss or liability the Authority may incur to third persons in the Authority's performance of its duties under this Agreement, provided however, the liability shall not exceed the sum of five million for each occurrence or five million aggregate; and provided further that liability for property damage shall be limited to fifty thousand for each occurrence.
- d. Deposit funds as are determined by the Authority to be necessary for the closing of CDBG Loans into an account established by the County for that purpose.
- e. Receive applications and referrals for James City County CDBG Loans. Each applicant for each loan shall have furnished the following:
- 1. Application.
 - 2. Employment and Income verification.
 - 3. Cost of work to be performed.
 - 4. Details of work to be performed.
 - 5. Contract executed by the Contractor selected to perform the work.
 - 6. A credit report on the applicant or applicants, an appraisal of the property for which rehabilitation is being sought, and a title search of said property.
- f. Review all information in (e) 1 through 6 above, in an effort to determine the applicant's qualification for a loan and establishing an interest rate for the loan. In making this determination, the County shall use the County Rehabilitation Loan and Grant Guidelines and Underwriting Criteria attached hereto and made a part hereof.
- g. Upon review of all information, the County shall make a decision regarding the applicant's eligibility for a James City County CDBG Loan, and if eligible the County shall forward all documentation to the Authority for loan commitment.
5. The servicing of Program Loans shall be performed by VHDA.

6. In the event of misrepresentation, fraud or collusion by the County on any CDBG Loan made under this Agreement, the County will have no longer than thirty (30) days (from the date of written notification by VHDA) to remedy the problem to VHDA's satisfaction. If said problem is not remedied within (30) days to VHDA's satisfaction, the County hereby agrees to accept assignment of the note and deed of trust from VHDA immediately thereafter.

7. In the event that it becomes necessary for VHDA to institute foreclosure proceedings on any CDBG Loan made pursuant to this Agreement, the County hereby agrees to reimburse VHDA for any reasonable expenses incurred as a result of such proceedings. These expenses will include, but not be limited to, such items as court costs, appraisal fees, attorney's fees, hazard insurance, taxes, necessary repairs, sales commissions, etc. Such reimbursement should be made within a reasonable time and no longer than sixty (60) days from billing by VHDA.

8. This Agreement and all of the responsibilities of the parties hereunder shall terminate on March 31, 1984, and in addition to the provisions of this paragraph and those set forth in paragraph 6 above, this agreement may be terminated by VHDA upon sixty (60) days written notice if VHDA determines the implementation of the program is not being carried out in a manner consistent with VHDA's best interest; provided, however, VHDA shall not act in an unreasonable manner in terminating this agreement; this agreement may be terminated by the County for any reason upon thirty (30) days written notice to VHDA.

9. This document contains the entire agreement between the parties hereto. Any amendment hereto shall be in writing and executed on behalf of both parties hereto. The invalidity of any portion of this Agreement shall in no way affect the balance thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, by their duly authorized representatives, as of the date first above written.

At that time the budget work session began with a discussion of the following:

1. Commonwealth's Attorney (with Mr. William Person)
2. Library (with Mr. Lou Vosteen and Mrs. Martha Vasquez)
3. Social Services (with Mrs. Ann Yankovich and Mr. John Holdren)
4. Police Department
5. Travel/Conference Expenses
6. County & Authority Capital Projects

Mr. Edwards made a motion to adjourn until 5:00 P.M., Monday, April 11th. On a roll call the vote was AYE: DePue, Frink, Edwards, Mahone, Taylor (5). NAY: (0).

The Board of Supervisors meeting **ADJOURNED** at 10:45 P.M.


James B. Oliver, Jr.
Clerk to the Board

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