

FORSYTH COUNTY
BOARD OF COMMISSIONERS

Briefing

MEETING DATE: APRIL 2, 2020

AGENDA ITEM NUMBER: 7

Draft

**SUBJECT: RESOLUTION AUTHORIZING FORSYTH COUNTY TO REMIT A PORTION OF PROGRAM INCOME GENERATED FROM THE CDBG NEIGHBORHOOD STABILIZATION PROGRAM TO THE NORTH CAROLINA DEPARTMENT OF COMMERCE
(COMMUNITY & ECONOMIC DEVELOPMENT)**

COUNTY MANAGER'S RECOMMENDATION OR COMMENTS:

SUMMARY OF INFORMATION:

In August 2009, Forsyth County applied for and received a Neighborhood Stabilization Program (NSP), Community Development Block Grant from the NC Department of Commerce, Division of Community Assistance, that was used to provide down payment assistance for first-time homebuyers, finance the acquisition of subdivisions for Habit for Humanity, and assist with the development of the Enclave and Enclave II, affordable housing units. The County's total NSP grant funding was \$4,925,000 including an initial grant award of \$2,625,000 and \$2,300,000 in subsequent awards.

Forsyth County collects program income from clients who received down payment assistance and have subsequently sold their homes. The NC Department of Commerce has recently provided guidance that Forsyth County must remit 5% of program income collected to date generated from the NSP grant activities, which amounts to \$8,052.42, and going forward, must remit all program income less than \$100,000 accumulated in each quarter, to the NC Department of Commerce and in any quarter where more than \$100,000 in Program Income is collected, the County may retain and use funds exceeding \$100,000 on eligible projects if they are approved by the NC Department of Commerce, but must otherwise remit all funds. This Resolution approves the County remitting 5% of current program income as well as future program income to the NC Department of Commerce in accordance with the guidance provided.

ATTACHMENTS:- YES NO

SIGNATURE: _____ DATE: _____
 COUNTY MANAGER

**RESOLUTION AUTHORIZING FORSYTH COUNTY TO REMIT A
PORTION OF PROGRAM INCOME GENERATED FROM THE CDBG
NEIGHBORHOOD STABILIZATION PROGRAM TO THE
NORTH CAROLINA DEPARTMENT OF COMMERCE
(COMMUNITY & ECONOMIC DEVELOPMENT)**

WHEREAS in August 2009, Forsyth County applied for and received a Neighborhood Stabilization Program (NSP), Community Development Block Grant (CDBG) from the North Carolina Department of Commerce, Division of Community Assistance, in the amount of \$2,625,000 and has subsequently received an additional \$2,300,000 in NSP funding to assist with providing affordable housing;

WHEREAS the Department of Community & Economic Development used the NSP funds to assist first-time homebuyers in Forsyth County with down payment assistance, finance the acquisition of subdivisions for redevelopment by Habitat for Humanity, and assist with the development of the Enclave and Enclave II affordable housing units;

WHEREAS the Department of Community & Economic Development has received program income from clients who were assisted and later sold their homes, and may receive additional program income from clients in the future; and

WHEREAS the NC Department of Commerce has recently provided guidance that Forsyth County must remit 5% of program income collected to date generated from the NSP grant activities, which amounts to \$8,052.42, and going forward, must remit all program income less than \$100,000 accumulated in each quarter, to the NC Department of Commerce and in any quarter where more than \$100,000 in Program Income is collected, the County may retain and use funds exceeding \$100,000 on eligible projects if they are approved by the NC Department of Commerce, but must otherwise remit all funds;

NOW, THEREFORE, BE IT RESOLVED, that the Forsyth County Board of Commissioners hereby authorizes the Department of Community & Economic Development to remit \$8,052.42 and any future program income received from clients that have been assisted with NSP funds to the North Carolina Department of Commerce in accordance with the guidance provided by the North Carolina Department of Commerce.

Adopted this 2nd day of April 2020.



ROY COOPER
Governor

ANTHONY M. COPELAND
Secretary

KENNY FLOWERS
Assistant Secretary

February 11, 2020

Mr. Dan Kornelis
Director of Community and Economic Development
201 N, Chestnut Street
Winston-Salem, North Carolina 27101

Re: NSP Grant 08-N-1889

Dear Mr. Kornelis:

This correspondence is in reference to the above NSP grant. Forsyth County has received \$4,925,000.00 in grant funds and has been a recipient of Program Income (PI) funds over the life of the grant. The original agreement as well as the amended agreement required a remittance of a percentage of PI funds. The most recent agreement had the following language:

The Department of Commerce allowed grantees to continue to carry out NSP eligible activities beyond the original contract date to ensure that each grantee was able to complete its NSP projects. This Grant addendum is for the expressed purpose of amending the original grant timeline, provide guidance for unutilized funds, and program income earned.

As of the date of this notification, all unexpended grant funds will be de-obligated and as indicated in the Grant Addendum, all program income less than \$100,000.00 must be returned to the NC Department of Commerce. Going forward each grantee is allowed to retain any program income that exceeds \$100,000 accumulated in each quarter. However, these funds cannot be expended without an approved project plan and release of any conditions pertaining to that project. Prior to commitment of funds, the recipient will need to send a written request to the Neighborhood Stabilization Coordinator outlining the specifics of the project and also requesting the environmental determination for the project. As is indicated in the Grant Addendum, all program income less than \$100,000 that is accumulated in each quarter, must be returned to the State by the 10th of each month following the end of that quarter.

Based on information that we have received from you, the county has at least \$161,048.46 of PI funds on hand. The County needs to remit five percent (\$8,052.42) of that amount to NC Commerce as soon as possible.