

**CITY OF ATLANTA  
CONSORTIUM AGREEMENT**

**THIS CONSORTIUM AGREEMENT** (this "Agreement") is made and entered into this 15<sup>th</sup> day of July, 2009, by and between the City of Atlanta, a municipal corporation of the State of Georgia (the "City"), The Atlanta Development Authority, a public non-profit and Atlanta Neighborhood Development Partnership, a private non-profit (collectively, the "Consortium").

**WITNESSETH:**

**WHEREAS**, under the American Recovery and Reinvestment Act (the Recovery Act) of 2009 for additional activities under Division B, Title III of the Housing and Economic Recovery Act, 2008, \$1.93 billion has been appropriated nationally to fund the CDBG Neighborhood Stabilization Program 2 (NSP2) for emergency assistance for redevelopment of abandoned and foreclosed homes and residential properties; and

**WHEREAS**, the Consortium Members desire to enter into a consortium in connection with their application for NSP2 funds (the "Consortium"); and

**WHEREAS**, the Consortium Members are ready, willing and able to implement such activities; and

**WHEREAS**, the Consortium Members desire to cooperatively implement program activities as described in their application for NSP2 funds.

**NOW, THEREFORE**, in consideration of the premises, and the mutual covenants and obligations herein contained, the Consortium Members agree as follows:

**THE CONSORTIUM MEMBERS AGREE:**

1. **Basic Objectives:** The Consortium Members agree to work cooperatively in implementing program activities as described in their application for NSP2 funds in connection with the Notice of Funds Availability for NSP2 issued by the Department of Housing and Urban Development ("HUD") on May 4, 2009. A copy of the Consortium's application for NSP2 funds is attached hereto as **Exhibit A**.

2. **Time of Performance:** This Agreement shall begin on July \_\_\_, 2009, and end on July \_\_\_, 2013, unless such time is extended by written agreement of the parties, executed in the same manner as this Agreement. The term of this Agreement and the provisions herein shall automatically be extended to cover any additional time period during which any Consortium

Member remains in control of NSP2 funds or other NSP2 assets, including program income, resulting from the Consortium's NSP2 program.

**3. Appointment of Lead Member:** The Consortium Members hereby appoint the City to serve as Lead Member of the Consortium.

**4. Responsibilities of Lead Members:** The Lead Member assumes the responsibility of acting in a representative capacity for all Consortium Members as required by HUD in its Notice of Funds Availability for NSP2. The Lead Member further assumes responsibility for ensuring the Consortium's NSP2 program is carried out in compliance with all statutory and regulatory requirements applying to the use of NSP2 funds and insubstantial compliance with the Consortium's NSP2 application.

**5. Maintenance and Examination of Records:** Each Consortium Member assumes the responsibility of maintaining such records as are required by HUD and as are necessary for the Lead Member to ensure compliance of the Consortium's NSP2 program with all applicable requirements and with the Consortium's NSP2 application. The Consortium Members agree that any duly authorized representative of the Lead Member shall, until the expiration of five (5) years after the expiration of this Agreement, or such longer period as may be required due to an audit find, upon reasonable notice, have access to and the right to examine any books, documents, papers, and records of the Consortium Members, involving transactions related to the Consortium's NSP2 program.

**6. Funding Agreements:** Provided that the Consortium's NSP2 application is deemed fundable by HUD, Consortium Members hereby agree to execute a Consortium Funding Agreement, as required by the Notice of Funding Availability for NSP2 funds, no later than December 1, 2009.

**7. Responsibility of the City, as a Local Government:** The City as a unit of general local government is hereby authorized to assume all responsibility for environmental review, decision-making, and action for proposed projects within its jurisdiction on behalf of the Consortium in accordance with the requirements of 24 CFR Part 58.

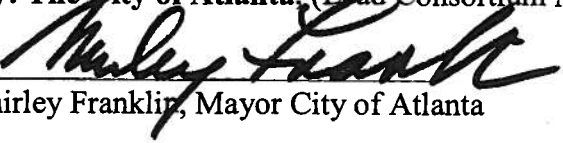
**8. Legal Authority:**

A. Each Consortium Member assures and guarantees that it possesses the legal authority, pursuant to any proper, appropriate and official motion, resolution or action passed or taken, to enter into this Agreement.

B. The persons signing and executing this Agreement on behalf of Consortium Members do hereby represent and warrant that he/she or they have been fully authorized by their respective Consortium Member to execute this Agreement on behalf of the Consortium Member and to validly and legally bind the Consortium Member to all the terms, performances and provisions herein set forth.

**In Witness Whereof**, the parties hereto have executed this Agreement as of the date first above written.

**By: The City of Atlanta, (Lead Consortium Member)**

  
Shirley Franklin, Mayor City of Atlanta

In Witness Whereof, the parties hereto have executed this Agreement as of the date first above written.

**THE ATLANTA DEVELOPMENT  
AUTHORITY**, a public body corporate  
and politic of the State of Georgia

Peggy McCormick  
Peggy McCormick, President

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**In Witness Whereof**, the parties hereto have executed this Agreement as of the date first above written.

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By: Atlanta Neighborhood Development Partnership, Inc.

Name:

John Callaghan  
John Callaghan  
President & CEO

**A SUBSTITUTE RESOLUTION BY  
COMMUNITY DEVELOPMENT / HUMAN RESOURCES COMMITTEE .**

**09-R-1127**

**RESOLUTION AUTHORIZING THE MAYOR TO APPLY FOR AND ACCEPT A COMPETITIVE GRANT UP TO \$75,000,000.00 FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT UNDER THE CDBG NEIGHBORHOOD STABILIZATION PROGRAM 2 (NSP2); TO ENTER INTO A CONSORTIUM AGREEMENT WITH THE ATLANTA DEVELOPMENT AUTHORITY, ATLANTA NEIGHBORHOOD DEVELOPMENT PARTNERS (IN COLLABORATION WITH MACALLAN GROUP AND NORSOUTH COMPANIES) AND THE INTEGRAL DEVELOPMENT, LLC; AND FOR OTHER PURPOSES**

**WHEREAS**, under the American Recovery and Reinvestment Act (the Recovery Act) of 2009 for additional activities under Division B, Title III of the Housing and Economic Recovery Act, 2008, \$1.93 billion has been appropriated nationally to fund the CDBG Neighborhood Stabilization Program 2 (NSP2) for emergency assistance for redevelopment of abandoned and foreclosed homes and residential properties; and

**WHEREAS**, the NSP2 funds must only be used in accordance with the regulations and requirements under the American Recovery and Reinvestment Act (the Recovery Act) of 2009 under Division B, Title III of the Housing and Economic Recovery Act, 2008; and

**WHEREAS**, The NSP2 funds must be used to address the low and moderate income CDBG national objective with at least 25% of the funds received be spent on housing for persons at or below 50% of the area median income; these funds also can be spent on housing for persons at 51-80 percent of area median income and 81-120 percent of area median income; and

**WHEREAS**, the following eligible activities can be undertaken under NSP2:

- Financing Mechanisms to purchase and redevelop abandoned and foreclosed properties;
- Purchase and rehabilitation of abandoned and foreclosed properties to re-sell or rent
- Establish and maintain land bank of foreclosed homes
- Demolish blighted structures
- Redevelopment of demolished or vacant properties

**WHEREAS**, definitions of properties under the Neighborhood Stabilization Program include:

- Abandoned- a home is abandoned when mortgage or tax foreclosure proceedings have been initiated for that property, no mortgage or tax payments have been made by the property owner for at least 90 days, and the property has been vacant for at least 90 days;
- Foreclosed- a property "has been foreclosed upon" at the point that, under state and local law, the mortgage or tax foreclosure is complete. HUD generally will not consider a foreclosure to be complete until after the title for the property has been transferred from the former homeowner under some type of foreclosure proceeding or transfer in lieu of foreclosure, in accordance with state or local law.

**WHEREAS**, the minimum request is \$5,000,000 and the NSP2 project does not require local matching funds.

**WHEREAS**, the NSP2 funds will be awarded through competition, whose eligible applicants include states, units of general local government, nonprofits, and consortia of nonprofits; and

**WHEREAS**, the City proposes to submit a consortium application with the Atlanta Development Authority, Atlanta Neighborhood Development Partnership (in collaboration with the MaCallan Group and NorSouth Companies) and the Integral Development LLC as project partners; and

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA, as follows:**

**Section 1:** That the Mayor or her designee is hereby authorized to apply and accept up to \$75,000,000.00 under the CDBG Neighborhood Stabilization Program 2 (NSP2) by submitting to the U.S. Department of Housing and Urban Development.

**Section 2:** That the Mayor or her designee is hereby authorized to enter into a consortium agreement for the purposes of NSP2 with the Atlanta Development Authority, Atlanta Neighborhood Development Partnership (in collaboration with the MaCallan Group and NorSouth Companies) and the Integral Development LLC.

**Section 3:** That all resolutions and parts of resolution in conflict with this resolution are hereby repealed.

**09-1127**  
 (Do Not Write Above This Line)

A RESOLUTION BY  
 COMMUNITY DEVELOPMENT AND HUMAN  
 RESOURCES COMMITTEE

RESOLUTION AUTHORIZING THE MAYOR  
 TO APPLY FOR AND ACCEPT A  
 COMPETITIVE GRANT IN AN AMOUNT NOT  
 TO EXCEED THIRTY MILLION DOLLARS  
 AND NO CENTS (\$30,000,000.00) FROM THE  
 U.S. DEPARTMENT OF HOUSING AND URBAN  
 DEVELOPMENT (HUD) UNDER THE  
 COMMUNITY DEVELOPMENT BLOCK  
 GRANT (CDBG) NEIGHBORHOOD  
 STABILIZATION PROGRAM 2 (NSP2); TO  
 ENTER INTO A CONSORTIUM AGREEMENT  
 WITH THE ATLANTA DEVELOPMENT  
 AUTHORITY (ADA), DEVELOPER "X" AND  
 DEVELOPER "Y" AS PART OF THE NSP2  
 APPLICATION PROCEDURES; AND FOR  
 OTHER PURPOSES

**ADOPTED BY**

JUL 06 2009

**UBSSTITUTE COUNCIL**

- CONSENT REFER
  - REGULAR REPORT REFER
  - ADVERTISE & REFER
  - 1st ADOPT 2nd READ & REFER
  - PERSONAL PAPER REFER
- Date Referred \_\_\_\_\_  
 Referred To: \_\_\_\_\_  
 Date Referred \_\_\_\_\_  
 Referred To: \_\_\_\_\_  
 Date Referred \_\_\_\_\_  
 Referred To: \_\_\_\_\_

First Reading

Committee \_\_\_\_\_  
 Date \_\_\_\_\_  
 Chair \_\_\_\_\_  
 Referred To \_\_\_\_\_

Committee <i>CP/HK</i> Date <i>6/13/09</i> Chair <i>[Signature]</i> Action <i>[Signature]</i> Fav, Adv, Hold (see rev. side) _____ Other _____ Members <i>[Signature]</i>	Committee _____ Date _____ Chair _____ Action _____ Fav, Adv, Hold (see rev. side) _____ Other _____ Members _____
Refer To _____ Committee _____ Date _____ Chair _____ Action _____ Fav, Adv, Hold (see rev. side) _____ Other _____ Members _____	Refer To _____ Committee _____ Date _____ Chair _____ Action _____ Fav, Adv, Hold (see rev. side) _____ Other _____ Members _____

- FINAL COUNCIL ACTION
- 2nd
  - 1st & 2nd
  - 3rd
- Readings
- Consent
  - V Vote
  - RC Vote

CERTIFIED

**CERTIFIED**  
 JUL 06 2009

*[Signature]*  
 MUNICIPAL CLERK

**CERTIFIED**  
 JUL 06 2009

*[Signature]*  
 MUNICIPAL CLERK

**APPROVED**  
 JUL 07 2009

*[Signature]*  
 MAYOR