

DATE: October 15, 2010

TO: Federal Housing Finance Agency (FMHA)

FROM: Faye Godwin, City Council

City of Chattahoochee Hills, Chattahoochee Hills, Georgia 30268

SUBJECT: Guidance on Private Transfer Covenants (No. 2010-N-11)

Chattahoochee Hills, in southern Fulton County, Georgia, is a three year old city encompassing approximately 60,000 acres southwest of Atlanta, Georgia. Bordered on the northwest side by the Chattahoochee River, unlike the rest of metro Atlanta, it is still relatively underdeveloped and most of its rural character remains unchanged. To help protect the rural character and natural resources of the city, community-wide standards have been established to provide design and open space requirements. Our Master Plan is a Model Sustainable Village concept utilizing villages and hamlets to conserve green space.

Chattahoochee Hills encompasses a lifestyle and landscape that is all but extinct in the rapidly urbanizing Metropolitan Atlanta Region. The City has worked diligently with residents, Fulton County, the State and Federal Governments and other nonprofits to implement policies, regulations and programs to enhance the livability of this beautiful and cohesive community. We are considered a living laboratory for balanced, smart growth practices and have served as a model for other areas in the region, in the State of Georgia and in the Nation.

Chattahoochee Hills's first developed hamlet, Serenbe, utilizes the Private Transfer Fee (PTF) to enhance its programs in visual and performing arts, as well as major initiatives in learning, health and wellness and community building.

As leaders in local government, we recognize that Private Transfer Fees often fund programs that encourage partnerships between communities and local governments and many times these partnerships provide benefits for not only the PTF area but for the entire community, such as public green space and cultural opportunities. These partnerships assist struggling local governments in meeting community goals that are above essential services and increase the overall quality of life.

The elimination of the PTF could lead to the elimination of current programs that contribute to the overall value of communities. In the current economic climate, with loss of home values

rampant, communities are trying to find creative ways to add value and attract residents and businesses in other ways. PTF funded programs are critical elements to this added-value concept.

The combination of a PTF program that has been successful in adding value to a community and the subsequent elimination of the ability to collect the funds to continue the program could potentially lead to the local government having to fill the funding gap to continue the program services to the community. Local governments are struggling to provide just the basic essential services, leaving areas currently funded by Private Transfer Fees vulnerable to lack of resources to continue.

The unintended consequences of the elimination of Private Transfer Fee programs could become a significant hardship on local governments already in distress due to declining property values and tax revenue. Taking away the ability to add value back to properties and assist in bringing collective health back to communities just doesn't make sense.

We encourage you to reject the proposed regulation or narrow its scope to exempt fees to 501(c)(3) or 501 (c)(4) organizations, conservancy organizations or homeowner associations.