

ORIGINAL
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RESOLUTION NO.: R-2018-068

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLUMBIA, SOUTH CAROLINA, APPROVING THE ISSUANCE BY THE PUBLIC FINANCE AUTHORITY OF NOT TO EXCEED \$15,500,000 PUBLIC FINANCE AUTHORITY MULTIFAMILY HOUSING REVENUE BONDS, IN ONE OR MORE SERIES, PURSUANT TO SECTION 147(F) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, 2018 IAVF Riverside LLC, a South Carolina limited liability company, or its successors or assigns (the "Company"), has represented to the City Council of the City (the "City Council") that it desires to finance or coordinate the financing of the acquisition and renovation of (1) a multifamily residential rental facility for individuals and families of low or moderate income located within the corporate limits of the City of Columbia, South Carolina (the "City"), located at 3245 Lucius Road, Columbia, South Carolina and known as Riverside Apartments (the "Riverside Project") and (2) two additional multifamily residential rental properties located in Utah and Louisiana, respectively (the "Other Projects" and together with the Riverside Project, the "Projects"); and

WHEREAS, the Company has further represented to the City Council that substantial cost savings would be recognized by financing the Projects through a single plan of financing consisting of the issuance by the Public Finance Authority (the "Issuer"), a Wisconsin bond issuing commission created under Sections 66.0301, 66.0303 and 66.0304 of the Wisconsin Statutes (the "Act"), of its multifamily housing revenue bonds, in one or more series, in the aggregate principal amount not to exceed Fifteen Million Five Hundred Thousand and No/100 (\$15,500,000.00) Dollars (the "Revenue Bonds") to finance the Projects; and

WHEREAS, the Company has further represented to the City Council that a portion of the proceeds of the Revenue Bonds would be used for the purpose of (a) financing the cost of acquisition and renovation of the Riverside Project and (b) paying certain costs of issuance of the Revenue Bonds, and the balance of the proceeds of the Revenue Bonds would be used to finance the Other Projects; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended, including the U.S. Treasury Regulations promulgated thereunder (collectively, the "Code"), requires as a condition of exclusion from gross income for federal income tax purposes of the interest on private activity bonds, that the issuance of private activity bonds, as defined in Section 141(a) of the Code, such as the Revenue Bonds be approved, after a public hearing following reasonable public notice, by the governmental unit on behalf of which such bonds are to be issued and the governmental unit having jurisdiction over the area in which the bond financed property is located; and

WHEREAS, the City Council constitutes the elected legislative body of the City and the Company has represented to the City Council that it is the applicable elected representative required to approve the issuance of the Revenue Bonds for the purpose of financing the Riverside Project within the meaning of Section 147(f) of the Code; and

WHEREAS, the Company has represented to the City Council that the Issuer, as the issuer of the Revenue Bonds, has approved or will approve prior to the issuance of the Revenue Bonds, the issuance of the Revenue Bonds and the financing of the Projects consistent with all applicable requirements of federal and state law (including but not limited to Section 147(f) of the Code); and

WHEREAS, the Company has requested the City Council, pursuant to Section 147(f) of the Code and Section 66.0304(11)(a) of the Act, to approve the issuance by the Issuer of the Revenue Bonds for the purpose of providing funds to the Company to finance the Riverside Project; and

WHEREAS, on July 27, 2018, the Company published in *The State*, a newspaper of general circulation in the City (the "Jurisdiction"), a notice of public hearing to be held on Tuesday, August 14, 2018, at 6.00 p.m. or as soon thereafter as such matters may be heard in the City Council Chambers of the City Hall of the City of Columbia, 1737 Main Street, Columbia, South Carolina, to consider the issuance by the Issuer of the Revenue Bonds and nature of the Riverside Project to be financed with a portion of the proceeds of the Revenue Bonds; and

WHEREAS, the public hearing so noticed, as indicated by the copy of the notice as it appeared in *The State* attached hereto as Exhibit A, was duly held by the City Council on August 14, 2018, during which hearing members of the public were afforded the opportunity to express their views on the issuance by the Issuer of the Revenue Bonds and the use of a portion of the proceeds thereof to finance the Riverside Project;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Columbia, South Carolina, this 2nd day of October, 2018, as follows:

Section 1. The issuance by the Issuer of the Revenue Bonds in an aggregate amount not to exceed \$15,500,000 for the purpose of providing funds to the Company to finance the Riverside Project is hereby approved pursuant to and in accordance with Section 147(f) of the Code.

Section 2. A hearing open to the public was held on August 14, 2018, for which the Company has represented to the City Council that due and reasonable public notice, being published in *The State* as described above, was given by or on behalf of the Company to the Jurisdiction in accordance with the provisions of applicable law and procedures established therefor.

Section 3. Such approval by the City Council shall not be construed as (i) an endorsement of the creditworthiness of the Issuer, the Company or the financial viability of the Riverside Project, (ii) a recommendation to any prospective purchaser to purchase the Revenue Bonds, (iii) an evaluation of the likelihood of the repayment of the debt service on the Revenue Bonds, or (iv) approval of any building or other regulatory permits relating to the Riverside Project, and the City Council shall not be construed by reason of its adoption of this Resolution to make any such endorsement, finding or recommendation, to have waived any rights of the City, or to have caused the City to be estopped from asserting any rights or responsibilities it may have in such regard. Further, the Revenue Bonds shall not constitute an indebtedness of the State of South Carolina,

the City or any political subdivision thereof, but shall be payable solely from revenues of the Company pledged to the payment of the Revenue Bonds. The approval by the City Council of the issuance of the Revenue Bonds by the Issuer to finance the Riverside Project shall not be construed to obligate the City to incur any liability, pecuniary or otherwise, in connection with either the issuance of the Revenue Bonds or the acquisition and renovation of the Riverside Project.

Section 4. This Resolution shall take effect immediately upon its adoption.

Section 5. That the provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision shall, for any reason, be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases or provisions of this Resolution.

Section 6. That all ordinances, resolutions or orders or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby superseded.

Requested by:

Assistant City Manager Palen



Mayor

Approved by:



City Manager

Approved as to form:



City Attorney

ATTEST:



City Clerk

Introduced: 10/2/2018
Final Reading: 10/2/2018

EXHIBIT "A"
NOTICE OF PUBLIC HEARING
RESOLUTION NO.: R-2018-068

You are hereby notified that on the 14th day of August, 2018, at 6:00 p.m. or as soon thereafter as such matters may be heard in the City Council Chamber at the City Hall of the City of Columbia, 1737 Main Street, Columbia, South Carolina 29201, the Mayor and City Council (the "City Council") of the City of Columbia, South Carolina (the "City") will hold a public hearing on the proposed issuance by the Public Finance Authority (the "Issuer") of its multifamily rental housing revenue bonds, in one or more series, in the aggregate principal amount not to exceed \$15,500,000 (the "Revenue Bonds") for the purposes described below.

The proceeds of such Revenue Bonds, when and if issued, will be loaned by the Issuer to 2018 IAVF Riverside LLC, a South Carolina limited liability company (the "Company"). A portion of the proceeds of the Revenue Bonds will be used by the Company to finance the acquisition and renovation of a multifamily residential rental property located at 3245 Lucius Road, Columbia, South Carolina and known as Riverside Apartments (the "Project") and to finance the costs of issuance incurred in connection with the Bonds. The initial owner, operator or manager of the Facility is expected to be the Company.

The public hearing is required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"). The public is invited to present their comments at the time and place set forth above. The hearing is being held for the purpose of affording all taxpayers or residents of the City of Columbia, South Carolina, and other interested persons, an opportunity to express their views, both orally and in writing, on the proposed issuance of the Revenue Bonds by the Issuer and the nature and location of the Project funded with proceeds of the Revenue Bonds. Any person interested in the proposed issuance of the Revenue Bonds by the Issuer or the location or nature of the Project may appear and be heard at the public hearing.

THE REVENUE BONDS WILL NOT CONSTITUTE AN INDEBTEDNESS OF THE STATE OF SOUTH CAROLINA, THE CITY OR ANY POLITICAL SUBDIVISION THEREOF, but will be payable by the Issuer solely from revenues of the Company pledged to the payment of the Revenue Bonds. The Revenue Bonds will not constitute a charge against the general credit of the State of South Carolina, the City or any political subdivision thereof or the taxing powers of the State of South Carolina or the City.

Comments made at the hearing and the meeting are for the consideration of the City Council and will not bind any legal action to be taken by the City Council in connection with the consideration and approval of the issuance of the Revenue Bonds by the Issuer.

PUBLIC FINANCE AUTHORITY
CITY OF COLUMBIA, SOUTH CAROLINA