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RESOLUTION NO. R-2021-108

A Resolution Approving the Issuance by The Housing Authority of the City of Columbia South Carolina of its Not to Exceed \$22,000,000 Multifamily Housing Revenue Notes (Haven at Palmer Pointe Project), 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, Palmer Pointe, LLC, a South Carolina limited liability company, or its successors or assigns (the “Sponsor”), has represented to the City Council (the “City Council”) of the City of Columbia, South Carolina (the “City”) that it desires to finance the costs of acquisition, construction and equipping of an approximately 150-unit new multifamily housing development and ancillary facilities, including but not limited to parking facilities and recreational areas, to be located at 1135 Carter Street, Columbia, SC 29204 (the “Project”); and,

WHEREAS, the Sponsor has further represented to the City Council that substantial cost savings would be recognized by financing the Project through a plan of financing consisting of the issuance by the Housing Authority of the City of Columbia, South Carolina (the “Issuer”) of its multifamily housing revenue notes or bonds, in one or more series, in the aggregate principal amount not to exceed Twenty Two Million and No/100 (\$22,000,000) Dollars (the “Notes”) to finance the Project; and,

WHEREAS, the Sponsor has further represented to the City Council that a portion of the proceeds of the Notes would be used for the purpose of (a) financing the cost of the land acquisition, construction and equipment of the Project and (b) paying a portion of the costs of financing, including certain reserves, capitalized interest and costs of issuance of the Notes; 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 Notes, 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 having jurisdiction over the area in which the bonds financed property is located (the “147(f) Approval”); and,

WHEREAS, the City Council constitutes the elected legislative body of the City and the Sponsor has represented to the City Council that it is the applicable elected representative required to provide the 147(f) Approval with respect to the issuance of the Notes for the purpose of financing the Project; and,

WHEREAS, the Sponsor has requested the City Council, pursuant to Section 147(f) of the Code, to provide the 147(f) Approval and to thereby approve the issuance by the Issuer of the Notes for the purpose of providing funds to the Sponsor to finance the Project; and,

WHEREAS, on August 16, 2021, the Sponsor published in *The State*, a newspaper of general circulation in the City, a notice of public hearing to be held by the Issuer on August 25, 2021, at 9:30 a.m. or as soon thereafter as such matters may be heard by means of a telephonic meeting to consider the issuance by the Issuer of the Notes and the nature of the Project to be financed with a portion of the proceeds of the Notes; and,

WHEREAS, notice of the public hearing was duly published as indicated by the copy of the notice as it appeared in *The State* attached hereto as Exhibit A; and,

WHEREAS, the public hearing was duly held by the Issuer on August 25, 2021, during which public hearing members of the public were afforded the opportunity to express their views on the issuance by the Issuer of the Notes and the use of a portion of the proceeds thereof to finance the Project as indicated by the Certificate as to Telephonic Public Hearing attached hereto as Exhibit B.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Members of the City Council of the City of Columbia, South Carolina, in Council duly assembled:

Section 1. The issuance by the Issuer of the Notes in an aggregate amount not to exceed \$22,000,000 for the purpose of providing funds to the Sponsor to finance the Project is hereby approved pursuant to and in accordance with Section 147(f) of the Code.

Section 2. A hearing open to the public, and conducted telephonically due to the COVID-19 pandemic, pursuant to Internal Revenue Service Rev. Proc. 2020-21 as extended by Rev. Proc. 2020-49, was held on August 25, 2021, for which the Sponsor 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 Sponsor 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 Sponsor or the financial viability of the Project, (ii) a recommendation to any prospective purchaser to purchase the Notes, (iii) an evaluation of the likelihood of the repayment of the debt service on the Notes, or (iv) approval of any building or other regulatory permits relating to the 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 Notes 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 Sponsor pledged to the payment of the Notes. The approval by the City Council of the issuance of the Notes by the Issuer to finance the Project shall not be construed to obligate the City to incur any liability, pecuniary or otherwise, in connection with either the issuance of the Notes or the acquisition, construction or equipping of the 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 the Resolution are, to the extent of such conflict, hereby superseded.

[signature page follows]

Adopted in a meeting duly assembled this 19th day of October, 2021.

Requested by:

Assistant City Manager Gentry



Mayor

Approved by:




City Manager

Approved as to form:

ATTEST:



City Attorney



City Clerk

Introduced: 10/19/2021
Final Reading: 10/19/2021

EXHIBIT A

AFFIDAVIT OF PUBLICATION OF NOTICE OF TELEPHONIC PUBLIC HEARING

EXHIBIT B

CERTIFICATE OF TELEPHONIC PUBLIC HEARING

TO: Teresa Wilson, City Manager

FROM: Cindi Herrera, Chief Development Officer

CC: Ivory Mathews; Missy Gentry; Erica Hammond

DATE: October 11, 2021

RE: **Haven at Palmer Pointe**

This memo serves to provide an overview of the Haven at Palmer Pointe senior housing.

The Haven at Palmer Pointe is the replacement of the Marion Street Highrise Public Housing community and is located at 1135 Carter Street at the corner of Two Notch Road and Carter Street. The project is a public-private partnership between Columbia Housing and Brinshore Development (Northbrook, Illinois). M.B. Kahn Construction Company (Columbia) will serve as the General Contractor with 30% participation of Women and Minority owned sub-contractors.

Palmer Pointe will consist of a total 150 total units, 144 one-bedroom units and 6 two-bedroom units and 4,200 square feet of commercial space. All residential units will have project based rental assistance. The building is three stories on Carter Street side and four stories to the rear parking area. Amenities in the building include a large community room and serving kitchen, exercise room, computer lab, library and various game and meeting rooms. Outdoor amenities include gazebo, pickle ball court and raised gardens. The commercial space is designed to attract medical offices and/or other support services for the seniors and surrounding neighbors.

The project will be financed with Tax Exempt Bonds, Federal and State Low Income Housing Tax Credits and a private mortgage from Chase Bank. Total development costs are \$31,588,139.

The owner of the project is Palmer Pointe, LLC, a South Carolina limited liability company whose sole member is South Carolina Affordable Housing Initiative, Inc., a non-profit instrumentality of Columbia Housing. The Richman Group is the federal tax credit investor and Sugarcreek Capital is the state credit investor. The project will be managed by a third-party private property management company, Southern Development and Management Company.

Columbia Housing is requesting City Council to approve the issuance of Multi-Family Housing Revenue Bonds not to exceed \$22 million dollars to support the construction financing of the project. The TEFRA (Tax Equity and Fiscal Responsibility Act) Public Hearing was held on August 25, 2021. No public comments were received.

This project will provide much needed affordable housing in our community replacing the loss of the former Marion Street Highrise units. The project will provide "priority housing" through the project based rental assistance which will reach residents with incomes below 30% of area median income, making a significant impact on the affordable housing shortage in our community.