



REQUEST FOR COUNCIL ACTION

City of Greenville, South Carolina

Agenda Item No.

16c

TO: Honorable Mayor and Members of City Council
FROM: John F. McDonough, City Manager

Ordinance/First Reading
 Ordinance/Second & Final Reading
 Resolution/First & Final Reading
 Information Only

AGENDA DATE REQUESTED: 11/28/2022

ORDINANCE/RESOLUTION CAPTION:

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRIBUTION AGREEMENT IN SUPPORT OF THE GREENVILLE HOUSING FUND

SUMMARY BACKGROUND:

The Greenville Housing Fund (GHF) is intending to purchase an existing apartment complex in the City, invest in renovations, and re-tenant the property with residents at 50%-80% percent Area Median Income (AMI). In order to satisfy the conditions of one of the few bond purchasers willing to participate in the deal, GHF has asked the City to authorize a Contribution Agreement, which assigns the future FY24 and FY25 City Affordable Housing Contributions totaling \$5 million to the trustee for this debt.

This Resolution indicates City Council support for the City's participation in this deal and authorizes the City staff to work with GHF and their attorneys on finalizing the agreement, which will then be executed by the City Manager on behalf of the City.

IMPACT IF DENIED:

The City will not provide a Contribution Agreement in support of GHF's acquisition of the apartments.

FINANCIAL IMPACT:

The City's planned contributions to GHF in FY24 and FY25 will be utilized to fund the reserve funds associated with this project, subject to future appropriation by City Council.

REQUIRED SIGNATURES

Department Director

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OMB Director

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City Attorney

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City Manager

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A R E S O L U T I O N

AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRIBUTION AGREEMENT IN SUPPORT OF THE GREENVILLE HOUSING FUND

WHEREAS, the city of Greenville (the “City”) supports the creation and preservation of affordable and workforce housing within the City; and

WHEREAS, the City has committed \$14,500,000 in financial support for the Greenville Housing Fund (GHF) since 2017; and

WHEREAS, the City’s FY24-FY27 Capital Improvement Plan (CIP) includes planned funding of \$2,500,000 in annual funding for supporting affordable housing, as recommended by the GVL2040 Comprehensive Plan; and

WHEREAS, GHF is planning to purchase and renovate an existing apartment complex within the City and re-tenant the property with residents at 50%-80% percent of Area Median Income (AMI); and

WHEREAS, due to the unstable and inhospitable condition of the bond market, GHF needs additional support from the City in the form of a Contribution Agreement to provide reserve funds for the planned Bond issuance; and

WHEREAS, the form of the Contribution Agreement and Trust Indenture attendant to the Bonds is still under development by City and GHF staff and attorneys, but the parties have agreed in principal that GHF will utilize the City’s FY24 and FY25 planned annual contributions, subject to Council appropriation during those fiscal years, as deposit to the reserve funds and that the City will have no further obligation to either GHF or the Bond Trustee. All parties have acknowledged that this use is in place of, and not in addition to, the City’s planned annual contributions to support GHF activities;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GREENVILLE, SOUTH CAROLINA:

Section 1. Greenville City Council, recognizing the need for investment in the preservation and generation of affordable housing units through GHF’s efforts, is supportive of City and GHF Staff jointly developing a Contribution Agreement that is acceptable to the City, GHF, and Bond Trustee.

Section 2. City Council is supportive of the use of future GHF allocations to fund the reserve funds associated with this project and Bond issue, subject to future appropriation by the then-sitting Council.

Section 3. The City Manager is authorized to execute the finalized Contribution Agreement on behalf of the City when final language is agreed upon by City and GHF staff and attorneys.

Section 4. This Resolution shall become effective upon date of passage.

RESOLVED THIS _____ DAY OF _____, 2022.

MAYOR

ATTEST:

CITY CLERK