



REQUEST FOR COUNCIL ACTION

City of Greenville, South Carolina

Agenda Item No.

15c

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

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

AGENDA DATE REQUESTED: March 8, 2021

ORDINANCE/RESOLUTION CAPTION:

ORDINANCE TO APPROPRIATE \$50,000 IN FUNDING IN THE MISCELLANEOUS GRANT FUND FROM COMMUNITYWORKS AND TO AUTHORIZE THE CITY MANGER TO EXECUTE A GRANT AGREEMENT PROVIDING FOR THE USE OF THESE FUNDS FOR HOMEBUYER ASSISTANCE FOR LOW-TO-MODERATE INCOME HOME BUYERS

SUMMARY BACKGROUND:

CommunityWorks has a very successful home buyer assistance program that provides up to \$5,000 to low-to-moderate income PRISMA Healthy employees/ potential home buyers to purchase homes within Greenville County. The U.S. Department of Housing and Urban Development (HUD) revised its regulations regarding the manner in which down payment assistance may be given to a home buyer. Non-profit organizations are no longer allowed to grant down payment assistance and record restrictions on the property to protect its investment. HUD does allow government entities to grant down payment assistance and record restrictions on the property to protect the investment for a specific period of time, i.e., 5 years.

CommunityWorks has requested the City's assistance in administering the homebuyer assistance funding. CommunityWorks will continue to recruit and approve qualified low-to-moderate income buyers who wish to purchase a home. The City will manage the down payment assistance program which will allow the City to provide down payment to the buyer at closing and record a 5-year restrictive covenant that recoups a pro rata share of the assistance should the buyer sell the property or no longer occupy the property as his/her primary residence during that period. If funding is recouped, it will be used to assist additional buyers.

CommunityWorks will provide funding up-front to the city of Greenville through installments until the \$50,000 has been satisfied.

IMPACT IF DENIED:

If denied, potential home buyers may not be able to receive down payment assistance to purchase a home.

FINANCIAL IMPACT

City funding will not be used to offer this program.

REQUIRED SIGNATURES

Department Director *Meredith Johnson*
DocuSigned by: 3048A48FF4054A0...
OMB Director *Matt Edgell*
DocuSigned by: 44928BTC67864BE...

City Attorney *Michael Pitts*
DocuSigned by: 5E0F2A267E2D413...
City Manager *John McDonough*
DocuSigned by: FDC2AC15040F440...

A N O R D I N A N C E

TO APPROPRIATE \$50,000 IN FUNDING IN THE MISCELLANEOUS GRANT FUND FROM COMMUNITYWORKS AND TO AUTHORIZE THE CITY MANAGER TO EXECUTE A GRANT AGREEMENT PROVIDING FOR THE USE OF THESE FUNDS FOR HOME BUYER ASSISTANCE FOR LOW-TO-MODERATE INCOME HOME BUYERS

WHEREAS, CommunityWorks has a successful home buyer assistance program that provides down payment and other assistance to low-to-moderate income home buyers to purchase homes in Greenville County; and

WHEREAS, U.S. Department of Housing and Urban Development (“HUD”) regulations prohibit non-profit organizations from recording restrictions on such properties in order to protect their investments but permit government entities to provide assistance and record restrictions on the property for a limited period of time; and

WHEREAS, CommunityWorks has requested the city of Greenville’s assistance in administering its home buyer assistance program; and

WHEREAS, the City will manage the home buyer assistance program, which will allow the City to provide down payment or other assistance to the home buyer at closing and record a five-year restrictive covenant that recoups a pro rata share of the assistance should the home buyer sell the property or no longer occupy the property as his or her primary residence during that period; and

WHEREAS, the City seeks to serve its residents and to provide homeownership opportunities for low-to-moderate income PRISMA Health employees wishing to purchase homes in Greenville County;

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF GREENVILLE, SOUTH CAROLINA, the amount of \$50,000 through installments is appropriated from the Miscellaneous Grant Fund from CommunityWorks Account for the purpose of administering its home buyer assistance program as reflected in the budget sheet attached hereto and incorporated herein as Attachment 1, and to authorize the City Manager to execute a grant agreement in substantially the same form as the “AGREEMENT WITH COMMUNITYWORKS FOR THE HOME BUYER ASSISTANCE PROGRAM” attached hereto and incorporated herein as Attachment 2 providing for the use of these funds for homebuyer assistance for low-to-moderate income home buyers.

DONE, RATIFIED AND PASSED THIS THE _____ DAY OF _____, 2021.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

REVIEWED:

CITY MANAGER

ATTACHMENT 1

BUDGET AMENDMENT					
BUDGET	Miscellaneous Grants		REQUESTED BY		
FISCAL YEAR	2020-21		DATE		
<u>INCREASE</u>			<u>DECREASE</u>		
<u>Description</u>			<u>Description</u>		
<u>Parking Fund</u>					
Local Government / Community Works		50,000			
Special Projects		50,000			
Explanation:	To appropriate \$50,000 in the Miscellaneous Grants fund for a grant from Communityworks for down payment assistance.				
DATE			APPROVED BY		
			City Council/City Manager Camilla Pitman/City Clerk		
FOR OMB POSTING PURPOSES ONLY					
<u>Budget Adjustments</u>		Increase (Decrease)	<u>Journal Entry</u>		
<u>Project Code</u>	<u>Account</u>	<u>Amount</u>	<u>Project Code</u>	<u>Account</u>	<u>Amount</u>
ED3551	128-0000-337.10-25	50,000			
ED3551	128-9020-411.30-14	50,000			
		Total	100,000		
				Total	-
		Prepared By			
		Posted By			
		Date			
			Number		

ATTACHMENT 2

AGREEMENT WITH COMMUNITYWORKS FOR THE
HOME BUYER ASSISTANCE PROGRAM

STATE OF SOUTH CAROLINA

COUNTY OF GREENVILLE

THIS AGREEMENT (the "Agreement") is made and entered into this _____ (the "Effective Date"), by and between the city of Greenville, South Carolina, a municipal corporation and political subdivision of the State of South Carolina (the "City"), and CommunityWorks, a South Carolina non-profit corporation, whose address is 100 West Antrim Drive, Greenville, South Carolina 29607 ("CommunityWorks").

WITNESSETH

WHEREAS, CommunityWorks has a successful home buyer assistance program that provides down payment and other assistance to low-to-moderate income home buyers to purchase homes in Greenville County;

WHEREAS, U.S. Department of Housing and Urban Development ("HUD") regulations prohibit non-profit organizations from recording restrictions on such properties in order to protect their investments but permit government entities to provide assistance and record restrictions on the property for a limited period of time;

WHEREAS, CommunityWorks has requested the City's assistance in administering its home buyer assistance program;

WHEREAS, the City will manage the home buyer assistance program, which will allow the City to provide down payment or other assistance to the home buyer at closing and record a five-year restrictive covenant that recoups a pro rata share of the assistance should the home buyer sell the property or no longer occupy the property as his or her primary residence during that period; and

WHEREAS, the City seeks to serve its residents and to provide homeownership opportunities for low-to-moderate income PRISMA Health employees wishing to purchase homes in Greenville County.

NOW, THEREFORE, for valuable consideration as well as the mutual promises hereafter set forth between the parties hereto, the legal sufficiency of which is hereby acknowledged by the parties, it is agreed as follows:

1. Program Details.

- A. CommunityWorks shall continue to recruit and approve qualified low-to-moderate income home buyers who wish to purchase a home in Greenville County.
- B. CommunityWorks shall determine the amount of financial assistance to be provided to any potential home buyer based on the need of the potential home buyer. CommunityWorks shall qualify buyers based on the guidelines established for the PRISMA Health Home

Buyer Assistance Program, a copy of which is included herein as Attachment I. Any changes to these program guidelines must be approved by the City in writing.

- C. The City, upon notification from CommunityWorks of an approved home buyer with a scheduled real estate closing date, shall provide up to \$5,000.00 in down payment or closing cost assistance to the homebuyer based upon the terms and conditions set forth below. The City shall provide the funds directly to the home buyer's attorney at the real estate closing.
 - D. CommunityWorks shall prepare and execute mortgages, deed restrictions, or covenants on the subject property on forms approved by the City. The City shall be named as mortgagee on all mortgages and any of the aforementioned deed restrictions on covenants shall be for the benefit of the City. The City shall be named as an Additional Loss Payee on all Property Insurance Policies in all mortgage documents including deed restrictions on covenants. A restriction shall be in form of a deferred payment loan executed at the closing with a recapture provision. The restriction must be recorded with Greenville County and a copy submitted to City's Community Development office for record keeping.
 - E. Any recaptured funds shall be considered to be program income and may be utilized by the City in the same manner as the original funds during the term of this Agreement.
2. Term. The term of this Agreement commences on the Effective Date and continues thereafter until June 30, 2022, unless and until sooner terminated as provided herein.
 3. Termination of Agreement. Either party may terminate this Agreement upon 30 calendar days' prior written notice to the other party. Termination of this Agreement shall not relieve either party of any obligation incurred to the other prior to termination
 4. Payment. The total amount of down payment assistance payable by the City to eligible home buyers during the term of this Agreement shall not exceed \$50,000.00, with the maximum amount payable to any one home buyer hereunder not to exceed \$5,000.00. In exchange for the City's management of the down payment assistance program, CommunityWorks shall provide a grant to the City in the amount of \$50,000, which shall be payable in five equal installments at intervals to be invoiced by the City as agreed between the City and CommunityWorks.
 5. Compliance with Laws; Business Licenses. CommunityWorks shall comply with all applicable federal, state, county, and City laws, rules, regulations, codes, and ordinances in the performance of its obligations hereunder, including, but not limited to, the procuring of any necessary business license(s).
 6. Independent Contractor. The parties hereto shall at all times be considered independent contractors hereunder, and neither party nor its employees shall, under any circumstances, be considered employees of the other party. Neither party shall be legally responsible for the negligence or other wrongdoing, either intentional or unintentional, by the other party or its employees.
 7. Insurance. CommunityWorks shall procure and maintain insurance for the duration of this Agreement against any and all claims for injuries to persons or damages to property which may in any way arise from, or in connection with, the performance hereunder by CommunityWorks, its contractors, employees, agents, or representatives. Such insurance shall be in the following minimum amounts:

- a. Commercial General Liability \$1,000,000 per occurrence

The general liability policy is to contain or be endorsed to name City, its officers, officials, and employees as additional insureds as respects the liability arising out of the activities performed under this Agreement. Such coverage shall be primary to the extent of CommunityWorks' negligent acts or omissions or willful misconduct and shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability

- b. Comprehensive Automobile Liability \$1,000,000 per occurrence
c. Workers Compensation Statutory Limits

CommunityWorks shall maintain workers' compensation insurance for all of CommunityWorks' employees who are in any way connected with the performance under this Agreement. Such insurance shall comply with all applicable state laws and provide a waiver of subrogation against the City, its officers, officials, employees, agents, and representatives, unless otherwise approved by the City.

- d. Employers Liability \$500,000/\$500,000/\$500,000

Certificates showing proof of such insurance shall be submitted to the City at inscerts@greenvillesc.gov prior to execution of this Agreement. Further, it shall be an affirmative obligation upon CommunityWorks to advise the City, by email to inscerts@greenvillesc.gov, within two business days of the cancellation or substantive change of any insurance policy set out herein, and failure to do so shall be construed to be a breach of this Agreement.

Insurance shall be placed with insurers with a current A.M. Best's rating of not less than A:VII and licensed to do business in the State of South Carolina, unless otherwise approved by the City, and CommunityWorks shall not self-insure in satisfaction of any insurance requirement set out herein without the express written consent of the City.

CommunityWorks shall be fully and solely liable for any costs or expenses arising as a result of a coverage deductible, co-insurance penalty, or self-insured retention, including any loss not covered because of the operation of such deductible, co-insurance penalty, or self-insured retention.

CommunityWorks shall cause each of its subcontractors or subconsultants hereunder, if any, to purchase and maintain insurance of the type specified herein, unless CommunityWorks' insurance provides coverage on behalf of each subcontractor or subconsultant.

8. **Indemnification.** CommunityWorks shall indemnify, defend, and hold the City, its officers, officials, contractors, employees, agents, and representatives (collectively, "Indemnitees"), free and harmless from and against any and all losses, injuries, death, damages, liabilities, claims, deficiencies, demands, actions, suits, judgments, interest, awards, penalties, fines, costs or expenses of any kind or nature, including reasonable attorneys' fees and costs, the costs of enforcing any right to indemnification hereunder, and the costs of pursuing any insurance providers (collectively, "Losses"), arising out of or occurring in connection with any claim for property damage or personal injury, including death, to the extent resulting from or arising out of the negligence, errors, omissions, or willful misconduct of CommunityWorks, its subcontractors, subconsultants, employees, agents, or representatives under the Agreement. Notwithstanding CommunityWorks' obligation to defend the City at CommunityWorks' sole cost and expense hereunder, the City shall have the option to appear and defend such action or claim on its own

behalf. CommunityWorks shall not enter into any settlement without the City's prior written consent. The foregoing indemnity shall survive the expiration or termination of the Agreement.

9. Notices. All notices required hereunder shall be in writing and shall be deemed to have been duly given if either hand delivered or mailed by certified or registered mail, postage prepaid, addressed to the party to whom intended at the address provided below or at such other address as such party shall hereinafter designate to the other party in writing:

City: City of Greenville, State of South Carolina
Attn: Community Development Administrator
Post Office Box 2207
Greenville, South Carolina 29602

CommunityWorks: CommunityWorks
Attn: Chief Executive Officer
100 W. Antrim Drive
Greenville, SC 29607

10. Assignment; Successors and Assigns. The rights and obligations herein shall not be assigned by either party, in whole or in part, without the prior written consent of the other party. The rights and obligations herein shall inure to, and be binding upon, the respective successors and permitted assigns of the parties hereto.
11. Entire Agreement; Amendments. This Agreement constitutes the entire agreement between the parties hereto and may not be modified or amended except in writing signed by all parties hereto. In the case of any conflict between the terms and conditions of this Agreement or any other agreement between the parties with respect to the subject matter hereof, the terms of this Agreement shall control.
12. Severability. If any part or provision of this Agreement is held invalid or unenforceable under applicable law, such invalidity or unenforceability shall not in any way affect the validity or enforceability of the remaining parts and provisions of this Agreement.
13. Nonwaiver. The waiver by the City or CommunityWorks of any breach of this Agreement shall not operate as a waiver of any subsequent breach, and no delay in acting with regard to any breach of this Agreement shall be construed to be a waiver of the breach.
14. Governing Law and Venue. This Agreement and the rights, obligations, and remedies of the parties hereto shall in all respects be governed by and construed in accordance with the laws of the State of South Carolina, and venue for the resolution of all disputes regarding the terms of this Agreement or the performance thereunder, whether in law or in equity, shall be exclusively in the courts of Greenville County, South Carolina.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have set their hands and affixed their seals on the day and year first above written.

COMMUNITYWORKS

Tammie Hoy Hawkins
CEO

CITY OF GREENVILLE, SOUTH CAROLINA

John F. McDonough
City Manager

Approved as to form:

City Legal Department

Reviewed:

City Director of Economic and Community Development

Reviewed:

City Director of OMB

Reviewed:

City Risk Manager

Received:

City Purchasing Administrator

Exhibit A



PRISMA Health Home Buyer Assistance Program

Purpose

To provide up to \$5,000 in down payment and/or closing cost assistance to qualified Prisma employees who are first time homebuyers.

- Eligible Buyers:**
- PRISMA employees (full time or part time who are actively at work) in good standing for a minimum of 12 months
 - First time homebuyers (or not have owned a home in the past three years)
 - Have a household income at or below 90% Area Median Income
 - Secure a 30 year, fixed rate first mortgage
 - Invest a minimum of \$500 into the home purchase
 - Attend a CommunityWorks orientation
 - Attend a homebuyer education workshop through Greenville County Human Relations Key Program

- Eligible Properties:**
- Properties within a 10-mile radius of a PRISMA campus or provider practice
 - The home must be the buyer's principal residence
 - Monthly mortgage payment must be affordable (30% of monthly income or less)

- Eligible Uses:**
- Funds may be used for down payment and/or closing costs
 - Conventional Loans only for homes purchased outside of Greenville County may only use funds for closing cost assistance
 - The total of all mortgages on the property may not exceed 100% of appraised value
 - Buyers may not receive any funds back at the time of closing

- Terms**
- Funds will be released to the buyer's attorney at closing
 - Assistance will be secured by a promissory note and a mortgage lien on the property
 - Assistance is a non-amortizing subordinate loan at 0% interest
 - Down payment assistance loan amount will be forgiven over five years
 - Loan balances for employees terminated from PRISMA due to disability will be forgiven

- Fee**
- A \$325 loan origination fee and applicable wiring fees will be due at closing

- Program Administration**
- Constance Kidd
 - ckidd@cwcarolina.org
 - Phone: 864.235.6331 Fax: 864.235.6326