

RESOLUTION R-2007-024

*Authorizing the City Manager to execute a Cooperation Agreement
between the Housing Authority of the City of Columbia and the
City of Columbia for development of Celia Saxon II*

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STAMPED IN RED

WHEREAS, the City of Columbia and the Housing Authority of the City of Columbia agreed to enter into Cooperation Agreements Establishing Payment in Lieu of Taxes for the development of Celia Saxon I and Celia Saxon II, subject to approval by Columbia City Council; and,

WHEREAS, Columbia City Council approved the Cooperation Agreement for Celia Saxon I by Resolution R-2004-010 on March 17, 2004, which authorized the City Manager to sign the Cooperation Agreement for Celia Saxon I on behalf of the City of Columbia; and,

WHEREAS, the Cooperation Agreement for Celia Saxon II has not been approved by City Council; NOW, THEREFORE

BE IT RESOLVED by the Mayor and City Council this 16th day of May, 2007, that the City Manager is authorized to execute a Cooperation Agreement between the Housing Authority of the City of Columbia and the City of Columbia for the development of Celia Saxon II, and that the said Cooperation Agreement shall be effective retroactive to the original date of the Cooperation Agreement, December 1, 2005.

Requested by:



Mayor

Approved by:



City Manager

Approved as to form:

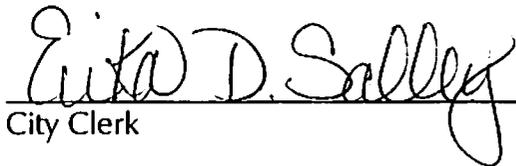


Interim City Attorney

Introduced: 5/16/2007

Final Reading: 5/16/2007

ATTEST:



City Clerk

COOPERATION AGREEMENT

This agreement entered into this 1st day of December, 2005 by and between the Housing Authority of the City of Columbia, South Carolina (herein called the "Local Authority") and the City of Columbia, South Carolina (herein called the "City").

RECITALS

WHEREAS, the Celia Saxon II is owned by the Local Authority in order to aid and facilitate the Local Authority's efforts to provide low income to moderate income families with affordable housing in the community served by the City and the Local Authority by using Low Income Housing Tax Credit ("LIHTC") financing to build 32 homes on the site in furtherance of the public purposes of the City and the Local Authority, and

WHEREAS, the Local Authority has leased the Celia Saxon II to the Local Authority's non-profit affiliate corporation, Columbia Housing Developments, Inc. ("CHAD"); and CHAD has assigned its tenancy in the Celia Saxon II site (owned in fee by the Local Authority, as landlord) to the LIHTC financing entity known as Celia Saxon II Homes, LLC (in which CHAD acts as the general partner) in order to obtain LIHTC financing by the transfer of the LIHTC tax credits to limited partners in exchange for capital to build the 32 homes,

NOW, in consideration of the mutual covenants hereinafter set forth and to further the purposes set forth in the Recitals above, the parties do agree as follows:

1. Whenever used in this agreement:
 - (a) The term "Project" shall mean the low-rent housing project developed utilizing LIHTC financing on the Celia Saxon II.
 - (b) The term "taxing body" shall mean the State or any political subdivision or taxing unit thereof in which the Project is situated and which would have authority to assess or levy real or personal property taxes or to certify such taxes to a taxing body or public officer to be levied for its use and benefit with respect to the Project if it were not exempt from taxation.
 - (c) The term "shelter rent" shall mean the total of all charges to all tenants of the Project for dwelling rents (excluding all other income of such Project), less the cost of all dwelling and non-dwelling utilities for the Project).
2. (a) The City agrees that it will not levy or impose any real or personal property taxes upon the Project; however, the City shall accept annual payments in lieu of taxes ("Payments in Lieu of Taxes") in payment for the public services and facilities furnished from time to time without either cost or charge for or with respect to the Project.

- (b) Each annual Payment in Lieu of Taxes shall be made after the end of the fiscal year of such Project, and shall be in an amount equal to either (1) ten percent (10%) of the shelter rent actually collected but in no event to exceed ten percent (10%) of the shelter rent charged in respect to such Project during the fiscal year or (ii) the amount permitted to be paid by applicable state law in effect on the date the payment is made, whichever amount is the lower.
 - (c) The City shall distribute the Payments in Lieu of Taxes among the Taxing Bodies in the proportion which the real property taxes which would have been paid to each Taxing Body for such year if the Project were not exempt from taxation bears to the total real property taxes which would have been paid to all of the Taxing Bodies for such year if the Project were not exempt from taxation. Provided, however, that no payment for any year shall be made to any Taxing Body in excess of the amount of the real property taxes which would have been paid to such Taxing Body for such year if the Project were not exempt from taxation.
 - (d) Upon failure of the Local Authority or its tenant, Celia Saxon II Homes, LLC to make any Payment in Lieu of Taxes, no lien against any property or asset of the Local Authority (including the Project) shall attach nor shall any interest on penalties accrue or attach on account thereof.
- 3. During the period commencing with the date of the acquisition of the Project site and continuing so long as such Project be owned by the Local Authority and used under lease for low rent housing purposes as required under the LIHTC regulations, the City without cost or charge (other than the Payments in Lieu of Taxes) shall:
 - (a) Furnish or cause to be furnished to the Project such public services and facilities of the same character and to the same extent as are furnished from time to time without cost or charge to other dwellings and inhabitants in the City.
 - (b) Vacate such streets, roads and alleys within the Project that may be necessary in the development thereof, and convey without charge to the Local Authority such interest as the City may have in such vacated areas.
 - (c) Accept grants of easements necessary for the development of the Project.
 - (d) Cooperate with the Local Authority by such other lawful action as the City and the Local Authority may find necessary in connection with the development and administration of the Project.
- 4. If by reason of the City's failure or refusal to furnish or cause to be furnished any public services or facilities which it has agreed to furnish to the Project, the Local Authority or its tenant (Celia Saxon II Homes, LLC) incurs any expense to obtain

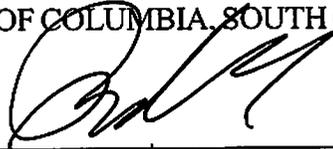
services or facilities, then the incurred cost or expense may be deducted from any Payments in Lieu of Taxes due to the City in respect to the Project.

5. No Cooperation Agreement heretofore entered into between the City and the Local Authority shall be construed to apply to the Project covered by this Agreement.

IN WITNESS WHEREOF, the City and Local Authority have respectively signed this Agreement and caused their seals to be affixed and attested as of the day and year first above written.

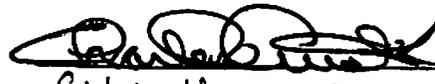
CITY OF COLUMBIA, SOUTH CAROLINA

SEAL

By 
Its: Mayor

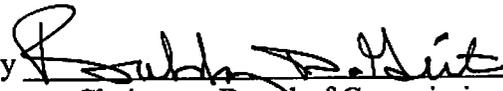
Attest:


Secretary

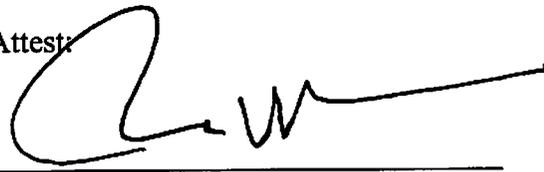

City Manager

THE HOUSING AUTHORITY OF THE CITY OF
COLUMBIA, SOUTH CAROLINA

SEAL

By 
Chairman, Board of Commissioners

Attest:


Secretary