

RESOLUTION AUTHORIZING COMMUNITY HOUSING SERVICES AGENCY, INC. TO LOAN \$500,000 FROM THE SAVANNAH AFFORDABLE HOUSING FUND TO MERCY HOUSING SOUTHEAST, INC. IN SUPPORT OF ITS 2018 SAVANNAH GARDENS PHASE VI LOW INCOME HOUSING TAX CREDIT APPLICATION.

WHEREAS, Community Housing Services Agency, Inc. (CHSA) is a non-profit organization established by the City of Savannah and other partners to provide affordable housing financing to qualified borrowers and developments; and

WHEREAS, CHSA is authorized by the City of Savannah to make loans from the City established Savannah Affordable Housing Fund (SAHF); and

WHEREAS, Mercy Housing SouthEast, Inc. (Mercy Housing) has requested that CHSA loan it \$500,000 from the SAHF in support of its 2018 Savannah Gardens Phase VI Low Income Housing Tax Credit (LIHTC) application for development of between 80 and 90 new affordable rental dwellings; and

WHEREAS, Mercy Housing estimates the development costs for Savannah Gardens Phase VI will be approximately \$17 million; and

WHEREAS, LIHTC funding is essential to the development of Savannah Gardens Phase VI; and

WHEREAS, LIHTC financing awards are based upon a very competitive application point scoring system; and

WHEREAS, a \$500,000 SAHF from CHSA will enable Mercy Housing's LIHTC application to receive a valuable point in the very competitive LIHTC application scoring system; and

WHEREAS, the CHSA Board of Directors has approved a \$500,000 SAHF loan for Mercy Housing's Savannah Gardens Phase VI LIHTC project contingent upon the approval of the Mayor and Aldermen of the City of Savannah; and

WHEREAS, the loan shall have the following terms:

- \$500,000 Savannah Affordable Housing Fund Loan
- 30 year term
- 3% Interest
- Annual payments to be arranged from cash flow
- Subordinate to primary financing

WHEREAS, this loan shall be made only if Mercy Housing is successful in its 2018 Savannah Gardens Phase VI LIHTC application;

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and Aldermen of the City of Savannah authorize CHSA to loan Mercy Housing \$500,000 from the Savannah Affordable Housing Fund as described herein.

Adopted this 26th day of April, 2018

Eddie W. DeLoach, Mayor

Luciana Spracher, Acting Clerk of Council