

RESOLUTION AUTHORIZING THE CITY MANAGER TO TERMINATE ALL CITY OF SAVANNAH-IMPOSED LIMITED WARRANTY DEED AFFORDABILITY RESTRICTIONS FOR 1700 DRAYTON STREET AND 104 E. 34TH STREET AND AUTHORIZE THE SUBSTITUTION OF SAID RESTRICTIONS WITH STATE OF GEORGIA DEPARTMENT OF COMMUNITY AFFAIRS 2026 LOW INCOME HOUSING TAX CREDIT (LIHTC) LAND USE RESTRICTIVE COVENANT (LURC) DEED RESTRICTIONS AS DEEMED ACCEPTABLE TO THE CITY OF SAVANNAH

WHEREAS, on December 30, 2021, the Mayor and Aldermen of the City of Savannah (City) sold two vacant properties located at 1700 Drayton Street and 104 E. 34th Street, to the Pinyan/Procida Development Group, LLC, (Developer) for the development of deed restricted affordable rental housing; and

WHEREAS, City Limited Warranty Deed to Developer included affordable housing restrictions which required the Developer to reserve certain percentages of the apartments for respective households at 40%, 60%, and 80% of Area Median Income (AMI) for 30 years; and

WHEREAS, the Developer diligently sought financing for four years, including four applications for State of Georgia Department of Community Affairs (DCA) Low Income Housing Tax Credits (LIHTC); and

WHEREAS, on April 10, 2025, the City supported the Developer's LIHTC application to DCA for funding necessary to develop 41 affordable apartments; and

WHEREAS, this support assisted the Developer in securing competitive statewide LIHTCs, enabling approximately \$20,000,000 in funding to construct 41 apartments to be rented to households at or below 50% AMI for 30 years; and

WHEREAS, tenants will pay no more than 30% of their gross household income for rent and 29 apartments will include project based rental assistance vouchers assigned to the development by DCA; and

WHEREAS, DCA requires the Developer to enter into and record LIHTC Land Use Restrictive Covenant (LURC) mandating that all 41 units be rented to households at or below 50% AMI for 30 years with rents not exceeding 30% of tenant income; and

WHEREAS, to avoid conflicting and/or duplicative affordable housing deed restrictions and to enable the Developer to secure DCA LIHTCs, the City must amend and terminate its 2021 Limited Warranty Deed affordability restrictions so that DCA's required LIHTC Land Use Restrictive Covenant (LURA) restrictions will control; and

WHEREAS, the existing 2021 Limit Warranty Deed permits the City to unilaterally terminate its affordability covenants by recording a termination instrument.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and Aldermen of the City of Savannah authorize the City Manager to terminate all affordability covenants, student housing restrictions, and term length requirements from the 2021 Limited Warranty Deed so the property will be governed solely by the State of Georgia Department of Community Affairs LIHTC Land Use Restrictive Covenant upon its recording.

Adopted this 10th day of September 2026

Van R. Johnson, II, Mayor

Mark Massey, Clerk of Council