



CITY OF SPARTANBURG

SOUTH CAROLINA

CITY COUNCIL AGENDA

City Council Meeting
City Council Chambers
145 W. Broad Street
Monday, December 11, 2023
5:30 PM

- I. Moment of Silence**
- II. Pledge of Allegiance**
- III. Approval of the Minutes of the November 27, 2023 Meeting**
- IV. Approval of the Agenda of the December 11, 2023 Meeting**
- V. Public Comment**
**Citizen Appearance Forms are available at the door and should be submitted to the City Clerk prior to the start of the meeting.
- VI. Proclamation Recognizing Cleveland Academy of Leadership**
Presenter: Jerome Rice, Jr. Mayor
- VII. Update on Use of American Rescue Plan Act (ARPA) Funding For Affordable Housing Strategies**
Presenter: Martin Livingston, Community Development Director
- VIII. Resolutions**
 - A. A Resolution to Authorize the City Manager to Enter Into an Employment Contract for Municipal Judge**
Presenter: Robert P. Coler, City Attorney
- IX. Update on Morgan Square Project**
Presenter: Chris Story, City Manager
- X. Staff Updates**
- XI. City Council Updates**
- XII. Executive Session**
 - A. An Executive Session to Discuss Proposed Contractual Arrangements related to the potential lease of City Property Pursuant to Section 30-4-70 (a) (2) of the SC Code of Laws**

As required by the Americans with Disabilities Act, the City of Spartanburg will provide interpretive services for the City Council Meetings. Requests must be made to the Communications & Marketing Office (596-2020) 24 hours in advance of the meeting. This is a Public Meeting and notice of the meeting was posted with the Media 24 hours in advance according to the Freedom of Information

B. An Executive Session for the Routine Annual Review of the City Manager and City Attorney pursuant to Section 30-4-70 (a)(1) of the South Carolina Code of Laws

XIII. Adjournment.

City Code Sec. 2-57. Citizen Appearance. Any citizen of the City of Spartanburg may speak at a regular meeting on any matter pertaining to City Services and operations germane to items within the purview and authority of City Council, except personnel matters, by signing a Citizen's Appearance form prior to the meeting stating the subject and purpose for speaking. No item considered by Council within the past twelve (12) months may be added as an agenda item other than by decision of City Council. The forms may be obtained from the Clerk and maintained by the same. Each person who gives notice may speak at the designated time and will be limited to a two (2) minute presentation.



**City Council Meeting
City Council Chambers
145 W. Broad Street
Monday, November 27, 2023
5:30 p.m.**

(These minutes to be approved at the December 11, 2023 Council Meeting)

City Council met this date with the following Councilmembers present: Mayor Jerome Rice, Jr, Mayor Pro Tem Rob Rain, Councilmembers Erica Brown, Jamie Fulmer, Ruth Littlejohn, Meghan Smith and Janie Salley. City Manager Chris Story, Deputy City Manager Mitch Kennedy, Assistant City Manager Kevin Limehouse and City Attorney Robert P. Coler were in attendance. Notice of the meeting was posted with the Media 24 hours in advance according to the Freedom of Information Act. All City Council meetings are live streamed/recorded. To view the video for a complete transcript, please visit <https://www.cityofspartanburg.org/city-council>

I. Moment of Silence – observed

II. Pledge of Allegiance - recited

III. Approval of the Minutes of the November 13, 2023 City Council Meeting –
Councilmember Fulmer made a motion to approve the minutes as received.
Councilmember Littlejohn seconded the motion, which carried unanimously 7 to 0.

IV. Approval of the Agenda for the November 27, 2023 City Council Meeting -
Councilmember Smith made a motion to approve the agenda as received.
Councilmember Brown seconded the motion, which carried unanimously 7 to 0.

V. Public Comment –

**Citizen Appearance forms are available at the door and should be submitted to the City Clerk*
None

VI. Consent Agenda

A. An Ordinance Authorizing the Execution of a Development Agreement with Palmetto Operating Company, LLC.

Presenter: Chris Story, City Manager

Councilmember Brown made a motion to approve the ordinance as presented.
Councilmember Fulmer seconded the motion, which carried unanimously 7 to 0.

B. An Ordinance Amending the Business License Ordinance of the City of Spartanburg to Update the Class Schedule as Required by Act 176 of 2020.

Presenter: Robert P. Coler, City Attorney

Councilmember Brown made a motion to approve the ordinance as presented.
Councilmember Fulmer seconded the motion, which carried unanimously 7 to 0.

VII. Resolution

- A. Certifying a Building as An Abandoned Building Site Pursuant to the South Carolina Abandoned Building Revitalization Act, Titel 12, Chapter 67, Section 12-67-100 et seq., of the South Carolina Code of Laws (1976), as amended, regarding the property located at 641 East Main Street, Spartanburg, South Carolina bearing Tax Map # 7-12-08-131.00**

Presenter: Chris Story, City Manager

Councilmember Fulmer made a motion to approve the resolution as presented. Councilmember Salley seconded the motion, which carried unanimously 7 to 0.

VIII. Approval of the 2024 City Council Meeting Calendar

Presenter: Christie Lindsey, City Clerk

Councilmember Fulmer made a motion to approve the 2024 City Council Meeting Calendar. Mayor Pro Tem Rain seconded the motion, which carried unanimously 7 to 0.

IX. Staff Updates

- X. City Council Updates-** Each Councilmember gave updates on their activities since the previous council meeting.

XI. Executive Session-

- A. Pursuant to Section 30-4-70(a)(1) of the South Carolina Code of Laws Concerning A Personnel Matter**

Councilmember Fulmer made a motion to enter into Executive Sessions at 6:00 p.m. Councilmember Smith seconded the motion, which carried unanimously 7 to 0.

- XVI. Adjournment – Councilmember Smith made a motion to adjourn the meeting. Councilmember Littlejohn seconded the motion, which carried unanimously 7 to 0. The meeting adjourned at 6:25 p.m.**

Christie B. Lindsey

Christie B. Lindsey, City Clerk



REQUEST FOR CITY COUNCIL ACTION

TO: Chris Story, City Manager

FROM: Martin Livingston, Community Development Director

SUBJECT: Update On Use of American Rescue Plan Act (ARPA) Funding For Affordable Housing Strategies

DATE: October 23, 2023

BACKGROUND:

The American Rescue Plan Act (ARPA), enacted in March 2021, provides State and Local Fiscal Recovery Funds (SLFRF) to support a wide array of public health and economic challenges, including affordable housing production and preservation. The SLFRF provides considerable flexibility and options for states and localities to address the affordable housing crisis exacerbated by the COVID-19 pandemic. It allows for direct investment in housing and the leveraging of additional resources through partnerships and layered funding mechanisms. The City of Spartanburg received approximately \$14 million in American Rescue Plan Act (ARPA) funding. Below and attached describes strategies for deploying \$2.5 million in funding for affordable housing.

Affordable Rental Strategy – \$1,250,000

The City of Spartanburg will issue a Request for Proposals (RFP) to solicit development options for affordable rental housing. Developers will have the option to propose developments on available city lots and as well as privately owned properties. All funding sources available to the city will be used to assist families at all income ranges. The city's available allocation of HOME Partnership funds for rental and homeless (HOME ARP funds) will be available to assist with developments that serve the homeless and families below 60% of Area Median Income. The City's ARPA funding will be used to assist rental developments for families with incomes between 60% to 120% of Area median income. The city will partner with a local Community Development Financial Institution – **Community Works Carolina** – our current Spartanburg Housing Fund partner to deploy the funds and provide financial management. It is the hope that developments can repay the ARPA funds to create a revolving pool of funds for long term programs that generate affordable rental housing for the city. A maximum of \$50,000 combined for all sources will be allocated per unit with no more than \$500,000 per development. This will allow at least three developments in the city approximately 30 units or more as a goal for total developments. The minimum affordability period will be 20 years per development. All properties will require inspections periodically. The city's investment will be secured by a mortgage for the affordability period. Developments will be located in areas that are ARPA eligible areas and serve families that meet all funding sources requirements. This will be the first round of offering for the ARPA rental development strategy. Depending on the outcome, staff will issue another round of funding after July 1, 2024.

Homeownership Strategy – \$750,000

The city has a partnership with **Community Works Carolina** to manage its homeownership assistance program. The program has assisted 10 families since 2017 with the purchase of their first homes. The city has used Community Development Block Grant (CDBG) funds for the program but will transition to using HOME Partnership funds for any further assistance. The city has also assisted with homeownership efforts working with several local and minority contractors to build affordable homeownership options on scattered city-owned single-family lots. Both programs can be combined to assist families. The city still has available single-family lots that can be used to develop homeownership options using the ARPA, CDBG, and HOME Partnership funding. Staff is recommending issuing a Request for Proposals (RFP) that would offer funding for donation of city owned lots, ARPA and city funding to assist in the homeownership development efforts. Funding would be offered in the following homeownership Tiers:

Category	Funding	Activity
Tier I	\$10,000	Funding for closing cost assistance to families at or below 120% AMI.
Tier II	\$20,000	Developer funding for the development of homeownership lots between 60% to 120% AMI.
Tier III	\$30,000	Developer funding for the development of homeownership lots less than 80% AMI.

ARPA funds would be provided in the form of mortgages to the homebuyers amortized for 20 years and repayable to create a revolving loan pool program. ARPA funds will serve families above 60% AMI. HOME Partnership funds will be a deferred loan program amortized over 5 years and forgivable. Deferred loan programs are converted to grants at the end of the term. HOME and CDBG Funds would serve families below 80% AMI.

Owner-Occupied Repair Strategy – \$500,000

Currently, the city has a U.S. Department of Housing and Urban Development Lead-Based Paint grant program that serves families with children under six years old. There are more than 10 families that the city could not serve with the program because there was no presence of Lead-based paint in the property. Staff realizes that the repair needs of these families are important. The Lead-based Paint program at its completion will have served over 30 families with children in the city. Also, the city has a partnership with **Christmas in Action** to assist elderly families and individuals with critical housing repairs. These programs are funded with the U.S. Department of Housing and Urban Development – Community Development Block Grant (CDBG) Funds. Approximately 10 families per year are served by Christmas in Action. The city will issue a request for proposals for organizations that provide owner-occupied repairs city-wide. ARPA funds will be provided to non-profit partner organizations that assist with elderly homeowner's repairs that have a need for owner-occupied repairs beyond critical repair and lead based paint needs. The program would target elderly homeowners that have a need for repairs. The city would offer funding to make repairs and a management fee to organizations assisting families. Funding would be limited to homeowners at 100% AMI, elderly, and disabled. Any family with a home with a child under six will be referred to the Lead Based Paint Program for assistance. This program will be a 5-year deferred loan program to protect the city's investment in the property. Deferred loan programs are converted to grants at the end of the term.



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To: Mitch Kennedy, Deputy City Manager
Martin Livingston, Community Development Director
City of Spartanburg, South Carolina

From: Karl Erich Chatham, Principal
Civitas LLC
600 Salty Alley
Mount Pleasant, SC 29464

Re: City of Spartanburg, South Carolina – Review of Eligible Uses of American Rescue Plan Act Funding for Affordable Housing Programs

Background

The American Rescue Plan Act (ARPA), enacted in March 2021, provides State and Local Fiscal Recovery Funds (SLFRF) to support a wide array of public health and economic challenges, including affordable housing production and preservation. The SLFRF provide considerable flexibility and options for states and localities to address the affordable housing crisis exacerbated by the COVID-19 pandemic. It allows for direct investment in housing and the leveraging of additional resources through partnerships and layered funding mechanisms. Below please find a summary of eligible affordable housing programs as well as our recommendations for how the City of Spartanburg might deploy the \$2,500,000 in ARPA funding that has been set-aside for affordable housing programs.

Summary of ARPA Housing Program Options

Affordable Housing Development & Preservation: SLFRF can be used to finance the acquisition, development, rehabilitation, and operations of affordable housing, both rental and homeownership housing, as part of the response to the COVID-19 pandemic's public health and negative economic impacts (PH-NEI).

SLFRF can be utilized to finance the retrofitting and weatherization of properties to enhance energy efficiency. This creates an opportunity to possibly leverage additional federal funding sources like the Department of Energy's Weatherization Assistance Program, thereby increasing the sustainability and cost-effectiveness of the housing units.



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Predevelopment Activities: Funds can be used for predevelopment activities, including site work and land acquisition, as part of affordable housing development or rehabilitation.

Adaptive Reuse: SLFRF enables the acquisition of properties such as market-rate rental units, motels, or commercial properties, to be transformed into affordable housing units. This includes both the conversion of these properties and the preservation of existing publicly supported affordable housing.

Methods of Funding: Like the HOME Program, SLFRF may be used to fully or partially finance long-term affordable housing loans with a minimum term of 20 years, provided the project has a similar affordability period and other requirements are met. These funds can be layered with other funding sources for new construction, substantial rehabilitation, and other housing-related investments. This includes CDBG, HOME and LIHTC projects, as well as HUD's Rental Assistance Demonstration (RAD), Section 108 Loan Guarantee Program, HOME American Rescue Plan (HOME-ARP), Project-Based Vouchers (PBVs), and others.

Documenting Eligibility for Housing Programs: Projects that meet certain requirements of established federal housing programs, such as the Community Development Block Grant Program (CDBG), HOME Investment Partnerships Program (HOME), and Low-Income Housing Credit (LIHTC), are presumptively eligible for funding. For a project to qualify for presumptive eligibility, it must adhere to four core program requirements:

1. Resident income restrictions (up to 120% AMI)
2. Affordability period and related covenant requirements for assisted units
3. Tenant protections
4. Housing quality standards

Recommendations for the City of Spartanburg

Given the nature of these funds being a one-time allocation, we strongly recommend utilizing these funds in conjunction with other funding sources, including the city's annual allocation of HOME and CDBG funding as well as the HOME-ARP funding. To maximize the impact of these funds, we recommend providing funds as repayable loans. Loans could be provided with a variety financing options, including interest-free or below-market rate loans, deferred payment loans, or loans with longer-term amortization. CDBG and HOME funds should then be focused to provide forgivable funding for projects targeting lower-income households.



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Below are our recommendations for deploying these funds in the two general categories previously identified by the city.

Home Ownership Opportunities and Owner-Occupied Housing Rehab (\$1,250,000):

- 1) If not already available, the city should establish an inventory of properties owned by the city that might be suitable for housing development. Use CDBG funding to make site improvements so lots are build-ready. Offer vacant lots to local non-profit development organizations to build affordable home ownership housing. These organizations could further utilize HOME and ARPA funds for low-cost construction financing to be repaid upon the sale of the new home. The target population should be households between 60 and 80% AMI for lots improved with CDBG funds, or 80 to 120% AMI for all other sites.
- 2) Partnering with a local CDFI or community loan fund, provide home purchase assistance in the form of second mortgages targeting households between 80 and 120% AMI. These mortgages should be repayable, amortized for at least 20 years, with interest rates well below market rate.
- 3) Focus CDBG funding for only emergency housing repairs for households at or below 60% AMI. Utilize ARPA funds for minor housing repairs with a focus on only a specific set of repair needs like roof replacement, plumbing repairs, and HVAC systems. Target ARPA funds for households between 60 and 120% AMI. CDBG funds should continue to be offered as simple grants while ARPA funds should be provided as repayable loans amortized over 10 years with sliding scale interest rates based on household income.

Rental Housing Preservation & Development (\$1,250,000):

- 1) Any city owned lots suitable for small multi-family developments should be made available for local non-profit development organizations to build duplexes or other small multi-unit developments. Again, CDBG funds can be used for site improvements then HOME, HOME-ARP, and ARPA funds can be provided to subsidize the construction of rental housing. Additional incentives could be offered for projects that commit to offering affordable units for households below 50% AMI. Like the HOME program, funds should be provided as mortgages amortized over 20 years, with below market rate interest rates, and deed restrictions to enforce the affordability restrictions. Projects targeting populations between 80 and 120% AMI should be required to repay the funding.



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- 2) The city could issue an RFP for HOME and ARPA funding where eligible respondents would include for-profit and non-profit affordable housing developers. Funds should be provided for mixed income, multi-family developments where HOME funds are provided to secure units targeting 50-80% AMI households and ARPA funds utilized to secure units targeting 80-120% AMI households. HOME funds should be offered as deferred forgivable loans and ARPA funds should be repayable. Like the recommendation above, funding will be secured with second mortgage and deed restrictions.
- 3) ARPA funds could be paired with the very limited HOME-ARP funds to provide deep subsidies for rental projects target households at or below 30% AMI as well as those experiencing homelessness or at risk of becoming homeless. Like the two previous recommendations, funding will be secured with second mortgages and deed restrictions.

We appreciate the opportunity to provide our thoughts and recommendations for the City of Spartanburg. Should you have further questions or if you would like to discuss in more detail, we are happy to be of further assistance.

Sincerely,

Karl Erich Chatham, Principal
Civitas, LLC
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(404) 408-1256 cell
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www.civitassc.com

CDBG, HOME, and NSP Income Limits
City of Spartanburg, South Carolina
Based on U.S. Department of Housing and Urban Development (HUD) documentation

INCOME LEVEL	HOUSEHOLD SIZE							
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
120% of AMI NSP Program	66,450	75,950	85,450	94,900	102,500	110,100	117,700	125,300
100% of AMI Median Income	55,375	63,250	71,188	79,063	85,438	91,750	98,063	104,375
80% of AMI (Low Income)	44,300	50,600	56,950	63,250	68,350	73,400	78,450	83,500
60% of AMI	33,240	37,980	42,720	47,460	51,300	55,080	58,860	62,700
50% of AMI (Very low Income)	27,700	31,650	35,600	39,550	42,750	45,900	49,050	52,250
30% of AMI	16,650	19,000	21,400	23,750	25,650	27,550	29,450	31,350
RENT LIMITS		Efficiency	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms	5 Bedrooms	6 Bedrooms
HOME Rents 65% of AMI		880	944	1,136	1,303	1,434	1,563	1,693
Low HOME Rents (5 or More HOME Units)		692	741	890	1,028	1,147	1,266	1,384
High HOME Rents		830	854	965	1,254	1,296	1,490	1,685
Market Rents		830	854	965	1,254	1,296	1,490	1,685

Effective: June 15, 2023

Information subject to change without notice. Please contact the City of Spartanburg Neighborhood Services Department at (864) 596-3560 regarding updated income and rent limits.



REQUEST FOR CITY COUNCIL ACTION

TO: Chris Story, City Manager
FROM: Robert Coler, City Attorney
SUBJECT: Contract for Municipal Court Judge
DATE: December 7, 2023

BACKGROUND:

City Council has completed its rigorous search for a new municipal court judge to replace Judge Erika McJimpsey.

The attached resolution authorizes the City Manager to execute an employment contract with Attorney Jacqueline Moss to become the new, permanent, full time municipal judge.

ACTION REQUESTED:

Approval for the City Manager to execute an employment agreement Attorney Jacqueline Moss to become the permanent, full time municipal judge.

RESOLUTION

**TO AUTHORIZE THE CITY MANAGER TO ENTER INTO
AN EMPLOYMENT CONTRACT FOR MUNICIPAL JUDGE**

WHEREAS, the Municipal Court for the City of Spartanburg was established by Ordinance on December 15, 1980; and

WHEREAS, the Ordinance provided that the Court shall be presided over by one or more full-time or part-time judges, at the discretion of Council; and

WHEREAS, City Council has reviewed and conducted interviews of qualified applicants and desires to hire Jacqueline A. Moss as the Full Time Municipal Judge for the City of Spartanburg ; and

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND MEMBERS OF COUNCIL OF THE CITY OF SPARTANBURG, SOUTH CAROLINA, IN COUNCIL ASSEMBLED:

Section 1. The City Manager is authorized to sign a two (2) year contract with Jacqueline A. Moss, upon review by the City Attorney.

Section 2. The employment contract of the Municipal Judge will include terms for the annual salary of the Municipal Judge as approved by City Council.

Section 4. This Resolution shall be become effective upon the date of enactment.

DONE AND RATIFIED this 11th day of December, 2023.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY