

MINUTES OF
Budget and
Control Board
Meeting

June 16, 1978

MINUTES OF BUDGET AND CONTROL BOARD MEETING

JUNE 16, 1978

State Auditor William T. Putnam and Assistant State Auditor William A. McInnis on this date completed a poll begun on June 15, 1978, of the following Budget and Control Board members on the item of business described below:

Governor James B. Edwards (through Executive Assistant Pettiss)
Mr. Grady L. Patterson, Jr.
Mr. Earle E. Morris, Jr.
Senator Rembert C. Dennis
Representative Tom G. Mangum

STATE HOUSING AUTHORITY - LORIS PROJECT - Board members were advised that the State Housing Authority has presented a copy of a Resolution adopted by the Authority requesting Board permission to borrow the moneys required to finance a rental project in the Town of Loris, in Horry County, which is intended to provide housing for approximately 112 persons and families of low income. The financing approval requested extends to the temporary financing or construction loan to be made to the Authority by the SCN Bank, acting for itself and for Bankers Trust, Citizens and Southern, and First National, and to the permanent loan to be made to the Authority by the Farmers Home Administration.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Budget and Control Board adopted a Resolution granting approval to the State Housing Authority to undertake the acquisition, construction and financing of a rental project in the Town of Loris to be owned and operated by the Authority, as requested in a Resolution adopted by the Authority.

The referenced Resolutions have been retained in these files and are identified collectively as Exhibit I.

EXHIBIT I
6/16/78

ORIGINAL

A RESOLUTION
OF THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA
GRANTING APPROVAL TO THE SOUTH CAROLINA STATE HOUSING
AUTHORITY TO ACQUIRE, CONSTRUCT AND FINANCE A RENTAL PROJECT
IN THE TOWN OF LORIS, HORRY COUNTY, SOUTH CAROLINA, INTENDED
TO PROVIDE RENTAL HOUSING FOR APPROXIMATELY 112 PERSONS AND
FAMILIES OF LOW INCOME.

WHEREAS, The South Carolina State Housing Authority
(the Authority), has presented to the State Budget and
Control Board of South Carolina (the State Board), a copy of
a Resolution to be adopted by the Authority which authorizes
the acquisition, construction and financing of a rental
project in the Town of Loris, in Horry County, South
Carolina, intended to provide housing for approximately 112
persons and families of low income; and

WHEREAS, it was intended that such copy should serve as
a request of the Authority to the State Board for its per-
mission to borrow the moneys required to finance the pro-
ject, including both the construction loan and the permanent
loan; and

WHEREAS, the State Board has reviewed the Resolution of
the Authority and its attachments and agrees to give appro-
val to the action of the Authority proposed in the said
Resolution;

BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD OF
SOUTH CAROLINA:

Section 1.

After due investigation, the State Board finds that the matters recited in the preambles to this Resolution are in all respects true and correct.

Section 2.

Approval is hereby granted to the Authority to undertake the acquisition, construction and financing of a rental project in the Town of Loris, in Horry County, South Carolina, to be owned and operated by the Authority and to be rented by the Authority to persons and families of low income. The project is intended to provide housing for approximately 112 persons and families of low income. The approval herewith granted shall extend to the temporary financing or construction loan to be made to the Authority by The South Carolina National Bank, acting for itself and for Bankers Trust of South Carolina, The Citizens and Southern National Bank of South Carolina, and First National Bank of South Carolina, and to the permanent loan to be made to the Authority, by Farmers Home Administration of the United States Government.

A RESOLUTION

AUTHORIZING THE ACQUISITION, CONSTRUCTION, AND FINANCING OF
A RENTAL PROJECT IN THE TOWN OF LORIS,
HORRY COUNTY, INTENDED TO PROVIDE HOUSING FOR
APPROXIMATELY 112 PERSONS OR FAMILIES OF LOW INCOME.

BE IT RESOLVED BY THE COMMISSIONERS OF THE SOUTH CAROLINA
STATE HOUSING AUTHORITY, IN MEETING DULY ASSEMBLED:

ARTICLE I

FINDINGS OF FACT

Section 1.01

As an incident to the adoption of this Resolution, the
Commissioners of the South Carolina State Housing Authority
find, as a fact, that each of the statements hereinafter set
forth is in all respects true and correct:

1. The South Carolina State Housing Authority (the
Authority) is duly empowered by both Article 3 of Chapter 3
of Title 31, Code of Laws of South Carolina, 1976 (Article
3), and by Act No. 76 of the Acts of the General Assembly of
the State of South Carolina for the year 1977 (the Act), to
acquire and construct rental projects for persons and families
of low income, as such term is defined in the Act.

2. The Authority has found that there is no existing
housing authority operating in the Town of Loris
and that sufficient persons or families of low income who are
unable to pay the amounts at which private enterprise is
providing decent, safe and sanitary housing reside within the
area who would greatly benefit by the availability of decent,
safe and sanitary housing.

3. The Authority has also determined that there is no housing sponsor capable of undertaking the specific project in the Town of Loris hereafter described.

4. The Authority proposes to acquire a tract of land containing 5.264 acres more or less in the Town of Loris in Horry County and to construct thereon 24 units designed to provide housing for approximately 112 persons and families of low income (the Project).

5. The Authority has obtained the written approval of the Town Council of Loris to this undertaking.

6. Heretofore, the Authority has obtained authorization from the State Budget and Control Board of South Carolina (the State Board) to the letting of a construction contract for the construction of the Project.

7. It is now necessary that the Authority obtain the approval of the State Board to the plan of financing of the Project hereafter outlined.

ARTICLE II

PLAN OF FINANCING

Section 2.01

The Authority has obtained a commitment from the Farmers Home Administration of the United States Government (the Government), to lend to the Authority following the construction of the Project the sum of \$ 540,000.00, which includes a loan in the amount of \$ 506,900.00, to bear interest at the rate of 8 % and a loan in the amount of \$ 33,100.00 to bear interest at the rate of

8.25 %, both of which to be repayable, both principal and interest, in installments over a period of 40 years.

The permanent loans which will be effected simultaneously will be secured by a first and forecloseable mortgage on the Project and by a pledge of the rents and revenues derived therefrom. The Notes evidencing the loans will expressly provide that they shall not then nor thereafter constitute an indebtedness of the State of South Carolina nor give rise to a pecuniary liability of the State of South Carolina (except to the extent of the revenues from the Project) or become a charge against its general credit or taxing powers.

Section 2.02

The commitment of the Government requires the Authority to arrange temporary financing in order to provide funds for the acquisition of the site and to pay the cost of the construction of the Project. Such a loan (the Construction Loan) has been arranged with The South Carolina National Bank which will participate the loan with each of The Citizens and Southern National Bank of South Carolina, First National Bank of South Carolina and Bankers Trust of South Carolina.

Section 2.03

The Construction Loan will bear interest at the rate of 5.46% per annum and will mature 12 months from its date.

The proceeds of the Construction Loan will be deposited with The South Carolina National Bank, as Trustee in a Construction Fund which will invest and reinvest the proceeds pending their actual use. All earnings from investments shall be deposited in and become a part of the Construction Fund. The proceeds of the Construction Loan will be paid out for costs incident to the Project and only upon the warrant or order of the Authority approved by a duly authorized representative of the Government. The Construction Loan will be secured by

- (1) a first forecloseable mortgage upon the Project;
- (2) any unexpended balance of the Construction Loan, including earnings from investments;
- (3) any proceeds resulting from payments received by the Authority pursuant to insured losses resulting from any casualty insurance, contractors bond, fidelity bond, or Title Insurance Policy carried by the Authority in connection with the Project; and
- (4) revenues derived from the use or rental of the Project, if any, during the life of the Construction Loan.

The Note evidencing the Construction Loan will expressly provide that it shall not then or thereafter constitute an indebtedness of the State of South Carolina nor give rise

to a pecuniary liability of the State of South Carolina or become a charge against its general credit or taxing powers.

ARTICLE III

AUTHORIZATIONS

Section 3.01

The Authority, having made all findings required of it by Article 3 and the Act, and having determined that the financial arrangements set forth in Article II hereof will provide the necessary funds to acquire and construct the Project, herewith authorizes

1. The acquisition and construction of the Project;
and

2. The making, entering into and securing of the Construction Loan and the permanent loan.

Section 3.02

The Authority shall borrow from The South Carolina National Bank the sum of \$ 540,000.00 upon the terms and conditions set forth herein. Such loan shall be evidenced by a Note of the Authority in form substantially as Exhibit A hereto which shall be executed by the Chairman of the Authority and its Secretary. The Note shall mature one year from its date, shall bear interest on the unpaid balance thereon at the rate of 5.46% per annum, payable semi-annually, and shall be subject to prepayment at any time without penalty.

Section 3.03

The Authority shall secure the loan from the Bank by a first forecloseable mortgage in form substantially as Exhibit B hereto, which shall be executed by the Chairman of the Authority and its Secretary and by a first security interest in funds described in paragraphs (2), (3) and (4) of Section 2.03 hereof.

Section 3.04

The Authority shall enter into a Loan and Security Agreement with The South Carolina National Bank in substantially the form as Exhibit C hereto to be executed by the Chairman of the Authority and its Secretary.

Section 3.05

The Authority has reviewed the proposed Resolution, Note, Mortgage and Security Agreement submitted to it by the Government in connection with the permanent loan and approves the form and content thereof and agrees to adopt the Resolution in substantially the form presented to it by the Government at the appropriate time. It further agrees to execute and deliver when so required the Note to the Government evidencing the permanent loan and to secure the same by a Mortgage and a Security Agreement in form substantially as submitted by the Government.

Section 3.06

The proceeds of the permanent loan shall be applied to the payment of the Construction Loan and thereafter if any

proceeds remain in accordance with the Resolution which the Authority will adopt authorizing the permanent loan.

ARTICLE IV

FURTHER ACTION

Section 4.01

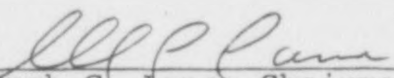
The Chairman, Secretary and all other officers or employees of the Authority are authorized and empowered to execute such further documents as may be necessary or desirable to fully implement the action herewith taken.

Section 4.02

A copy of this Resolution, duly certified, shall be delivered to the State Board and shall serve as a request for the approval by the State Board as required by Section 7 of the Act.

DONE IN MEETING DULY ASSEMBLED, this 6th day of
June, A. D., 1978.

SOUTH CAROLINA STATE HOUSING
AUTHORITY

By 
Hugh C. Lane, Chairman

Attest:


L. Steve Mayfield, Secretary

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

I, Charles B. Thompson, III, Housing Finance Administrator of the South Carolina State Housing Authority (the Authority), do hereby certify:

(1) Heretofore, the Authority pursuant to a Resolution duly adopted by the Commissioners of the Authority, was authorized to acquire and construct a rental project for persons and families of low income residing in the area of the Verdier Township of Colleton County. In order to raise the necessary funds for this project, the Authority obtained a commitment from the Farmers Home Administration of the United States Government to lend to the Authority following the construction of the said project the sum of \$1,387,900 to bear interest at the rate of 8% and to be repayable, both principal and interest, in installments over a period of 40 years. This permanent loan will be secured by a first, forecloseable mortgage on the said project and by a pledge of the rents and revenues derived therefrom.

The commitment of the Farmers Home Administration required the Authority to arrange temporary financing in order to provide funds for the acquisition of the site and to pay the cost of the construction of the said project. Pursuant to this, the Authority arranged such a loan with The South Carolina National Bank which is participating the loan with each of The Citizens and Southern National Bank of South

Carolina, First National Bank of South Carolina and Bankers Trust of South Carolina. This construction loan which was entered into November 21, 1977 bears interest at the rate of 4.9% per annum and matures one year from its date.

(2) Heretofore, the Authority pursuant to a Resolution duly adopted by the Commissioners of the Authority, was authorized to acquire and construct a rental project for persons and families of low income residing in the area of the Town of Ridgeland, County of Jasper. In order to raise the necessary funds for this project, the Authority obtained a commitment from the Farmers Home Administration of the United States Government to lend to the Authority following the construction of the said project the sum of \$866,000, which includes a loan in the amount of \$806,100, to bear interest at the rate of 8% and a loan in the amount of \$59,900 to bear interest at the rate of 8.25%, both of which to be repayable, both principal and interest, in installments over a period of 40 years. This permanent loan will be secured by a first, forecloseable mortgage on the said project and by a pledge of the rents and revenues derived therefrom.

The commitment of the Farmers Home Administration required the Authority to arrange temporary financing in order to provide funds for the acquisition of the site and to pay the cost of the construction of the said project. Pursuant to this, the Authority arranged such a loan with The South Carolina National Bank which is participating the loan with each of The Citizens and Southern National Bank of South Carolina,


First National Bank of South Carolina and Bankers Trust of South Carolina. This construction loan which was entered into June 9, 1978 bears interest at the rate of 5.25% per annum and matures one year from its date.

I do further certify that the above-described indebtedness constitutes the only outstanding indebtedness of the Authority.

This certificate is given pursuant to the requirements of Section 6 of Act No. 76 of the 1977 Acts and Joint Resolutions of the General Assembly of the State of South Carolina.

WITNESS my Hand and the Seal of the South Carolina State Housing Authority, this 15th day of June, A.D. 1978.

(SEAL)


Charles B. Thompson, III
Finance Administrator

THE END

MINUTES OF
Budget and
Control Board
Meeting

June 16, 1978
(2nd Poll)

MINUTES OF BUDGET AND CONTROL BOARD MEETING

JUNE 16, 1978 (#2)

On this date, State Auditor William T. Putnam completed a poll of the following Budget and Control Board members on the item of business described below:

Governor James B. Edwards
Mr. Grady L. Patterson, Jr.
Mr. Earle E. Morris, Jr.
Senator Rembert C. Dennis
Representative Tom G. Mangum

EXERCISE OF OPTION TO PURCHASE FIVE POINTS BUILDING - Board

members were advised that President W. W. Johnson of the Bankers Trust, in a letter to Governor Edwards dated June 13, 1978, offered to sell the Five Points Building, located at 2221 Devine Street in Columbia, for \$2,250,000 or \$125,000 less than the current option price of \$2,375,000.

By unanimous vote, the Budget and Control Board agreed to recommend that \$2,250,000 of Capital Improvement Bond funds be authorized by the General Assembly in order that the referenced option might be exercised as proposed by Mr. Johnson.

Information relating to this matter has been retained in these files and is identified as Exhibit I.

PO Box 448
Columbia, SC 29202
Tel 803 771 2221

W. W. Johnson
President

Final Contract
EXHIBIT I

6/16/78

The Honorable James B. Edwards
Governor of South Carolina
Post Office Box 11450
Columbia, South Carolina 29211

June 13, 1978

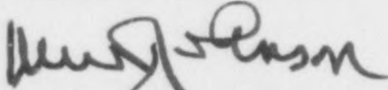
Dear Governor Edwards:

This letter is to confirm my recent discussion with Walter Pettiss concerning the sale of the Five Points Building at 2221 Devine Street, Columbia, South Carolina, 29205 by Bankers Trust of South Carolina to the State of South Carolina. Based upon the State of South Carolina exercising its option on the building at this time, the sales price discussed was \$2,250,000, which is \$125,000 less than the current option price of \$2,375,000.

I would be grateful for your early consideration in this matter, and we will hold this offer open for 120 days. I trust this will be sufficient time for the Budget and Control Board to consider the immediate acquisition of the building.

Please don't hesitate to call me if you have questions.

Sincerely yours,



W. W. Johnson
President

WWJ/mh

Gov. ok to buy
 G.P. " " "
 E.M. " " "
 R.D. " " "
 T.M. " " "

Edwards
 lina

na 29211

June 13, 1978

Bill,
 We need a letter re-
 questing bonds for this
 before the committee
 meeting on Monday (19th)
 WTB

From my recent discussion with Walter Pettiss
 the Five Points Building at 2221 Devine Street,
 a, 29205 by Bankers Trust of South Carolina
 Carolina. Based upon the State of South
 option on the building at this time, the
 as \$2,250,000, which is \$125,000 less than
 e of \$2,375,000.

I would be grateful for your early consideration in this matter,
 and we will hold this offer open for 120 days. I trust this will
 be sufficient time for the Budget and Control Board to consider
 the immediate acquisition of the building.

Please don't hesitate to call me if you have questions.

Sincerely yours,

W. W. Johnson
 W. W. Johnson
 President

WWJ/mh

Bill Putnam

I concur in exercising the
 purchase option as proposed
 in this letter.

Earl E. Morris

June 14, 1978

Executive Offices

PO Box 448
Columbia, SC 29202
Tel 803 771 2221

W. W. Johnson
President

The Honorable James B. Edwards
Governor of South Carolina
Post Office Box 11450
Columbia, South Carolina 29211

June 13, 1978

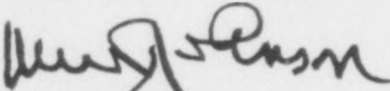
Dear Governor Edwards:

This letter is to confirm my recent discussion with Walter Pettiss concerning the sale of the Five Points Building at 2221 Devine Street, Columbia, South Carolina, 29205 by Bankers Trust of South Carolina to the State of South Carolina. Based upon the State of South Carolina exercising its option on the building at this time, the sales price discussed was \$2,250,000, which is \$125,000 less than the current option price of \$2,375,000.

I would be grateful for your early consideration in this matter, and we will hold this offer open for 120 days. I trust this will be sufficient time for the Budget and Control Board to consider the immediate acquisition of the building.

Please don't hesitate to call me if you have questions.

Sincerely yours,



W. W. Johnson
President

WWJ/mh

Bill Putnam

*I concur in exercising the
purchase option as proposed
in this letter.*

Earl E. Morris, Jr.

June 14, 1978

THE END