

**CITY OF COLUMBIA CITY COUNCIL  
WORK SESSION MINUTES  
AUGUST 16, 2011 – 3:00 P.M.  
CITY HALL - 1737 MAIN STREET  
2<sup>nd</sup> FLOOR CONFERENCE ROOM**



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The Columbia City Council met for a Work Session on Tuesday, August 16, 2011 at City Hall, 1737 Main Street, Columbia South Carolina. The Honorable Mayor Stephen K. Benjamin called the meeting to order at 3:09 p.m. and the following members of Council were present: The Honorable Sam Davis, The Honorable Daniel J. Rickenmann, The Honorable Belinda F. Gergel, The Honorable Leona K. Plough and The Honorable Brian DeQuincey Newman. The Honorable Tameika Isaac Devine arrived at 3:28 p.m. Also present were Mr. Steven A. Gantt, City Manager and Ms. Erika D. Salley, City Clerk.

**CITY COUNCIL DISCUSSION / ACTION**

1. Comprehensive Review of the Community Development Department – Ms. Teresa Wilson, Assistant City Manager

Ms. Deborah Livingston, Director of the Community Development Department presented an overview of the Community Development Department. The Community Development Department is committed to making the City of Columbia and its neighborhoods a better place to live, work and play. She provided updates related to communications with the Department of Housing and Urban Development and the Economic Development Administration from June 13, 2011 to the present. Ms. Livingston reviewed the meeting schedules and matters related to the Committees and Boards from June 13, 2011 to the present. She cited the many accomplishments gained under the Community Development Block Grant (CDBG); HOME Investment Partnership Program; Homelessness Prevention and Repaid Re-Housing Program; Housing of Persons with Aids (HOPWA); Neighborhood Stabilization Program; Community Investment and Partnerships; and the Business Opportunities/Compliance Program during Fiscal Year 2010/2011. There was a review of the internal operations for commercial and residential loans to include the number of active loans and outstanding principle balances; uncommitted available loan funds; internal operations related to budgeting and finance; external operations related to revamping the Office of Business Opportunities; and neighborhood sustainability. In closing, Ms. Livingston outlined the goals and objectives for fiscal year 2011/2012 with the ultimate goal being excellent customer service both internally and externally.

Councilor Plough commended Ms. Livingston for preparing a great presentation and for setting specific goals and objectives that are obtainable. I have other things that I would like to ask about at a later date.

Councilor Devine inquired about affordable rental housing and ways the City can help to

facilitate that demand.

Ms. Deborah Livingston, Director of the Community Development Department said that they are collaborating with the Community Housing Development Organizations (CHDO) and the Development Corporations to provide or purchase housing; we will make notice of funds available to the general public. We are looking at lease purchases and will be using case management program software to work with employees and citizens. It usually takes people one year to eighteen months to prepare to purchase a home.

Councilor Devine suggested that there be a dual track to assist even those that might qualify for homeownership, but may not be interested in homeownership. The Affordable Housing Taskforce developed recommendations on where the city needs to be with affordable housing, separate and apart from homeownership.

Ms. Deborah Livingston, Director of the Community Development Department said that the construction of affordable housing would be funded through a CHDO non-profit or for-profit. We could do tenant based rental assistance through the HOME Program in next year's annual plan, but we would need to notify HUD of our intent.

Mayor Benjamin asked where we are with Franklin Lee's work.

Ms. Teresa Wilson, Assistant City Manager clarified that the contractual arrangement is under the purview of the Legal Department. Going forward from a programmatic perspective and how it relates to the Office of Business Opportunities, we will review and monitor the Disparity Study recommendations. From my understanding, some of the recommendations touch other areas than Community Development. We were looking for clarification, too. I am going to be talking with Mr. Lee in general, but other Departments from Procurement to Information Technology will have to work with him, too.

Mr. Steven A. Gantt, City Manager said that the last communication with Mr. Lee dealt with the BID Online Program and we sent him information about upgrades we've done, but I am not sure if we received a response.

Mayor Benjamin asked if Ms. Livingston was recruiting to fill the vacant positions.

Ms. Deborah Livingston, Director of the Community Development Department said yes; I spoke with Ms. Benjamin, Director of Human Resources this morning and they should be posted. We are looking to fill those quickly. She is going to talk with Mr. Baker, Senior Assistant City Manager about funding for the Business Loan Officer, because that was funded primarily through the Commercial Revolving Loan Fund. You need to have someone ready once those funds are unfrozen so that we can start lending again. The issue is paying that person until those funds are unfrozen. I need someone to help work the past due accounts; the work needs to get done.

Mayor Benjamin said that he appreciates the purpose of the Office of Business Opportunities and he emphasized the need to push for that. We need to focus on making it an exceptional

office.

Councilor Davis asked how we are positioned to address applications that are pending for loans.

Ms. Deborah Livingston, Director of the Community Development Department clarified that there is currently one application that has been completed; I know that there is another one that should be submitted soon. That person is looking for a smaller amount of money and it will be presented to the Commercial Revolving Loan Review Board. There is an application process and we are happy to supply those applications to you for reference. We are excited about the Micro Enterprise Loan Fund that will provide smaller loans from \$5,000 to \$50,000 for smaller businesses and they don't require have bank participation. It is a different loan fund and you will be able to use CDBG funding, because it is an eligible expense. We will be re-launching the Mini Grant Program, too, but it will have to meet and comply with HUD's requirement for outcomes and measures.

Councilor Plough asked if businesses will be required to have any equity to qualify for a Micro Enterprise Loan.

Ms. Deborah Livingston, Director of the Community Development Department said that it would depend if they are a start-up or an existing business. Most of it is used for equipment purchases, but it can be used for operations depending on the guidelines set by the committee. We have to determine what we want for our City and I will certainly bring that back to Council once we formulate that.

Councilor Plough reminded Ms. Livingston to codify the new loan program. She asked if HOME Funds will be used for the amendment to the plan for Lyon Street.

Ms. Deborah Livingston, Director of the Community Development Department said yes.

Councilor Gergel asked if decisions are made on how to focus loans. Do we say that this year we would really like to focus on loans to facilitate green businesses? Is it appropriate to have a focused loan account that will grow certain types of businesses?

Mayor Benjamin suggested that this be part of the discussion at the Retreat.

Councilor Gergel said that she had asked for information about the repayment of loans and a status report on each loan that is outstanding. Can you speak generally about what we're doing to collect?

Ms. Deborah Livingston, Director of the Community Development Department reported that in the last Commercial Revolving Loan Fund Committee meeting they discussed the past due loans. Under the direction of Mr. Blackmon, those past due loans were given to an outside

law firm that was helping with collections. Those loans are still outstanding, but we are in the process of working with the Legal and Finance Departments to get those loans charged off the books. Then the Legal Department will work on collections based on collateral and the terms of the agreement. There is one outstanding Façade Loan and it will be handled the same way.

Councilor Rickenmann said that we need to know who has loans with us and what the status is, just as a bank does. I want to make sure you are headed down that path.

Ms. Deborah Livingston, Director of the Community Development Department continued to report that there are seven (7) loans in the Commercial Economic Renaissance Fund and two (2) are being paid as agreed. I asked Mr. Ellis, Finance Director to work on charging off the outstanding loans and I am sending the other information to the Legal Department. I have spoken with those three (3) people in reference to the status of their loans and I am working with them. I call and state where we are and what I plan on doing. That's what the committee asked me to do. It's important, that people bring us money and then we restructure the loans. I think that some of them are genuinely interested in trying to do the right thing.

Councilor Gergel asked if we are being proactive with the repayment plans, because this is money that we must have to invest in other things. Why would we use our Legal Department to serve as a collection agency?

Councilor Rickenmann said that you pay 20% to 30% to a collection agency.

Councilor Devine said that a collection agency handles foreclosures on behalf of the City. We've had outside attorneys handle our real estate matters, the in-house counsel started doing a little bit of the work over the last few years. We really need to consider having someone who does that.

Mr. Steven A. Gantt, City Manager recalled that they had a discussion about the possibility of seeing how that works within the Legal Department.

Mr. Kenneth E. Gaines, City Attorney said that First Citizens has a service agreement with us with a provision for them to send some foreclosures out, but we do the commercial loans in house.

Councilor Rickenmann said that we do have recipients that are tied into other loans and have not paid us. How do we address that in the future? We should have a policy on our threshold.

Ms. Deborah Livingston, Director of the Community Development Department said that at the next Economic and Community Development Committee meeting she will bring recommendations in response to three (3) requests for us to revise our policy to allow homeowners to rent their homes.

Councilor Devine said that if someone is not violating the spirit of the loan then we need to have an exception.

Mayor Benjamin suggested that there be rules in place so that the homeowner has to walk through a few steps to demonstrate their intent.

Ms. Deborah Livingston, Director of the Community Development Department said that Assistant City Attorney Dana Thye has reviewed the policy and made recommendations. Councilor Rickenmann suggested that it be a special exception where the homeowner has to present the case to the committee. You don't want people to misuse those funds to turn it into a profit center. The point is to get people into those homeownership roles.

Councilor Devine said that it has to be on a case-by-case basis, but not so subjective.

Mayor Benjamin said that we are open and supportive of revising the policy so that it makes sense and is cognizant of the challenges that homeowners face.

Ms. Teresa Wilson, Assistant City Manager said that they are aware of the concerns that are relayed to Council regarding the application process. Most of the time we are talking about federal dollars and a federal system that requires a lot of documentation regardless of the amount of the loan.

Councilor Davis encouraged staff to look at that process, because there are concerns about the Façade Loan program and what it is intended to do. There are some folks that will not take advantage of the program, because of the bureaucracy. I suggest that we come up with a reasonable process for streamlining the procedures and let the federal government review it before we implement it.

\*\* Mr. Steven A. Gantt, City Manager announced that the City received eight (8) competitive bids on a \$5.59 million Capital Bond. We were able to get the loan at 1.186%. We are reissuing our Hospitality Bonds, because State law has changed. We don't have to do a Certificate of Participation; we can do a regular revenue bond. We have enough history with Hospitality Tax collections and we anticipate saving a little less than \$100,000 a year. There will be some substantial savings with the Convention Center due to this change and we will refinance the water and sewer bonds. We will try to do a local placement on some of the refinancing. Every dollar you are not paying on principle and interest is another dollar you have available for other meaningful projects in the City.

## **EXECUTIVE SESSION**

Upon a motion made by Mr. Davis and seconded by Mr. Rickenmann, Council voted unanimously to go into Executive Session at 4:09 p.m. for the discussion of **Items 2** through **4** as outlined.

2. Discussion of negotiations incident to the proposed sale of property – *This item was discussed in Executive Session. No action was taken.*
  3. Discussion of negotiations incident to proposed contractual arrangements – *This item was discussed in Executive Session. Please refer to **Item 46a** on the Regular Meeting Agenda.*
  4. Receipt of legal advice which relates to matter covered by attorney-client privilege – *This item was discussed in Executive Session. No action was taken.*
- **Council adjourned the Work Session at 5:40 p.m.**

Respectfully submitted by:

Erika D. Salley  
City Clerk