



City of Charleston

South Carolina

Clerk of Council Department

WILLIAM S. COGSWELL, JR.
MAYOR

JENNIFER B. COOK
CLERK OF COUNCIL

COMMUNITY DEVELOPMENT COMMITTEE AGENDA

A meeting of the Community Development Committee will be held at **3:00 p.m., Thursday, July 17, 2025**, at City Hall, 80 Broad Street and via Conference Call at 1-929-205-6099, Access Code: 759694505. The agenda will be as follows:

- Invocation

a. Public Participation

Any person who speaks at a Community Development meeting shall conduct himself or herself in a manner appropriate to the decorum of the meeting and is asked to observe Section 2-28 (a) of the Code of the City of Charleston, Rules of Decorum. Violation of the Rules of Decorum may result in the forfeiture of audience before the Committee and/or removal from the meeting.

Citizens can participate virtually by telephone or leave comments for the Committee by completing the form at <http://innovate.charleston-sc.gov/comments/>. If requesting to speak by telephone, please provide your name and telephone number. Requests to speak at the meeting and comments must be received by 12:00 p.m., Thursday, July 17, 2025.

b. Approval of Minutes

- i. June 18, 2025

c. Old Business

None

d. New Business

- i. Approval of a request for Subordination and Modification of Loan Agreements – Charleston Redevelopment Corporation (CRC)

Miscellaneous Business

Adjourn

In accordance with the Americans with Disabilities Act, people who need alternative formats, ASL (American Sign Language) Interpretation or other accommodation please contact Janet Schumacher at (843) 577-1389 or email to schumacherj@charleston-sc.gov three business days prior to the meeting.



July 11, 2025

The Honorable William S. Cogswell, Jr., Mayor
City of Charleston
80 Broad Street
Charleston, SC 29401

RE: Subordination & Modification Request – Sea Island Apartments

Dear Mayor Cogswell:

Prior to addressing the substance of our request, I am pleased to share with you that the Charleston Redevelopment Corporation (CRC) has now been certified by the US Treasury Department as a CDFI (Community Development Financial Institution). We have been working towards this milestone for some time, and having CDFI status will greatly assist us in accessing Federal funding and leveraging private investment to further CRC's mission to be responsive to the growing housing affordability challenge in the Charleston tri-county region.

As we have discussed previously, part of the CRC's strategic focus has been utilizing the Palmetto Community Land Trust (PCLT) as a vehicle to preserve existing affordable housing projects and ensure their affordability for the long term. To this end, we are requesting a subordination and modification of City financing for one existing property to enable us to restructure our financing structure and maintain long-term affordability.

Several years ago the CRC purchased and took over management of the Sea Island Apartments (48 family units) and North Central Apartments (36 elderly units). Both of these assets were at risk of transitioning from affordable to market rate, and we acted to preserve their affordability. In order to maintain affordability of these properties and stabilize operating cash flow, the CRC must restructure the financing of these properties, which will impact the loans the City initially provided as seed funds.

There are three elements to this request. First, the CRC is requesting to amend the existing \$2,000,000 "Sea Island Deferred Forgivable Promissory Note" to include and incorporate the remaining balance of the \$1,000,000 "Sea Island Promissory Note." This would make the new balance of the Deferred Forgivable Promissory Note \$2,929,790.78 Second, the existing Deferred Forgivable Promissory Note will need to be modified to clarify that any amortized payments due would be out of surplus cashflow to ensure that the loan is treated as soft pay subordinated debt. Finally, the modified Deferred Forgivable Promissory Note and Mortgage would need to be subordinated to a first mortgage of at approximately \$1,508,000. We are actively working through the refinancing process and anticipate securing agency financing for this property.

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This request for subordination and modification is critical to the CRC's ability to restructure the debt for these two projects. It will help us to stabilize their cash flow and free up additional capital that we must currently keep on hand to mitigate against potential capital calls. More broadly, it is a crucial step toward the goal of preserving this existing affordable housing for the benefit of the citizens of Charleston.

Thank you for your consideration, and please feel free to contact me directly should you need additional information.

Sincerely,



F. A. Johnson, II Esq., CEO
Charleston Redevelopment Corporation | Palmetto Community Land Trust

Cc: Jonathan Oakman, Chairman
 Tim Keane, Planning Permitting & Engineering