

**FAYETTEVILLE CITY COUNCIL
SPECIAL MEETING MINUTES
COUNCIL CHAMBER, CITY HALL, 433 HAY STREET, FAYETTEVILLE
JANUARY 31, 2024
5:00 P.M.**

Present: Mayor Mitch Colvin

Council Members Katherine K. Jensen (District 1); Malik Davis (District 2); Mario Benavente (District 3); D. J. Haire (District 4); Lynne Greene (District 5); Brenda McNair (District 7) (via zoom); Courtney Banks-McLaughlin (District 8); Deno Hondros (District 9)

Absent: Council Member Derrick Thompson (District 6)

Others Present: Douglas Hewett, City Manager
Lachelle Pulliam, Interim City Attorney
Kelly Olivera, Assistant City Manager
Jeff Yates, Assistant City Manager
Jodi Phelps, Chief of Staff
Lisa Harper, Senior Assistant City Attorney
Chris Cauley, Economic and Community Development Director
Michael Gibson, Parks, Recreation and Maintenance Director
Kemberle Braden, Police Chief
Loren Bymer, Marketing & Communications Director
Pamela Megill, City Clerk
Members of the Press

1.0 CALL TO ORDER

Mayor Colvin called the meeting to order.

2.0 INVOCATION

The invocation was offered by Council Member Haire.

3.0 PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the American Flag was led by City Council.

4.0 APPROVAL OF AGENDA

MOTION: Council Member Benavente moved to approve the agenda.

SECOND: Council Member Banks-McLaughlin

VOTE: UNANIMOUS (9-0)

5.0 ITEMS OF BUSINESS

5.1 Murchison Choice Implementation Grant Application - Partnership Certification and Leverage

Mr. Chris Cauley, Economic and Community Development Director, presented this item and stated in December of 2020, the City of Fayetteville, in partnership with the FMHA, was awarded a HUD Choice Neighborhoods Planning Grant for the Murchison neighborhood. Through the grant, the City and FMHA have worked with local residents and a variety of community stakeholders--including nonprofits, faith-based organizations, anchor institutions, supportive services agencies, businesses, and others--to create a forward-looking Transformation Plan with a strong commitment to diversity and inclusion. The Plan is centered on redevelopment of FMHA's Murchison Townhouses, which includes 60 units of low-income public housing. The Transformation Plan seeks to replace 100 percent of those housing units within the neighborhood as part of new mixed-income developments.

The Choice Implementation Grant was announced on September 6, 2023, and is due by February 13, 2024. The Choice Neighborhood Initiative is the Department of Housing and Urban Development's signature affordable housing program that seeks to rebuild distressed public housing while simultaneously investing in the neighborhood, people, and housing at various income levels. The following is from their website:

The Choice Neighborhoods program leverages significant public and private dollars to support locally driven strategies that address struggling neighborhoods with distressed public or HUD-assisted housing through a comprehensive approach to neighborhood transformation. Local leaders, residents, and stakeholders, such as public housing authorities, cities, schools, police, business owners, nonprofits, and private developers, come together to create and implement a plan that revitalizes distressed HUD housing and addresses the challenges in the surrounding neighborhood. The program helps communities transform neighborhoods by revitalizing severely distressed public and/or assisted housing and catalyzing critical improvements in the neighborhood, including vacant property, housing, businesses, services, and schools.

In Fayetteville, the grant will propose to utilize approximately \$20 million to demolish Murchison Townhomes and develop 207 units of mixed-income housing at the Elliot Circle site. This grant will also provide resources to ensure funding to create jobs skills training, educational opportunities, and health benefits for the residents of both Elliot Circle and Murchison Townhomes. Elliot Circle was chosen as the primary site for redevelopment due to its proximity to Fayetteville State University and the City's neighborhood parks and trails. The project team believes this site is incredibly impactful to spur the revitalization of this neighborhood and address housing quality, public safety, and economic opportunity for FMHA residents and the current residents of Elliot Circle, all of which have the right to return to the new development and will benefit from the Uniform Relocation Act requirements. A future affordable development consisting of approximately 88 units will be developed on the Murchison Townhomes site, outside of the Choice grant but potentially coinciding with the project schedule.

Multiple People and Neighborhood enhancements will also be funded by approximately \$4 and \$3 million respectively. These funds will be used to develop and implement the following strategies:

- People: Creating economically stable and self-sufficient households.
- People: Improving mental and physical health.
- People: Preparing children to enter kindergarten.
- People: Ensuring children are proficient in core academic subjects.
- Neighborhood: Improve access to healthy foods and lifestyles.
- Neighborhood: Create access to trails and multi-use paths.
- Neighborhood: Develop place making and neighborhood branding.
- Neighborhood: Improve access to public parks and housing quality.

USI was brought on board to assist with the development and execution of the People and Neighborhood plans while FMHA and JBS serve as co-developers of the Housing plan mentioned above.

The grant requires a legally binding agreement by and between all parties to implement their portion of the Murchison Choice Implementation grant and requires significant leverage from the community. A variety of government partners, nonprofits, and other institutions have submitted leverage letters to support the application.

Funding in the amount of approximately \$27 million (final housing projections may increase the grant amount marginally) will be made available through the HUD Choice Neighborhood Implementation Grant. However, additional funds are required to support the grant and provide financing for the Housing Plan. The City must commit at least \$1,500,000.00 of Community Development Block Grant funding to the Transformation Plan over the eight-year period. The City will pledge up to \$4.5 million in available HOME Investment Partnership funds to support the Housing Development.

The Housing Plan also requires local dollars to close projected financial gaps in the multi-family, residential façade improvements, and homebuyer portions of the plan. These efforts will require the City to fund up to \$6 million in local housing funds. The Housing Opportunity General Obligation Bond was approved by voters in 2022 and can be utilized for acquisition, construction, demolition, rehabilitation, and down payment assistance for qualified homebuyers. These funds will require a property tax rate increase, which is currently estimated to not exceed 0.275 cents per \$100.00 in property value. Prior to budget adoption, staff will be working to ensure the timing of these funds takes advantage of market conditions to keep the cost of borrowing low.

Discussion ensued.

MOTION: Council Member Haire moved to authorize the Mayor to sign a leverage letter and the City Manager to sign a Partnership Agreement substantially similar to the one presented.

SECOND: Council Member Benavente

VOTE: UNANIMOUS (9-0)

5.2 International Farmer's Market Partnership with Cumberland County

Mr. Michael Gibson, Parks, Recreation and Maintenance Director, presented this item and stated Cumberland County Commissioner Jimmy Keefe gave a presentation to the Board recommending the County establish an International Farmers Market near Veterans Park at the intersection of Bragg Boulevard and West Rowan Street in Fayetteville. Commissioner Keefe presented a proposed site rendering that included space for street food and pop-up vendors, as well as amenities such as a main hall, farmer co-op, incubator kitchen, international market, admin building, food education area, restrooms, splash pad and a stage. He said the project could be a partnership between the County, City of Fayetteville, Cooperative Extension, USDA and others. He provided a cost estimate ranging between \$15 and \$23.7 million and suggested the County could pursue funding from grants and other sources, including the use of a portion of the County's American Rescue Plan Act (ARPA) funding.

Discussion ensued.

MOTION: Council Member Haire moved to state the City Council approves the partnership to work with Cumberland County on the International Farmers Market project, the Mayor and City Manager to be included in future discussions.

SECOND: Council Member Davis

VOTE: UNANIMOUS (9-0)

6.0 ADJOURNMENT

There being no further business, the meeting adjourned at 5:57 p.m.