

Community Reinvestment Funding Proposal



City of
Fayetteville
North Carolina





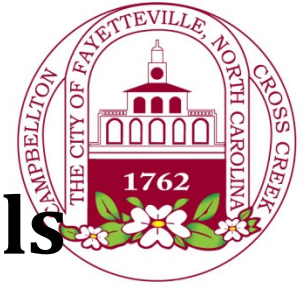
Why Cities invest in the redevelopment of neighborhoods and commercial corridors



- Expand tax base
- Stabilize or increase population
- Reverse the consequences associated with disinvestment
- Promote high quality development of underutilized and outdated properties
- Decrease costs associated with blight and crime
- Expand inventory and availability of safe, decent and affordable housing
- Create job opportunities
- Preserve the unique character of historic properties
- Expand opportunities for formation of public/private partnership (stretches use of available governmental funding)



City Council



2012-2013 Strategic Plan Goals

#1 - Great Tax Base Diversity-Strong Local Economy

#4 - Growing City Livable Neighborhoods A Great Place to Live

#6 - Revitalized Downtown-A Community Focal Point -



City Council

2013-2014 Strategic Plan Goals



#2 - The City of Fayetteville will have a strong, diverse and viable local economy .

#3 - The City of Fayetteville will be designed to include vibrant focal points, unique neighborhoods, and high quality effective infrastructure .

#4 - The City of Fayetteville will be a highly desirable place to live, work and recreate with thriving neighborhoods and a high quality life for all citizens.

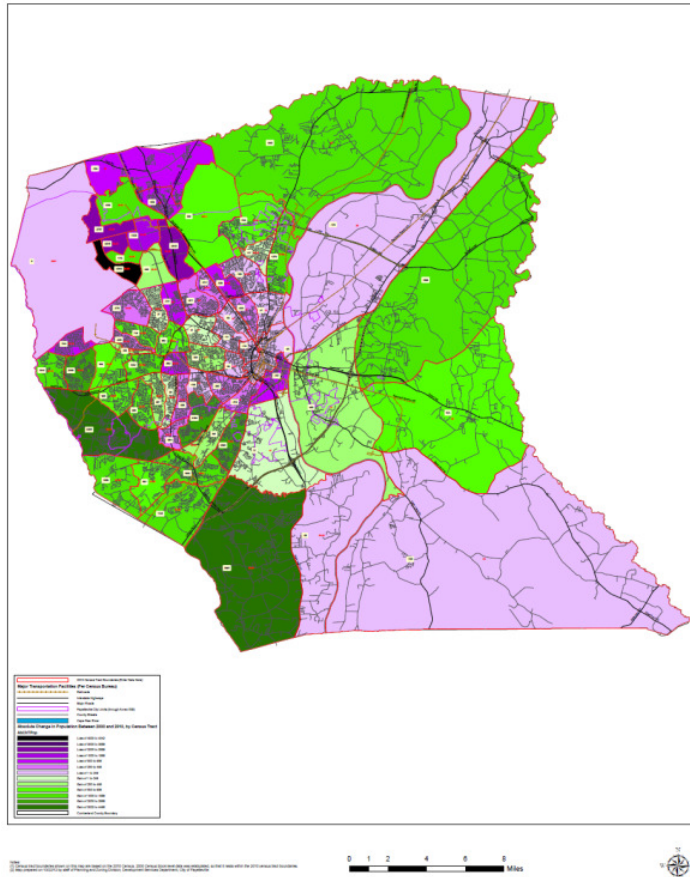


Our Challenges/Opportunities*

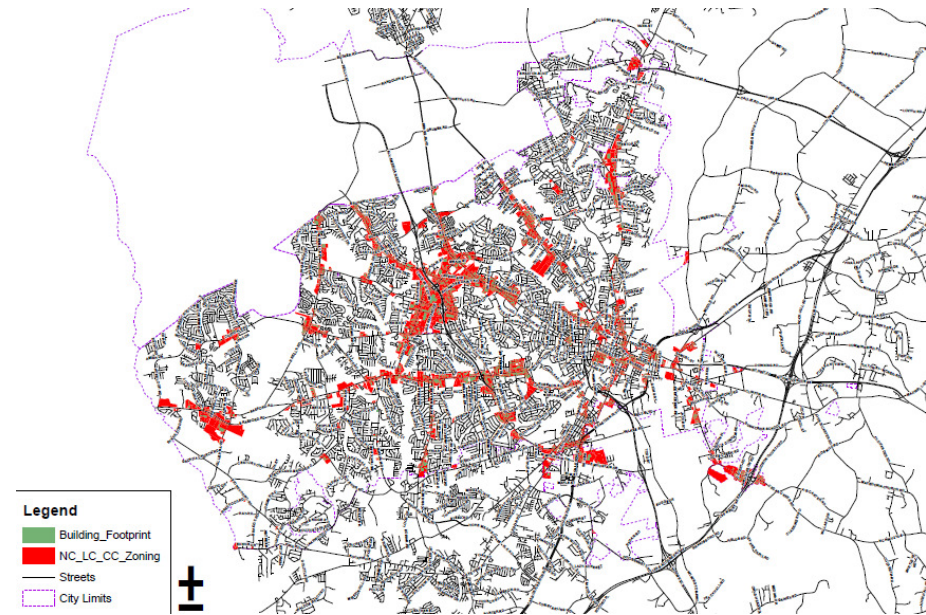


- Population decline*
- Underutilized Commercial Corridors*
- Limited and declining non-city resources such as Community Development Block Grant funds; one-time and short lived grants such as NSP
- Increase demand for services such as policing, fire protection, code enforcement
- Multiple plans for corridor and redevelopment area improvements*

Absolute Change in Total Population Between 2000 and 2010, by Census Tract, Cumberland County, NC



Population Decline



**Underutilized Commercial
Corridors**



Plans



- 2010 Future Land Use Plan – 1996
- 71st District Redevelopment Plan - 2002
- Deep Creek Road Redevelopment Plan – 2002
- Massey Hill Redevelopment Plan - 2003
- Bonnie Doone Redevelopment Plan – 2003
- 2030 Plan – 2008
- Murchison Road Corridor Plan - 2008
- Ramsey Street Corridor Plan – 2009
- Hospital Area Overlay Plan – 2010
- Bragg Blvd. Corridor Plan - 2012
- Renaissance Plan Update – Underway; 2013



A New Approach



Response to Meet Challenges and embrace the opportunities



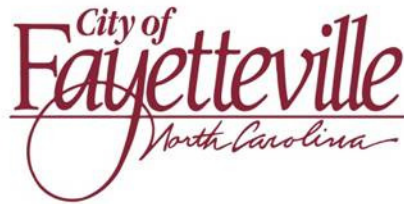
-
- City Manager organized related departments into one Portfolio—Community Investment

Citizens of Fayetteville

Mayor & City Council



Ted Voorhees
City Manager



Rochelle Small-Toney
Deputy City Manager
(Community Investment)



Craig Hampton
Special Projects Director



Ron McElrath
Human Relations Director



Victor Sharpe
Community Development
Director



Scott Shuford
Development Services
Director



Russell Thompson
Engineering &
Infrastructure Director



New Initiative



Community Redevelopment Investment Program

Mission

- The Community Redevelopment Investment Program is designed to comprehensively assess, analyze, plan and implement redevelopment strategies throughout the city. This approach will involve the expertise, efforts and resources of multiple City departments and other local agencies.



Community Redevelopment and Reinvestment Program



-
- Headed by Community Development Director Victor Sharpe
 - Develops a coordinated response to redevelopment and reinvestment needs
 - Leverages private investment using City funding, capital improvement programming, federal and state grants
 - Promotes development of and investment in priority areas and projects



Current Focuses of CRIP



- Headed by Victor Sharpe, Director of Community Development and supported by Community Investment Portfolio; joined by representatives from IT, Police, Fire, Parks and Recreation, Environmental Services, outside agencies and community watch leaders
- Just one program focus within the Community Investment Portfolio
- Targeted Focus # 1: With GIS resources in-house from IT, Engineering and Development Services we are building a spatial database with multiple layers of data (crime, property condition inventory, home ownership vs rental, social indicators, etc.)
- Targeted Focus #2: Further the implementation of recommendations from existing redevelopment plans
- Targeted Focus #3: Respond to incentives identified by the local development community as being critical for redeveloping underutilized commercial corridors and revitalizing vulnerable neighborhoods



CRIP Funding Request



- \$1 million dollar allocation from General Fund - Fund Balance to make progress on Targeted Focuses #2 and #4.

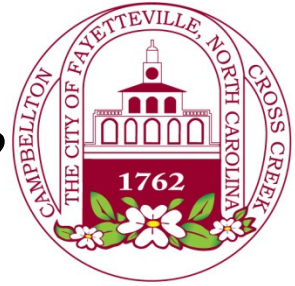
FY 2013-2014 Strategic Goals

#2 - The City of Fayetteville will have a strong, diverse and viable local economy .

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What are Other NC Cities Doing?



City	Program Requirements (Non Conclusive)
City of Hickory, NC	Vacant Building Revitalization and Demolition Guidelines
	<ul style="list-style-type: none"> Geographic Boundaries within Urban Revitalization Area
	<ul style="list-style-type: none"> Grants up to \$30k or 15% of eligible project costs
	<ul style="list-style-type: none"> Established criteria for evaluating application
	<ul style="list-style-type: none"> Funds disbursed are treated as a forgivable loan over a 3 year period
	Economic Development Assistance Program
	<ul style="list-style-type: none"> Projects must comply with NC General Statues 158-7.1 and other appropriate general statues
	<ul style="list-style-type: none"> Separate guidelines for industrial and non-industrial projects
	<ul style="list-style-type: none"> Job creation requirement
	<ul style="list-style-type: none"> Business Retention Incentives

City	Program Requirements (Non Conclusive)
City of Greensboro, NC	Urban Development Investment Guidelines
	<ul style="list-style-type: none"> Targeted to new development and redevelopment projects within downtown redevelopment area and zones identified in Connections 2025 as reinvestment areas and corridors.
	<ul style="list-style-type: none"> Application Review Process
	<ul style="list-style-type: none"> Criteria Guidelines
	<ul style="list-style-type: none"> Job Creation
	<ul style="list-style-type: none"> ROI



Video



Greensboro Video



Redevelopment Tools



-
- Community policing
 - Nuisance abatement (demolition, clean-up)
 - Existing plans – implementation opportunities
 - Mapping and data
 - Staffing – from participating departments
 - Community engagement
 - City investment – capital improvements (parks, streets, utilities)
 - Incentives – regulatory and financial
 - Land assembly and acquisition
 - Redevelopment partners



Redevelopment Partners



-
- Local Development Community
 - Fayetteville Redevelopment Commission
 - Chamber of Commerce
 - Community Housing Development Organizations
 - Lending Institutions



Local Development Community Suggestions Redevelopment Tools



- Property Tax Rebates
- Expansion of PWC Incentive Program
- Regulatory Incentives/Regulatory Relief
- Redevelopment Area Marketing
- Focused Capital Investment, esp. Parks and Schools
- Assistance with Federal Agencies
- Assistance with Regional-Level Financial Institutions



Community Redevelopment and Reinvestment Program



-
- Implements goals established by Council through adopted plans and policies such as Murchison Road, Ramsey Street and Bragg Blvd. plans



Funding Source & Program



- One-time allocation from fund balance
- Like a family budget – investment is made from the City’s savings account, not the checking account
- \$1 million to bridge gap of existing incentive programs
- Responds to incentives identified by the local development community as being critical for redeveloping underutilized commercial corridors and revitalizing vulnerable neighborhoods



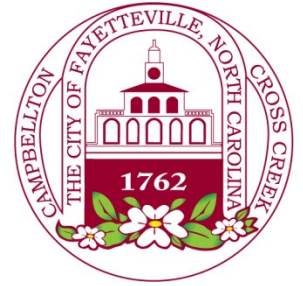
Existing Resources



- General fund
- HOME & CDBG Grants
- HOME & CDBG Program Income
- HUD Section 108 Loan
- Tax Credits (North Carolina Housing Finance Agency)
- Project Development Financing - Private funds



New Resources



- **Reinvestment fund**
- New grant opportunities – through the participating departments specific to the redevelopment strategies
- Creation of a City of Fayetteville Housing Trust Fund
- Fee waivers



Program Ideas



- **Capital Investment** – Cover on or off-site infrastructure needed to serve a reinvestment priority project
- Make use of development opportunities along designated corridors
- Develop additional **single-family affordable housing** by acquiring vacant tracts of land



Program Ideas



- Development of **market-rate housing** in the HOPE VI Revitalization project area.
 - Create an incentive package and request for proposals from developers to build
- **Housing Trust Fund** – Gap financing of mixed-income housing in areas identified for redevelopment stimulus
 - Provide a flexible way for governments to commit resources on a long-term and ongoing basis to provide decent affordable housing throughout the **entire city**.
 - Other sources of support may be from funds generated from interest income from previously provided loans, bond financing, program income derived from prior HOME and CDBG funding source allocations and campaigns created solely to generate funds in support of the Housing Trust Fund.
 - Fund can be used as leverage to obtain other available funding sources, such as loans from banks.



Program Ideas



- Expansion of **Business Assistance Loan Program (BAP)**
 - currently an economic development program through the Community Development Department
 - make gap loans available to commercial developers; currently available to small businesses
 - provide larger loans up to 25% of the total loan funds needed with a max of \$500,000; offer a lower fixed interest rate of 2%; currently 5% citywide and 3% in the city's redevelopment plan areas
 - allow flexibility in the number of jobs that must be created with the Job creation requirement
 - Examples of existing projects includes daycares (3), hair salons (2), dental office (1), retail businesses (3). A total of 54 jobs have been created and retained.



Oversight



- City Council will approve projects based on established criteria identified by staff and the community for the use of the \$1 million dollars from the fund balance.
- Examples of criteria the City will use:
 - Return on investment
 - Increased tax base
 - Creation of jobs
 - Location (i.e. – targeted corridor, redevelopment areas)
 - Financing
 - Measurement of quality of life
 - Consistent with guidelines of funding source (i.e. HUD)



Return on Investment



-
- Acquisition and Demolition Program
 - Increased tax base
 - Removal of blight
 - Creation of affordable housing
 - Affordable Housing Program (multifamily and CHDO)
 - Creation of affordable housing
 - Program income (multifamily)
 - Increased tax base
 - HOPE VI
 - Increased tax base
 - Affordable housing
 - Downtown Revitalization
 - Increased tax base
 - Creation of jobs
 - Increase sales tax
 - Tourism dollars generated
 - Business Assistance Program
 - Increased tax base
 - Creation of jobs



Next Steps



-
- Will work with development partners to establish the program.
 - Identify specific projects by the end of 2013.



Questions?



City of
Fayetteville
North Carolina

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