

CUMBERLAND COUNTY FINANCE COMMITTEE
COURTHOUSE, 117 DICK STREET, 5TH FLOOR, ROOM 564
MAY 7, 2015 - 9:30 AM
MINUTES

MEMBERS PRESENT: Commissioner Marshall Faircloth, Chairman
Commissioner Larry Lancaster

MEMBER ABSENT: Commissioner Jeannette Council

OTHER COMMISSIONERS

PRESENT: Commissioner Jimmy Keefe
Commissioner Charles Evans

OTHERS: Amy Cannon, County Manager
James Lawson, Deputy County Manager
Melissa Cardinali, Assistant County Manager
Tracy Jackson, Assistant County Manager
Rick Moorefield, County Attorney
Vicki Evans, Finance Director
Sally Shutt, Governmental Affairs Officer
Sylvia McLean, Community Development Director
Dawn Driggers, Fayetteville Metropolitan Housing
Authority
Murray Duggins, Duggins-Smith Companies
James Smith, Duggins-Smith Companies
Candice White, Clerk to the Board
Press

Commissioner Faircloth called the meeting to order.

1. APPROVAL OF MINUTES – APRIL 2, 2015 REGULAR MEETING

MOTION: Commissioner Lancaster moved to approve the April 2, 2015 meeting minutes.

SECOND: Commissioner Faircloth

VOTE: UNANIMOUS (2-0)

2. CONSIDERATION OF PROPOSED SUPPORT FOR THE GROVE VIEW TERRACE
PROJECT

BACKGROUND:

Cumberland County has been approached by the Fayetteville Metropolitan Housing Authority (FMHA) and Duggins-Smith Companies seeking financial support to demolish the old Grove View Terrace Public Housing Complex and reconstruct approximately 240 - 272 low income housing units in its place. Staff has emphasized the need for an unspecified number of housing

units that will help address homeless needs in the community. A specific commitment needs to be further defined at this point.

Funding commitments have already been secured from the City of Fayetteville in the form of a \$3 million low interest loan repayable over ten years, and also from PWC in the amount of \$1.5 million in the form of a grant and utility rebates. A commitment from Cumberland County in an amount not to exceed \$850,000 is being sought and is proposed as follows:

- \$100,000 from the HUD HOME Program earmarked for demolition expenses
- \$750,000 as a grant from the General Fund in three equal amounts of \$250,000 per year, for three consecutive fiscal years, starting in Fiscal Year 2016.

The total amount proposed may be less than \$850,000 depending upon other HUD funding sources but will not exceed \$850,000 as a total contribution from Cumberland County.

FMHA and Duggins-Smith Companies must submit a completed proposal to HUD by May 15, 2015 in order to obtain the necessary approval and comprehensive funding for the project.

RECOMMENDATION/PROPOSED ACTION:

Staff recommends approval of a letter of commitment, subject to appropriation, in an amount not to exceed \$850,000 to assist in funding the proposed Grove View Terrace Project. Due to the timing of the HUD deadline and the May 18th Board of Commissioner's Meeting, approval of a commitment letter is being sought from the Finance Committee with the understanding that a report will be made to the full Board once funding approval and details are issued by HUD.

Amy Cannon, County Manager, recognized in attendance Sylvia McLean, Community Development Director; Dawn Driggers, Fayetteville Metropolitan Housing Authority (FMHA); Murray Duggins, Duggins-Smith Companies and James Smith, Duggins-Smith Companies.

Tracy Jackson, Assistant County Manager, reviewed the background information as recorded above and stated a completed proposal must be submitted to HUD by May 15th in order to obtain the necessary approval and comprehensive funding for the project. Mr. Jackson stated the principals have secured funding from the City and PWC and are seeking a letter of commitment from the County to present with their application to HUD. Mr. Jackson stated following discussions with Duggins-Smith Companies and the FMHA, staff recommend approval of a letter of commitment, subject to appropriation, in an amount not to exceed \$850,000 with a final amount yet to be determined depending on HUD and costs involved with the project.

Mr. Jackson stated the original request to the County was for \$1.7 million but through continued discussions and planning for the project, the number dropped to "up to" \$850,000. Mr. Jackson stressed this number could change with time.

Mr. Smith provided an update on the redevelopment project stating there are 216 units to be demolished and replaced with 272 affordable housing units. Mr. Smith stated this is a \$35 million project in which \$32 million is being brought to the table in federal credits generating equity, with a large HUD insured first mortgage as a source. Mr. Smith stated the FMHA is bringing \$1.8 million to the table. Mr. Smith stated the total gap needed at this time is \$3 million and with pro-rata giving as was the case with the HOPE VI project, funds are being sought as an “up to” amount from the City, PWC and County. Mr. Smith stated PWC will provide \$344,000 and a commitment is being sought from the County in an “up to” amount.

Commissioner Faircloth asked how the County would get its money back if the City is going to provide a low interest loan. Ms. Cannon stated the proposal is for the County to provide a small grant structured over a three-year period in an amount “up to” \$250,000 from the General Fund; this would be manageable and would enable the County to participate in the project. Questions and discussion followed.

Commissioner Faircloth stated the Finance Committee does not have the authority to make a commitment and the next Board of Commissioner meeting is not until May 18th. Mr. Smith stated a commitment by the full Board at its meeting on May 18th would be workable because the \$3 million gap being an “up to” amount is technically covered at this point by the City’s \$3 million low interest loan.

Consensus was to forward to the May 18th meeting of the Board of Commissioners.

3. MONTHLY FINANCIAL REPORT

BACKGROUND:

The financial report as of March 31, 2015 highlights include:

- Revenues
 - Current real and personal property taxes continue at a pace similar to past years.
 - Motor vehicle tax revenues continue to appear strong this year.
 - Sales tax (report shows six collection months) collections show slight growth compared to last fiscal year.
 - Social Services revenues show growth as a result of an increase in the percentage of reimbursement on some programs/relative to expense increase.
- Expenditures
 - Expenditures remain in line with budget and show no unusual patterns.
- Crown Center expense summary/prepared food and beverage and motel tax
 - A combined year-to-date summary is provided.
 - Prepared food and beverage and motel tax summary included.

RECOMMENDATION/PROPOSED ACTION:

No action needed – for information purposes only.

Vicki Evans, Finance Director, reviewed revenue and expenditure highlights as recorded above and referenced the report for the Crown Center. Commissioner Keefe spoke to sales tax revenues and asked whether the County would meet budget this fiscal year. Ms. Evans responded in the affirmative. Questions followed regarding the status of the sales tax distribution bill, property values compared to sales prices as they relate to revaluation and Category 30-Unrestricted Intergovernmental for February.

4. OTHER MATTERS OF BUSINESS

There being no further business, the meeting adjourned at 10:05 a.m.