

Durham City Council to vote on \$4.2 million grant for Fayette Place purchase

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MAY 18, 2017 10:03 AM

DURHAM The Durham City Council is moving ahead with giving the Durham Housing Authority \$4.2 million to buy 20 acres of crumbling foundations for future affordable housing.

The council plans to vote on the grant to Development Ventures Inc., (DVI) a development arm of the Durham Housing Authority, at its June 5 meeting.

The grant deal was on the council's Thursday [work session agenda](#), but members didn't ask any questions or express concerns, indicating likely approval.

The money would allow DVI to re-purchase the property known as Fayette Place, which was sold to Campus Apartments in 2007. The area is bounded by Fayetteville, Umstead and Merrick streets, between downtown and N.C. Central University.

Most City Council members committed to supporting the grant at a recent [Durham Congregations, Associations and Neighborhoods](#) meeting.

On Thursday, City Councilman Charlie Reece said it's essential to bring the property under public control.

Neighbors have expressed frustration for years about the vacant land and unmet promises.

They dated the decline of the once cohesive, affluent black neighborhood to longtime homeowners pushed out to make way for the Durham Freeway and a housing project billed as "urban renewal."

Instead, the Fayetteville Street public housing complex opened, followed by plans for two affordable-housing projects that never happened.

The city grant will include more than \$4 million to repurchase the property and \$102,000 to maintain the property through 2019. About \$47,000 would go to a market study and legal fees.

The purchase is set to close June 16. A market study is to be completed in August and the community-engagement process would be held in September.

The grant agreement requires the housing authority to mow the grass, remove trash and repair the fencing. The housing authority has to include affordable housing in whatever gets built and seek community input, including from the Hayti area and N.C. Central University.

The authority also has to provide quarterly financial updates and can't sell the site without the consent of the city manager, the grant agreement states.

The history

For about 35 years, the property housed the 200-unit Fayetteville Street public housing complex.

In the early 2000s, the Durham Housing Authority started to convert the property into Fayette Place, a low-income housing development funded with tax credits. The development never happened.

In 2007, Campus Apartments agreed to pay the authority \$4 million for Fayette Place. The agreement allowed the authority to repurchase the property if Campus Apartments failed to rent at least 168 beds to N.C. Central University students or provide housing for low-income individuals.

[The property was never developed.](#)

Under the agreement, the housing authority can reacquire the property for the purchase price or a recent appraised value, whichever is higher. A recent appraisal valued the property at less than the \$4 million the company paid.