



Legislation Details (With Text)

File #: 19-0475 **Version:** 1 **Name:**
Type: Informational Report **Status:** Worksession Item
File created: 9/19/2019 **In control:** Board of County Commissioners
On agenda: 10/7/2019 **Final action:**
Title: Approval of Interlocal Agreement with the City of Durham for Additional Funding for the Whitted Project and Approval of Budget Ordinance Amendment No. 20BCC000017 to Appropriate Fund Balance in the Amount of \$1,301,000 and Recognize the Funding Source of \$681,000 in the Debt Service Fund and the Transfer of \$1,982,000 from the Debt Service Fund to the Pay As You Go (PAYGO) Fund and Approval of the Capital Project Amendment No. 20CPA000008 Increasing the Whitted Project by the Additional Funding of \$1,982,000 with the Funding Source of a Transfer In

Sponsors:

Indexes:

Code sections:

Attachments: 1. City-County Interlocal Agreement for Final Whitted Payment, 2. AAF-17 Legal Form Appropriate Debt Service Fund Balance to Whitted School (\$1,982,000), 3. CPA-08 Legal Form Whitted School Project (\$1,982,000)

Date	Ver.	Action By	Action	Result
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Item:

Approval of Interlocal Agreement with the City of Durham for Additional Funding for the Whitted Project and Approval of Budget Ordinance Amendment No. 20BCC000017 to Appropriate Fund Balance in the Amount of \$1,301,000 and Recognize the Funding Source of \$681,000 in the Debt Service Fund and the Transfer of \$1,982,000 from the Debt Service Fund to the Pay As You Go (PAYGO) Fund and Approval of the Capital Project Amendment No. 20CPA000008 Increasing the Whitted Project by the Additional Funding of \$1,982,000 with the Funding Source of a Transfer In
Date of BOCC Meeting: October 7, 2019

Request for Board Action:

The Board is requested to review the proposed interlocal agreement (ILA) with the City of Durham for additional funding for the Whitted Project and approval of Budget Ordinance Amendment No. 20BCC000017 to appropriate fund balance in the amount of \$1,301,000 and recognize the funding source of \$681,000 (per the attached ILA) in the Debt Service Fund and the transfer of \$1,982,000 from the Debt Service Fund to the PAYGO Fund and approval of the Capital Project Amendment No. 20CPA000008 increasing the Whitted Project by the additional funding of \$1,982,000 with the funding source of a transfer in. The Board is also requested to suspend the rules and approve the attached ILA and related budget and capital project ordinance amendments today so that the ILA and related amendments can be in place prior to the October 15, 2019 closing between parties.

The developer in charge of the redevelopment of the Whitted School (Integral LLC) experienced significant cost overruns without properly informing the County or other stakeholders in the project. Though both the affordable housing and pre-K classrooms in the facility have been functioning properly since 2017, the construction liens on the property have prevented the project from reaching “final endorsement” with HUD. City and County staff have been negotiating with Integral to ensure the smallest possible City and County

contributions necessary to affect removal of the liens and prevent either the holder of the construction liens (CT Wilson) or HUD from foreclosing on the project, which would likely have resulted in the loss of all the affordable housing or a much higher price for preserving that affordable housing necessitated by a purchase at foreclosure auction.

The final funding from the County to this project is an increase of \$1,982,000 with \$681,000 being a funding source from the City of Durham (per the attached ILA). The total amount of \$1,982,000 is funding from the County through the normal process as per the current approved and executed documents between all parties (e.g., from Durham County to Durham County Public Corporation (DCPC), a non-profit corporation, to Durham Whitted Corporation (DWC), a for-profit corporation, to Integral) as an additional equity contribution. The attached ILA is an agreement between the City and the County for \$681,000 as a funding source for the total amount of \$1,982,000.

Alignment with Strategic Plan: Ensuring the long-term preservation of affordable housing at the Whitted School aligns strongly with Goals 1 and 2 of the Durham County Strategic Plan.

Resource Persons: Drew Cummings, Chief of Staff

County Manager's Recommendation: The County Manager recommends that the Board review the proposed ILA with the City of Durham for additional funding for the Whitted Project and approval of Budget Ordinance Amendment No. 20BCC000008 to appropriate \$1,301,000 and recognize the funding source of \$681,000 (per the attached ILA) in the Debt Service Fund and the transfer of \$1,982,000 from the Debt Service Fund to the PAYGO Fund and approval of the Capital Project Amendment No. 20CPA000008 increasing the Whitted Project by the additional funding of \$1,982,000 with the funding source of a transfer in. The County Manager also recommends that the Board suspend the rules and approve the attached ILA and related budget and capital project ordinance amendments today so that the ILA and related amendments can be in place prior to the October 15, 2019 closing between parties.

County Manager: _____