

March 30, 2008

Developer can navigate bureaucracy

Fayetteville Observer
Section: Local & State
Andrew Barksdale

By Andrew Barksdale
Staff writer

The developer who will guide the \$119 million Hope VI revitalization plan in downtown Fayetteville has a long history of building affordable housing.

Murray Duggins, president of United Developers, has built more than 900 apartments across Fayetteville and Hope Mills that cater to older tenants or families with low to moderate incomes. Duggins, who lives in Fayetteville, has built about 3,000 such apartments across the Carolinas. For decades, the 63-year-old has navigated bureaucratic layers, winning low-interest, long-term government loans and tax credits that lower his construction costs and allow him to charge below-market rents.

“It's a 30-year process,” he said. “You don't get in and get out of it. You have to commit to these projects for 30 years.”

Duggins was the only one to apply when the Fayetteville Metropolitan Housing Authority sought someone in 2006 to oversee the revitalization effort to the Old Wilmington Road neighborhood. The Hope VI plan calls for razing two public housing projects — Campbell Terrace and Delona Gardens — and building a mix of 747 apartments, houses and duplexes. Most will be rented. About a fifth will be owner-occupied.

The linchpin of the project is a \$20 million federal Hope VI grant that the Housing Authority won March 20. The rest of the money, which has been committed, includes contributions from local governments, the community and private sources.

As the developer, Duggins will build all of the dwellings within the next five years. He will own all of the rental properties. Some of the houses will be sold.

Duggins has an impressive record with affordable-housing projects in established neighborhoods, said Thanena Wilson, the county's community development director who has worked with him before.

“They have great curb appeal, and they do not look like what you consider affordable housing or low-income housing,” she said.

Outside guidance

But Duggins said he has never done a Hope VI project. That's why his 22-year-old company with about 150 employees has been paired with The Communities Group International. That firm,

based in Washington, has developed 12 Hope VI projects in the country. The firm wrote Fayetteville's winning Hope VI application last year, as well as a similar one for the same neighborhood in 2006 that failed to get the grant.

Of the 747 units to be built, 249 must be reserved for people eligible for public housing. That equals the number of units at the nearly full Campbell Terrace and Delona Gardens, which will be demolished.

Letters began arriving in recent days telling tenants such as Troy Brown that they will have to relocate beginning this year.

Brown, who lives in Delona Gardens, said he would like to return to something new.

“It's an old building, and it's about time to rebuild,” he said.

Delona Gardens, built in 1942, consists of rows of identical red-brick homes.

Brown, who is 47, has lived in Delona Gardens for three years. He was hanging clothes on a line in front of his duplex one afternoon last week. His rent, he said, is \$200 a month, which includes all utilities but cable.

Relocation

When and where the families will go is not known yet. Dawn Driggers, executive director of the housing authority, said she hoped to iron out those details in a few months.

Most tenants will get Section 8 vouchers to live elsewhere. The agency will assign case managers to help families find new homes, and it will spend up to \$3,000 per family for moving expenses.

The relocated tenants will have top priority to move into the new residences.

A survey by the Housing Authority of the two complexes to be demolished said 32 percent of the tenants wanted to return.

Driggers said the goal is for United Developers to collect the same type of federal subsidies that now go to the Housing Authority to help maintain and manage the two housing projects to be razed. How much in subsidies Duggins will collect is not known, Driggers said.

According to documents with the Hope VI application, United Developers is targeted to earn almost \$2.7 million in profits. Duggins said that figure meets federal guidelines and could drop if the project runs over budget.

Duggins said he likes doing unconventional, less lucrative projects because he grew up in a military housing project in the 1950s. In an earlier career, he was a rehabilitation counselor. “It's just something I enjoying doing,” he said. “It's just a niche.”

Duggins is taking on some risk, too. He said he has received more than \$30million in credit for the Hope VI project.

“I've been wanting to do this for years,” he said. “It may not be the most lucrative thing, but I'm very convinced it's going to help downtown Fayetteville.”

Neighborhood Revitalization

The Hope VI plan calls for an infusion of more than \$118 million in public and private investment. Plans call for razing two public-housing projects and building 747 affordable apartments, houses and duplexes.

THE FUNDING SOURCES

Private: \$66,397,144

Hope VI grant: \$20,000,000

Local governments: \$9,829,176

Health care: \$9,061,012*

Miscellaneous sources: \$8,879,245**

Other federal and local sources: \$4,687,500.***

GRAND TOTAL: \$118,854,077

*Includes a \$1.2 million, Cape Fear Valley clinic.

**Includes money and in-kind contributions from community agencies

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