

DURHAM CITY COUNCIL WORK SESSION
Thursday, April 8, 2021 @ 1:00 p.m.
Virtual Zoom Meeting

The Durham City Council held a regular Work Session on the above date and time virtually via Zoom with the following members present: Mayor Steve Schewel, Mayor Pro Tempore Jillian Johnson and Council Members Javiera Caballero, Pierce Freelon, DeDreana Freeman and Mark-Anthony Middleton. Excused Absence: Council Member Charlie Reece.

Also present: City Manager Wanda Page, City Attorney Kim Rehberg and City Clerk Diana Schreiber.

[CALL TO ORDER]

Mayor Schewel called the virtual meeting to order and welcomed everyone in attendance.

Mayor Schewel announced that Council Member Freelon was delayed in his arrival; and announced that Council Member Reece was not in attendance and had requested an excused absence.

MOTION by Mayor Pro Tempore Johnson, seconded by Council Member Caballero, to grant Council Member Reece an excused absence at 1:02 p.m. was approved by the following vote: Ayes: Mayor Schewel, Mayor Pro Tempore Johnson and Council Members Caballero, Freeman and Middleton. Noes: None. Absent: Council Member Freelon. Excused Absence: Council Member Reece.

[ANNOUNCEMENTS BY COUNCIL]

There were no announcements by Council.

[PRIORITY ITEMS BY THE CITY MANAGER, CITY ATTORNEY AND CITY CLERK]

City Manager Wanda Page, City Attorney Kim Rehberg and City Clerk Diana Schreiber had no priority items. No motion was taken.

Council Member Freelon arrived at the meeting at 1:03 p.m.

[ITEMS PULLED FROM THE AGENDA]

Mayor Schewel read the items on the printed agenda; the following items were pulled for remarks and/or additional discussion:

Item 5) Resolution in Support of Immediate Action to Solve the Black Maternal Health Crisis. Item was requested to be pulled for discussion.

Items 8, 9, 10) Ashton Place Apartments Notice of Intent to Award Conditional Permanent Financing; Hardee Street Apartments Notice of Intent to Award Conditional Permanent Financing; and Revised and Restated Loan Commitment to Development Ventures, Inc. for Commerce Street Apartments. Only remarks were made. Council Member Freeman inquired if staff could explore the option of developing a race/gender equity tracking plan, from contractor to residents moving in. Mayor Schewel requested that the Affordable Housing Implementation Committee be charged with devising guidelines.

Item 11) Municipal Agreement with NCDOT for R. Kelly Bryant, Jr. Bridge Directional Signs. Item was requested to be pulled for discussion.

Item 13) South Durham Phase III Hydraulic Model – Amendment #1 to the Professional Services Contract. Only remarks were made. Council requested staff update the employee data for the upcoming Council Meeting.

Item 14) Change Order for Construction Contract with Bar Construction Company, Inc. at Valley Springs Park. Item was requested to be pulled for discussion.

Item 15) Purchase contract with Barbizon Charlotte, Inc. for the Durham Performing Arts Center (DPAC) Performance Lighting Upgrade. Item was requested to be pulled for discussion.

Mayor Schewel summarized the pulled items as Items 5, 11, 14 and 15. City Manager Page confirmed the pulled items.

SUBJECT: RESOLUTION IN SUPPORT OF IMMEDIATE ACTION TO SOLVE THE BLACK MATERNAL HEALTH CRISIS (ITEM 5/ PR 14570)

Council Member Freeman spoke to the progression of the bill filed in the NC General Assembly in support of Black Maternal Health; and expressed gratitude for the advocacy of NC Senator Natalie Murdock and NC Representative Candy Smith.

Council Member Freelon echoed his colleague's remarks and acknowledged Joyce Spencer, Executive Director of Equity Before Birth, for her advocacy.

Mayor Pro Tempore Johnson emphasized the advocacy of the Mayor's Council for Women who had brought the topic to the forefront, wrote the resolution and asked Council for support; and expressed gratitude for the Mayor's Council for Women members' efforts.

**SUBJECT: MAYOR'S HISPANIC/LATINO COMMITTEE 2020 REPORT
(ITEM 16/ PR 14478)**

Maralis Mercado Emerson, Chair of the Mayor's Hispanic/Latino Committee, and Italo Medelius, Vice Chair of same, updated Council on the activities of the Mayor's Hispanic/Latino Committee in the year 2020.

Ms. Mercado Emerson addressed the accomplishments of the Committee; highlighted outreach within the community in regard to COVID-19 efforts; thanked City Council for sponsoring translation services and enhanced communication regarding resources for Durham's Hispanic/Latino community, including mental health services.

Ms. Mercado Emerson noted there were two vacancies on the Committee and was supportive of having the vacancies filled.

Italo Medelius, Vice Chair, addressed the Council and expressed appreciation for the Council's support of the Mayor's Hispanic/Latino Committee within Durham's democracy along with state-wide Hispanic advocacy committees, including partnering with the City of Raleigh's immigrant committee. He noted that the MHLC formed a COVID-19 Taskforce early on, whereby community members were invited to share their needs related to the pandemic with the MHLC members and those needs were responded to, bi-lingually.

Gratitude was expressed to Council Member Caballero for her advocacy of the Hispanic/Latino community.

Council Member Caballero extended her appreciation to the leadership of Maralis and Italo and the remaining committee members for their outreach.

Council Member Middleton took a point of personal privilege by acknowledging the outreach and advocacy of his colleague, Council Member Caballero.

**SUBJECT: MUNICIPAL AGREEMENT WITH NCDOT FOR R. KELLY
BRYANT, JR. BRIDGE DIRECTIONAL SIGNS. (ITEM 11/ PR
14516)**

Council Member Middleton took the opportunity to celebrate the naming of the bridge and appreciated the significance of the arc of blue in the Durham community; and was appreciated staff and the community's efforts in installing the directional signs on Route 147. He also mentioned a possible typo in the memo under "Background" noting that city 'forces' should be corrected to 'finances'.

Council Member Freeman inquired about the contracted amount of \$3800; spoke to the trail aspect of the bridge, and mentioned the need for infrastructure improvements related to run-off from the bridge into the neighboring parcels.

Assistant Transportation Director Bill Judge clarified \$3800 was being financed by the city to NCDOT; and noted that NCDOT would fabricate, install and maintain the signage.

Mayor Schewel complimented staff for improving the illumination of the bridge with new technology.

SUBJECT: CHANGE ORDER FOR CONSTRUCTION CONTRACT WITH BAR CONSTRUCTION COMPANY, INC. AT VALLEY SPRINGS PARK (ITEM 14/ PR 14569)

Council Member Freeman inquired if Cadet Construction Company had other projects and was the city looking at them.

Nia Rodgers, Project Manager with General Services, confirmed that the city did not have other active contracts (this was Cadet's second contract with the City of Durham) with Cadet Construction and noted the company had left the state.

Council Member Freeman noted that if there was another contract with Cadet Construction, wrap-around services should be provided.

SUBJECT: PURCHASE CONTRACT WITH BARBIZON CHARLOTTE, INC. FOR THE DURHAM PERFORMING ARTS CENTER (DPAC) PERFORMANCE LIGHTING UPGRADE (ITEM 15/ 14573)

Council Member Freelon inquired about the broader question of when was it appropriate to suspend processes in deciding when to exempt the City from competitive bidding; had read the memo and understood how it applied to DPAC and requested additional clarity.

City Manager Page responded that these types of purchases were regulated by material apparatus supplies/construction repair portions of state law; spoke to the sole-source exception; and noted that staff had been consulted by the City Attorney's Office whenever this type of decision was made. Professional services were not covered by state law, but rather city-policy.

Council Member Middleton admitted that his colleague had expressed his own question about the prevalence of financial exemptions in contracting. He also celebrated the purchasing of new auditorium lighting and celebrated the trajectory of re-opening DPAC.

Assistant City Attorney Fred Lamar noted that the City could not be exempted from the competitive bidding type of purchase without the City Council's authorization.

Trish Creta, General Services, expressed excitement about adding auditorium lighting to DPAC and that DPAC staff was excited about future re-opening.

Mayor Schewel complimented General Services on the Council's Suite renovation.

[PRESENTATIONS]

SUBJECT: GREEN AND EQUITABLE INFRASTRUCTURE PROJECT (ITEM 18/ PR 14566)

Bo Ferguson, Deputy City Manager for Operations, provided the staff report and made the PowerPoint presentation called '*Green and Equitable Infrastructure Follow-Up Discussion*'. He summarized that Council had requested staff to provide background on an enhanced tax support of the CIPs equitable and green infrastructure in order to fund new projects or to pursue a bond for this purpose. The presentation contained a list of Council weighted, sample projects that amounted to approximately \$50 million in spending.

Projected Categories:

- Sidewalks
- Pedestrian Safety & Access Improvements
- Bicycle Facilities
- Trails
- Dirt Street Paving
- Energy Generation and Transportation Electrification
- Energy Resilience and Retrofits
- Waste Reduction and Circular Economy
- Enhanced and Equitable Green Spaces

Sidewalks and pedestrian safety and accessibility improvements were ranked the highest. Mr. Ferguson presented the ranked projects/categories, approximated their funding and provided the locations/ descriptions:

Sidewalks	\$ 22.3 million
Pedestrian Safety & Accessibility Improvements	\$ 2.6 million
Bicycle Facilities	\$.5 million
Trails	\$ 7.1 million
Enhanced & Equitable Green Spaces	\$ 2.68 million
Waste Reduction and Circular Economy	\$ 5 million

Energy Generation & Transportation Electrification	\$ 4.4 million
Energy Resilience & Retrofits	\$ 5 million
Dirt Street Paving	\$ 1.8 million

Deputy City Manager Ferguson presented key dates for the bond referendum and adding portion to property tax with increased allocation to the CIP with tax increase; and compared both funding options. Staff asked Council for feedback, preferred funding option and feedback on the ranked projects.

Due to technical difficulties experienced by Deputy City Manager Ferguson, Assistant Director John Allore continued the discussion regarding Council's decision on the bond versus tax increase.

Mayor Schewel asked Council if they had questions on the presentation.

Council Member Freelon inquired about local hires for sidewalk development versus contracting out; and asked about the American Jobs Plan for infrastructure and how would it impact the city's project development.

Deputy Manager Ferguson responded that local talent of professional services was sought after but not typically available in the short-term; and urged hiring of civil engineers in Public Works or find contact managers for design contracts. He also explained the construction process in-house versus hiring out and spoke to possible ear-marked funding for infrastructure.

City Manager Page informed Council about funding sources and an internal group that was reviewing projects along with potential ear-mark projects. She deferred to Assistant to the City Manager Karmisha Wallace for additional information.

Assistant to the City Manager Wallace shared with the Council of her contact with US Representative David Price; and explained the city had submitted two applications for ear-marked funds for the purchase of electric buses and the Durham Belt-line Trail construction.

Mayor Pro Tempore Johnson asked about bicycle infrastructure and which projects were shovel-ready so they could be prioritized and paid for with bond funding; and asked about the scoring of the pedestrian safety and access item. She asked about new ideas for intersection crossings where all traffic stops and all walkers proceed, in a manner that enhanced pedestrian safety.

Director of Transportation Sean Egan addressed bicycle facilities and explained the potential match program for federal funds (80% federal, 20% local match); noted that projects were being considered with a project value and racial equity lens and that sidewalks and pedestrian safety in underserved neighborhoods were priority. He spoke to providing connections to bus stops in the form of

sidewalk projects that served historically under-served communities. Director Egan addressed two projects in D.C. near major transit stations where all vehicular traffic stopped then pedestrians crossed, but did not see a high enough pedestrian volume in Durham to allow for this pattern.

Council Member Middleton questioned if he submitted a response to the Deputy City Manager's priority list request; and emphasized the importance of this discussion.

Council Member Middleton proceeded to explain that dirt street paving would be within his top-three selections based on resident equity and viewed paved streets as a measure of equity; stressed equity over green projects and favored an escalatory approach by providing a penny to the CIP and explained his rationale. He also spoke to conversations for small area plans for legacy black communities such as Hayti and Walltown.

Mayor Schewel requested staff provide some question/answer time with Council Member Reece since he was not in attendance at the Work Session.

Council Member Freeman explained she submitted her project rankings and noted her number one selection, transformational infrastructure investment/development was not on the list; and acknowledged that the projects that should be a priority were not thought of at the time the CIP projects were developed; and explained that she did not lean toward the tax increase due to potential hardships on property owners. She noted the stormwater project at Goose Creek was not included and noted the County was working on a circular economy plan and encouraged collaboration; indicated Parks and Recreation Centers had been built in low-lying areas, there were a lot of such areas in East Durham- were these projects included in the conversation; and encouraged partnering with local non-profits. She voiced support for moving forward with the CIP projects and the bond referendum.

Council Member Middleton asked if it was staff's position that if the debt was floated as a bond, that there would be no tax increase.

Deputy City Manager Ferguson clarified that a bond referendum would involve a tax increase and deferred to City Manager Page to respond.

City Manager Page noted that a bond referendum would prompt a tax increase at some point but not necessarily in the year where the projects started, since it was a cash-flow matter that was managed by staff.

Council Member Middleton re-stated staff's responses that between a bond referendum and a tax increase, it was not a matter of if taxes would be increased, but rather when. Either option would involve a tax increase.

Council Member Caballero asked if Council was being asked to decide between the bond referendum and the tax increase, regardless of the timing.

Deputy City Manager responded that for the \$50 million worth of projects, staff proposal showed a one cent increase for CIP and the bond option. If Council preferred higher funding options, then staff could run the numbers.

Council Member Caballero referred to staff's initial presentation that detailed \$220 million in infrastructure projects; noted that \$50 million was not enough for infrastructure and that the city was operating on an infrastructure deficit and that parity would need to be achieved with additional taxation. She supported the bond and/or tax increase in 2022 and requested additional time for consideration.

Mayor Pro Tempore Johnson urged moving forward on the projects, knew there were more projects in store, and recognized there would be another cent on the tax rate this year to accommodate the debt rate; was conflicted about adding another cent on this year's debt rate combined with the cent for affordable housing; she favored keeping the CIP increase on the table during the budget cycle and wanted to understand what the tax rate would be; and noted that she supported the bond but felt that doing it this year was a stretch, and next year would be good.

Council Member Freeman noted that the city had two years to count on funding from the federal government; the urgency was not around the local level but rather around the federal level.

Council Member Middleton appreciated the discussion of his colleagues that consisted of balancing urgency with fiscal conservancy. He explained he supported an escalatory, phased in approach; indicated the projects addressed with the CIP requests were comparable to each individual Council members' initiatives and deserved serious consideration. He spoke to funding from the American Rescue Act, favored looking at a phased in approach, and that delaying the phase-in of the bond would give Council the time needed to reach out to the community for their input for the equitable and green bond referendum, waiting a year to launch the bond referendum would allow for outreach and education.

Council appreciated staff pulling the information together so expeditiously.

City Manager Page emphasized that any decision made for new projects that were not already in the CIP, would involve a delay in delivering and a delay in the larger part of the costs; and summarized that new money would not be spent next year for new projects in a material way.

Mayor Schewel concurred the discussion was important and focused on a variety of issues and opinions; reminded Council of their budget guidelines that could be

revised: the Affordable Housing Bond was listed at 1.38 cents with a target of not to go above two cents. Operating needs were still outstanding. He spoke to a half cent generating up to approximately \$50 million over ten years; and suggested a half cent this year and half cent next year. Mayor Schewel favored bonds in certain circumstances. The timetable concerned him but for the best chance, with resident buy-in, it would be better to wait until 2022. He was flexible on the matter. Overall, he favored some funding this year and then supporting the bond next year.

Mayor Schewel admitted the projects on the CIP list were not as large as housing projects were with associated housing bonds and requested staff to respond to which option would be most successful; and asked if there were projects that required a bond issue such as the organics recycling.

Finance Director David Boyd illustrated the capacity that could be achieved with different tax rates in the CIP and noted spending would not happen at flat increments. He stated that a tax increase resulted in an increase of permanent capacity rather than a one-time increase via a bond. A spreadsheet was shared that displayed one cent, half-cent and quarter-cent capacity from FY2022-2031.

Deputy City Manager Ferguson indicated that if Council wanted to proceed with the bond referendum, it was necessary to move forward by May 1.

Mayor Schewel suggested that there was one more Work Session prior to the May deadline and that Council discuss the matter at the Thursday, April 22 Work Session. At the following Council meeting on May 3, the requisite action could be taken. He encouraged Council Members to share their thoughts with one another and to reach out to staff; and asked for more information regarding an estimate about the tax increase for expanding the CIP for green and equitable infrastructure, and questioned what else was still on Council's plate.

Finance Director responded that the first action to initiate the bond referendum did not require a lot of legal work.

City Manager Page addressed the status of budget discussions with staff and indicated that leadership would have more information in a few weeks.

It was the consensus of Council to follow the timeline as summarized by Mayor Schewel.

SUBJECT: AFFORDABLE HOUSING INVESTMENT PLAN UPDATE (ITEM 19/ PR 14584)

Reginald Johnson, Director of the Department of Community Development, provided the update on the Affordable Housing Plan; thanked staff for the presentation and for their work; discussed the progress so far on the Affordable

Housing Plan and wanted to discuss how the FY22 plan was expected to progress and its challenges. The name of the Affordable Housing Plan was called *Forever Home, Durham* and thanked his partners, Morris & Ross.

The presentation included:

Introduction

Goals: 1600 new affordable rental homes; preserve 800 affordable rental homes; move 1700 homeless persons into permanent housing, provide 400 affordable home ownership opportunities for first-time homebuyers. Help 3000 low-income renters and homeowners remain in or improve their homes. Create at least \$130 million in contracting opportunities for MWBEs. Support nearly 3000 jobs as a result of construction, operations and resident spending over the life of the housing created with Forever Home, Durham spending.

How We're Counting

Units v. services

Not including COVID-19 response and HUD Lead Remediation Program

Progress to Date

Goals in categories and the number of units in the pipelines

Highlights of Progress to Date

Unit statistics: Willard Street, JJ Henderson Tower, Ross Road, Scrap Exchange

People statistics: households avoided eviction, elderly/disabled homeowners

receiving minor repair assistance, homeless into permanent housing

Joint City-County funded unsheltered coordination/encampment response.

FY21-22 Plans

Rental Project Development Timeline

Example: Low Income Housing Tax Credit

Create and Preserve Rental Homes- Durham Housing Authority & Other

Developers

Creation of New Units

Preservation of Affordable Units

Construction to be completed in FY22

Execute contracts in FY22, construction beginning in FY22 or early FY23

Issue RFP for new multi-family projects

Provide Permanent Housing for Homeless Persons

Key Homelessness System Performance Metrics

Homelessness System Planning

Technical Assistance

Create Homeownership Opportunities

Stabilize Low Income Owners and Renters

Create Contracting Opportunities for MWBEs

Support Employment Opportunities

Improve Transparency & Communications

Challenges

Competing priorities and capacity limitations

Evolving timelines for large multi-phase projects

COVID-19 Response

Support for non-congregate housing options
Emergency Rental Assistance

Presentation, continued:

Implementation Timeframe

Final funding commitments will be made no later than FY25
Services will be delivered by end of FY25

For more information: <https://durhamnc.gov/3832/Affordable-Housing-Bond>
The new website for Forever Home, Durham was expected to launch by the end of FY21.

Mayor Pro Tempore Johnson presided over the meeting at 3:33 p.m.

Council Member Middleton reiterated with Madame Mayor Pro Tempore, that he regularly received many questions about low-income housing; referenced the Project to Date slide, asked what did low-income housing stabilization mean and how were the statistics measured.

Director Johnson responded that eviction diversion was included in low-income housing stabilization.

Assistant Director Karen Lado explained the housing stabilization statistics counted as eviction diversion were members of households stabilized (remained in units) as a result and by the assistance from the program. Not everyone who received assistance was able to stay in their unit, sometimes tenants were evicted or move-outs negotiated. She also explained that the statistics represented the number of people that could be served in the upcoming year versus the number of people that were able to stay in their units in the past year.

Council Member Middleton re-phrased the term 'stabilized' that meant residents who were not evicted and remained in their units.

Assistant Director Lado continued to explain the 'stabilization' category to include minor repair and substantial rehabilitation, short term rental assistance, HOPWA vouchers and residents served through the property tax program.

Council Member Middleton inquired about the MWBE consulting firm being in place by the end of the year, statistics were already being counted, and asked if staff could address the already posted victories for MWBE; and in that regard, has the contract already been approved.

Director Johnson responded that the contract would come before Council for approval, the vendor would assist in recording and reporting along with working

with Section III Businesses, and providing augmented support to staff. Additionally, the vendor would conduct sessions with individual MWBEs and general contractors in a support capacity.

Council Member Middleton inquired about CD (Community Development) Department already having MWBE goals, how were these goals linked to *Forever Home, Durham* and what could be attributed to *Forever Home, Durham* versus the pre-existing work in CD. He cited an example, the Willard Street Apartments pre-dated the Affordable Housing Bond. He also noted that the 'Progress to Date' slide from the presentation was being linked to *Forever Home, Durham*, not just to the regular on-going activities of CD.

Director Johnson responded as to how and when the statistics were being assembled and specified the federal, state and bond funds being attributed and utilized by *Forever Home, Durham*.

Council Member Middleton reassured the public that MWBE work was being accomplished in CD Department currently, prior to the hiring of the MWBE firm at year-end.

Mayor Schewel added the presentation had already been given to the Affordable Housing Implementation Committee by Durham Housing Authority CEO Anthony Scott and Director of CD Reginald Johnson. At the time, the MWBE goals were reiterated at 30% of DHA contracts, and were already up to 20% utilization and contracting was still underway.

DHA CEO Anthony Scott confirmed that there was 20% utilization of MWBE contractors and that the target was 30%.

Mayor Schewel complimented CD staff on re-vamping its processes due to COVID-19 in order to get rental assistance distributed, ramping up homelessness outreach and resettlement along with their other responsibilities.

Council Member Freeman urged movement on the infrastructure side and asked to hear Director Johnson's thoughts on race equity work.

Director Johnson emphasized inclusivity in terms of results; shared there was a need for outside technical assistance; some firms may have not worked with the City prior and that it was staff's intent to share this information with firms and to let them know of the possibilities.

Council Member Freeman volunteered to be the Mayor's Council liaison to the Affordable Housing Implementation Committee.

Council Member Caballero requested that the CD Director be honest about staffing resources to accomplish the departmental goals; if assistance was needed he was encouraged to ask.

Council Member Middleton inquired about the timetable in regard to employment figure/goals.

DHA CEO Scott responded that there was a pilot training program underway in partnership with OEWD and CD; recognized that shovels-in-the-ground were required before the work could start and folks could be employed. He stated work would be available over ten years in construction, on a long-term basis. Tracking would be provided initially and case-workers would be activated for workers' assistance and to ensure success.

Assistant Director Lado clarified the statistic of 3000 as given in the presentation. The 3000 number did not represent new jobs, it was created by estimating the total development cost of the multi-family side of projections; it represented jobs supported in construction, based on construction spending in supplies and services for construction workers, using an economic multiplier used in modeling. In many cases, these were existing jobs that were then deployed on work that was directly funded by the city's housing program or indirectly related to spending on workers being paid by the program. There was no concrete goal for job creation although it would be tracked. For example, the consultant would be tracking persons getting jobs on city funded projects.

Council Member Middleton appreciated the clarification on the MWBE and the employment portion.

Council Member Freeman appreciated the clarification between the projected figures versus the actuals.

City Clerk Schreiber announced Council's nominations to boards, committees, commissions and taskforces:

Jonathan Espitia was nominated for appointment to the Carolina Theatre of Durham Board of Trustees with skills in the areas of business, finance, arts and culture or community relations;

Shana E. Adams was nominated for appointment to the Durham Cultural Advisory Board; and

Priscilla D. Smith was nominated for re-appointment to the Durham Workers' Rights Commission in the category of low-wage industry; Nancy Kalow was nominated for re-appointment to same in the category of Durham's Largest Workplace; the Diverse Background category vacancy was to be re-advertised.

SETTLING THE AGENDA FOR THE APRIL 19, 2021 CITY COUNCIL MEETING

City Manager Page settled the agenda for the April 19, 2021 City Council Meeting by announcing the following items on the Consent Agenda Items 1 through 17; and Public Hearings, Items 20 through 24.

MOTION by Council Member Middleton, seconded by Council Member Freeman, to settle the City Manager's agenda for the April 19, 2021 City Council Meeting was approved at 4:01 p.m. by the following vote: Ayes: Mayor Schewel, Mayor Pro Tempore Johnson and Council Members Caballero, Freelon, Freeman and Middleton. Noes: None. Excused Absence: Council Member Reece.

Being no additional items to come before Council, Mayor Schewel adjourned the meeting at 4:02 p.m.

Diana Schreiber, NCCMC, CMC
City Clerk