

**DURHAM CITY COUNCIL WORK SESSION
Thursday, August 19, 2021 @ 1:00 p.m.
VIRTUAL 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 meeting to order at 1:00 p.m.

Mayor Schewel welcomed everyone in attendance and asked if Council had any announcements.

Mayor Schewel stated that Council Member Reece was tending to a family matter and could not be present at the meeting; and asked for an excused absence for his colleague.

MOTION by Council Member Middleton, seconded by Mayor Pro Tempore Johnson, to excuse Council Member Reece from the meeting at 1:02 p.m. The motion on the following vote: Ayes: Mayor Schewel, Mayor Pro Tempore Johnson and Council Members Caballero, Freelon, Freeman and Middleton. Noes: None. Excused Absence: Council Member Charlie Reece.

Mayor Schewel asked his colleagues if they had any announcements.

Council Member Middleton addressed the level of gun violence in the City the preceding night; requested the re-addressing of responses at Durham's 911 Call Center and asked if Durham needed to invoke its mutual aid agreement with other cities to provide additional support while personnel were being built up in the 911 Call Center.

City Manager Wanda Page announced that staff would be providing real-time statistics and other information related to the 911 Call Center; and planned on making an update at a future Work Session. She indicated that calls were not being regularly rolled/ transferred from the Durham Call Center to other municipalities.

Mayor Schewel appreciated his colleague's questions and looked forward to the staff report.

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

City Manager Page stated she had no priority items.

City Attorney Rehberg requested a priority item consisting of a closed session following the Work Session to conduct personnel evaluations of the City Attorney and City Clerk.

MOTION by Council Member Caballero, seconded by Council Member Freelon, to approve the City Attorney's Priority Item at 1:11 p.m. Ayes: Mayor Schewel, Mayor Pro Tempore Johnson and Council Members Caballero, Freelon, Freeman and Middleton. Noes: None. Excused Absence: Council Member Charlie Reece.

The City Clerk had no priority items.

Mayor Schewel read the printed agenda and pulled the following items for additional discussion/remarks: Items #2, 3 and 5. Presentation Item was #7.

Mayor Schewel announced there was a Citizen's Matter.

SUBJECT: CITIZEN'S MATTER: BRANDON WILLIAMS (NO AGENDA ITEM NUMBER)

Mr. Williams, representing the Walltown Community Association, spoke to Council regarding the redevelopment of Northgate Mall; thanked the Council for their advocacy of a long-term homeowner property tax grant program; and made various suggestions for transparency on the rezoning and development plan.

Mayor Schewel expressed support for meeting with constituents; and explained the legalities of development agreement/plan.

[ITEMS PULLED FROM THE AGENDA]

SUBJECT: INTERLOCAL AGREEMENT WITH DURHAM COUNTY AND ORANGE COUNTY REGARDING COST SHARING FOR TRANSIT PLAN GOVERNANCE STUDY (ITEM 3/ PR 14847)

Transportation Director Sean Egan responded to Council's questions.

Mayor Schewel inquired about the city's role and noted he was dissatisfied with the scoping document in the interviews would not be conducted with Council, only County Commissioners. He also asked about the status of the City's seat at the table with the County Transit Plan Working Group and how the study would impact this plan for representation.

Director Egan would confer with Durham County lead Ellen Beckman regarding inclusion of additional stakeholder interviews and elaborated on the agenda item being to draft a new interlocal agreement that would replace the current interlocal agreement. He stated the new interlocal would include a formal seat for the City of Durham and noted that the City provided nearly 80% of the transit service in Durham County.

SUBJECT: RESOLUTION AUTHORIZING PARTICIPATION IN THE NORTH CAROLINA INVESTMENT POOL (ITEM 5/ PR 14843)

Mindy Taylor, Treasury Manager in the Finance Department, responded to Council's questions.

Mayor Schewel inquired about how the NCIP Fund had advantages over the NCCMT Fund; noted that the City was currently investing in and looking for higher yields, and asked about the new fund and how it would allow for increasing the city's yields.

Ms. Taylor responded that the NCIP and the NCCMT were very similar in terms of security and liquidity along with the types of investments within their respective portfolios. She explained that the main benefit of NCIP was diversification; the NCIP was anticipated to charge lower fees than the NCCMT and also contained certificates of deposit.

[DISCUSSION ITEM]

SUBJECT: DISCUSSION OF IN-PERSON BOARD, COMMITTEE, COMMISSION AND TASKFORCE MEETINGS (ITEM 2/ PR 14816)

Mayor Schewel introduced the item and addressed the progression of the Delta COVID-19 variant and noted that since Council was meeting virtually, it was recommended that Council-appointed boards, committees, commissions and taskforces, do likewise.

Mayor Pro Tempore Johnson noted that there was a certain board that legally was required to meet in-person to address cases.

It was the consensus of Council to allow boards, committees, commissions and taskforces to continue to meet virtually but allow those with quasi-legal functions to meet in-person.

[PRESENTATION ITEM]

SUBJECT: PLAN TO DEVELOP A CITY-WIDE LONGTIME HOMEOWNER GRANT PROGRAM (ITEM 7/ PR 14850)

Reginald Johnson, Director of the Department of Community Development, responded to Council's questions and shared a PowerPoint Presentation, *City-Wide Longtime Homeowner Grant Program*. The presentation contained ways in how to approach the development of a longtime homeowner grant program as a follow-up to Council's June discussion.

The presentation contained the following:

Goal – To develop a plan to implement the longtime homeowner grant program city-wide; and provide a framework needed to develop options for a city-wide program.

Current Program- 2019 property taxes being higher than they were in 2015.

Program Numbers- 63 applications received. Deadline August 31, 2021.

Areas of Consideration

Legal Recommendations

Policy & Program Design-

Eligible Households: There are 19,655 home owning households below 80% AMI residing in Durham; and 14,582 home owning households below 60% AMI in Durham.

Income Thresholds: Examine Options- focus on lowest income populations at 30% AMI or expand eligibility

Income Calculations: Household v. Individual; non-elderly v. elderly and risk mitigation

Amount of Assistance: equal to the amount of taxes owed above a fixed percent of household income (similar to Circuit Breaker)

Staffing & Administrative Costs: in-house or out-source

Cost Estimates: household size, average income, average home price, average property tax bill, program delivery costs

Process & Timeline for Proposal Development: Target Date: Nov. 2021 to return to Council with recommendations.

Council Member Freeman inquired about timelines in the current program parameters.

Director Johnson explained that expanding parameters of current program would require Council approval.

Council Member Freelon inquired about the income threshold information related to the MSA of Durham/Chapel Hill and Orange County.

Director Johnson explained that HUD data was based on statistics generated from this MSA, tilting the average higher than what was found in Durham alone.

Mayor Pro Tempore Johnson addressed the current program, established in 2015, and spoke to Durham County's county-wide program, that utilized a portion with city taxes. Mayor Pro Tempore Johnson continued by asking about the homeowners who qualified for the County and City programs, how would those households be handled; favored a program for homeowners between 30 and 60% AMI and favored the County's expansion of the program to cover this gap, thereby avoiding duplication of programming under the city's auspices; and spoke in support of relative income levels and tenure in the occupancy of homes. As she reviewed the presentation materials, she admitted that she was challenged by the questions about the amount and duration of assistance.

Director Johnson reminded Council that the city's program was currently taking applications for 2019 since the program was operated a year behind. He also noted that the County program was new, starting in Tax Year 2021 and served those at 30% AMI and below.

Council Member Middleton inquired about a return on the city's investment involved with processing applications and asked what type of staffing would be required for a city-wide program with maximum impact.

Director Johnson reiterated the in-house versus out-sourcing aspects of the program, and summarized that the city did not currently have the infrastructure to handle the administration of a city-wide program.

Council Member Freeman urged that the deferral programs being devised to address the tax problem right away.

City Manager Page noted the City had allocated \$500,000 in FY21-22 Budget toward the tax grant program, in partnership with Durham County; and noted that Durham County was working on the implementation of the grant program and had allocated \$750,000 for this purpose; and added the County would be administering the program and would need to include funding for its administration.

Mayor Schewel was concerned about setting up a large infrastructure framework for city-wide program when the best alternative was for Durham County to expand its program from 30% to 60% AMI. The County has already performing pre-qualifications and had the framework in place. During the interim before the County moved to 60% AMI, he urged Council to think more broadly about which neighborhoods had been impacted from city investments.

Mayor Schewel encouraged informal discussions with their Durham County colleagues to expand the County program to 60% AMI and designated his colleagues Mayor Pro Tempore Johnson and Council Member Reece for this outreach.

City Clerk Schreiber announced the following nomination made by City Council to the Durham Cultural Advisory Board – Elias JJ Torre.

SETTLING THE AGENDA – SEPTEMBER 7, 2021 CITY COUNCIL MEETING

City Manager Page announced the items for the September 7, 2021 City Council Meeting Agenda. Consent Items 1, and 3 through 6; and General Business Agenda - Public Hearing Item 8.

MOTION by Council Member Freeman, seconded by Council Member Freelon, to settle the City Manager’s Agenda was approved at 2:25 p.m. Ayes: Mayor Schewel, Mayor Pro Tempore Johnson and Council Members Caballero, Freelon, Freeman and Middleton. Noes: None. Excused Absence: Council Member Charlie Reece.

[CLOSED SESSION – RECESSED AT 2:26 PM]

MOTION by Council Member Freeman, seconded by Council Member Caballero, to recess to closed session for consideration of the evaluations of the City Attorney and City Clerk was approved at 2:26 p.m. Ayes: Mayor Schewel, Mayor Pro Tempore Johnson and Council Members Caballero, Freelon, Freeman and Middleton. Noes: None. Excused Absence: Council Member Charlie Reece.

[RETURNED TO OPEN SESSION AT 3:29 PM]

MOTION by Mayor Pro Tempore Johnson, seconded by Council Member Middleton, to return to Open Session at 3:29 p.m. Ayes: Mayor Schewel, Mayor Pro Tempore Johnson and Council Members Caballero, Freelon, Freeman and Middleton. Noes: None. Excused Absence: Council Member Charlie Reece.

Being no additional items to address at the Work Session, the meeting adjourned at 3:29 p.m.

Diana Schreiber, NCCMC, CMC
City Clerk