



# TOWN OF CHAPEL HILL

## Town Council Meeting Minutes - Draft

Town Hall  
405 Martin Luther King Jr.  
Boulevard  
Chapel Hill, NC 27514

Mayor Pam Hemminger  
Mayor pro tem Karen Stegman  
Council Member Jessica Anderson  
Council Member Camille Berry  
Council Member Tai Huynh

Council Member Paris Miller-Foushee  
Council Member Michael Parker  
Council Member Amy Ryan  
Council Member Adam Searing

**Wednesday, November 16, 2022 7:00 PM RM 110 | Council Chamber**

### Language Access Statement

For interpretation or translation services, call 919-969-5105.

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Para servicios de interpretación o traducción, llame al 919-969-5105.

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### In-Person Meeting Notification

The Chapel Hill Town Council will meet in person for the meeting. Where possible, the Council requests that members of the public continue to live stream the meeting and view it over the Town's cable television channel access at <https://chapelhill.legistar.com/Calendar.aspx> - and on Chapel Hill Gov-TV ([townofchapelhill.org/GovTV](http://townofchapelhill.org/GovTV)) so that we can provide an opportunity for physical distance within the building. The Town of Chapel Hill wants to know more about who participates in its programs and processes, including Town Council meetings. Please participate in a voluntary demographic survey <https://www.townofchapelhill.org/demosurvey> before viewing online or in person.

### Parking

- Parking is available at Town Hall lots and the lot at Stephens Street and Martin Luther King Jr. Boulevard.
- See <http://www.parkonthehill.com> for other public lots on Rosemary Street
- Town Hall is served by NS route and T route, and GoTriangle Routes of Chapel Hill Transit.

Entry and COVID-19 Protocols

- Entrance on the ground floor.
- Visitors and employees will self-screen. Do not enter if you have these symptoms: Fever, chills, cough, sore throat, shortness of breath, loss of taste or smell, headache, muscle pain
- Attendees are encouraged to wear masks in the building and may sit physically distanced. Please do not sit in blocked chairs.
- Hand sanitizer is located near the main doors.

### ROLL CALL

Mayor Hemminger called the meeting together at 7:00 p.m. and called the roll. Council Member Anderson was absent/excused, and Council Member Huynh arrived at 7:06 p.m. The Mayor reviewed the agenda and noted that Item 13 had been moved to November 30th.

Council Member Searing proposed moving Item 21 up on the agenda, but the Mayor explained that the agenda could not be changed at that late date because people were prepared to attend at specific times. Requests for changes should be made earlier in the week, she said.

- Present:** 8 - Mayor Pam Hemminger, Mayor pro tem Karen Stegman, Council Member Camille Berry, Council Member Paris Miller-Foushee, Council Member Tai Huynh, Council Member Michael Parker, Council Member Amy Ryan, and Council Member Adam Searing
- Absent:** 1 - Council Member Jessica Anderson

### OTHER ATTENDEES

Town Manager Maurice Jones, Deputy Town Manager Mary Jane Nirdlinger, Deputy Town Manager Loryn Clark, Town Attorney Ann Anderson, Assistant Planning Director Judy Johnson, Business Management Director Amy Oland, Police Chief Chris Blue, Affordable Housing and Community Connections Assistant Director Nate Broman-Fulks, Director of Housing and Community Connections Sarah Viñas, Principal Planner - Historic Preservation Anya Grahn, Assistant Parks and Recreation Director Atuya Cornwell, Library Director Susan Brown, Senior Planner Tas Lagoo, Community Development Program Manager Megan Culp, Planning Administrative Assistant Diedra McEntyre, Housing Development Officer Emily Holt, Senior Planner Corey Liles, Transit Director Brian Litchfield, Transit Development Manager Matt Cecil, Transit Planning Manager Caroline Dwyer, Director of Economic Development and Parking Services Dwight Bassett, Communications Manager Ran Northam, Police Officer David Shick, Fire Marshall Roland Falana, Assistant Town Clerk Brenton Hodge, and Deputy Town Clerk Amy Harvey.

### OPENING

1. Approve a Resolution to Acknowledge Harm Caused During the Graham Street Raid Of 1990 (aka Operation REDI ROCK) and Extend an Apology to All Community Members Impacted by This Incident. (to be distributed)

[\[22-0848\]](#)

Mayor Hemminger read a resolution that expressed regret for the harm caused by "Operation Read Rock", a police raid that had occurred at the 100 block of Graham Street on November 16, 1990. The raid -- which had been conducted by the Chapel Hill Police Department, North Carolina FBI, and other law-enforcement agencies -- had traumatized many of its victims, who were all Black, she said. The resolution noted that 38 of the raid's victims had prevailed in a lawsuit against the Town.

Mayor Hemminger said that the Town was committed to learning from its past and to acknowledging that the "war on drugs" had been a failed effort rooted in structural and institutional racism. Practices such as Operation Read Rock had disproportionately impacted communities of color and the Town was extending an apology to all who had been injured by that incident, the proclamation said.

Former Public Defender James Williams thanked the Mayor, Council and staff for the resolution. He also thanked William Barnett, Jesse Alston and other plaintiffs who'd sought redress for the event. He noted that the resolution did not convey the militarized nature of the operation, which had closed off an entire block and forced people up against a wall. He and other members of Orange County Community Remembrance Coalition stood ready to help find additional ways to address the resulting trauma, he said.

A motion was made by Council Member Miller-Foushee, seconded by Council Member Berry, that the Council adopted R-1. The motion carried by a unanimous vote.

### ANNOUNCEMENTS BY COUNCIL MEMBERS

#### 1.01. Recognition: Special Olympics of Orange County

[\[22-0875\]](#)

Mayor pro tem Stegman read a proclamation that expressed pride in those who had represented the State of North Carolina in recent Special Olympics USA games in Orlando, Florida. Those games had been the first time that the Chapel Hill team had competed beyond state level, and several had brought home medals, she read. The proclamation thanked the coaches, parents, and Special Olympics coordinators for supporting the athletes and the program.

Unified Basketball Head Coach Jonathan Wilson introduced the team and pointed out that Hunter Stanford and Preston Uhlenberg had both won gold medals in track. He said that Clyde Gattis had hit the basketball shot that had secured the gold medal. He introduced assistant coaches Kent Thomas and Pat Barnes. Special Olympics Orange County Coordinator Colleen Lanigan deserved a huge amount of credit for putting the team together, he said.

Mayor Hemminger congratulated the team and expressed pride in them on behalf of the Town. She said that she had volunteered with Special Olympics for many years when her sister was a participant, and she encouraged others to get involved.

This item was received as presented.

#### 1.02. Proclamation: Small Business Saturday.

[\[22-0876\]](#)

Council Member Berry read a proclamation that pointed out that small businesses represented 99.7 percent of all US firms and had been responsible for 62 percent of new jobs since 1995. The proclamation noted that small, independently-owned businesses had positive social, economic, and environmental impacts on the Town, which was joining the Chamber for a Greater Chapel Hill and Carrboro and the Chapel Hill Downtown Partnership in celebrating "Small Business Saturday" on November 26, 2022.

Jaime Sanchez, owner of Epilogue Books, accepted the proclamation on behalf of Chapel Hill's small businesses. He pointed out that 67 cents of every dollar spent in Town stayed in Town. He encouraged residents to shop locally on Cyber Monday (November 28th) and to donate on Giving Tuesday (November 29th) as well.

This item was received as presented.

#### 1.03. Proclamation: OWASA Care to Share Day.

[\[22-0877\]](#)

Council Member Miller-Foushee read a proclamation declaring November 17, 2022, as OWASA (Orange Water and Sewer Authority) Care to Share Day. Care to Share program, which had begun in 1997 as a partnership between OWASA and the Inter-Faith Council for Social Service, had helped approximately 100 households to pay \$200 on their past due balances over the last year, she said. The proclamation encouraged residents to make a donation as a part of their monthly bill or through a one-time gift.

This item was received as presented.

#### 1.04. Mayor Hemminger Regarding Arbor Day on Friday.

[\[22-0878\]](#)

This item was received as presented.

### PUBLIC COMMENT FOR ITEMS NOT ON PRINTED AGENDA AND PETITIONS FROM THE PUBLIC AND COUNCIL MEMBERS

Petitions and other similar requests submitted by the public, whether written or oral, are heard at the beginning of each regular meeting. Except in the case of urgency and unanimous vote of the Council members present, petitions will not be acted upon at the time presented. After receiving a petition, the Council shall, by simple

motion, dispose of it as follows: consideration at a future regular Council meeting; referral to another board or committee for study and report; referral to the Town Manager for investigation and report; receive for information. See the Status of Petitions to Council webpage to track the petition. Receiving or referring of a petition does not constitute approval, agreement, or consent.

2. Virginia Gray Request for the Entire Legion Site be Saved as a Community Park. [\[22-0849\]](#)

Chapel Hill residents Virginia Gray, Richard Mitchell and Marie de Jong spoke about plans for 36 acres of Town-owned land along Region Road. Ms. Gray said that a petition with 1,011 signatures was asking that the entire property become a community park. Mr. Mitchell showed slides of the site's surrounding area and argued that a park was needed at that location. Ms. de Jong said that some children in the neighborhood had no outdoor place to play. She described the mental/physical health benefits that a community park there would provide for people of all ages.

2.01. Lizette Potthoff Regarding Preserving Legion Road Property. [\[22-0879\]](#)

Lizette Potthoff, a Colony Woods resident, spoke in favor of preserving the Legion Road property for a park and giving that area of Town the same recreational advantages that other areas had.

2.02. Petition: Alice Jacoby Request Using Legion Road Site for Public Housing. [\[22-0880\]](#)

Alice Jacoby read a petition from the Orange County Affordable Housing Coalition that requested using the Legion Road site to address multiple community goals. She said that it had been the stated intent when the Town purchased the land. A community park and affordable housing were not mutually-exclusive goals on 36 acres of land, she said.

2.03. Lib Hutchby Regarding Coal Ash at 828 Martin Luther King Jr. Blvd. [\[22-0881\]](#)

Lib Hutchby, a Chapel Hill resident and an ACT (Carolínians Together Against Coal Ash) member, said that she hoped it was true that the Town had withdrawn its Brownfields application to building housing at 828 Martin Luther King, Jr. Boulevard. However, the Council and the NC Department of Environmental Quality had not answered 34 questions that ACT had posed regarding the Town's intentions for the coal ash on that site, she said.

2.04. Evette Matthews Regarding Affordable Housing on Legion Road Property. [\[22-0882\]](#)

Evette Matthews, an organizer with the Community Empowerment Fund, asked the Council to focus on building affordable housing rather than a park at the American Legion property. Affordable housing should be the Council's priority if it really wanted to do something for the people who were suffering in Town, she said.

Mayor Hemminger pointed out that a public information session on the Legion Road property would be held at 6:30 p.m. on November 29th at the Chapel Hill Public Library. She expected the item to be on the agenda at the Council's December 7th regular business meeting as well, she said.

A motion was made by Council Member Huynh, seconded by Council Member Parker, that the Council received and referred the petitions to the Town Manager and Mayor. The motion carried by a unanimous vote.

### CONSENT

Items of a routine nature will be placed on the Consent Agenda to be voted on in a block. Any item may be removed from the Consent Agenda by request of the Mayor or any Council Member.

#### *Approval of the Consent Agenda*

A motion was made by Council Member Ryan, seconded by Mayor pro tem Stegman, that R-2 be adopted, which approved the Consent Agenda. The motion carried by a unanimous vote.

3. Approve all Consent Agenda Items. [\[22-0850\]](#)

This resolution(s) and/or ordinance(s) was adopted and/or enacted.

4. Approve Amending the 2022-2023 Community Development Block Grant Program Plan. [\[22-0851\]](#)

This resolution(s) and/or ordinance(s) was adopted and/or enacted.

5. Approve Amending the 2022-2023 HOME Investment Partnership Program Annual Plan. [\[22-0852\]](#)

This resolution(s) and/or ordinance(s) was adopted and/or enacted.

6. Approve the Public Housing Sustainability Report. [\[22-0853\]](#)

This resolution(s) and/or ordinance(s) was adopted and/or enacted.

7. Appoint a Chapel Hill Poet Laureate for 2023-2024. [\[22-0854\]](#)

Mayor Hemminger announced that the Council would be appointing Cortland Gilliam as the Town's new poet laureate in January 2023. Mr. Gilliam would recite a poem when he officially took that title, she said.

Mr. Gilliam expressed enthusiasm over serving the Town and following the legacy set by the current poet laureate, CJ Suitt.

Mayor Hemminger said that the Town planned to formally celebrate Mr. Suitt on December 1st, from 6:00 to 7:00 p.m.

This resolution(s) and/or ordinance(s) was adopted and/or enacted.

8. Endorse the Chapel Hill Pedestrian and Bicycle Wayfinding Strategy. [\[22-0855\]](#)

This resolution(s) and/or ordinance(s) was adopted and/or enacted.

9. Call a Public Hearing to Consider Closing a Portion of Public Right-of-Way of Ginger Road within the Weavers Grove Development on January 11, 2023. [\[22-0856\]](#)

This resolution(s) and/or ordinance(s) was adopted and/or enacted.

#### INFORMATION

10. Receive Upcoming Public Hearing Items and Petition Status List. [\[22-0857\]](#)

This item was received as presented.

11. Receive the First Quarter Fiscal Year (FY) 2023 Affordable Housing Report. [\[22-0858\]](#)

This item was received as presented.

12. Receive the First Quarter Fiscal Year (FY) 2023 Public Housing Quarterly Report. [\[22-0859\]](#)

This item was received as presented.

#### DISCUSSION

13. Update on Complete Community Strategy and Pilot Project. [\[22-0860\]](#)

This matter was deferred to the November 30, 2022 meeting.

14. Shaping Our Future - Transit Oriented Development and Land Use Management Ordinance (LUMO) Update. [\[22-0861\]](#)

Transit Director Brian Litchfield gave an update on the Town's north-south bus rapid transit (NSBRT) mobility and access project and schedule. He pointed out that the NSBRT would include a multi-use path and critical connections throughout Town. The Town had received approval from the Federal Transit Authority (FTA) to begin 60 percent design, which was underway and would be completed in 2023, he said.

Mr. Litchfield said that transit-oriented development (TOD) planning was being coordinated with the Town's Complete Communities initiative. He anticipated that work on stations and implementation would be completed by February 2023, he said. He emphasized that the Town needed to submit specific information to the FTA prior to August in order to receive a grant in 2023. If the Town received that grant, then construction would begin in 2026 with service potentially beginning in 2028, he said.

Mr. Litchfield discussed the challenge of competing against other national and regional projects for federal funding and emphasized the importance of raising the Town's FTA project ratings in order to remain competitive. He said that having the TOD Implementation Plan in progress would help to do that. He said that the current meeting was the beginning of a series of conversations with the Council regarding TOD work that would need to occur between December and February in order to meet the August 2023 deadline for submitting a grant request to the FTA.

Transit Planning Manager Caroline Dwyer presented a high-level overview of the TOD project, its relationship to the Town's Complete Communities framework, and some of its goals. She said that the FTA had given the Town a low-to-medium rating for its transit-supported plans and policies due to a lack of regulatory mechanisms or implementation tools for big picture goals. However, that rating was easy to remedy through adopting policies and regulations, she said.

Ms. Dwyer discussed how TOD benefits could be integrated into an implementation plan and refined policy direction that was focused and intentional. Staff and the Council would be discussing the two core elements of that policy (equitable housing development and equitable mobility/accessibility) through an iterative process that would include community feedback, she said. She said that the TOD implementation plan being developed included a deliberate focus on equitable opportunities and access.

Ms. Dwyer emphasized the connections between Connected Community goals and some TOD characteristics and said that Transit staff would participate in the Council's December 7th work session on that topic. Core community values and best planning practices would be incorporated from the highest level all the way down to site-specific levels along the NSBRT corridor, she said.

Transit Development Manager Matt Cecil said that the Town was financially positioned for success with its NSBRT project. He noted the challenge of competing for federal funds and emphasized the need for a high rating in order to prevail. The next step would be for the Council to consider a resolution in February 2023 to adopt the TOD Implementation Plan as an amendment to the Comprehensive Plan, he said.

Principal Planner Diedra McEntyre said that Transit staff would provide information at the Council's December 7th work session on what needed to be updated in the Town's Land Use Management Plan to support TOD. They would return in January 2023 with a comprehensive TOD station area plan and hoped to bring a resolution for Council consideration in February 2023, she said.

Council Member Searing asked why staff was requesting \$40 million from the state when it had \$17 million from two other sources.

Mr. Litchfield replied that the project would cost \$155 million and that the federal match would be only \$124 million. He said that staff hoped to cover most of the balance with state sources but anticipated that project costs could go up in the interim. Staff was asking for \$40 million, knowing that the state typically gives less than what is requested, he said.

Council Member Ryan recommended that the words "sustainable" and "green" be used more frequently throughout the documents. She and Ms. McEntyre discussed a map of areas in Town that would be subject to new TOD standards, and Mayor Hemminger said that some errors in that map needed to be corrected before it was sent out again.

The Mayor and Council expressed appreciation to staff for its work and excitement over the TOD and the NSBRT plans. They agreed with the importance of submitting the best grant application possible and taking the necessary steps to do so.

This item was received as presented.

**15. Consider Approving American Rescue Plan Act (ARPA) funds for Downtown Projects.**

[\[22-0862\]](#)

Director of Economic Development Dwight Bassett provided information about the \$1 million in American Rescue Plan Act (ARPA) funds that had been allocated for Downtown Together (DT) projects. He explained that DT was an innovation hub plan that the Town and the University of North Carolina at Chapel Hill (UNC-CH) had initiated to help revitalize and attract companies and jobs.

Mr. Bassett said that \$1 million in ARPA funding would be used for: a streetscape enhancement and mobility plan (\$500,000); a Clean and Green team (\$300,000); Old Town Hall renovations (\$50,000); Peace and Justice Plaza renovations (\$50,000); and Downtown Together projects (\$100,000). He requested that the Council approve the funding request.

Mr. Bassett said that the process, which had not yet been fully scoped, would likely begin with the mobility plan. That plan would then be used as a guide to building streetscape and making Downtown more inviting to all. He said that the project team's goal would be to create a more

unified streetscape and define future options for Franklin Street. The other projects would include participation from Town departments, Downtown Together, and the Downtown Partnership, he said. Council Member Searing asked if staff had considered delaying projects while addressing overrun costs for the new East Rosemary Street Parking Garage.

Mr. Bassett replied that the parking garage was an investment in the Town's future and that developing around it would ultimately pay off. The Town would struggle to bring companies into the new innovation hubs and wet labs if it did not improve the look and feel of Downtown, he said.

Council Member Parker confirmed with Mr. Bassett that the mobility study and streetscape plan would address all the streets within the Downtown district, not just Franklin Street. He also confirmed that the study would address additional bicycle facilities and connections. The Town's bike and pedestrian infrastructure would not be complete until they took people from everywhere to everywhere, Mr. Bassett said.

Mr. Bassett provided information on two options for Downtown restrooms, which would be needed temporarily until the new Rosemary Street Parking Garage was completed. One was to keep current restrooms in the old parking deck open 24 hours a day, with security and additional cleaning (cost: \$6,300 per month). The other option was to keep the current deck open from 7:00 a.m. to midnight and have a port-a-potty available overnight (cost: \$180.40 per month).

Mr. Bassett said that staff believed the 24-hour option was better after talking with members of the SOHRAD (Street Outreach, Harm and Deflection) program. However, he had talked with the Town Manager about finding other than Enterprise Funds to pay for that, he said.

Council Member Miller-Foushee noted the need to include way-finding measures for visitors and confirmed with Downtown Partnership Director Matt Gladdeck that providing more office uses should attract older adults to the Downtown area. He was hoping to see more "21 and up" housing there, Mr. Gladdeck said.

Crystal Ferguson, an Inter-Faith Council manager and Partnership to End Homelessness member, pointed out that there were repercussions for all when 24-hour bathrooms were not available Downtown.

Many Council Members agreed with the proposed expenditures, but Council Member Searing explained that he intended to vote against the item because spending another \$1 million when facing the possible negative consequences of the Rosemary Street Parking Garage overruns would be fiscally irresponsible.

Mayor Hemminger said that the Rosemary Parking Deck was self-supporting. The Deck's finances would not affect the Town's debt ratio or its credit rating, she said.

Council Member Ryan expressed particular interest in getting the mobility and streetscape study right and said that she would like to see the southern end of Martin Luther King Jr. Boulevard included in plans for Downtown.

Mayor Hemminger said that mobility and streetscape would need to be studied as a complete, holistic approach to entering and exiting Downtown in order to move forward.

The Council made various suggestions about which ARPA project to take money from, but they ultimately agreed to merely state that they wanted the project to move forward and let staff work out the finances. They agreed to accept staff's recommendations regarding the restrooms.

Mr. Jones pointed out that \$2.5 million remained for Parks and Recreation, but Council Member Ryan expressed reluctance to take money from that pot.

A motion was made by Mayor pro tem Stegman, seconded by Council Member Parker, that the Council adopted R-9 as amended. The motion carried by the following vote:

**Aye:** 7 - Mayor Hemminger, Mayor pro tem Stegman, Council Member Berry, Council Member Miller-Foushee, Council Member Huynh, Council Member Parker, and Council Member Ryan

**Nay:** 1 - Council Member Searing

A motion was made by Mayor pro tem Stegman, seconded by Council Member Berry, that the Council enacted O-2. The motion carried by a unanimous vote.

**16. Consider Approving the Recommended Affordable Housing Funding Plan.** [\[22-0863\]](#)

Director of Affordable Housing (AH) and Community Connections Sarah Viñas gave a PowerPoint presentation on the AH Funding Plan. She pointed out that the Council was making more funding available for AH than ever had before in the Town's history. The AH Funding Plan would support development of almost 400 new homes and preservation of 50, she said. She pointed out that the Plan would leverage more than \$100 million from outside sources, with only 12 percent of project funds coming

from the Town.

Ms. Viñas provided background information on a Common Funding Application that the Town had made available annually since 2022. She said that the application process had begun in August 2022 and that the total recommended allocation was \$8,454,530.

Ms. Viñas explained that the Funding Plan included setting aside \$3,175,693 for Town-initiated/prioritized projects that had not already received Town funding (such as Trinity Court) and projects that were applying for 9 percent low-income tax credit (such as Jay Street and others). Funding would also include \$5,278,839 for outside agencies, she said, and she provided an overview of those projects.

Ms. Viñas said that the Housing Advisory Board (HAB) had reviewed and scored outside agency requests, and she explained the scoring criteria that the HAB had used. She presented a list of eight eligible agencies, which totaled approximately \$10.1 million in funding.

Assistant Director of Affordable Housing and Community Connections Nate Broman-Fulks provided information on the eight outside projects that the HAB had chosen for funding. Beginning with highest scoring project, these were: Habitat for Humanity's Weavers Grove mixed-income project; Homestead Gardens mixed income project, EmPOWERment Inc.'s PEACH Apartments; St. Paul Neighborhood Improvement Development Association's St. Paul Village; EmPOWERment Inc.'s Grant Street acquisition/rehabilitation; Hope Renovations home preservation for seniors and disabled adults; Community Home Trust's master leasing program; and Community Home Trust's Carver Street acquisition/rehabilitation.

Mr. Broman Fulks presented the HAB's recommended funding amounts for each project, and a breakdown of the final scores. He said that there had been more than \$10 million in funding requests for the \$5.2 million that was available.

Ms. Viñas asked the Council to consider approving the recommended Funding Plan, which would support six development projects, create about 400 new homes, help preserve more than 50 homes, and increase the Town's AH supply by more than 30 percent. She said that alternative options would include reallocating portions of HAB's recommendations, referring some requests to Community Development Block Grant or other funding sources, or reallocating AH Fund dollars.

Council Member Parker asked staff to include the value of Town-donated land in future estimates. He confirmed with Mr. Broman-Fulks that the recommended allocation for Homestead Gardens would cover site costs but not the cost of vertical construction.

Mayor Hemminger and Mr. Broman-Fulks discussed the possibility of losing

federal and foundation funding if the Homestead Gardens project did not move forward.

Council Member Parker asked why Homestead Gardens, which was on Town land and for which the Town had issued the request for proposals, was not being considered a Town-initiated project in the way that Trinity Court and Jay Street were. Mr. Broman-Fulks replied that Homestead Gardens had already receive more than \$3.5 million from the Town.

Council Member Parker expressed concern that the St. Paul Village per unit estimate was too low, but Mr. Broman-Fulks said that the applicant had used national and local cost averages and had described cost-sharing and other efficiencies.

Mayor pro tem Stegman confirmed with Mr. Broman-Fulks that St. Paul Village would likely qualify for an expedited process if the Council approved the proposed allocation.

Council Member Huynh proposed deferring some projects to the Community Development Block Grant (CDBG) process. He confirmed with Mr. Broman-Fulks that Hope Renovations and the Carver Street and Grant Street projects would be eligible for that funding. He confirmed with staff that a \$946,000 gap would remain for Homestead Gardens if the Council followed the HAB's recommendations. However, that would be reduced to \$446,000 if the Community Home Trust's \$500,000 funding application were awarded, he said.

Sue Hunter, HAB chair, reported that the HAB had concerns about inconsistencies in the PEACH Apartments application with regard to its AMI target and whether it would allow vouchers.

Jackie Jenks, executive director at the Inter-Faith Council for Social Service (IFC), described the helpless feeling of knowing that people were sleeping out in the cold because the shelters are full. She emphasized the need to find Town-owned or other land and to provide deeply subsidized housing to address that need. All the proposed projects should be funded, but she wanted to lift up those, such as PEACH Apartments, that were proposing to build housing for those with the lowest incomes, she said.

IFC employees Quinton Harper, Crystell Furguson and Ronald Carnes spoke in support of PEACH apartments and urged the Council to address projects for those at 30 percent or below the Area Median Income (AMI).

Betty A. Curry, a Chapel Hill resident, asked the Council to look seriously at the lack of AH in Town, and she expressed support for PEACH Apartments.

Pavani Peri, speaking on behalf of EmPOWERment, Inc., pointed out that providing units at 30 percent AMI and below resulted in slim operating

income and made it difficult to obtain loans. In response to the HAB's concern about vouchers, she said that PEACH Apartments units already were affordable to that income level.

Delores Bailey, executive director at EmPOWERment, Inc., said that PEACH Apartments had been created for people living at 30 percent and below AMI and that EmPOWERment was using all the resources to make that happen. She pointed out that the Council had already allowed an expedited process and asked Council Members to support the full recommended funding amount.

Danita Mason-Hogans, a seventh generation Chapel Hillian, discussed the history of Black displacement and disenfranchisement in Chapel Hill and said that the Town had some catching up to do in providing equity. She expressed support for PEACH Apartments and discussed the good relationship that EmPOWERment Inc. had cultivated with the Town's marginalized people.

Caroline Veloso Oliveria, deputy director at Community Home Trust (CHT), noted the amount of time and money that CHT had already invested in Homestead Gardens, including a \$6 million construction loan. She said that the project would not be able to move forward without the requested funding.

Betsy Blackwell, Habitat for Humanity of Orange County chair, summarized Habitat's vision for Weavers Grove. She discussed the problem of rising costs and urged the Council to approve the full \$1.85 million that the HAB had recommended.

Jennifer Player, CEO for Habitat for Humanity of Orange County, said that the HAB's score and recommendation had shown that the Weavers Grove project was closely aligned with the Town's AH goals. The subsidy would bring the shovel-ready project to fruition by providing a critical investment in the cost of vertical construction, and Habitat did not have replacement source of funding, she said.

Douglas Call, a Habitat for Humanity volunteer and board member, shared anecdotes about people he had met through his work and urged the Council to help make the dream of homeownership at Weavers Grove a reality.

Dr. Rose Snipes Bynum and Burnis Hackney, representing the St. Paul Neighborhood Development Association, spoke about the viability of St. Paul Village, where 93 of 350 units would be affordable. Ms. Snipes Bynum said that \$1.5 million had already been invested in the project since 2008. Mr. Hackney pointed out how the Black population had been greatly reduced in Town and said that the St. Paul Village was part of a plan to bring those residents back and help those who remain.

Deren Campbell, a Chapel Hill resident, described what it was like to live without a home and said that all the proposed projects were needed.

Mayor Hemminger said that the Council wanted to fund all the projects and would find a way to do so.

Council Member Huynh proposed following staff's recommendation to include AH and Opportunity Funds, which would provide a total of \$2.53 million, and then fill the remaining \$946,000 with the \$300,000 from the St. Paul Village project and the \$200,000 from Hope Renovations, deferring the latter to CDBG funding. The remaining \$500,000 could presumably be covered by the Federal Home Loan Bank, he said. That pointed out that such a plan would fully fund Weavers Grove, PEACH Apartments, and Homestead Gardens, he added.

The Council discussed other ways that St. Paul Village might be funded. Mayor Hemminger pointed out that a new, larger pot of money would become available in July through the Penny for Housing fee, and Council Member Huynh proposed deferring St. Paul Village to that future round.

The Council supported that proposal, and Mayor Hemminger stressed the importance of moving forward on projects that were ready to go. It was nearly impossible to create housing for 30 AMI and below, but the Town had found a way to do so, and she hoped to find ways to create more, she said.

Mr. Broman-Fulks confirmed that the Council was recommending that Hope Gardens apply for CDBG and Home Preservation Coalition funding.

The Council voted to recuse Council Miller-Foushee from voting because she served on Inter-Faith Council board.

A motion was made by Council Member Parker, seconded by Mayor pro tem Stegman, that the Council recused Council Member Miller-Foushee. The motion carried by the following vote:

**Aye:** 7 - Mayor Hemminger, Mayor pro tem Stegman, Council Member Berry, Council Member Huynh, Council Member Parker, Council Member Ryan, and Council Member Searing

**Abstain:** 1 - Council Member Miller-Foushee

A motion was made by Council Member Huynh, seconded by Mayor pro tem Stegman, that the Council adopted R-10 as amended. The motion carried by the following vote:

**Aye:** 7 - Mayor Hemminger, Mayor pro tem Stegman, Council Member Berry, Council Member Huynh, Council Member Parker, Council Member Ryan, and Council Member Searing

**Recused:** 1 - Council Member Miller-Foushee

17. Public Forum: Housing and Community Development Needs Assessment for the Community Development Block Grant (CDBG) Program. [\[22-0864\]](#)

Community Development and Program Manager for Affordable Housing and Community Connections Megan Culp began the first of two annual public forums on the Community Development Block Grant (CDBG) program for FY 2023-2024. She said that applications for funding would be available at the end of the week and would be due by Jan 13, 2023. A public forum on a draft plan would be held in April, and a final version of that funding plan would be due at the US Department of Housing and Urban Development (HUD) by May 17, 2023, she said.

Ms. Culp provided background on the CDBG program and explained that the Town had been designated an entitlement community and received an annual allocation of about \$415,000. She reviewed the eligibility criteria and said that HUD required an annual action plan showing how the Town would work toward its five-year goals over the next fiscal year. The current forum was the first step toward developing a funding plan and a draft plan would be presented to the Council in April 2023, she said.

This item was received as presented.

18. Adopt a Resolution of Intent to Issue Two-Thirds Bonds February 2023. [\[22-0865\]](#)

Director of Business Management Amy Oland said that the Council had an opportunity to issue Two-Thirds Bonds to help support the Town's Capital Program. The purpose of the current item was to discuss proposed uses and to consider adopting a resolution stating that the Council intended to issue General Obligation Public Safety Two-Thirds Bonds, she said.

Ms. Oland pointed out that Two-Thirds Bonds did not require a public vote. They could be issued in an amount no greater than two-thirds of the reduction of GO Bond principal for the immediate preceding year, which means that \$1,980,000 could be issued in 2023, she said.

Ms. Oland said that the estimated interest rate for a General Obligation bond issuance was about 3.75 percent, but that staff was conservatively estimating 4 percent, for which the annual debt service would be \$218,000 over 20 years. She recommended using that for public safety radio equipment, which the Town needed to have in place by July 1, 2025. The



estimated cost of those radios was \$1.95 million for the Police Department and \$535,000 for the Fire Department, and there was no alternate funding source, she said.

Ms. Oland presented an approval schedule, which began with adopting the preliminary resolution and ended with a bond closing on March 7, 2023. She recommended that the Council adopt Resolution R-11, stating its intent to issue General Obligation Public Safety Two-Thirds Bonds.

A motion was made by Mayor pro tem Stegman, seconded by Council Member Huynh, that the Council adopted R-11. The motion carried by a unanimous vote.

#### LAND USE MANAGEMENT TEXT AMENDMENT

19. Close the Legislative Hearing and Consider a Land Use Management Ordinance Text Amendment - Proposed Changes to Articles 3, 4, 5, and Appendix A Related to a Community Priority Process for Affordable Housing Development Review. [\[22-0866\]](#)

Senior Planner Tas Lagoo presented a Land Use Management Ordinance (LUMO) text amendment that the Council had previously seen on October 29, 2022. The amendment would fundamentally reshape the landscape in which affordable projects were envisioned, entitled and built in Chapel Hill, he said.

Mr. Lagoo said that the proposed text amendment (TA) would create a new development review process that would enable AH projects to progress from application to entitlement in only six months. It would exempt AH projects from concept plan review and from advisory board review, with the exception of the Planning Commission, he said.

Mr. Lagoo reviewed recent changes regarding floor area and non-residential uses but said that staff needed more time to analyze a Council proposal before eliminating parking minimums. He recommended that the Council close the legislative hearing, adopt Resolution A, enact Ordinance A, and adopt Resolution C.

Council Member Ryan asked about staff's rationale for including 80 percent AMI for "for sale" units, since the Council normally asked for 65 percent. Mr. Lagoo replied that staff had defaulted to the traditional industry standard of 60 and 80 percent.

Council Member Parker mentioned that the St. Paul Village project would not qualify under the proposed rules, but Mr. Lagoo pointed out that the Council had authority to allow projects to progress through an alternate review process.

Town Attorney Ann Anderson explained that staff had discussed having a flexible option but concluded that it would be better to apply the same procedures across the board. In general, the best ordinances were the consistent ones, but the Council could always revisit the parameters, she said.

Mayor pro tem Stegman proposed lowering the bar for AH from 30 to 25 percent AMI.

Henry Schriver, a Habitat for Humanity at UNC member, thanked the Council for making real changes. He said that UNC recognized and greatly appreciated the Town's commitment.

Amanda Barbee, a CASA developer, described the challenges and consequences associated with long processes and expressed strong support for the TA.

The Council praised staff for its work and expressed strong support for the TA, with the following changes: mandate that the Town's urban designer be part of the design review team; lower the AH requirement from 30 percent to 25 percent; and remove short-term rentals, drive-throughs, light manufacturing, and park and rides.

Council Member Ryan asked for a provision that would require building relocation to follow the same Research Conservation District rules as streets, trails and parking lots.

The majority of Council Members expressed support for the recommendation to allow administrative review of projects.

A motion was made by Mayor pro tem Stegman, seconded by Council Member Miller-Foushee, that the Council closed the Legislative hearing. The motion carried by a unanimous vote.

A motion was made by Mayor pro tem Stegman, seconded by Council Member Miller-Foushee, that the Council adopted R-12. The motion carried by a unanimous vote.

A motion was made by Mayor pro tem Stegman, seconded by Council Member Miller-Foushee, that the Council enacted O-3 as amended. The motion carried by a unanimous vote.

A motion was made by Mayor pro tem Stegman, seconded by Council Member Miller-Foushee, that the Council adopted R-14 as amended. The

motion carried by a unanimous vote.

### **SPECIAL USE PERMIT**

Special Use Permit: The Application for a Special Use Permit is Quasi-Judicial. Persons wishing to speak are required to take an oath before providing factual evidence relevant to the proposed application.

Witnesses wishing to provide an opinion about technical or other specialized subjects should first establish that at the beginning of their testimony.

- 20.** Close the Evidentiary Hearing and Consider an Application for Special Use Permit Modification - Chapel Hill North (Harris Teeter Fuel Center and Pharmacy Expansion), 1800 Martin Luther King, Jr. Blvd. [\[22-0867\]](#)

Principal Planner Anya Grahn introduced a Special Use Permit (SUP) modification request from Harris Teeter to add a fuel station and pharmacy on a five-acre parcel at Chapel Hill North. She pointed out that the Council had expressed concerns in May 2022 about a proposed reduction in the buffer along Interstate 40. The Council had also questioned the need for another gas station at that location, she said.

Ms. Grahn explained that the proposed development area was encumbered by a Chapel Hill North Master Land Use Plan (MLUP) that was over the entire site. That MLUP permitted Harris Teeter to expand and add a drive-through window and service station through an SUP, she said. In order to do so, the applicant needed to show compliance with only Finding 2 of the Four Findings of Fact in the Town's Comprehensive Plan, she pointed out. She said noted the proposed increase in parking was above what had been approved in the MLUP.

Ms. Grahn presented a site plan and showed the proposed area of development. She explained the request to encumber the fuel station parcel and allow a pharmacy drive-in and service station. She summarized the applicant's proposal to reduce a buffer along Interstate 40 from 100 feet to 30 feet and to make changes that would allow more visibility into the site. She recommended that the Council close the hearing and consider whether to approve or deny the SUP modification request. Attorney T. C. Morphis, speaking for the applicant, said that the current quasi-judicial process did not give the Council broad discretion to deny the project. Under North Carolina law, an applicant was entitled to an SUP modification once it had presented competent and substantial evidence that it would meet the requirements of the ordinance, he said. He argued that LUMO requirements allowed changes in buffer types along Interstate 40 and said that the applicant believed that adding spaces along MLK so that people could see into the site met the intent of the LUMO.

Attorney Morphis pointed out that staff had concluded that the applicant was complying with the LUMO and with the conditions included in Resolution A. He disagreed, however, with staff's assertion that the applicant had declined to construct a raised bicycle lane along MLK, he said. He pointed out that the LUMO included the words "to the extent practical" and said that building an extension there would be too expensive. However, the applicant was offering an easement that would allow the Town to construct that pathway in the future, he said.

The Council confirmed with Town Attorney Ann Anderson and Assistant Planning Manager Judy Johnson that the applicant's interpretation of LUMO rules was correct and that there were no windows for denial. The 1990 MLUP has contemplated that the entire parcel would be extended through SUP modifications, Ms. Anderson said.

Mayor Hemminger mentioned health and safety concerns, but Ms. Anderson pointed out that a prior Council had already vetted and authorized a fuel station at that location under the MLUP. Mr. Morphis said that there was no evidence in the record to show that the site was unsafe.

Mayor pro tem Stegman confirmed with Ms. Anderson that the hearing could not be stayed while the Council obtained evidence regarding public safety. In a quasi-judicial hearing, the Council needed to make its decision based on the evidence before it and would have to base any denial on competent material and substantial opposition, she said. She pointed out that there had been no public opposition.

Mayor Hemminger commented on the frustration of having to allow something that did not conform with the Town's Climate Action Plan and was not what the Council wanted at that location.

Council Member Searing confirmed with Ms. Anderson that the additional amount of impervious surface being requested was allowed under the existing entitlements.

Council Member Berry asked the applicant to consider limiting how much tree buffer it removed. She said that it was hard to imagine the current buffer being reduced to 30 feet.

A motion was made by Council Member Ryan, seconded by Council Member Parker, that the Council closed the evidentiary hearing. The motion carried by a unanimous vote.

A motion was made by Council Member Ryan, seconded by Council Member

Searing, that the Council adopted R-16. The motion failed by the following vote:

**Aye:** 3 - Mayor Hemminger, Council Member Ryan, and Council Member Searing

**Nay:** 5 - Mayor pro tem Stegman, Council Member Berry, Council Member Miller-Foushee, Council Member Huynh, and Council Member Parker

A motion was made by Council Member Berry, seconded by Council Member Huynh, that the Council adopt R-15. The motion carried by the following vote:

**Aye:** 5 - Mayor pro tem Stegman, Council Member Berry, Council Member Miller-Foushee, Council Member Huynh, and Council Member Parker

**Nay:** 3 - Mayor Hemminger, Council Member Ryan, and Council Member Searing

## APPOINTMENTS

22. Appointments to the Transportation and Connectivity Advisory Board. [\[22-0869\]](#)

The Council appointed Noah Upchurch to the Transportation and Connectivity Advisory Board.

### *Continued Discussion*

21. Rosemary Parking Garage Update and Increase the Project Authorization. [\[22-0868\]](#)

Town Manager Maurice Jones explained a staff request for authorization to increase funding for the Rosemary Street Parking Garage because a recent discovery regarding site conditions would add to construction costs. He gave a brief summary of the project, in which Grubb Properties and the Town had exchanged land as part of a Downtown revitalization project. The complete project was expected to create more than 800 new jobs in the Downtown area, he pointed out.

Leslie Jo Hurwitz, a managing principal with Walker Consultants, explained that a geo-technical error regarding the parking garage's foundation had been discovered that meant having to redesign the project. The resulting delay of several months had resulted in additional costs of \$8,624,356, she said, and she provided a breakdown of those costs.

Ms. Oland presented several options for paying the additional costs: 1) take cash from the Town's debt service fund balance, which was \$10-11 million; 2) borrow the money; 3) use cash flow and reimburse that with a future borrowing when the exact amount was known. She said that the first option would be the easiest easy way to address the immediate need and that the Town did not yet have the necessary information to choose option two.

Ms. Oland said that she preferred Option 3, which would provide time to determine actual additional project costs and expand the Town's borrowing options. She discussed future borrowing and payoff impact scenarios. If the Town did decide to add almost \$9 million in debt, it would see positive cash flows for the project in FY 2029, rather than FY 2023, and positive cumulative cash flows in FY 2036 rather than FY 2026, she said.

Mayor Hemminger confirmed with Ms. Oland that staff's original revenue projections for the Rosemary Deck had been very conservative. She verified that other new buildings in the area would be completed and probably occupied before the deck would be finished. She conferred with Mr. Bassett about the numbers of leased parking spaces that would be coming online and new projects that would be added to the Town's tax base. Mr. Bassett said that he felt optimistic and confident that the Town was on the right path with the Rosemary Deck investment.

Council Member Parker asked why other listed expenses, which had nothing to do with bedrock, had not been in the original price, and Assistant Town Manager Mary Jane Nirdlinger replied that many had been in the original budget. Certain things that could not be known until later in the design had been held as allowances, she said.

Council Member Parker asked, though, why those other things had not been built into the original \$39 million, and Ms. Hurwitz replied that some had not been defined. Council Member Parker confirmed with Ms. Oland that her cash flow projections did not include a \$1 million contribution from UNC. He discussed UNC's agreement to lease spaces in the Deck with Mr. Bassett, who said that he thought UNC's lease payments would be sufficient to cover the debt service.

Ms. Oland said that she would try to provide the Council with pro formas at its next meeting, and Ms. Nirdlinger said that she would provide a detailed explanation of what happened as well.

Council Member Searing repeated his concern about a significant increase in debt or capital needs leading to a downgrade in the Town's AAA bond rating. He hoped there would be opportunities to reduce the debt that the Town was taking on, he said.

A motion was made by Council Member Parker, seconded by Council Member Miller-Foushee, that the Council adopt R-17. The motion carried by a unanimous vote.

**ADJOURNMENT**

The meeting was adjourned at 12:08 a.m.