



TOWN OF CHAPEL HILL

Town Council

Meeting Minutes - Final

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, May 11, 2022

6:30 PM

Virtual Meeting

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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Virtual Meeting Notification

Town Council members will attend and participate in this meeting remotely, through internet access, and will not physically attend. The Town will not provide a physical location for viewing the meeting.

The public is invited to attend. The Town of Chapel Hill wants to know more about who participates in its programs and processes, including Town Council business meetings and work sessions. Please participate in a voluntary demographic survey <https://www.townofchapelhill.org/demosurvey> before accessing the Zoom webinar registration. After registering, you will receive a confirmation email containing information about joining the webinar in listen-only mode. Phone: 301-715-8592, Meeting ID: 862 3113 9577

View Council meetings live at <https://chapelhill.legistar.com/Calendar.aspx> – and on Chapel Hill Gov-TV (townofchapelhill.org/GovTV).

OPENING

Mayor Hemminger opened the virtual work session at 6:30 p.m. and reviewed the agenda. She said that the last agenda item had been postponed to May 25th when there would be more time to discuss it. She then told the Council

that Miriam Thompson, who had been a long-time force for social, racial and economic justice, had recently passed away. Ms. Thompson had brought a surpassed level of conviction and energy to her work, the Mayor said, and she expressed condolences to Ms. Thompson's friends and family. The Mayor and Council then applauded, rather than holding a moment of silence, because Ms. Thompson believed in speaking up.

ROLL CALL

Mayor Hemminger called the roll and all Council Members replied that they were present.

Present: 9 - Mayor Pam Hemminger, Mayor pro tem Karen Stegman, Council Member Jessica Anderson, 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

OTHER ATTENDEES

Town Manager Maurice Jones, Deputy Town Manager Mary Jane Nirdlinger, Deputy Town Manager Loryn Clark, Town Attorney Ann Anderson, Business Management Director Amy Oland, Assistant Director of Business Management Matt Brinkley, Downtown Special Projects Manager Sarah Poulton, Assistant Director, Affordable Housing and Community Connections Nate Broman-Fulks, Director of Affordable Housing and Community Connections Sarah Viñas, Planning Director Colleen Willger, Assistant Planning Director Judy Johnson, Planning Manager - Long Range Planning Corey Liles, Affordable Housing Development Officer Emily Holt, and Communications and Public Affairs Director and Town Clerk Sabrina Oliver.

ANNOUNCEMENTS BY COUNCIL MEMBERS

0.01 Mayor Hemminger Regarding Upcoming Public Information Meeting on Police Station Property. [\[22-0419\]](#)

Mayor Hemminger said that Town staff and the NC Dept of Environmental Quality would hold a virtual public information webinar on May 16th to discuss the Police Station property status and the Brownfields Program.

0.02 Mayor Hemminger Regarding the May 18th Council Meeting. [\[22-0420\]](#)

Mayor Hemminger said that a public hearing on May 18th would address the FY 2022-23 Town budget and several land use applications.

0.03 Mayor Hemminger Regarding COVID-19 and Virtual Meetings. [\[22-0421\]](#)

Mayor Hemminger said that COVID-19 cases had been rising but hospitalizations had remained low. She pointed out that the number of cases could be under-reported, however, because many people were

testing themselves at home. She asked Council Members to let her know whether they wanted the next Council meeting to be virtual.

0.04 Mayor Hemminger Regarding the Legislative Breakfast.

[\[22-0422\]](#)

Mayor Hemminger reminded the Council that it would meet with state legislators on May 19th at the Chapel Hill Public Library. An agenda and more information would be provided later, she said.

AGENDA ITEMS

1. FY 2022-23 Manager's Recommended Budget Discussion.

[\[22-0404\]](#)

Town Manager Maurice Jones opened the FY 2022-2023 recommended Town budget discussion. The total budget of \$127,716,587 included roughly \$76.5 million in the General Fund, he said. He explained that the budget represented an 8.9 percent increase from the current fiscal year. A proposed property tax rate of 51.9 cents would be a half-cent increase for the Transit Fund, he said.

Mr. Jones explained that the budget included a 4 and 5 percent pay increase for Town employees, totaling \$1.9 million. The budget offered new investment in other Council priorities as well, such as a reserve fund to help address compression issues, four new staff positions, and Council stipends, he said. He pointed out that the budget included investments in climate action, affordable housing and homelessness initiatives, a 3 percent Human Services funding escalator, and investment in the Downtown Partnership.

Mr. Jones said that the budget also included new funding for bicycle and pedestrian safety, cultural arts, parks maintenance, vehicle replacements, a cost of services increase, and cyber-security. He discussed costs associated with potential changes in staff positions. He mentioned increasing funding to the Interfaith Council, the Partnership to End Homelessness, and the Visitors Bureau. He reviewed the Town's Enterprise Funds budgets for FY 2022-23 and explained proposed increases in Transit, Housing and Parking Funds. The Stormwater Fund would remain unchanged, he said.

Mr. Jones presented a list of projects that the Town could do if the tax rate were increased by a full penny. He outlined a proposed schedule for additional budget meetings and said that adoption of the budget was tentatively scheduled for June 8, 2022. All budget-related information could be found at www.townofchapelhill.org/budget, he said.

Council Member Parker asked about the rationale for taking money from Cost of Services and the Compensation and Classification Reserve for the Economic Development (ED) position, and Mr. Jones explained that those funds were more flexible than Fund Balance would be for an ongoing position. Council Member Anderson ascertained that staff had not looked

at other funding options.

In response to questions from the Council, Mr. Jones described the additional ED position as a jack of all trades similar to the two that currently exist. Council Member Huynh asked if any thought had been given to having more specialized roles within the expanded ED department, and Mr. Jones suggested asking ED Director Dwight Bassett about that. Mayor Hemminger confirmed by a show of hands that a majority of Council Members supported adding the ED position and then having a broader discussion about where to make cuts to enable that. The Council also asked for an update on the Town's ED strategy.

Council Members Anderson and Ryan asked about delaying the compensation analyst position, since the Town had just paid a consultant to do a large Classification and Compensation Study. Council Member Ryan proposed pulling proposed Climate Action positions into some of the Town's other Planning work. The Council and Mr. Jones discussed the role of a possible new position in the Sustainability Office, and the Mayor and Council requested information on how much the Parks and Recreation Department was spending on maintenance tasks.

Mayor Hemminger verified with Mr. Jones that a request from the Partnership to End Homelessness was primarily for positions to assist with rapid rehousing in temporary shelters. Council Member Anderson, the Council's liaison to the Partnership, said that more information on that request would be available after May 16th.

Council Member Ryan proposed that some of the recommended new positions be counted as General Fund expenses rather than Climate Action, and Mr. Jones agreed to return with information on what that would look like.

Mayor pro tem Stegman verified with Mr. Jones that a portion of the Downtown Partnership's funding was being designated for LAUNCH Chapel Hill. She and Council Member Anderson suggested that the Council talk about whether that investment had been as effective as intended, and Mayor Hemminger offered to have LAUNCH provide a report. Many LAUNCH start-ups had remained in Orange County, if not specifically Chapel Hill, the Mayor pointed out.

Mayor pro tem Stegman confirmed with Mr. Jones that the staff proposal to set aside \$80,000 for Affordable Housing and Homelessness was, in part, to allow further discussion with The InterFaith Council (IFC) about phasing in its requested funding over time. Mayor Hemminger said that, prior to COVID-19, local leaders had been discussing an interlocal agreement that would create a pathway for the IFC to go through the application process without having to apply to the Human Services Advisory Board every year.

Council Member Miller-Foushee and Mr. Jones discussed how setting aside a penny for Affordable Housing would increase available funding for the Partnership to End Homelessness and the IFC. They agreed that it was important to have a larger discussion about how affordable housing was connected to homelessness.

Mr. Jones confirmed that developing a manufactured housing strategy would be a possible use of American Rescue Plan Act (ARPA) money. Mayor Hemminger verified with Ms. Oland that the Town had \$1.3 million in its Affordable Housing Fund and that staff would report back on whether any of that was dedicated.

In response to questions from Council, Mr. Jones explained that the Parks and Recreation Department was responsible for most of the Town's maintenance work but that it was not unusual for Public Works to do that work as well. Mayor Hemminger said that the Parks and Recreation budget appeared a little inflated because it took on that additional maintenance work.

Council Member Berry confirmed that Community Arts and Culture funding would be for local non-profits and that money from the General Fund was allocated to the Public Library's cultural arts program. She expressed concern that more money was not being put toward strengthening the Town's own effort, and Mr. Jones replied that more could be added if Council so desired.

Mayor Hemminger proposed talking with the Library director about how they plan to use their remaining funds and the proposed allocation. Council Member Huynh advocated for increasing funding for Arts and Cultural, including raising the poet laureate's stipend, and Council Member Parker said he strongly supported increasing it to at least \$40,000 or \$50,000.

Mayor Hemminger provided background information on the Town's approach to funding affordable housing. Chapel Hill had put an extraordinary amount of effort into that initiative for a town of its size, but the Council wanted to do more, she said. Council Member Berry requested information on what was currently being spent compared to 2015 when a Penny for Affordable Housing was worth more. The Mayor and Council stressed the importance of funding SOHRAD (Street Outreach Harm Reduction and Deflection) and discussed how The Partnership to End Homelessness was tied to the Town's affordable housing issues.

Council Member Huynh confirmed with Mr. Jones that the preliminary budget included a 0.5 cent increase on the tax rate and that the Council needed to discuss whether it was willing to increase that to 0.8 cent to meet more of Transit's operational costs and needs.

Council Member Berry expressed concern about raising taxes but said that

she did understand Transit's need for more money. She confirmed with Mr. Jones that the Town had dropped its tax rate the previous year in order to be considerate of the increased property tax rate.

Council Member Searing said that he was reluctant to raise the tax rate during a period of high inflation and he proposed exploring ways to accomplish the goal for Transit using sales tax money. In response, Council Member Parker said that sales tax money had never been used for Transit, which was an Enterprise Fund. Using sales tax revenue for Transit would mean changing how the Town budget was done, he said, but Council Member Ryan pointed out that Parking was an Enterprise Fund and the Town made General Fund transfers to that department. It was certainly something that could be done, Council Member Ryan said.

Mayor pro tem Stegman pointed out that part of the reason the Town was in such a good financial position was that it had cut resources during COVID-19. She noted that inflation was affecting Town costs as well and said that not raising taxes would mean just kicking the can down the road for another Council. She did support the full 0.8 cent increase for Transit and was wrestling with whether to do more, she said.

Council Member Miller-Foushee spoke in favor of an 0.8 percent tax rate increase for Transit. Council Members Huynh and Anderson said that they were still conflicted about raising taxes and needed more information. Council Member Huynh proposed looking into establishing a fund for households that would be disproportionately impacted if the Council did decide to raise taxes. Council Member Parker expressed strong support for full Transit funding. He pointed out that the Town's Transit partners (UNC and Carrboro) had already agreed to do so.

Council Member Searing said that it might not be the right time to increase Council stipends, but other Council Members commented on how doing so could lead to increased diversity on the Council. Mayor Hemminger said she agreed with the increase, for equity reasons, and hoped that it would be increased over a two-year period.

This item was received as presented.

2. Proposed American Rescue Plan Funding Plan Discussion.

[\[22-0405\]](#)

Business Management Director Amy Oland said that the process for determining how to allocate \$10 million in ARPA funding had included input from Town departments and community partners. Letters of intent from community partners had been due on May 13th. Next steps would include the application process and staff would return to the Council in fall 2022 with that information, she said. She pointed out ARPA funds needed to be obligated by December 31, 2024 and spent by December 31, 2026.

Ms. Oland provided the following breakdown of potential funding options based on feedback from the Council: \$1 million for community partners, for

an affordable housing and homelessness initiative, \$2.5 million for Parks and Recreation facilities, \$1 million for bike/pedestrian/greenway infrastructure, \$1 million for Town facilities, \$1 million for Downtown revitalization, \$500,000 for digital inclusion and access, and \$500,000 for community-based projects.

Ms. Oland expanded upon each of those funding categories and said that staff would return to the Council in June for final approval of Town department allocations. Staff would also provide an updated letter of intent for submissions and would discuss the community partner application process with Council at that time, she said. She asked Council Members if the proposed funding allocations matched their interests.

Council Member Anderson asked staff to determine if a splash pad was (or could be) part of a proposed adaptive playground at Cedar Falls Park. Council Member Miller-Foushee asked for a sense of what funding would be needed to rehabilitate or relocate the Teen Center. Council Member Ryan ascertained from Mr. Jones that Orange County had discussed using its ARPA funds for broadband, and Council Member Parker said that the County had already selected a vendor for that.

Mayor pro tem Stegman asked about the possibility of deciding on funding for non-profits earlier than the fall, since many of their fiscal years end in June. In response, Mr. Jones pointed out that ARPA funding was for one-time projects, not for ongoing operational costs.

Council Member Parker asked for information about the Town's total available funding for affordable housing (AH), which would include AH Bond money, the AH reserve, and ARPA funding. Additionally, he proposed that the Town's AH partners submit wish lists to the Town.

Mayor Hemminger confirmed with staff that pickle ball had been a high priority on a recent community survey and that Chapel Hill Pickle Ball would be submitting a letter of intent. She reminded the Council that it would be looking more deeply into Parks and Recreation issues at a June work session, prior to making decisions about ARPA or any other funding.

The Council agreed that the proposed allocations generally reflected the Town's interests and priorities. They requested more information about Orange County's plans for digital access. Several Council Members stressed the importance of giving Public Housing residents access to broadband, but Mayor Hemminger said she thought the Town had negotiated that in the past. Mr. Jones agreed to look into it.

The Council expressed support for the adaptive playground but discussed whether it should include a splash pad. Some Council Members felt that the splash pad idea needed to continue going through the process since the Town had already allocated \$15,000 for a feasibility study. Mayor pro

tem Stegman emphasized the importance of taking care of existing resources, including Public Housing playgrounds, before taking on new projects. The Council needed more information about the costs and plans for the adaptive park and splash pad, she said.

The Council agreed that repairs at the Homestead Aquatics Center should be addressed, and Council Member Miller-Foushee said that ARPA funding should be used to repair the pools at the Hargraves Center as well. Some spoke in favor of new turf fields at Cedar Falls Park and pointed out that the cost would be reduced if soccer teams contribute some of the money. Mayor Hemminger said that she would talk with those teams about that.

Council Member Searing mentioned that a petition with more than 1,000 signatures had been sent to the Town, asking that the skate park be repaired. Council Member Berry agreed that the skate park needed attention. She and Mayor pro tem Stegman advised against using ARPA funds to invest anything new, such as an adaptive park/splash pad, when existing facilities needed repair.

Mayor Hemminger said the East Morgan Creek Greenway Project on the Parks and Recreation Department wish list was currently at only 30 percent design. Finishing that design would be more realistic than allocating \$4.3 million for the entire project, and the Council agreed. Funding the design work and some small pieces of connectivity would make a big difference, Council Members said. Council Member Searing proposed making some lower cost natural surface connections there.

Council Member Huynh said that he would support the \$1 million for the Downtown Initiative if it included comprehensive planning. However, Council Member Ryan recommended that a comprehensive planning process be independent of any other initiative.

Council Member Ryan said that she would like to see a substantial investment in the Rosemary Commons lot, and Council Member Parker asked for more information about what kind of investment that would need. Council Member Anderson proposed that Downtown Initiative money be used taking Franklin Street over from the state in combination with an open space initiative and overall visioning for Downtown.

Council Member Parker asked for more of a narrative from staff on how the recommendations related to mitigating the impacts of COVID-19. He also asked for a more defined connection between AH projects and homelessness as well. Several Council Members requested an updated wish list from the Town's AH providers and for information on Public Housing needs that the Town's regular budget was not addressing.

Council Member Parker said that ARPA money seemed to be a great source

for doing renovations, refurbishing, and upgrades of housing units as well as roads. Council members proposed that some ARPA funds be used to collaborate with OWASA on utility assistance to those impacted by COVID-19.

The Council agreed the Teen Center was in bad shape and needed repairs and possible relocation. Mayor Hemminger suggested that new Council Members meet with Library Director Susan Brown to discuss conversations that she had with the Teen Center's users. The Mayor mentioned possible opportunities for moving the Center to a newer building.

Mayor Hemminger said she agreed with Council comments about investing ARPA money in what the Town already had but said that she wanted to do something new as well. Having ARPA money to spend and opportunities to partner was a great position to be in and could bring lasting benefits, she pointed out.

This item was received as presented.

3. Expedited Review of Affordable Housing.

[\[22-0406\]](#)

Director of Affordable Housing and Community Connections Sarah Viñas said that four Council Members had submitted a petition in September 2021 calling on staff to increase production of affordable and missing middle housing. She noted that the petition had asked for an expedited application process for development applications that include at least 30 percent AH units.

Ms. Viñas said that the Housing Advisory Board had recommended that staff propose an expedited review process for AH projects that would take less than six months, she said. The current presentation was an update of findings from a pilot program and several potential solutions for Council consideration, she said.

Planning Director Colleen Willger described the existing process for reviewing development plans and said that staff was attempting to balance the speed of review with the complexity of the applications and number of community meetings. Factors to consider included the number of steps in the process, staff capacity, the number of required meetings, limits on agenda length, Council meetings cycle, complexity of plans, and the general volume of staff's other review work, she said.

Ms. Willger summarized Town strategies for expedited review with previous projects and compared Town processes with those of Raleigh and Durham. She said that streamlining the Town's review process could include consolidating advisory board review, requiring less application detail, and adding more resources and capacity. She discussed the challenges that applicants face at each stage of the Town's development process.

Senior Planner Corey Liles said the Town's current review process typically took 10-14 months, not counting the time between concept plan review and formal submission of an application. However, the process for the Town's Light Industrial Conditional Zoning District (CZD) projects was much more compressed and could take as little as four months, he pointed out. CZD projects were exempt from concept plan review, were seen by only the Planning Commission, and the Council could act on them the same night as their hearings, he said.

Mr. Liles discussed cost and time implications of the current process, which included eight or nine advisory boards reviewing a project. He said that a pilot project had determined that joint advisory boards meetings had actually increased meeting time and created extra work for board members and staff. He pointed out that other municipalities collected feedback from the public via web portal, social media, surveys, and neighborhood meetings.

Mr. Liles compared the Town's application checklist for CZD projects with the one for other development projects and showed how the CZD list was much shorter and less onerous. To facilitate review of AH applications, staff recommended consolidating steps in the review process, simplifying application materials for Council review, increasing staff capacity, and consolidating advisory board review, Mr. Liles said.

The Council praised staff for its good analysis of the issues and for getting useful feedback from various stakeholders. Several Council members expressed support for using the CZD as a model.

Council Member Anderson confirmed with staff that more than 500 AH applications were expected over the next five years, with 10 expected before 2024. Pointing out that concept plans set the tone for where projects go, she proposed finding a way to get more clarity on what information would be most helpful at that point. She pointed out that some advisory board members had suggested improving the application itself. She would rely on staff to determine what combination of changes would lead to good outcomes, she said.

Mayor pro tem Stegman expressed support for the idea of just skipping the concept plan stage for AH projects. She verified with Mr. Liles that making changes to the application process in general probably would not incentivize developers to include more AH. Staff was presenting solutions tailored toward AH providers, he said. However, Council Member Ryan raised the idea of still using concept plans for very high-level Council review, since some projects were no-gos from the start.

The Council praised staff's suggestion to look at different ways of getting more equitable community input via surveys, interactive websites, and

other technologies. Some said they wanted to see more diversity on advisory boards as well.

Several Council Members spoke in favor of having only the Planning Commission review AH projects, and Council Member Ryan said that doing so probably would be easier than having an AH development review board made up of volunteers from other boards. Some Council Members emphasized the need for the Planning Department to have the staffing and resources it needed to be able to expedite the process.

Council Member Huynh said that Durham and Raleigh had AH processes that were similar to the Town's CZD process. He quoted a developer recently saying that developing in Chapel Hill was ten times more expensive than in those other towns. Council Member Ryan said that the Town should learn from Raleigh's and Durham's experiences but aspire to do more than they do by building neighborhoods rather than housing complexes.

The Council asked for more detail on the criteria for projects that would qualify for expedited review in a process that would be equal and expeditious for all. However, Council Member Searing cautioned against accelerating and getting bad outcomes. He mentioned recent AH projects that had led some community members to experience "heartburn".

Mayor Hemminger agreed that the process needed to be streamlined. She thought that the CZD model could have some benefits if design guidelines were in effect, she said. She pointed out that many of the Town's remaining parcels had topographical challenges that would require expert review and that the Stormwater Board probably would need to continue reviewing projects. She proposed that only the Planning Commission see projects with 10 or fewer units, and she expressed strong support for having Urban Designer Brian Peterson sign off on all designs.

Mr. Liles said that staff would have a draft policy ready for community and stakeholder review in late summer or early fall. Given the Council's interest in the CZD idea, there might be a text amendment process and public hearings in the fall as well, he said.

This item was received as presented.

4. Update from the Booker Creek Working Group.

[\[22-0407\]](#)

This item was deferred to a future meeting.

ADJOURNMENT

This meeting was adjourned at 10:19 p.m.