



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 Jessica Anderson
Council Member Donna Bell
Council Member Allen Buansi
Council Member Hongbin Gu

Council Member Nancy Oates
Council Member Michael Parker
Council Member Rachel Schaevitz
Council Member Karen Stegman

Wednesday, May 2, 2018

7:00 PM

RM 110 | Council Chamber

Roll Call

Present: 9 - Mayor Pam Hemminger, Mayor pro tem Jessica Anderson, Council Member Donna Bell, Council Member Allen Buansi, Council Member Hongbin Gu, Council Member Nancy Oates, Council Member Michael Parker, Council Member Karen Stegman, and Council Member Rachel Schaevitz

Other Attendees

Town Manager Roger L. Stancil, Deputy Town Manager Florentine Miller, Town Attorney Ralph Karpinos, Communications Manager Catherine Lazorko, Housing and Community Executive Director Loryn Clark, Public Housing Director Faith M Thompson, Housing and Community Assistant Director Sarah Osmer Viñas, Affordable Housing Manager Nate Broman-Fulks, Fire Inspector Greg Peeler, Community Outreach Coordinator Len Cone, Business Management Director Ken Pennoyer, Human Resource Development Director Cliff Turner, Community Arts & Culture Executive Director Susan Brown, Assistant to the Town Manager Ross Tompkins, CIO / Technology Executive Director Scott Clark, Fire Chief Matt Sullivan, Planning and Development Services Director Ben Hitchings, Police Chief Chris Blue, Housing and Community Human Services Coordinator Jackie Thompson, Organizational and Strategic Initiatives Director Rae Buckley, Acting Town Clerk Beth Vazquez

OPENING

a. Bike Month Proclamation

[\[18-0404\]](#)

Mayor Hemminger opened the meeting at 7:00 pm.

Council Member Schaevitz read a Bike Month proclamation that addressed the importance of physical activity and said that May 9th would be International Bike to School Day. The Town had been designated as a

bike-friendly community, she pointed out. She said that May 2018 would be Bike Month in the Town of Chapel Hill and she encouraged all citizens to leave their cars at home and use bicycles during the month of May and every month.

Council Member Schaevitz presented the proclamation to Laura Jorgenson, Happy Tooth Foundation director, who was accompanied by several "Yes I Can" campers who had completed a triathlon that was part of the foundation's initiative to promote healthy lifestyles. Ms. Jorgenson said that Chapel Hill had some of the best bike trails in the nation. She thanked the Town for doing such a great job and encouraged citizens to get out and ride bikes, especially in May.

PETITIONS FROM THE PUBLIC AND COUNCIL MEMBERS

ANNOUNCEMENTS BY COUNCIL MEMBERS

a. Mayor Hemminger Regarding 4th & 5th Electric Vehicle Charging Stations at Aquatic Center.

[\[18-0405\]](#)

Mayor Hemminger said that there had been a ribbon cutting ceremony that day regarding electric vehicle charging stations that a grant from Duke Energy had made possible. She pointed out that Chapel Hill had the highest concentration of electric vehicles in the state and noted the need for more places to plug them in. Charging electric cars cost \$400 per year, compared with \$1,200 per year for gasoline, she pointed out. Mayor Hemminger said that a chart showing all of the charging stations in Town was on the Town's website and that the Council was asking that all new developments include them.

b. Mayor Hemminger Regarding Committee on Economic Sustainability Meets May 4th.

[\[18-0406\]](#)

Mayor Hemminger said that the meeting would begin at the Town Library at 8:00 A.M. and would be open to the public.

c. Mayor Hemminger Regarding Open House on Future Land Use Map Meeting May 9th.

[\[18-0407\]](#)

Mayor Hemminger said that the Open House would be from 6:00-7:00 pm in the first floor conference room at Town Hall and that all were welcome to attend.

d. Mayor Hemminger Regarding "Charting Our Future" May 10th.

[\[18-0408\]](#)

Mayor Hemminger said that the Land Use Management Ordinance kick-off would be held on May 10th at the Franklin Hotel from 5:30-7:30 pm.

e. Mayor Hemminger Regarding Craft Bazaar.

[\[18-0409\]](#)

Mayor Hemminger said that the craft bazaar would be held on Saturday from noon to 5:00 pm at the 140 West Plaza.

f. Council Member Buansi Regarding Chapel Hill Resident on The Voice TV Show.

[\[18-0410\]](#)

Council Member Buansi noted that Chapel Hill native Rayshun LaMar was one of the final contestants on The Voice, which airs on Mondays and Tuesdays. Mr. La Mar had overcome cancer and the loss of his hearing and voice to rise to this point in the competition, he said. Council Member Buansi encouraged citizens to watch the show and vote for Mr. LaMar.

g. Mayor Hemminger Regarding Voting in Current Primary Election.

[\[18-0411\]](#)

Mayor Hemminger pointed out that early voting was still going on and she encouraged people to go out and vote.

PUBLIC COMMENT - ITEMS NOT ON PRINTED AGENDA

a. Allison DeMarco and Corey Root Regarding Orange County Partnership to End Homelessness.

[\[18-0412\]](#)

Allison DeMarco, chair of the Orange County Partnership to End Homelessness Leadership Team, provided an update on recent activities and an overview of the Partnership's goals. The overall vision was that everyone deserves a safe, stable place to call home, she said. She said that the Partnership's two primary roles were to bring funding for homeless services into Orange County and to provide services that meet best practices.

Ms. DeMarco said that the Partnership had reported 127 people experiencing homelessness (including 35 without shelter) in 2017. She said that more recent numbers would be out fairly soon. She mentioned that Project Connect had recently served 173 guests with more than 1,100 services on one day. The Partnership had also gone out and talked with folks in the community about homeless services, she said.

Orange County Homeless Programs Coordinator Corey Root described the process through which the Partnership had housed 21 of the community's most vulnerable people in 2017. She said that one of eight gaps in service had been filled and she described a Landlord Partnership Initiative that would begin in the next couple of months. The Partnership was steadily working on the other seven gaps, she said. Ms. Root mentioned that a meeting regarding data and trends had been scheduled for June 21, 2018 at the Chapel Hill Public Library from 9:30 - 11:00 am. That meeting would include time for community conversation, and the Council would receive an invitation, she said.

Mayor Hemminger thanked Ms. DeMarco and Ms. Root for all they were

doing and for sharing information. She said she had gone to the community meeting in 2017 and that it had been fascinating and very helpful. Mayor Hemminger pointed out that at least 12 families had moved from homelessness or a shelter into the DHIC program.

Mayor pro tem Anderson confirmed with Ms. Root that most of their funding had been from HUD and that their coordinated entry protocol included McKinney-Vinto liaisons for coordinating school entry. She said that was great and something that was not happening everywhere.

CONSENT

Mayor Hemminger commented on the many good things to celebrate in the consent agenda. The Town had added five new, clean, diesel buses to its fleet and was excited about having approved a CASA affordable housing project, she said. She noted a partnership regarding a parking deck on Rosemary Street that would help create a coordinated parking system in the downtown area.

Approval of the Consent Agenda

A motion was made by Mayor pro tem Anderson, seconded by Council Member Parker, that R-1 be adopted, which approved the Consent Agenda. The motion carried by a unanimous vote.

1. Approve all Consent Agenda Items. [\[18-0379\]](#)

This resolution(s) and/or ordinance(s) was adopted and/or enacted.
2. Approve Miscellaneous Budget Ordinance Amendments to Adjust Various FY 2017-18 Fund Budgets. [\[18-0380\]](#)

This resolution(s) and/or ordinance(s) was adopted and/or enacted.
3. Approve Budget Ordinance Amendments to Recognize Capital Financing Proceeds for FY 2017-18. [\[18-0381\]](#)

This resolution(s) and/or ordinance(s) was adopted and/or enacted.
4. Approve CASA Funding Request for Merritt Mill East Affordable Housing Project. [\[18-0382\]](#)

This resolution(s) and/or ordinance(s) was adopted and/or enacted.
5. Approve a Reimbursement Resolution and Project Ordinance Amendment to Adjust the Municipal Services Center Project Budget. [\[18-0383\]](#)

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

6. Adopt Revised Percent for Art Program Procedures. [\[18-0384\]](#)

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

INFORMATION

7. Receive Upcoming Public Hearing Items and Petition Status List. [\[18-0385\]](#)

The item was received as presented.

8. Orange County Partnership to End Homelessness Update. [\[18-0386\]](#)

The item was received as presented.

DISCUSSION

9. Presentation: Recommended Budget for FY 2018-19. (no attachment) [\[18-0387\]](#)

Town Manager Roger Stancil introduced the FY 2018-19 budget. He gave a PowerPoint presentation in which he reviewed the Town's mission and the Council's strategic goals and outlined the budget process. He said that the Council should provide feedback on whether the staff's recommendations were correct or if it wanted to make changes in the budget. He noted that the recommendations were posted on the Town's web page and a link to a budget dashboard would be sent the next day to the Council tomorrow.

Mr. Stancil said that budget highlights included a recommended increase in the investment for maintenance of Town facilities. Strategic cuts of about \$470,000 in the Operations budget would offset that, he said. He recommended protecting the Fund Balance by contributing to it and making it stronger for the future.

Mr. Stancil pointed out that the budget included a 3.0 cent property tax increase. This would include 1.0 cent for operation of Chapel Hill Transit, 0.8 cent for the Debt Management Fund, and 1.2 cent for the General Fund to support core services and sustain and build up Fund Balance, he said. He explained the reasoning behind each of those increases.

Mr. Stancil said that staff was not recommending any change in staffing or service levels. He proposed a 3 percent pay adjustment for Town employees, which he said was the standard amount for the Triangle area. He said that health insurance costs continued to rise but that a plan

change that created a \$250 deductible, in conjunction with the Town's wellness program, had brought those healthcare costs down to zero. Mr. Stancil said that the Town stayed certified as an Orange County Living Wage Employer and had begun to offer paid parental leave.

Mr. Stancil recommended \$6.2 million for affordable housing, adding that staff was preparing for what might happen with respect to federal Community Development Block Grant (CDBG) and HOME funds. Staff had been proceeding with development of a Public Housing Master Plan and was preparing for the Affordable Housing Bond Referendum in November, he said.

Mr. Stancil recommended that Human Service funding remain the same. He proposed a \$18,593 increase to the Homeless Initiative, as the Town's share of their increased costs, and \$7,317 to the Community Home Trust, consistent with the interlocal agreement to participate in that funding. Mr. Stancil said that the recommended budget also included \$31.4 million, which was the current project cost of replacing the Police Department's headquarters.

Director of Business Management Ken Pennoyer continued the PowerPoint presentation with an executive summary of expenditures for all funds. He said that the total Town budget was \$111 million. He pointed out that the debt service would go up 18.3 percent for FY 2019, based on the recommended tax increase of 0.8 cents and a transfer of approximately \$400K from the General Fund to the Debt Fund for the Ephesus Fordham tax increment financing.

Mr. Pennoyer said that the Transit Fund increased by 3.9 percent. The General Fund, which was being recommended for a 1.2 cents increase on the dedicated tax had an increase in the valuation of about 4.4 percent after a couple of years of being virtually flat, he said.

Mr. Pennoyer compared General Fund revenues for FY 2018-19 to seven years ago and showed trends in the composition of tax revenues. Property tax was growing slower than the rest of the budget, but sales tax was growing, he said.

Mr. Pennoyer reviewed a General Fund Revenue Summary and addressed expected increases in fees. He said that sales taxes for FY 2018 would be lower than estimated but that an approximate 5 percent increase on average over the last several years was approximately the Town's normal growth. He supported much of what Mr. Stancil had said, provided additional details on the General Fund, Transit Fund, Parking Fund, Public Housing Fund, Debt Service Fund, and Capital Fund.

Mr. Pennoyer showed a debt profile chart, which showed that outstanding debt had dropped down over time and was currently very low. He discussed the Town's projected debt profile, explaining that the fairly

significant fund balance would need to be used to "get over the hill in the Town's cash flows" in 2025 as the Town issues the debt for the Municipal Services Center and the remainder of the 2015 General Obligation Bonds. The Town would have a bit of a hill to climb as it tries to manage the cash flow in its Debt Fund, he said.

Mr. Pennoyer said that next steps included a public hearing on May 9, budget work sessions on May 16 and May 30 and June 6, and budget adoption on June 13, 2018.

Mayor Hemminger confirmed with Mr. Pennoyer that Orange County was proposing a 1.4 cent tax increase. She said that the Council was seeking public input regarding the overall philosophy and thinking behind the Manger's recommended budget. She pointed out that there would be other opportunities to delve into details in the coming weeks.

Mr. Stancil noted that Council could also send questions in writing. Staff would post all questions that anyone asked, and responses, on the Town website, he said.

Mayor pro tem Anderson asked how not having a tax increase would affect Town services.

Mr. Stancil replied that Town department heads and senior leaders would explain their reasoning at the Council's upcoming budget work sessions. During the budgetary process, staff had considered eliminating services and he would provide information on the consequences of doing so, he said, noting that the Town had benchmarks, service levels and business plans that could be discussed. The Council would also soon receive the results of a community survey, which would provide some insight into the community's perception of Town services, Mr. Stancil said.

Mayor pro tem Anderson said that it would be helpful to see what staff considered cutting and what the impacts would be. She confirmed with Mr. Stancil that the Council would receive a report about bus advertising. Mr. Stancil noted that there was no staff responsible for that.

Council Member Gu confirmed with Mr. Stancil that the Council would receive a copy of the staff's PowerPoint presentation and that it would be posted on the website.

Council Member Oates clarified with Mr. Stancil that lapsed salaries referred to the amount of money that is not used when an employee quits and the position is not filled. Staff was defining that amount of money as a way to balance the budget and managed positions in ways that kept those vacancies in place, he said. It was part of how the fund balance got built: an expenditure that is not made and goes back into the Fund Balance for re-appropriation the next year, he said.

Council Member Oates confirmed with Mr. Stancil that the approach would not make it more difficult to hire someone for a position that had been vacant for a long time.

Mayor Hemminger asked staff to include information on what a 3 cent tax increase would look like for houses at the \$350,000, \$475,000 and \$1 million range. Businesses fall into the higher category and the public was interested in knowing what their tax increase would look like if the Town moves forward with the proposal, she said.

Mayor pro tem Anderson asked how long the lapsed salary positions had been vacant and if there was any reason to not fill them.

Mr. Stancil offered to provide additional information on the Town's 8-10 percent turnover rate, which he said was normal for a town the size of Chapel Hill.

Mayor pro tem Anderson said she wondered if not relying on that strategy would mean the Town would start doing a lot of hiring.

Mr. Stancil offered to send a description of where the vacancies were, noting that they were essentially spread all over the Town. He did not think there would be a whole bunch of new people working for the Town, he said. He pointed out that the largest employment base was Transit, where there was a significant turnover of bus drivers and others.

Council Member Schaevitz noted that General Fund revenue grants were down by 15 percent and asked staff to bring back information on grants the Town had not received in the past and would not be getting in the future.

Council Member Parker asked for information on the average employee vacancy rate, by department.

Mayor Hemminger said that the Town had some very good strategies but that she was having a hard time with the 3 cent tax increase and wanted to learn more about that. She praised staff for mitigating the change in healthcare costs and said she was pleased that the Town is no longer looking to Fund Balance to plug holes in the operating budget. She noted that Transit was a difficult issue since state and federal governments had not been supportive of the Town's efforts to move toward better, cleaner and more efficient electric buses. She expressed immense appreciation to the Town's Transit partners, UNC and Carrboro for their support.

Mayor Hemminger said that there would be lots of questions and ideas to share as the Town worked through the FY 2018-19 budget. It would be helpful if the Manager had questions ahead of time, she said, and she recommended that Council members take him up on his offer to meet with them to discuss things. Mayor Hemminger said that the Council welcomed

public input. She asked that every meeting post the future date for budget discussions.

The item was received as presented.

10. Public Housing Master Plan Overview.

[\[18-0388\]](#)

Executive Director for Housing and Community Loryn Clark began the staff's PowerPoint presentation with an introduction to four items: the Affordable Housing (AH) third quarter progress report; the Public Housing Master Plan; management of the AH Fund; and, a new AH website that staff had created. She showed a list of key items that staff would discuss with the Council over the next two months.

Public Housing Director Faith Thompson presented an outline of the Public Housing Master Plan, showing photos of houses and describing neighborhood activities. She said that the evening's agenda would include a review of the 13 communities that made up the Town's portfolio.

Ms. Thompson said that the Council had abolished the Chapel Hill Public Housing Authority in 1987 in an attempt to gain better control over AH options. The public housing program had been operating as a Town department ever since that time, she said. She explained that the public housing program, which was primarily funded by federal grants and residents' rents, operated 336 units in 12 communities in Chapel Hill and one in Carrboro. She described those communities and housing units, and noted the years they were built.

Ms. Thompson said that when she became the director in May 2016 there was a major need for renovation and a more structured maintenance program. She described the process of constructing a plan to address maintenance, development and redevelopment, and said that many of the Town's public housing communities needed repair and infrastructure investment. At the end of 2017, the waiting list included 126 families wanting one-bedroom units, 133 waiting for two bedrooms, 76 for three bedrooms, 25 for four bedrooms units, and 7 families waiting for 5-bedroom units, she said.

Ms. Thompson described undertaking an evaluation process to determine what was needed. In 2016, the Town contracted with CVR to inspect all units, and with David Smith Real Estate Appraisals in order to contrast market value with the amount being spent to maintain the property, she said. In Oct 2017, the Town contracted with Summit Design and Engineering to assess the condition and life expectancy of each of the properties, and that study had recently been completed, she said. She said that David Rosen and Associates had been given all of that information.

Ms. Thompson stated that an outreach plan to meet with residents every

month had been in action from September to December 2017, along with a newsletter and two pop-up activities. She reviewed the community feedback that her staff had received and explained how residents' concerns and suggestions had been addressed, or would be addressed within the next 90 days. The next steps would be to receive feedback from the Council and community, refine the financial analysis, and return in the fall of 2018 with a proposed final Public Housing Master Plan, Ms. Thompson said.

Council Member Stegman asked about finding ways to make it easy for residents to continue giving feedback.

Ms. Thompson replied that two UNC interns had been working with residents on that and would return with feedback on Friday.

Mayor Hemminger asked whether or not residents wanted training such as that offered by Kramden Institute, and Ms. Thompson replied that staff had been exploring such additional types of training.

Council Member Buansi asked for demographic information, which Ms. Thompson agreed to provide. He asked how many residents had given feedback, and Ms. Thompson agreed to send him that information as well.

Mayor pro tem Anderson asked Ms. Thompson to send demographic trends over the past three to five years as well. She was specifically interested in knowing whether there had been a decline in African American residents, she said.

Mayor Hemminger asked how the one unit in Carrboro phased in with the others, and Ms. Thompson replied that it was seamless. Residents on the waiting list were offered the first available apartment within their range, she said.

Council Member Buansi confirmed with Ms. Thompson that she had never made a presentation to the Carrboro Board of Aldermen.

Nora Lake-Brown, a consultant with David Rosen and Associates, gave a PowerPoint presentation that included a preliminary financial analysis of the Public Housing Master Plan. She said that key leveraged funding sources included the AH Development Reserve, AH Fund, Public Housing Capital Fund, CDBG funds, and General Obligation Bonds. Key leveraged financing sources include the Low Income Housing Tax Credit (LIHTC) Program, HUD Rental Assistance Demonstration (RAD), and HUD Section 18 Disposition and Demolition Program, she said.

Ms. Lake-Brown explained that LIHTC was the most valuable source of leveraged financing for AH. It included a 9 percent tax credit program (based on a highly competitive scoring system) and 4 percent tax-exempt bonds, she said. She said that the RAD Program was intended to help

extend the life of public housing by permitting redevelopment of existing units. Section 18 had a higher bar for eligibility and was limited by the availability of voucher funds, she said.

Ms. Lake-Brown discussed a needs assessment and public housing rehabilitation costs and said that the estimated cost of repair for all 336 units was about \$14.7 million, or approximately \$43,700 per unit. That did not include the cost of design, contractor fees, asbestos abatement, etc., she pointed out.

Ms. Lake-Brown mentioned key sites that had been identified for redevelopment. Craig Gomains and Trinity Court had scored the maximum number of points for amenities and might be the Town's most competitive sites, she said. She explained that David Rosen and Associates had not yet scored Oakwood for tax credits but thought that it would do well also. She described three different financing scenarios: No RAD or Tax Credits; RAD and 9 percent Tax Credits; RAD and 4 percent Tax Credits and Tax-exempt Bonds.

Ms. Lake-Brown discussed a development program for Craig Gomains that would include replacing the existing 40 units and adding 80 more AH units on the additional four acres. She showed a summary analysis of that under different financing scenarios. She offered a model for Trinity Court that would replace the existing 40 units and add 20 tax credit units, and for Oakwood, where 30 units would be replaced and 21 AH units added.

Council Member Parker confirmed with Ms. Lake-Brown that rents would not be sufficient to cover the debt service on loans. She explained that it would be a deferred loan where excess residual receipts would go to the Town. However, not much in residual receipts would be expected under a 9 percent tax credit scenario, which would be targeted to lower income and less rent potential, she said. Under the 4 percent tax credits scenario, the Town would have potential to generate some residual receipts and might get some of that money back, said Ms. Lake-Brown, but she cautioned against counting on that.

Ms. Lake-Brown pointed out that the Town had submitted a letter of interest regarding the RAD waiting list and that HUD had recently approved an increase in those allocations. She did not know how long it would take for Chapel Hill to reach the top of the list, but it could be during the current year, she said. She recommended that the Town be prepared to submit a proposal that would include information on a tax credit development partner. The Town could have a co-ownership role, but it would be important to have a partner who had tax credit experience, she said.

In response to Council questions, Ms. Lake-Brown explained the typical tax credit structure, in which the equity investor would own 99 to 99.9 percent

of the development and the Town might split its 1 percent share with a partner that would also be involved in operating the development for at least the first few years. When the tax credits were done, the Town, or a non-profit, or a joint venture of the two, could purchase the property back, she said. She pointed out that the equity investor would never have a chance to cash in on the project but may, or may not, maintain a long-term ownership interest.

Council Member Parker confirmed with Ms. Lake-Brown that the initial tax credit period was typically 15 years.

Council Member Bell and Ms. Lake-Brown discussed Town discussions regarding the Craig Gomains property and how selling a portion of it for private development remained an option even though an earlier Council had not seemed interested in doing that. Ms. Lake-Brown said she was hesitant to recommend selling that site, which was prime for redevelopment and offered the ability to increase density. Selling Trinity Court might be more desirable, from a financial point of view, she said. She pointed out that selling would be an option for any of the Town's sites.

Mayor pro tem Anderson said that \$219,000 per unit in a multi-unit development seemed high to her.

Ms. Lake-Brown replied that the numbers were very preliminary and that Trinity Court's estimates were a little higher because of uncertainties about how the Town would address site issues. However, multi-family rental development for AH was not cheap, she said. Noting that it required developing quality projects and was more expensive than single family construction.

Mayor pro tem Anderson asked Ms. Lake-Brown to explain more about the basis for her recommendations.

Ms. Lake-Brown replied that David Rosen and Associates was recommending the RAD invitation, which would involve the 9 percent or 4 percent tax credit program. The Town would need to be accepted for RAD before it could go after tax credits, she explained. She said that a needs assessment and RAD letter of interest had been done, but that the task of exploring relocation options remained. She pointed out that estimated costs did not include the temporary relocation of existing tenants while a new development was being built. She said that the next step would be to issue an RFP for a development partner for tax credit applications.

Mayor pro tem Anderson asked why the Town would not do Section 18, which would bring in funding.

Ms. Lake-Brown replied that that was one potential source of scarce resources, but the trade-off would be selling a site that the Town could

develop.

Council Member Stegman clarified that the Town's public housing was aging and in poor condition in many cases and needed renovations for which HUD was not going to pay. Trinity Court was currently empty, so the Town was already down a number of units and that trend would continue, she said. She confirmed with Ms. Lake-Brown that having a non-profit development partner was preferred and was the most likely approach for the Town.

Council Member Stegman asked if a RAD project would mean that a building would be Section 8, where not all the same income restrictions and protections apply as do with public housing.

Ms. Lake-Brown replied that she was not totally clear about protections but that residents would be at the same financial level because the RAD was based on the amount the current population can pay for rent at the time the RAD application is approved. So, that was built in and others who move in could be at similar income levels, she said. Ms. Lake-Brown said that there were different operations in terms of how ordinances apply, however, and she offered to look into that further.

Council Member Stegman expressed concern that HUD could stop taking Section 8 or cut funding for Section 8 vouchers.

Ms. Lake-Brown replied that HUD would enter into a Housing Assistance Plan contract with the Town for an initial term of 20 years.

Council Member Stegman asked if the Town would be able to add regulations or protections, and Ms. Lake-Brown said that it could do so, within limits, but those could not be counter to HUD rules. Council Member Stegman confirmed that a grievance process, for example, could be added.

Council Member Oates said that there had been a significant decline in public housing tenants' quality of life when New York City tried RAD, and she asked staff to find out what went wrong in there and share those lessons learned. She said that being able to add units would be a wonderful thing, but she would not want quality of life to decline. "Sell me on RAD," she said.

Ms. Lake-Brown replied that there were many success stories as well. She mentioned that Portland, OR had been very happy with its outcome so far, and she offered to provide more success stories, if that would be helpful. Ms. Lake-Brown said that she had looked for studies on outcomes but had not found anything specific to RAD regarding quality. She offered to put the Town in touch with agencies that had been happy with it.

Council Member Oates asked staff to provide information on what went

wrong in NYC and had gone right in Portland, OR.

Council Member Schaevitz asked if David Rosen and Associates had not modeled the 9 percent for Trinity Court and Oakwood because they did not think those would be competitive enough.

Ms. Lake-Brown replied that Trinity Court actually scored the maximum points for the site and that the per unit gaps were comparable to the Craig Gomains 9 percent. She did not know about Oakwood because they had not scored that, she said.

Council Member Schaevitz confirmed with Mayor Hemminger that the Town owned Oakwood and its land even though it was located in Carrboro.

Mayor Hemminger verified with Ms. Lake-Brown that the Town had the following four options: rehab all units, which would be costly and involved; partner with someone like DHIC and let them build subject to RAD rules; rebuild using AH bond money; or, sell Trinity Court and use the proceeds to do something at another site, such as Craig Gomains. She noted that rehabilitating Trinity Court was not being recommended. She said that the Town should file a RAD application to just get on the list.

Ms. Thompson replied that the Town was not limited to only those four choices, in her opinion. Staff had been talking with other housing authorities around the state to see what they had done and there might be additional options, she said.

Mayor Hemminger commented that she was not sure how much energy the Town should spend on evaluating Oakwood, which was not located inside Town limits. She asked if there was a particular reason to look at that site.

Ms. Thompson replied that staff was looking at sites that had a propensity for increased density.

Mayor Hemminger said that there would have to be a "huge conversation" with partners in Carrboro before considering going down that path.

Council Member Parker asked if there was an interim plan for Trinity Court, which was currently empty, if the idea was to begin with Craig Gomains.

Ms. Thompson replied that there was no plan yet, but there had been conversations with HUD about possibly using some of the Town's operating funds to restore Trinity Court's habitability.

Lucy Lewis, speaking on behalf of the Chapel Hill-Carrboro NAACP Political Action Committee, said that she had recently met with some Council members regarding the implications of moving mobile homes and the related issue of public housing. The NAACP had raised concerns about the

Town's changing demographics and the significant decrease in African American residents, she said.

Ms. Lewis noted that the tenants' councils that had historically been in public housing neighborhoods no longer existed. There had been a decline in services, particularly at South Estes since the Family Resource Center was no longer there, she said. She said that comments about public housing had been passed on to the Town's Housing Department and the NAACP had received timely and useful information from staff.

Ms. Lewis said that the NAACP continued to have concerns about demographic issues and was glad to see the Public Housing Master Plan. There had been no new public housing since 1994, she said, adding that the Town had not been the model that it should be for the state. The NAACP wanted to continue the conversation and looked forward to seeing what would come next, Ms. Lewis said.

Dorcas Saunders, a handicapped Craig Gomains resident, asked if the Council had considered the need to put her and her disabled neighbors in an environment where they could live comfortably during the relocation.

Ms. Thompson replied that all considerations would be made for disabled residents in order to not interfere with their quality of life.

Miriam Thompson, NAACP Labor Committee Co-Chair, said that the Council needed information about how developers and owners had been leaving Section 8, regardless of federal subsidies. People had been dislocated without housing and the state had allowed it to happen, she said. Ms. Thompson said that this should be a public issue. The loss of Section 8 housing over the last five years had been dramatic and should be exposed, she said.

Council Member Buansi recommended that information be transmitted to the Town of Carrboro. He said that a Carrboro Alderman had expressed concerns to him about the status of Oakwood.

Mayor Hemminger proposed that the Town Manager discuss the issue with his counterpart in Carrboro, and Ms. Thompson asked Council Member Buansi to share the concerns that he had heard with her.

Council Member Gu asked if the changing demographics had been the result of changes in Town practices pertaining to eligibility for public housing.

Ms. Thompson replied that she did not know if changes were the cause, but there had been changes, such as additional points awarded to veterans, elderly, disable, homeless, and those who are working full time. She did not think that that had contributed to the decline of the African American population but would find out for sure when she drew the

numbers, she said.

Council Member Bell said that Craig Gomains seemed like the most viable possibility being presented, due to its possible number of units and the size and nature of its land. She would like to see that more fleshed out in a way that would include programming for the site as well, she said. Council Member Bell said that she would welcome having more children at Northside Elementary School but did not want Northside to remain a low-income community that did not equally participate in Town processes.

Council Member Stegman offered to forward to the Manager's written response to questions she had asked about demographics and other criteria to Council members who had been asking about that. She said her only concern about starting with Craig Gomains was whether it would sit empty due to the temporary loss of AH units. She wondered what that would mean for its tenants, she said, and she expressed concern that they might leave the Town. Council Member Stegman said that she saw benefits to starting with Craig Gomains, but would like to look at the trade-offs and at a scenario that might start with Trinity Court instead.

Mayor pro tem Anderson said she agreed with the suggestion to communicate with Carrboro. She recommended being careful about making choices regarding Oakwood at the current time.

Council Member Parker said that if the Municipal Services Center moved ahead on schedule and the Plant Road property were available for new housing, then getting started on Plant Road would completely remove the relocation problem. The Town might want to look at that, he said.

Council Member Oates thanked Ms. Thompson for talking with other municipalities and developers who had been successful, for looking at other options and ideas, and for being creative with solutions.

Ms. Thompson replied that being part of a great team meant not making any decisions in isolation.

Mayor Hemminger noted that there was an opportunity to see if there could be a partnership with some entity, such as DHIC, to redevelop some AH units at Trinity Court, and, if not, to consider selling that space and putting the funds toward developing other sites. It was incumbent upon the Town to first see if some AH could be built there with a partnership of some sort, she said, but she acknowledged that it was a difficult site.

Mayor Hemminger said she did not mind reducing the number of public housing units if it meant increasing the opportunity for more AH in another way. If the Town qualified for the RAD process, and could find a tax credit partner, then it would be worth finding out if that was even a possibility, she said. Mayor Hemminger recommended thinking about the process holistically: build one and move people into it from Craig Gomains while

reworking Craig Gomains. It would have to be such a step process because the Town would not want to put anyone out or cause anyone's life to become more difficult, she said.

The item was received as presented.

11. Receive the FY18 Third Quarter Affordable Housing Quarterly Report.

[\[18-0389\]](#)

Assistant Director of Housing and Community Sarah Vinas gave a PowerPoint presentation on the third quarterly AH report. In collaboration with AH providers, the Town had developed three more AH units and one preservation project, which brought the total to 96 and 9, respectively, she said. Ms. Vinas said that 87 percent of available funding for AH projects had been allocated for the fiscal year as of the end of March. She noted that staff had launched a new AH dashboard tool as well.

Ms. Vinas reminded Council members that they had established targets to facilitate the development of 80 AH units and the preservation of 55, annually. She showed photos and shared information about projects that had come online and discussed the Town's investment in them. She said that staff anticipated a total of 98 units to be developed through the end of the fiscal year and that 27 preservation projects would be completed by the end of June. Ms. Vinas discussed projects slated for completion in the fourth quarter. She said that 18 HOME preservation projects would be completed through a collaboration of Habitat and Self Help.

Affordable Housing Manager Nate Broman-Fulks highlighted major projects from the AH Work Plan and explained that the Town was on track for all major projects to be completed on time.

Council Member Parker asked how many and what types of units were being thought about for 2200 Homestead Road, which had changed since the Council first approved it.

Mr. Broman-Fulks replied that two ideas had been put into the concept plan. Both included 140-150 units and a variety of housing types. Staff had been collecting feedback from the community on what its different interests were and would draft a plan of what it might look like if all of those interests could be balanced, he said. Staff would be looking for Council feedback as they move forward with that, he said.

Mr. Broman-Fulks discussed property acquisition and expansion of the Town's transitional housing inventory. The Town had quadrupled that with the acquisition of a quadraplex in Northside, four condo units from CASA, and a single-family home in the Northside Neighborhood, he said.

With respect to the Town's mobile home park strategy, Mr. Broman-Fulks said that a more thorough update in June would address four main

objectives: to engage mobile home park residents and owners; to develop a menu of housing options; to identify potential sites for mobile home relocation; and, to develop a coordinated plan with Orange County and neighboring towns to share resources. He said that staff would return with a detailed report in June 2018.

Mr. Broman-Fulks outlined the next steps, which included returning in the fall with a fourth quarter report, preparing an AH Summary Report; and launching a new AH website. He then launched the new website in real time and demonstrated how it worked. The site had been designed to be a one-stop shop for AH and great communication tool for the Town and could be reached at chapelhillaffordablehousing.org, he said.

Mayor pro tem Anderson asked how the Town was addressing the needs and interests of people in mobile home parks other than Lakeview.

Ms. Vinas described plans to do outreach and engagement with all mobile home parks and said that the Town had been working closely with Family Success Lines and EmPOWERment, Inc. They would be collecting survey data and building relationships, and staff had done initial outreach to residents in the three mobile home parks and had scheduled a meeting with owners, she said. Ms. Vinas described efforts to develop coordinated strategies, such as a standard survey that all of the jurisdictions would agree to use.

Mayor pro tem Anderson asked if that meant sharing tools and resources, or pooling all available resources and making them available to mobile home park residents throughout the county.

Ms. Vinas replied that staff was envisioning it as both.

Mayor pro tem Anderson asked about changes at 2200 Homestead Road, as compared to what the Council had approved.

Ms. Vinas replied that the Council had approved a resolution in September for the site to be designated as mixed-income AH and that staff had proceeded to work with MHA Works on concept plans based on that. Then staff heard the desire from many at community meetings for as much housing as possible, so MHA put its renderings together based on that, she said.

Mayor pro tem Anderson asked about a potential partnership with UNC, and Ms. Vinas replied that those conversations were still going on.

Mayor pro tem Anderson asked if it was correct that the Town's financial commitment had changed.

Ms. Vinas replied that the worst case scenario would be using funds from the AH bond. However, if a partnership with UNC and Horizon proceeded,

the gap would be much less and bond funds would be freed up for other projects, she said.

Council Member Schaevitz asked if there was a target AMI, or rent, for those in transitional housing.

Ms. Vinas explained that transitional housing was for public housing residents who pay at least \$450 in monthly rent, and, along with other criteria, are eligible to move into available transitional housing.

Council Member Schaevitz clarified that the new website directed people to Orange County Connect, which was a comprehensive screening tool that provided a customized list of housing options, services, and links to other AH providers in the community.

Council Member Stegman praised and thanked staff for their work, which she characterized as great, responsive, and proactive.

Council Member Bell pointed out that AH stock had increased from 3 to 12 units in just two years, which was amazing, she said. She praised the Public Housing staff for working so hard, getting neighbors engaged again, and hiring a social work intern. The system was not perfect but it had been improving by leaps and bounds over the last three to four years and the Town had a public housing program that it could be proud of, she said.

Council Member Oates mentioned a neighborhood that had impressed her in Boulder, CO, with its mix of market-rate and subsidized housing and community gardens. She said that Council members had thought 2200 Homestead Road could be that type of development and had passed a resolution to ensure that vision. It did not seem that that was the same as the staff's vision, she said, and she underscored that the Council was looking for the kind of neighborhood they had seen in Boulder.

Council Member Buansi praised staff for its efforts on implementing AH and on the new website. He asked if the coordinated plan for AH that would return to the Council in June would be fully fleshed out.

Ms. Vinas replied that it would be a longer term strategy, some of which will have been implemented and some of which would be longer term strategies. Staff would be asking for Council feedback on the strategy, she said.

Council Member Gu agreed that the website was great and helpful and that it told the Town's story. However, she would like it to include a more user-friendly interface that would help those who are really looking for AH, she said. For example, perhaps users could enter some of their basic demographic and income information and be directed to options, Council Member Gu suggested.

Ms. Vinas explained that Orange County Connect would meet that need. She offered to look at including better ways to direct residents to that main community resource, however.

Council Member Gu said that she had clicked on each of the categories, but thought it would be more helpful to have a tool where the user could enter his/her own demographic information and eligibility criteria and have the site sort it out and provide AH options.

Mayor Hemminger praised the staff's work and said that she loved how the Town was telling its story better. The community cared deeply about AH, and now the Town could point people to data, goals, and the Town's direction, she said. She said that she had heard the concern about making the website more interactive and user-friendly.

Mayor Hemminger suggested adding the approximate number of AH units in Town to the report, and Ms. Vinas replied that staff had been thinking about doing an in-depth update once a year and would include more data on the community indicator section of the report. Staff planned on rolling that into the annual update and could also think about how to include it in the quarterly report as well, she said.

Mayor Hemminger stressed the importance of reaching out to partners -- such as CASA, EmPOWERment, and others -- regarding the Homestead Road project. She pointed out that Habitat for Humanity had been changing its model toward building townhomes or attached single-family housing, and she urged staff to make sure it was exploring all options. Mayor Hemminger said that she, too, had been impressed by the Boulder project, and loved that the pond on Homestead Road would be preserved. However, because Homestead Road was close to a Town park, she would rather have more units of housing than a park on that site, she said.

Ms. Vinas replied that staff was definitely envisioning that the project would only be possible through partnerships and had had preliminary conversations with all AH providers.

Mayor Hemminger commented that the Town was slowly moving along with Green Tract discussions and had mentioned Plant Road tonight. There were some exciting opportunities, and a vision that the Town could articulate and share seemed to be finally coming together, she said. Mayor Hemminger said that she looked forward to hearing more about the mobile home relocation plan.

The item was received as presented.

APPOINTMENTS

12. Approve the Council Committee's Recommendation for Selection of Community Members to Participate in the Town

[\[18-0390\]](#)

Manager Assessment Center.

Council Member Parker moved Resolution 8 and read the names of individuals selected for the Assessment Center: Camille Berry, Sue Harvin, Alan Rimer, Rudy Juliano, Joshua Rosenstein, Anjanet Thomas and Brian Wittmayer as an alternate. Mayor Hemminger thanked Council Members Buansi and Mayor pro tem Anderson for their work on the committee. She said that there had been a variety of perspectives among the applicants. The committee had looked for balance and had reached consensus on what that was, she said.

A motion was made by Council Member Parker, seconded by Mayor pro tem Anderson, that R-8 be adopted. The motion carried by a unanimous vote.

13. Appointments to the Community Design Commission. [\[18-0391\]](#)

The Council appointed Christine Berndt and Volker Mueller.

14. Appointments to the Environmental Stewardship Advisory Board. [\[18-0392\]](#)

The Council appointed Hui Ding, Mary Metcalf, and Thomas Henkel.

15. Appointments to the Housing Advisory Board. [\[18-0393\]](#)

The Council appointed Letitia Davison and Laura Cowan.

16. Appointments to the Planning Commission. [\[18-0394\]](#)

The Council appointed Melissa McCullough, Stephan Whitlow, Louie Rivers III, and Buffie Webber.

17. Appointments to the Transportation and Connectivity Advisory Board. [\[18-0395\]](#)

The Council appointed Brian Hageman and Eric Allman.

ADJOURNMENT

The meeting was adjourned at 10:16 p.m.