



**Durham CAN**  
**(Congregations, Associations and Neighborhoods)**  
732 Ninth Street, #604, Durham, NC 27705  
(919) 627-1769 [www.DurhamCAN.org](http://www.DurhamCAN.org)

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Date: September 24, 2020  
To: Durham City Council  
Re: Public Comments on Work Session Agenda Item #18 Proposed Conveyance of Property Located at 505 W. Chapel Hill Street to West Chapel Hill Development LLC

The sale of 505 W. Chapel Hill Street, the former headquarters of the Durham Police Department, comes at a prescient moment in our society and community. The apocalyptic confluence of a global pandemic, various crises of leadership, and local tensions around how we respond to violence in all of its forms, unveils a specific kind of violence that for many has lay in plain sight: the legacy broken promises, chronic disinvestment and economic exclusion in Durham's historically Black and Latin(a)(o)(x) communities.

It is in this spirit that we offer our general support of the sale and the following comments:

1. Minor suggested language edits (attached) in the Master Development Agreement that affirm/clarify the City's commitment to at least 80 units of affordable housing in perpetuity, maintenance protocols, and historically underutilized business inclusion;
2. Ensure that City staff and developers learn from our community's past mistakes to prevent displacement and to ensure that the 80 units of affordable housing remain accessible to a wide range tenants including "very low-income" and "low-income"; and
3. As a follow-up to our October 19, 2019 conversation with Mayor Schewel, with members from the Durham CAN Strategy Team and clergy leaders from institutions in the Hayti community, ask that you earmark the \$9,250,000 from this sale to make progress on the unfinished business of redeveloping the former Fayetteville Street apartments site, a project that was not included in the \$95 million Affordable Housing Bond passed by Durham voters last year.

We thank Ms. Summer Alston and Ms. Stacey Poston from the City's staff, Ms. Aimee McHale and Mr. Chris Fleming from WinnCompanies, and Mr. Zac Vuncannon from the Fallon Company for their continued, persistent and intentional engagement with leaders from Duke United Methodist Church (a Durham CAN member institution and future neighbor) and Durham CAN leaders on this project.

Sincerely,

Durham Congregations, Associations and Neighborhoods



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## **Master Development Agreement Technical Comments/Questions**

### **Exhibit D**

#### **Section A1(A) Annual Tenant Income Certification mentions**

"...and tenants must complete an Annual Student Certification each year..."

This might be a typo but it now raises a question about whether students would qualify for the 80 AH units. My understanding is that this created a HUGE issue with accelerating gentrification through the Southside project and has informed the leasing approach for the Willard St project. Would be good to think through how to balance the breadth of resident needs (including students) and also making sure 80 AH units remain accessible to a wide range of tenants, particularly those with the deepest needs like our seniors; current DHA residents living in substandard housing conditions; City employees who struggle to find housing close to where they work; and housing insecure University students seeking the kind of stable living environment conducive to learning.

Page D-1, Section A 1 b. Notice to Tenant This section describes how tenants are required to provide a certification of low income. The section reads:

...If the tenant does not comply [provide the certification] within 30 days of the second notice, a final notice must be sent giving the tenant 30 days' notice that they no longer qualify for the Affordable Unit due to the failure to complete annual certification. At this point, the Project **Developer has the discretion** to request that the tenant vacate the unit or **to allow the tenant to remain in the unit.** **However, if the tenant remains in the unit without completing the certification, the unit can no longer be considered an Affordable Unit.**

Two questions:

1. Should we require the Developer to NOT allow the tenant to remain in the unit? This would keep someone who doesn't qualify from not having to move out. But, caveat that we might be dealing with a qualified LI tenant who for whatever reason is not able to complete the certification.)
2. If not, can we require the Project Developer to "replace" that Affordable Unit (now occupied by a non-qualified person) with another AU that can be occupied by a qualified person?

This seems like an important consideration in ensuring that the project continue to include 80 AU.

Maybe we should suggest adding the following clause to the end of that paragraph (A.1.b of Exhibit D):



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... and, as soon as another unit becomes available, the Project Developer shall designate another unit as an Affordable Unit so as to ensure the number of Affordable Units remains the same.

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Page D-2, Section A 2 b ix. *Information to be Certified.* Nice to see that it codifies that all facilities are available to tenants of AU on a comparable basis to market rate units.

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Page D-3, Section A 3 d. *Comparison of Units.* This section covers the City's right to inspect the AUs and market rate units to assure they are "of substantial similar quality and condition." The frequency of the City's inspection rights aren't entirely clear: At a minimum, 20% of the Affordable Units in a Property will be inspected during compliance monitoring and at times 100% of Affordable Units may be inspected until the Project Developer demonstrates a history of maintaining Affordable Units and market rates units so that they are substantially similar in quality and condition.

What does "at times" mean? Should it read "at all times" or "at any time?" How often can they be inspected? It states "until the Project Developer demonstrate a history of maintaining AUs..." Do we want the City to be able to inspect "as often as necessary" or "quarterly" – so that we don't have a case of the City waiting a year to re-inspect.

Page D-3, Section A 3 e. *Maintenance* Does this contradict A 3 d or at least water it down? There's a big difference b/w "decent, safe and sanitary condition and in good repair" and ensuring that the AUs are comparable to the market rate units. A unit can be decent, safe, sanitary and in good repair and be substantially different from another unit.

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#### **Exhibit F: 1Durham**

P. F-7 re Underutilized business inclusion: Does the aspirational goal that "25% of the contract opportunities associated with the construction of the project" refer to the # of contracts or the \$\$ value of the contracts? The latter is preferable.

The "Adaptability to Input" section further down on F-7 suggests the Development Partners will report to the City re: the \$\$ value of contracts awarded to HUBs. But it would be worth confirming with Fallon/Winn that the 25% refers to \$\$ value..