

News Release

For Immediate Release: June 21, 2021

City of Durham FY21-22 Approved Budget Funds Community Safety, Affordable Housing & COVID-19 Recovery

Property Tax Rate Increase of 2 Cents

DURHAM, N.C. – Earlier this evening, the Durham City Council adopted the Fiscal Year 2021-2022 budget, which includes a 2 cents property tax rate increase to fund community safety, affordable housing, green and equitable infrastructure projects, and COVID-19 recovery.

The total approved budget of \$529.7 million reflects a new property tax rate of 55.17 cents per \$100 of assessed value, which is a 2 cents increase from the previous fiscal year. Of this 2 cents increase, 1.38 cents will service the debt for the \$95 million Affordable Housing Bond that voters passed in 2019; 0.50 cents will create new capital funding to support green infrastructure projects to be developed through an equity lens after a process is developed to identify and prioritize these projects; and the remaining 0.12 cents will go to the General Fund. The budget passed with a unanimous vote by the City Council.

The new tax rate generates a City of Durham property tax bill of about \$1,291 per year, or about \$108 per month on a house valued at the median house value of \$233,927, which is the median house value for the City of Durham according to the Durham County Office of Tax Administration.

The approved budget also funds the creation of a new Community Safety Department, which will work closely with existing public safety departments – Police, Fire, Emergency Communications, and Emergency Management – helping them focus on the work they are best equipped to handle while helping the organization reimagine the way the community is kept safe and well. Based on RTI research including 911 call data, use of force analysis, Durham police officer focus groups, and input from City Council, the new department will implement pilot projects to explore alternative responses to issues that may not need armed police presence, and then build upon that success. This department will also take on oversight and management of the City's over \$1 million investment in programs such as the Bull City United Violence Interruption Program, Project BUILD, and the Gang Intervention Strategy Initiative, which are all partnerships with Durham County Government.

Since this approved budget also begins to fund the debt service on the \$95 million Affordable Housing Bond, the City's new *Forever Home, Durham* program will be able to create affordable opportunities for renters and homeowners. Over the next several years, the bond combined with local and federal funding will be used to invest a total of \$160 million into the City's affordable housing program. This funding will build 1,600 affordable housing units, preserve 800 rental units, move 1,700 homeless to permanent housing, provide 400 affordable opportunities to first-time homebuyers, and help 3,000 low-income renters and homeowners stay in or repair their homes. The approved budget includes \$500,000 to support the Durham County Long-Time Homeowner Grant Program for residents at or below 30% of the area median income. This program will award grants to qualifying recipients to help reduce the amount of their property taxes due.

Since street paving and maintenance continues to be a significant concern for residents responding to the 2021 Resident Satisfaction Survey, the approved budget will use \$4 million in fund balance to increase one-time funding for street paving to \$10 million. The approved budget will also use an additional \$ 11 million of the fund balance to

cover a variety of additional one-time costs for projects such as the replacement of the Inspections, Planning and Permitting System, employee bonuses, as well as the upcoming municipal elections.

The City will also invest \$88 million in upgrading and increasing capacity for water and sewer improvements, future water supply, and Lake Michie and Little River Lake construction needs. An increase of about 3.6% for the average customer in water and sewer rates as well as a stormwater rate increase of 51 cents per month are also included in the approved budget.

A number of Capital Improvement Projects are also funded in the approved budget such as:

- \$13 million – Fleet Replacement Program
- \$8 million – Stormwater projects including South Ellerbe restorations, algae turf scrubber, watershed planning, major infrastructure and retrofitting
- \$6.5 million – Durham County Emergency Operations Center
- \$5.36 million – IT Projects
- \$5 million – Durham Bulls Athletic Park Upgrades
- \$4.38 million – Public Works Operation Center Renovations
- \$2.9 million – New Sidewalks
- \$2.5 million – Duke Fiber Network Project
- \$2.2 million – Trail System Repairs
- \$1.2 million – Unpaved Roads Program
- \$1.1 million – General Services Maintenance Replacement Project Plan
- \$950,000 – Solid Waste projects including material recycling facility planning, recycling center reconfiguration, yard waste site repairs
- \$500,000 – Athletic Court Lighting and Resurfacing

The approved budget also provides funding for 36 new full-time employees in order to support the needs of a rapidly growing community. These new positions will be located in Solid Waste Management, Fire, Water Management, Neighborhood Improvement Services, Parks and Recreation, Community Development, Communications, and Community Safety.

The approved budget also provides City employee compensation since pay raises were suspended last year due to the financial uncertainty related to the COVID-19 pandemic. The approved budget will use federal American Rescue Plan funding to provide 5% premium pay for the City's essential frontline employees retroactive to June 2020 and a bonus of \$1,500 to \$1,000 based on their salary level. City employees will also receive a 2% pay increase for general employees, 4% pay increase for sworn police officers, and 3.5% pay increase for sworn fire fighters. All employees, both general and sworn, will also receive a bonus of \$2,000 to \$3,000 based on their salary levels.

The entire approved FY21-22 budget will be available on Thursday, July 1 on the City's Budget and Management Services Department [webpage](#).

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