



Date: November 21, 2022

To: Wanda S. Page, City Manager
Through: Bertha T. Johnson, Deputy City Manager
From: Robert D. Morales, Senior Grants Manager
Subject: American Rescue Plan Act (ARPA) Project - The Pearson Project: Kitchen Renovation

Executive Summary

On November 3, 2021, Student U submitted proposal “The Pearson Project: Kitchen Renovation” for funding in the amount of \$1,200,000 from the American Rescue Plan Act (ARPA) funds to renovate a commercial kitchen to create an incubator for minority-owned food businesses, offer healthier food options in the community, and build safe spaces for families to gather in order to increase safety and economic development in the Hayti community. At its May 18, 2022, City Council approved \$840,000 funding for this entity. Staff has reviewed the revised proposal and recommends funding.

Motion

To authorize the City Manager to execute an ARPA subrecipient grant agreement with Student U in an amount not to exceed \$840,000.

Background

The original proposal from The Pearson Project: Kitchen Renovation requested \$1,200,000 from the American Rescue Plan Act (ARPA) funds under core category of Economic Equity. One of the prominent spaces of the W.G. Pearson Center is its kitchen. Formerly an elementary school cafeteria and kitchen, this 1,550 square foot space remains unutilized. This space is connected to a community garden. Because of the amount of space, this kitchen has the capacity for food preparation, delivery service, and sit-down food service. This project will transform the Pearson Center’s kitchen space into a commercial-grade kitchen capable of housing three food-service businesses, with the intent of prioritizing minority entrepreneurs from the local Hayti community to manage the space and operate in the space. A fourth kitchen training space will act as an incubator where resident culinary educators can offer training about the business of food service and offer pathways to the workforce in the food industry for the community. This project will empower small businesses in the Durham community and provide ready access to nutritious meals and a safe space in Hayti for families to gather.

Issues and Analysis

Many of the citizens of Hayti experience poverty. The 2012-2016 American Community shows that the median household income is \$18,661, the lowest of any tract in Durham. There is a disturbing lack of affordable housing in the area, and many residents of Hayti experience housing insecurity. District 4, in which Hayti and all southeast Durham is located, has experienced a 48.98% increase in violent crime in 2020, the most of any district. Hayti also has lower access to healthy foods. According to the USDA, Hayti is in a ‘food desert,’ defined as having many residents who live more than one mile from the nearest supermarket with fresh

produce. There are 49,600 people in Durham who are food insecure, and nearly 1 in 5 children experience food insecurity (foodbankcenc.org). The hope of this project is that this Kitchen incubator will train residents of Hayti in the business of food, provide real pathways to living-wage careers for residents, bring economic life to Hayti, provide a safe place to share a meal, and address food insecurity.

The W.G. Pearson Center and this project aims to serve residents of the Hayti Community, in which the W.G. Pearson Center is located. Hayti can roughly be defined by Census Tracts 13.01, 23, and 13.03. There are 1,382 individuals in Census Tract 13.01, 1,633 in Census Tract 23, and 3,985 in Census Tract 13.03 for a total of 7,000 unique individuals who will benefit from this project (ACS 2019 5-Year Survey). About 79% of residents in Census tracts 13.01, 13.03, and 23 identify as Black or African-American in this historically Black community. One in 4 people who reside in census tract 23 experience poverty (25.6%), which is more than 1.5 times the poverty rate in Durham (15.9%). Surrounding census tracts also have a higher poverty rate, 13.01 and 13.03 having a rate of 16.7% and 16.9%, respectively (ACS 2019 5-Year Survey).

Alternatives

The City Council can choose not to accept the staff recommendation.

Financial Impact

\$840,000 is available for this purpose from the funding source of the American Rescue Plan Act (ARPA) federal funds. The City of Durham received \$51,881,733 in two distributions; the first distribution was received on June 1, 2021, in the amount of \$25,940,866.50; the remaining amount was received May 2022. The City will have until December 2024 to obligate the funds. Recipients have until December 2026 to spend the funds.

Equal Business Opportunity Summary

Due to the nature of this agenda item, a review by the Finance Department was not required.

Contractor Workforce Diversity & Hiring Practices

Due to the nature of this agenda item, obtaining Contractor Workforce Diversity & Hiring Practices information would not be applicable.

Attachments

Student U Agreement