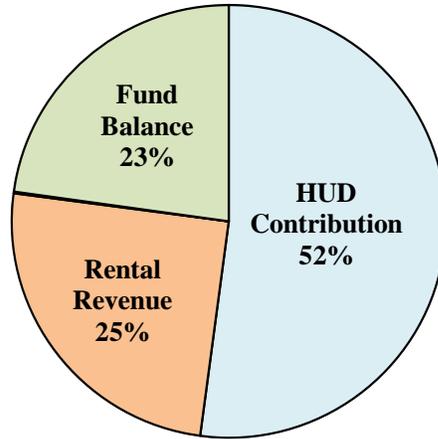


PUBLIC HOUSING FUND

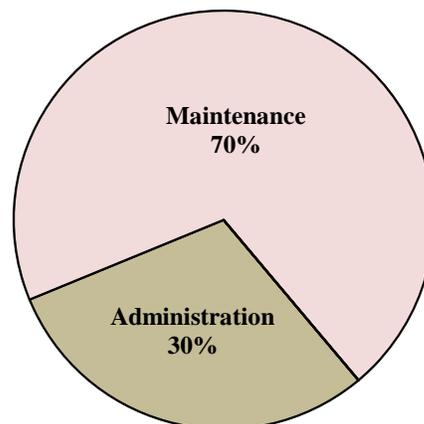
The Public Housing Fund is used to account for federal grants restricted for the Town's public housing programs.

Since those with fewer than 400 units have been exempt each year from HUD's new funding model (AMPs) since 2007-08, we are returning to a simpler budget presentation comprised of Administrative and Maintenance divisions.

Housing Revenues



Housing Expenses



HOUSING DEPARTMENT

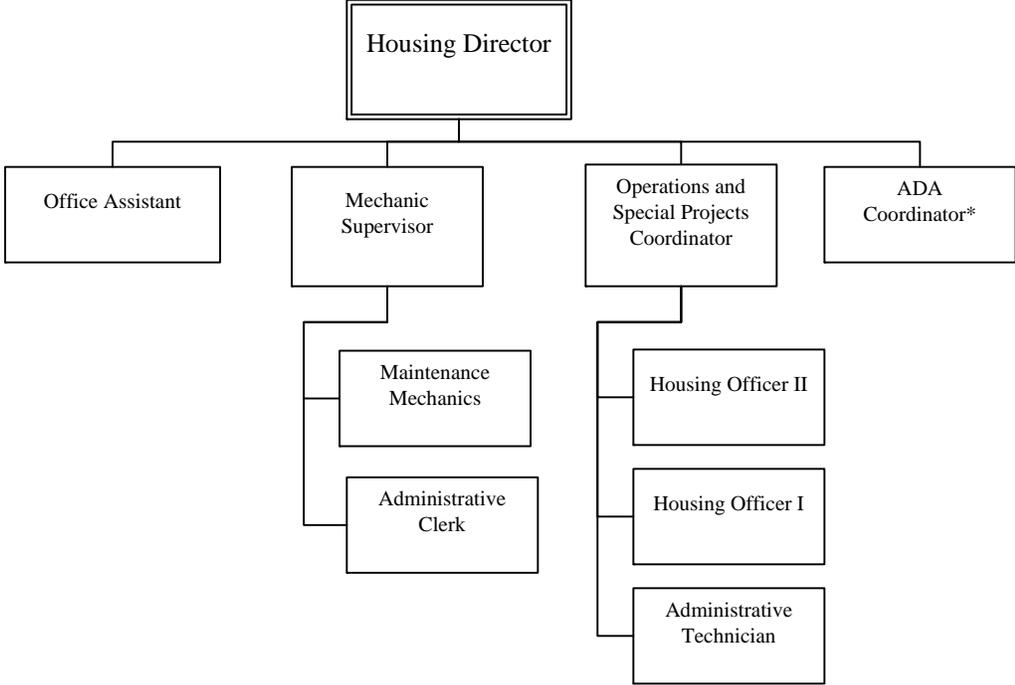
MISSION STATEMENT:

The mission of the Housing Department is to provide decent, safe and well maintained affordable rental housing for Chapel Hill's 336 public housing families. Our mission is also to provide programs and services to help public housing families improve basic life skills and achieve economic independence.

As a first step towards Priority-Based Budgeting, the Housing Department identified the following primary programs that are included in the adopted budget for FY13.

Program	Description
Rental Housing for Low-Income Families	Manage the 336 public housing units (13 locations) overseen by the Housing Department. Monitor resident eligibility and administer rental assistance programs. Calculate and collect rental payments and manage the waiting list of those requesting residency.
Maintenance Services	Respond to requests for repair of rental units, appliances and fixtures. Respond to emergency repair requests on a 24 hour 7 day per week basis. Manage comprehensive modernization program that retrofits units on a rotating basis, including upgrading electrical systems, replacing doors and windows, installing central a/c and upgrading appliances.
Resident Services	Refer residents to outside agencies for job training or budgeting assistance when residents have difficulty paying rent. Refer residents to outside agencies in order to deal with social issues such as alcohol and drug dependency.

HOUSING



*ADA Coordinator position is grant-funded.

PUBLIC HOUSING
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2010-11 ADOPTED	2011-12 ADOPTED	2012-13 ADOPTED
Administration			
Director-Housing	1.00	1.00	1.00
Operations and Special Projects Coordinator	1.00	1.00	1.00
Office Assistant	1.00	1.00	1.00
Administrative Technician	0.00	0.00	1.00
ADA/Section 504 Coordinator ¹	1.00	1.00	0.00
Division Totals	4.00	4.00	4.00
Maintenance			
Maintenance Services Manager	1.00	1.00	0.00
Mechanic Supervisor	0.00	0.00	1.00
Maintenance Mechanic (Repair Worker, I, II, III)	9.00	9.00	8.00
Administrative Clerk	1.00	1.00	1.00
Division Totals	11.00	11.00	10.00
Resident Services			
Housing Officer II	1.00	1.00	1.00
Housing Officer I	1.00	1.00	1.00
Division Totals	2.00	2.00	2.00
Housing Department Totals	17.00	17.00	16.00

¹ Grant-funded position.

PUBLIC HOUSING FUND

Major Revenue Sources - Descriptions and Estimates

The Town's Public Housing program provides for the administration and operation of the Town's 336 public housing units, and is funded primarily through federal grants and rents paid by residents.

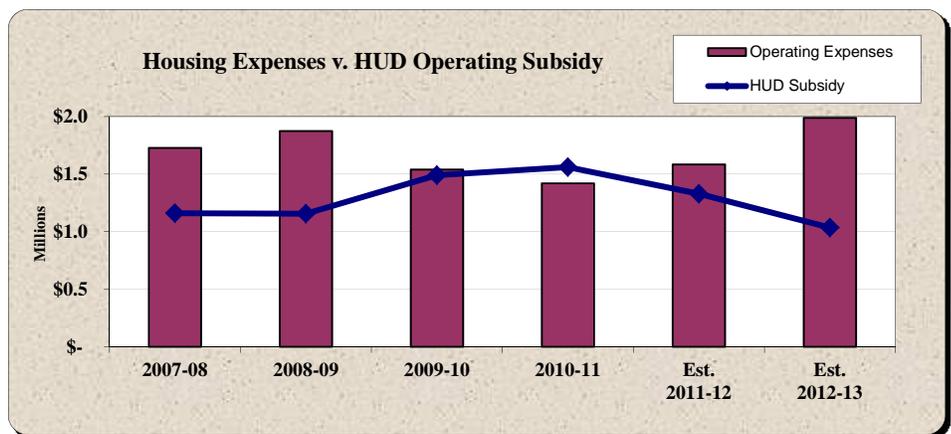
In 1987, the Chapel Hill Public Housing Authority was abolished by the Chapel Hill Town Council. Since then, the Town's public housing program has been operated as a Town Department administered by Town staff and a Public Housing Director.

Primary revenue sources include dwelling rents paid by residents and operating grants from the Department of Housing and Urban Development (HUD). In the fall of 2005, HUD adopted a "new Operating Fund final rule" which prescribed a phased series of changes to public housing management and reporting requirements. As a first step of implementation, HUD determined to begin budgeting on a calendar year basis. Difficulty with the new online reporting model delayed funding determination, and HUD has been funding housing agencies for a few months at a time since 2008.

Smaller housing agencies have been allowed to opt out of Asset Management since 2008. HUD has continued to provide the exception to smaller units, one a year at a time. We believe that "opting out" will continue permanently, and so have prepared the budget for FY12 and FY13 under a simpler budget model that more closely reflects the way we are reporting to HUD, eliminating the necessity of separating expenditures into AMPs or Asset Management Projects.

HUD has provided funding estimates for calendar year 2012 but we have no information about calendar 2013. Based on interim allocations, our estimate of HUD's subsidy for 2011-12 is \$1,328,974, about a 15% decrease from the FY11 subsidy of \$1,559,586. With

HUD's reduced funding for calendar year 2013, we are estimating \$1,035,588 in subsidy, a reduction of 21.8% over the amount budgeted for FY12.



The Housing Department estimates dwelling rents, the second largest revenue for the Public Housing Fund, at about \$496,000, an increase over current year estimates with the completion of a renovation project.

Major Expenditures and Estimates

Major expenditure categories include about \$992,000 for salaries and benefits, \$172,000 for utilities, \$76,000 for liability and flood insurance and about \$548,000 for maintenance of the units.

The personnel costs include a 3% increase in employee pay effective October 2012, netted with a 3% reduction in medical insurance costs and a slight decrease in the Town's required retirement contribution for employees. Changes in personnel include the addition of an administrative assistance and reclassifying a Maintenance Services Manager position. About \$76,000 of personnel costs are budgeted to be paid through Housing Capital and Community Development Block Grants, both subject to federal grant awards that are pending.

Maintenance costs for FY13 include \$138,000 for contracted landscaping services, previously provided by the landscaping division of Parks and Recreation, and \$98,000 in one-time costs to connect public housing apartments to the Town's fiber network to provide highspeed internet service to public housing tenants.

	2011-12 Original Budget	2012-13 Adopted Budget	% Change from 2011-12
Salary and Benefits - Administration	\$ 337,744	\$ 439,250	30.05%
Salary and Benefits - Maintenance	627,978	552,887	-11.96%
Maintenance Costs	352,592	548,401	55.53%
Utilities	156,570	172,300	10.05%
Liability and Flood Insurance	75,625	76,500	1.16%
Capital Expense	-	79,200	N/A
Other Expenses	172,261	118,865	-31.00%
Total Budget	\$ 1,722,770	\$ 1,987,403	15.36%

PUBLIC HOUSING BUDGET SUMMARY

The Town's 336 public housing units are funded primarily through federal grants from the U.S. Department of Housing and Urban Development and rents paid by residents. HUD's funding formula changed to implement Asset Based Budgeting in 2007-08, but each year, HUD has waived many Asset-based requirements for housing authorities of our size. We believe it is likely the waiver will be made permanent, so the budget for 2011-12 retains the simpler model re-adopted last year that includes an Administrative Division and a Maintenance Division.

The budget for FY13 reflects the reduction in HUD subsidy anticipated for calendar year 2012. As yet, there has been no indication of HUD's funding for calendar year 2013. Rental revenue reflects an increase with the anticipated reopening of apartments that were closed for renovation.

REVENUES	2010-11 Actual	2011-12 Original Budget	2011-12 Revised Budget	2011-12 Estimated	2012-13 Adopted Budget	% Change from 2011-12
Revenue Summary						
HUD Contributions	\$ 1,559,586	\$ 1,323,490	\$ 1,323,490	\$ 1,328,974	\$ 1,035,588	-21.8%
Rental Revenue	506,981	395,130	395,130	545,939	496,160	25.6%
Other Revenues	27,366	250	42,735	42,735	250	0.0%
Interest Income	4,363	3,900	3,900	2,237	2,200	-43.6%
Approp. Fund Balance	-	-	6,931	-	453,205	N/A
Total Revenues	\$ 2,098,296	\$ 1,722,770	\$ 1,772,186	\$ 1,919,885	\$ 1,987,403	15.4%

EXPENDITURES	2010-11 Actual	2011-12 Original Budget	2011-12 Revised Budget	2011-12 Estimated	2012-13 Adopted Budget	% Change from 2011-12
Personnel	\$ 777,506	\$ 965,722	\$ 965,722	\$ 867,417	\$ 992,137	2.7%
Operating	642,094	757,048	806,464	715,790	995,266	31.5%
Contribution to Reserves	678,696	-	-	336,678	-	N/A
Total	\$ 2,098,296	\$ 1,722,770	\$ 1,772,186	\$ 1,919,885	\$ 1,987,403	15.4%

PUBLIC HOUSING DIVISION BUDGETS

The Town's 336 public housing units are funded primarily through federal grants from the U.S. Department of Housing and Urban Development and rents paid by residents. HUD's funding formula changed to implement Asset Based Budgeting in 2007-08, but each year, HUD has waived many Asset-based requirements for housing authorities of our size. It appears likely the waiver will be made permanent, so the budget presentation for 2012-13 remains with the simpler model of an Administrative Division and a Maintenance Division.

Revenues anticipated for the 2012-13 fiscal year reflect HUD's calendar year 2012 reduction in grants to agencies with reserves or fund balance. The Adopted Budget proposes the use of about \$453,000 in fund balance to compensate for the reduction in federal funding.

REVENUES

	2010-11 Actual	2011-12 Original Budget	2011-12 Revised Budget	2011-12 Estimated	2012-13 Adopted Budget	% Change from 2011-12
AMP 1						
HUD Contributions	\$ 690,055	\$ 607,000	\$ 607,000	\$ 674,707	\$ 501,462	-17.4%
Rental Revenue	263,640	231,500	231,500	258,870	237,500	2.6%
Other Revenues	175	125	125	125	125	0.0%
Total AMP 1	\$ 953,870	\$ 838,625	\$ 838,625	\$ 933,702	\$ 739,087	-11.9%
AMP 2						
HUD Contributions	\$ 869,531	\$ 716,490	\$ 716,490	\$ 654,267	\$ 534,126	-25.5%
Rental Revenue	243,341	163,630	163,630	287,069	258,660	58.1%
Other Revenues	150	125	125	125	125	0.0%
Total AMP 2	\$ 1,113,022	\$ 880,245	\$ 880,245	\$ 941,461	\$ 792,911	-9.9%
Central Office Cost Center						
Interest Income	\$ 4,363	\$ 3,900	\$ 3,900	\$ 2,237	\$ 2,200	-43.6%
Other Revenues	27,041	-	42,485	42,485	-	N/A
Approp. Fund Balance	-	-	6,931	-	453,205	N/A
Total Central Office	\$ 31,404	\$ 3,900	\$ 53,316	\$ 44,722	\$ 455,405	11577.1%
Total Revenues	\$ 2,098,296	\$ 1,722,770	\$ 1,772,186	\$ 1,919,885	\$ 1,987,403	15.4%

PUBLIC HOUSING DIVISION BUDGETS

The budget for FY13 includes employee pay increase of 3% effective in October and the transfer of a maintenance position to Administration, along with the creation of a new administrative position. The recommended operating budget includes an addition of \$138,000 for contracted landscaping services, previously provided by the Town's Landscaping division of Parks and Recreation and one-time costs of \$108,000 for providing access to the Municipal Fiber project to public housing residents.

Revenues are expected to exceed expenditures by \$336,678 in the current year FY12, with the difference shown as "contribution to reserves" below in order to present a balanced budget. These reserves will in large part provide for the use of fund balance in FY13.

EXPENDITURES

	2010-11 Actual	2011-12 Original Budget	2011-12 Revised Budget	2011-12 Estimated	2012-13 Adopted Budget	% Change from 2011-12
AMP 1						
Personnel	\$ 195,252	\$ -	\$ -	\$ -	\$ -	N/A
Operating	275,734	-	-	-	-	N/A
Total	\$ 470,986	\$ -	\$ -	\$ -	\$ -	N/A
AMP 2						
Personnel	\$ 338,478	\$ -	\$ -	\$ -	\$ -	N/A
Operating	293,335	-	-	-	-	N/A
Total	\$ 631,813	\$ -	\$ -	\$ -	\$ -	N/A
Central Maintenance						
Personnel	\$ -	\$ 627,978	\$ 627,978	\$ 521,974	\$ 552,887	-12.0%
Operating	-	558,517	606,042	582,808	840,401	50.5%
Total	\$ -	\$ 1,186,495	\$ 1,234,020	\$ 1,104,782	\$ 1,393,288	17.4%
Central Office Cost Center						
Personnel	\$ 243,776	\$ 337,744	\$ 337,744	\$ 345,443	\$ 439,250	30.1%
Operating	73,025	198,531	200,422	132,982	154,865	-22.0%
Contribution to Reserves	678,696	-	-	336,678	-	N/A
Total	\$ 995,497	\$ 536,275	\$ 538,166	\$ 815,103	\$ 594,115	10.8%
Total Expenses	\$ 2,098,296	\$ 1,722,770	\$ 1,772,186	\$ 1,919,885	\$ 1,987,403	15.4%

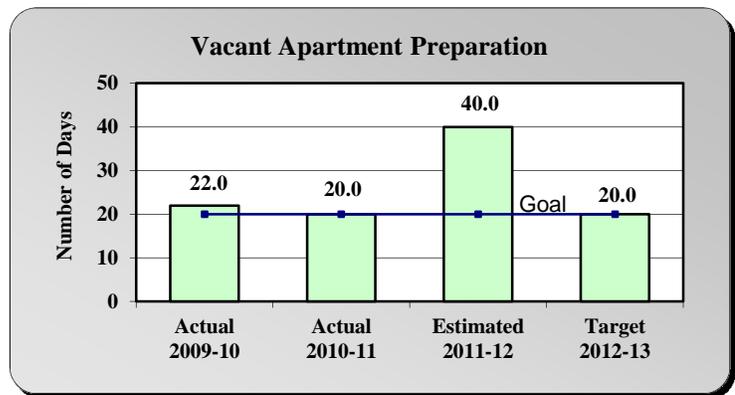
HOUSING TRENDS

COUNCIL SERVICE GOALS: Offer secure, reliable and affordable services. Maintain safe and attractive public facilities.

GOAL : Maximize livable housing stock.

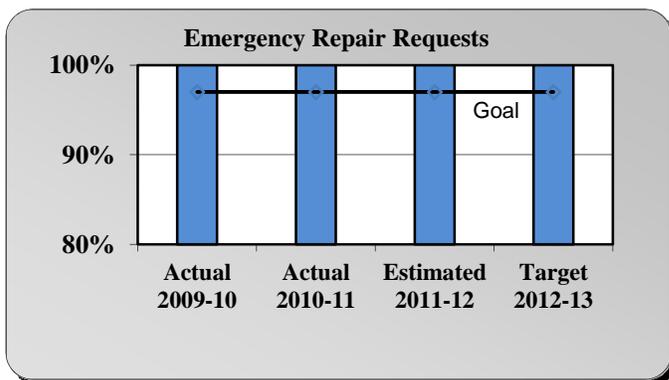
OBJECTIVE : Prepare vacant apartments for occupancy within 20 days.

In fiscal year 2011-12, the Housing Department did not achieve this goal. Sixty-three units were vacant. It took an average of 40 days to prepare units for occupancy.



GOAL : Maximize livable housing stock.

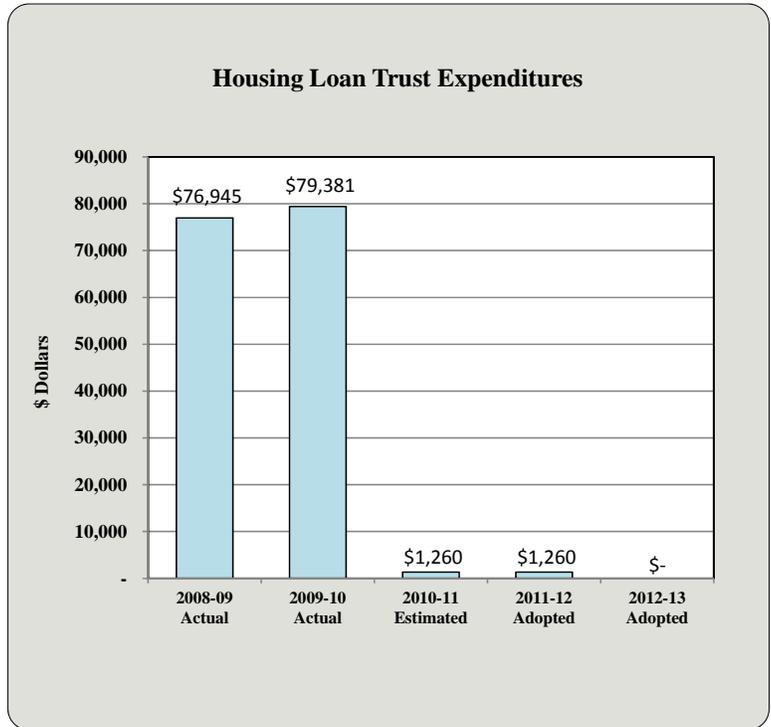
OBJECTIVE : Complete or abate 97% of emergency repairs within 24 hours.



In fiscal year 2011-2012, the Housing Department completed or abated 100% of its 207 emergency repairs within 24 hours, following standards set forth by the U.S. Department of Housing and Urban Development.

HOUSING LOAN TRUST FUND

The Housing Loan Trust Fund accounts for the Town's loan programs for the purchase and renovation of homes for lower income families.



HOUSING LOAN TRUST FUND BUDGET SUMMARY

The Housing Loan Trust Fund budget for 2011-12 was set to exhaust the remaining funds available for mortgage assistance programs and the Town's share of matching funds for the HOME program administered by Orange County. The fund will be closed in FY12 and the Town's affording housing budget will be concentrated in the Affordable Housing Fund in future.

EXPENDITURES

	2010-11 Actual	2011-12 Original Budget	2011-12 Revised Budget	2011-12 Estimated	2012-13 Adopted Budget	% Change from 2011-12
Other Expenses	\$ -	\$ 1,260	\$ 1,260	\$ 1,260	\$ -	-100.0%
Grants/Deferred Loans	-	-	-	-	-	N/A
Contributions to Agencies: HOME Program Match	-	-	-	-	-	N/A
Total	\$ -	\$ 1,260	\$ 1,260	\$ 1,260	\$ -	-100.0%

REVENUES

	2010-11 Actual	2011-12 Original Budget	2011-12 Revised Budget	2011-12 Estimated	2012-13 Adopted Budget	% Change from 2011-12
Interest Income	\$ 10	\$ -	\$ -	\$ -	\$ -	N/A
Appropriated Fund Balance	(10)	1,260	960	1,260	-	-100.0%
Total	\$ -	\$ 1,260	\$ 960	\$ 1,260	\$ -	-100.0%

COMMUNITY DEVELOPMENT PROJECT ORDINANCES
U.S. Department of Housing and Urban Development
Community Development Program
Summary of Activities

The Town became an "entitlement" Community Development city in 1984, which means that the Town is entitled to receive Community Development grant funds annually upon submission of a final statement. Community Development grants awarded by Housing and Urban Development are implemented pursuant to grant project ordinances authorized by General Statute 159-13.12. Budgets are adopted throughout the year as the grant awards are received.

The 2007 project ordinance budgets a \$596,282 grant for rehabilitation of public housing, homeownership assistance, a comprehensive housing rehabilitation program for the Northside and Pine Knolls neighborhoods, neighborhood revitalization activities, and community services.

The 2008 project ordinance budgets a \$574,804 grant for rehabilitation of public housing, homeownership assistance, neighborhood revitalization activities, rehabilitation of rental units for individuals with disabilities and at risk of homelessness, and community services.

The 2009 project ordinance budgets a \$584,379 grant and \$7,338 of program income for rehabilitation of public housing, predevelopment costs for the development of a residential facility for homeless men, infrastructure development, homeownership assistance and community services.

The project ordinance for the 2009 American Reinvestment Recovery Act grant of \$156,110 budgets funds for public housing renovations and infrastructure development at Habitat for Humanity's Phoenix Place subdivision.

The 2010 project ordinance budgets a \$633,405 grant and \$7,338 of program income for rehabilitation of public housing, predevelopment costs for the development of a residential facility for homeless men, rehabilitation of affordable rental properties, rehabilitation of a public facility, homeownership assistance and community services.

The 2011 project ordinance budgets a \$529,660 grant, and \$18,410 of program income and residual funds for rehabilitation of public housing, predevelopment costs for the development of a residential facility for homeless men, homeownership assistance, neighborhood revitalization and community services.

