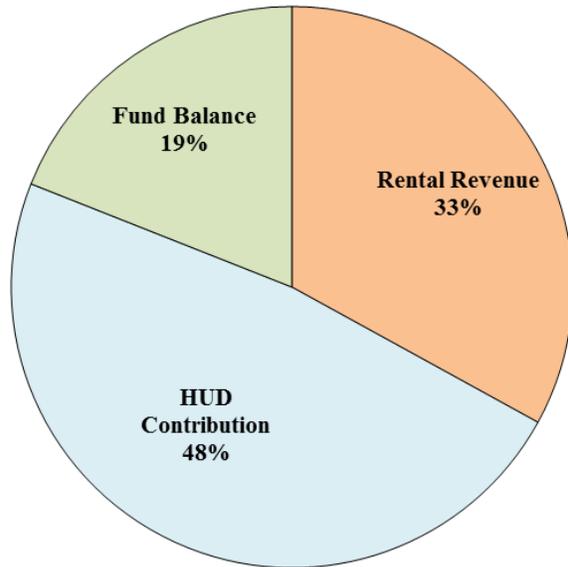


PUBLIC HOUSING FUND

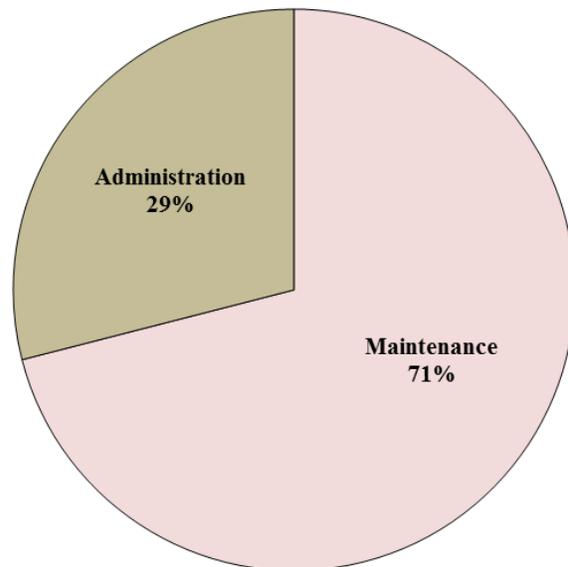
The Public Housing Fund is used to account for federal grants restricted for the Town's public housing programs.

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

Housing Revenues



Housing Expenses



HOUSING DEPARTMENT

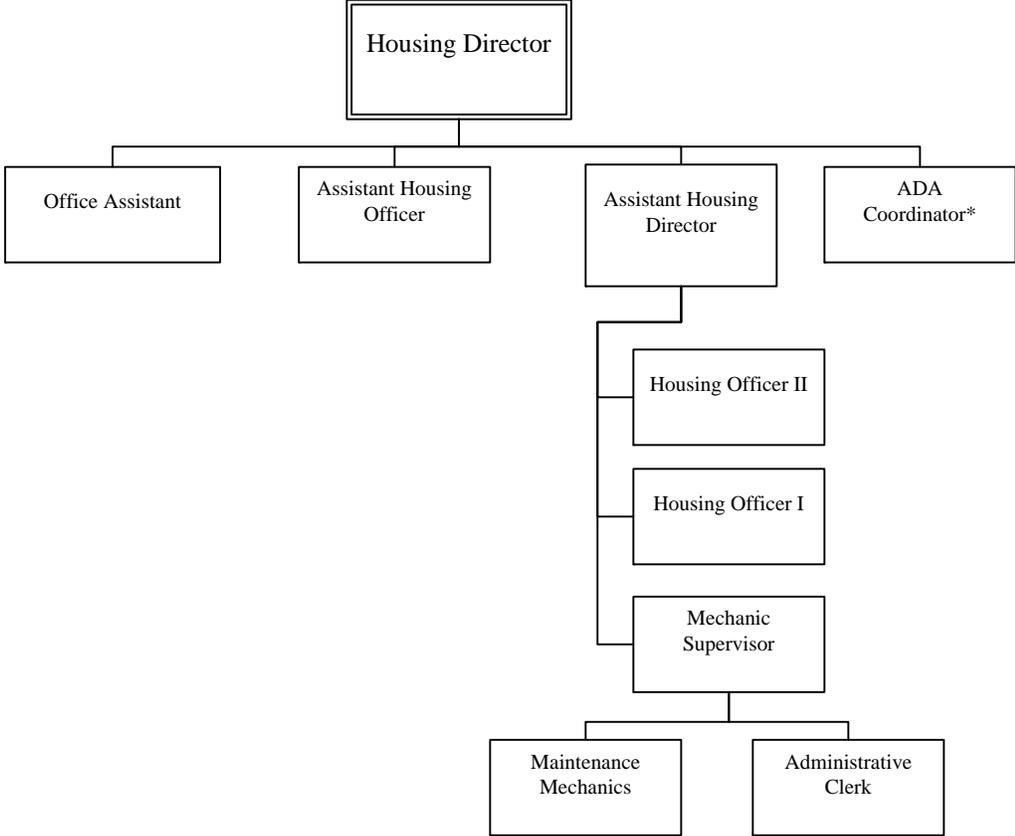
MISSION STATEMENT:

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 FY15.

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

	2012-13 ADOPTED	2013-14 ADOPTED	2014-15 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
Housing Officer II	1.00	1.00	1.00
Housing Officer I	1.00	1.00	1.00
Assistant Housing Officer	1.00	1.00	1.00
Division Totals	6.00	6.00	6.00
Maintenance			
Mechanic Supervisor	1.00	1.00	1.00
Maintenance Mechanic (Repair Worker, I, II, III)	8.00	8.00	8.00
Administrative Assistant	1.00	1.00	1.00
Division Totals	10.00	10.00	10.00
Housing Department Totals	16.00	16.00	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.

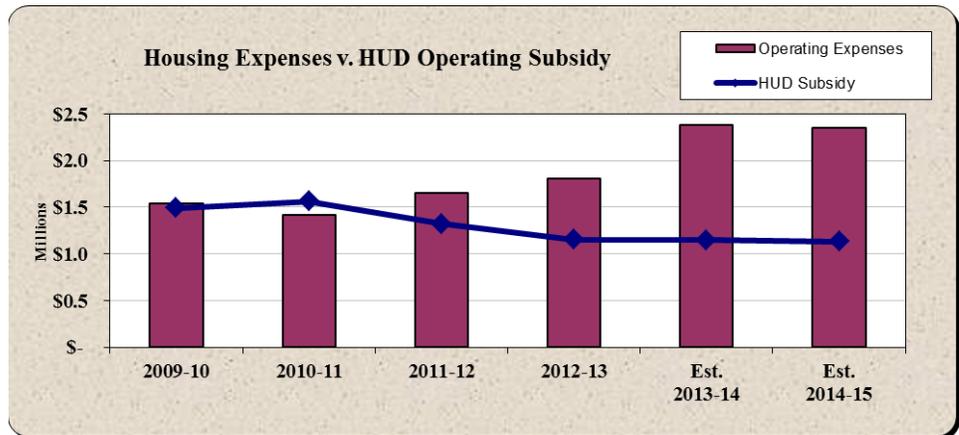
In 1987, the Chapel Hill Public Housing Authority was abolished by the Chapel Hill Town Council. Since then, the Town's public housing program has been operated as a Town Department administered by Town staff and a Public Housing Director.

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 FY15 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 2014 but we have no information about calendar 2015. Based on interim allocations, our estimate of HUD's subsidy

for 2013-14 is \$1,145,927, less than a 1% decrease from the FY13 subsidy of \$1,150,068. Due to this slight decrease, we are estimating a \$1,132,420 in subsidy for FY15.



The Housing Department estimates dwelling rents, the second largest revenue for the Public Housing Fund, at about \$780,000, an increase over current year estimates with the completion of renovation projects.

Major Expenditures and Estimates

Major expenditure categories include about \$1,102,000 for salaries and benefits, \$168,200 for utilities, \$76,500 for liability and flood insurance and about \$792,000 for maintenance of the units.

The personnel costs include a 3% of market rate increase in employee pay effective October 2014, 7% increase in medical insurance costs, and increased overtime expense.

There are significant increases in Capital and Maintenance costs for FY15. This is due to the replacement of two maintenance vehicles (\$61,500) and roof replacements on housing units (about \$303,000).

	2013-14 Original Budget	2014-15 Adopted Budget	% Change from 2013-14
Salary and Benefits - Administration	\$ 419,418	\$ 446,149	6.37%
Salary and Benefits - Maintenance	642,426	655,764	2.08%
Maintenance Costs	493,382	792,235	60.57%
Utilities	163,900	168,200	2.62%
Liability and Flood Insurance	76,500	76,500	0.00%
Capital Expense	-	61,500	N/A
Other Expenses	113,963	147,072	29.05%
Total Budget	\$ 1,909,589	\$ 2,347,420	22.93%

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 2014-15 retains a simpler model that includes an Administrative Division and a Maintenance Division.

The budget for FY15 reflects an estimate of the HUD subsidy anticipated for calendar year 2014. As yet, there has been no indication of HUD's funding for calendar year 2015. Rental revenue reflects an increase with the reopening of apartments that were closed for renovation and an increase in the flat rent schedule.

REVENUES

	2012-13 Actual	2013-14 Original Budget	2013-14 Revised Budget	2013-14 Estimated	2014-15 Adopted Budget	% Change from 2013-14
Revenue Summary						
HUD Contributions	\$ 1,150,068	\$ 1,110,290	\$ 1,110,290	\$ 1,145,927	\$ 1,132,420	2.0%
Rental Revenue	790,422	709,706	709,706	806,073	780,444	10.0%
Other Revenues	9,743	200	200	5,989	225	12.5%
Interest Income	2,038	2,100	2,100	1,939	1,950	-7.1%
Insurance Claims	-	-	208,967	208,967	-	N/A
Appropriated Fund Balance	-	87,293	858,959	215,155	432,381	395.3%
Total Revenues	\$ 1,952,271	\$ 1,909,589	\$ 2,890,222	\$ 2,384,050	\$ 2,347,420	22.9%

EXPENDITURES

	2012-13 Actual	2013-14 Original Budget	2013-14 Revised Budget	2013-14 Estimated	2014-15 Adopted Budget	% Change from 2013-14
Personnel	\$ 996,956	\$ 1,061,844	\$ 1,058,770	\$ 993,742	\$ 1,101,913	3.8%
Operating	806,647	847,745	1,264,216	1,155,768	1,184,007	39.7%
Capital	-	-	567,236	234,540	61,500	N/A
Contribution to Reserve	148,668	-	-	-	-	N/A
Total	\$ 1,952,271	\$ 1,909,589	\$ 2,890,222	\$ 2,384,050	\$ 2,347,420	22.9%

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 2014-15 remains with the simpler model of an Administrative Division and a Maintenance Division.

Revenues anticipated for the 2014-15 fiscal year reflect a slight increase of HUD's calendar year 2014 grants to agencies. Rental revenues are up significantly (10% total, or about \$70,000). The Adopted Budget for FY15 requires the use of about \$432,000 in fund balance.

REVENUES

	2012-13 Actual	2013-14 Original Budget	2013-14 Revised Budget	2013-14 Estimated	2014-15 Adopted Budget	% Change from 2013-14
AMP 1						
HUD Contributions	\$ 562,365	\$ 540,614	\$ 540,614	\$ 556,540	\$ 554,337	2.5%
Rental Revenue	411,963	364,561	364,561	381,218	377,724	3.6%
Other Revenues	6,795	125	125	125	125	0.0%
Total AMP 1	\$ 981,123	\$ 905,300	\$ 905,300	\$ 937,883	\$ 932,186	3.0%
AMP 2						
HUD Contributions	\$ 587,703	\$ 569,676	\$ 569,676	\$ 589,387	\$ 578,083	1.5%
Rental Revenue	378,459	345,145	345,145	424,855	402,720	16.7%
Other Revenues	100	75	75	100	100	33.3%
Total AMP 2	\$ 966,262	\$ 914,896	\$ 914,896	\$ 1,014,342	\$ 980,903	7.2%
Central Office Cost Center						
Interest Income	\$ 2,038	\$ 2,100	\$ 2,100	\$ 1,939	\$ 1,950	-7.1%
Other Revenues	2,848	-	-	5,764	-	N/A
Approp. Fund Balance	-	87,293	858,959	215,155	432,381	395.3%
Total Central Office	\$ 4,886	\$ 89,393	\$ 861,059	\$ 222,858	\$ 434,331	385.9%
2013 Flood Recovery						
Insurance Claims	\$ -	\$ -	\$ 208,967	\$ 208,967	\$ -	N/A
Total Revenues	\$ 1,952,271	\$ 1,909,589	\$ 2,890,222	\$ 2,384,050	\$ 2,347,420	22.9%

PUBLIC HOUSING DIVISION BUDGETS

The budget for FY15 includes a 3% of market rate employee pay allowance effective in October 2014, an increase of 7% in medical insurance costs, and a slight increase in the state retirement contribution. Additional maintenance costs and roof replacements (\$303,000) make up the large increase in operating costs while vehicle replacements (\$61,500) account for capital increases in the Maintenance division. Operating increases in the Administration division are due to software upgrades and training (about \$25,000).

Expenditures are expected to exceed revenues by \$215,155 in the current year FY14, with the difference shown as appropriated fund balance on the previous page in order to present a balanced budget.

EXPENDITURES

	2012-13 Actual	2013-14 Original Budget	2013-14 Revised Budget	2013-14 Estimated	2014-15 Adopted Budget	% Change from 2013-14
Central Maintenance						
Personnel	\$ 483,378	\$ 642,426	\$ 631,859	\$ 572,355	\$ 655,764	2.1%
Operating	692,363	707,682	744,988	666,697	1,010,335	42.8%
Capital	-	-	404,401	81,081	61,500	N/A
Total	\$ 1,175,741	\$ 1,350,108	\$ 1,781,248	\$ 1,320,133	\$ 1,727,599	28.0%
Central Office Cost Center						
Personnel	\$ 513,578	\$ 419,418	\$ 426,911	\$ 421,387	\$ 446,149	6.4%
Operating	114,284	140,063	161,625	147,440	173,672	24.0%
Contribution to Reserve	148,668	-	-	-	-	N/A
Total	\$ 776,530	\$ 559,481	\$ 588,536	\$ 568,827	\$ 619,821	10.8%
2013 Flood Recovery						
Operating	\$ -	\$ -	\$ 357,603	\$ 341,631	\$ -	N/A
Capital	-	-	162,835	153,459	-	N/A
Total	\$ -	\$ -	\$ 520,438	\$ 495,090	\$ -	N/A
Total Expenses	\$ 1,952,271	\$ 1,909,589	\$ 2,890,222	\$ 2,384,050	\$ 2,347,420	22.9%

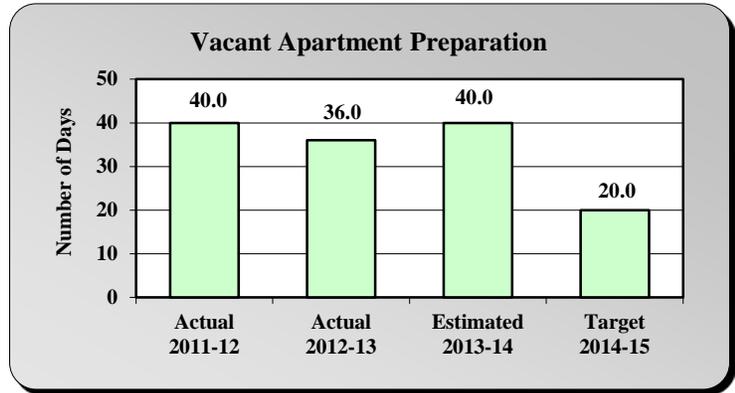
HOUSING TRENDS

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

GOAL : Maximize livable housing stock.

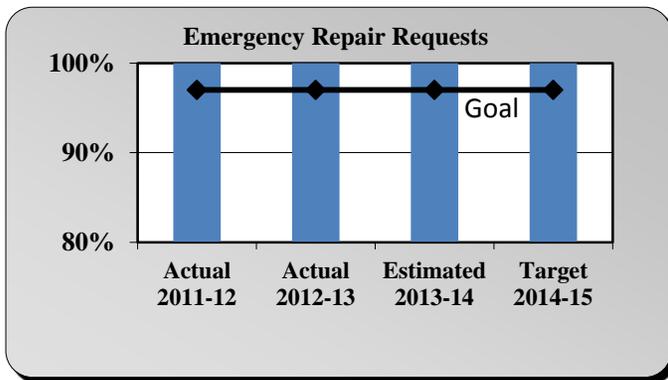
OBJECTIVE : Prepare vacant apartments for occupancy within 20 days.

In fiscal year 2013-14, the Housing Department did not achieve this goal. Seventy-six 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 2013-2014, the Housing Department completed or abated 100% of its 132 emergency repairs within 24 hours, following standards set forth by the U.S. Department of Housing and Urban Development.

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 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.

The 2012 project ordinance budgets a \$410,687 grant, and \$42,780 of program income for rehabilitation of public housing, predevelopment costs for the development of a residential facility for homeless men, homeownership assistance, code enforcement, after school programs and community services.

The 2013 project ordinance budgets a \$440,248 grant for rehabilitation of public housing, homeownership assistance, neighborhood revitalization, code enforcement, after school programs, community and homelessness outreach and youth skills development programs.

