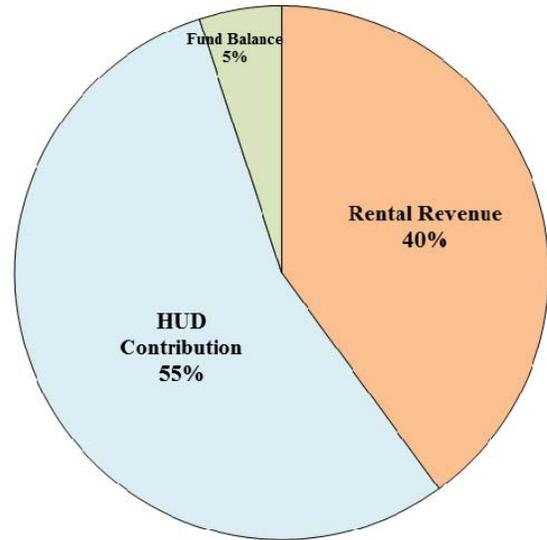


PUBLIC HOUSING FUND

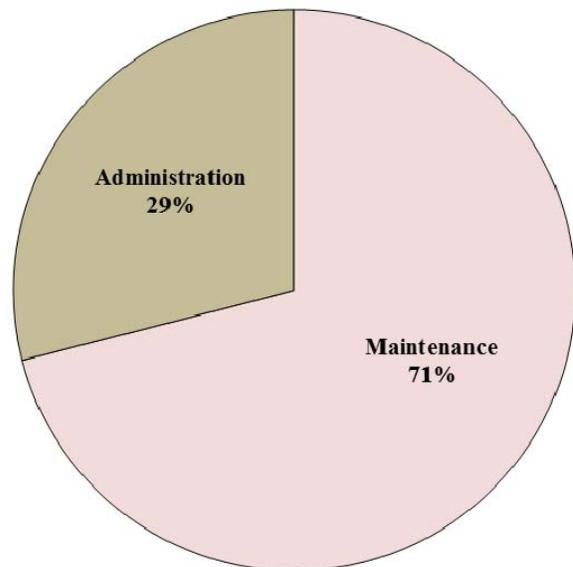
The Public Housing Fund is used to account for federal grants restricted for the Town's public housing programs.

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



PUBLIC HOUSING FUND DEPARTMENT

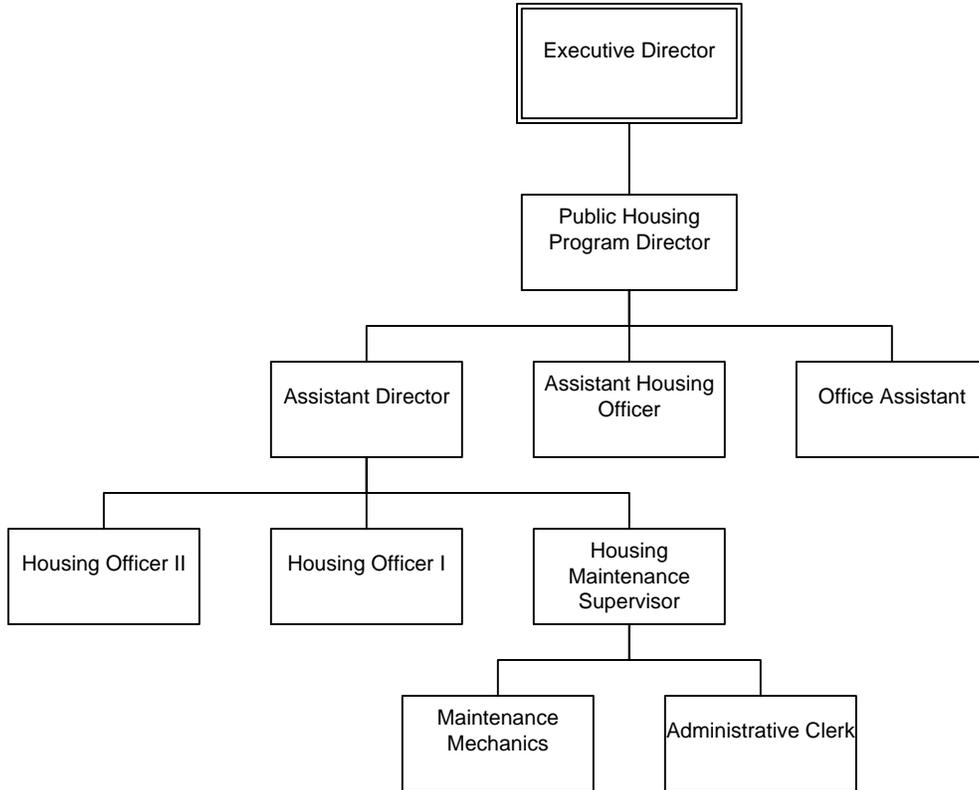
MISSION STATEMENT:

The mission of the Public Housing Fund 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 Public Housing Fund Department identified the following primary programs that are included in the adopted budget for FY16.

Program	Description
Rental Housing for Low-Income Families	Manage the 336 public housing units (13 locations) overseen by the Public Housing Fund 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.

PUBLIC HOUSING FUND



PUBLIC HOUSING FUND
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2013-14	2014-15	2015-16
	ADOPTED	ADOPTED	ADOPTED
Administration			
Director-Housing	1.00	1.00	1.00
Assistant Director	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

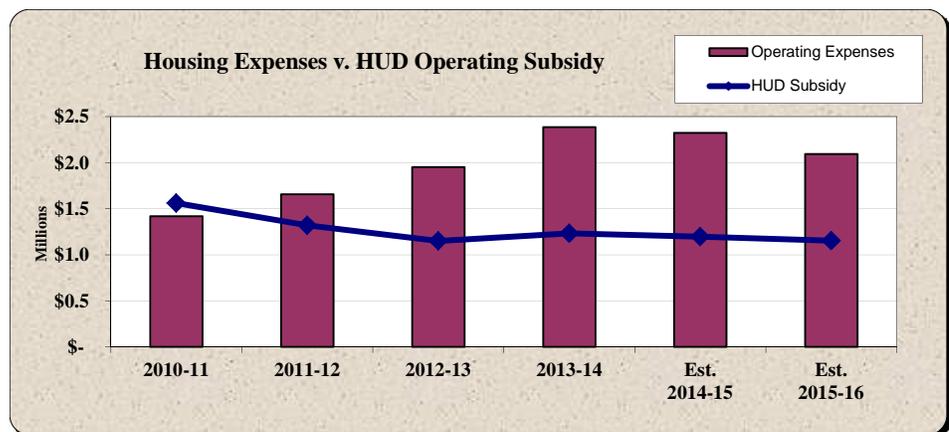
The Town’s Public Housing program provides for the administration and operation of the Town's 336 public housing units, and is funded primarily through federal grants and rents paid by residents.

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 FY16 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 2015 but we have no information about calendar 2016. Based on interim allocations, our estimate of HUD’s subsidy



for 2014-15 is \$1,197,910, about a 2.7% decrease from the FY14 subsidy of \$1,231,670. Due to this decrease, we are estimating a \$1,153,556 in subsidy for FY16.

The Housing Department estimates dwelling rents, the second largest revenue for the Public Housing Fund, at about \$830,000, an increase over current year estimates with the completion of renovation projects.

Major Expenditures and Estimates

Major expenditure categories include about \$1,111,000 for salaries and benefits, \$169,200 for utilities, \$78,000 for liability and flood insurance and about \$541,850 for maintenance of the units.

The personnel costs include a 2% January and 2% July of market rate increase in employee pay and increased overtime expense, which is slightly offset by an 8.5% decrease in health insurance costs.

There are significant decreases in Maintenance costs for FY16. This is due to the completion of roof replacement projects (approximately \$303,000) in FY15. There was an increase in Capital costs for FY16, due to the replacement of a maintenance vehicle (\$18,500) and providing free fiber wifi to public houses (\$70,000). These projects are one-time appropriations of fund balance.

	2014-15 Original Budget	2015-16 Adopted Budget	% Change from 2014-15
Salary and Benefits - Administration	\$ 446,149	\$ 449,187	0.68%
Salary and Benefits - Maintenance	655,764	661,676	0.90%
Maintenance Costs	792,235	514,850	-35.01%
Utilities	168,200	169,200	0.59%
Liability and Flood Insurance	76,500	78,000	1.96%
Capital Expense	61,500	88,500	43.90%
Other Expenses	147,072	130,408	-11.33%
Total Budget	\$ 2,347,420	\$ 2,091,821	-10.89%

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 2015-16 retains a simpler model that includes an Administrative Division and a Maintenance Division.

The budget for FY16 reflects an estimate of the HUD subsidy anticipated for calendar year 2015. As yet, there has been no indication of HUD's funding for calendar year 2016. Rental revenue reflects an increase with the reopening of apartments that were closed for renovation and an increase in the flat rent schedule. \$70,000 is included in the Housing budget for Wi-Fi equipment and installation for each resident of the remaining public housing neighborhoods after the Craig-Gomains pilot project is completed.

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Revenue Summary						
HUD Contributions	\$ 1,231,670	\$ 1,132,420	\$ 1,132,420	\$ 1,197,910	\$ 1,153,556	1.9%
Rental Revenue	881,681	780,444	780,444	861,353	830,256	6.4%
Other Revenues	14,396	225	225	49,762	150	-33.3%
Interest Income	1,911	1,950	1,950	2,028	1,950	0.0%
Insurance Claims	208,967	-	-	-	-	N/A
Appropriated Fund Balance	45,862	432,381	805,713	211,377	105,909	-75.5%
Total Revenues	\$ 2,384,487	\$ 2,347,420	\$ 2,720,752	\$ 2,322,430	\$ 2,091,821	-10.9%

EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	\$ 1,122,295	\$ 1,101,913	\$ 1,090,828	\$ 1,045,016	\$ 1,110,863	0.8%
Operating	1,262,192	1,184,007	937,716	1,216,192	892,458	-24.6%
Capital	-	61,500	692,208	61,222	88,500	43.9%
Contribution to Reserve	-	-	-	-	-	N/A
Total	\$ 2,384,487	\$ 2,347,420	\$ 2,720,752	\$ 2,322,430	\$ 2,091,821	-10.9%

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 2015-16 remains with the simpler model of an Administrative Division and a Maintenance Division.

Revenues anticipated for the 2015-16 fiscal year reflect a continuation of HUD's calendar year 2015 reduction in grants to agencies. Rental revenues are up significantly (6.4%, or about \$50,000). The Adopted Budget for FY16 requires the use of about \$106,000 in fund balance.

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
AMP 1						
HUD Contributions	\$ 606,435	\$ 554,337	\$ 554,337	\$ 588,074	\$ 563,400	1.6%
Rental Revenue	409,231	377,724	377,724	418,734	403,221	6.8%
Other Revenues	412	125	125	75	75	-40.0%
Total AMP 1	\$ 1,016,078	\$ 932,186	\$ 932,186	\$ 1,006,883	\$ 966,696	3.7%
AMP 2						
HUD Contributions	\$ 625,235	\$ 578,083	\$ 578,083	\$ 609,836	\$ 590,156	2.1%
Rental Revenue	472,450	402,720	402,720	442,619	427,035	6.0%
Other Revenues	75	100	100	75	75	-25.0%
Total AMP 2	\$ 1,097,760	\$ 980,903	\$ 980,903	\$ 1,052,530	\$ 1,017,266	3.7%
Central Office Cost Center						
Interest Income	\$ 1,911	\$ 1,950	\$ 1,950	\$ 2,028	\$ 1,950	0.0%
Other Revenues	13,909	-	-	49,612	-	N/A
Approp. Fund Balance	-	432,381	805,713	211,377	105,909	-75.5%
Total Central Office	\$ 15,820	\$ 434,331	\$ 807,663	\$ 263,017	\$ 107,859	-75.2%
2013 Flood Recovery						
Insurance Claims	\$ 208,967	\$ -	\$ -	\$ -	\$ -	N/A
Total Revenues	\$ 2,338,625	\$ 2,347,420	\$ 2,720,752	\$ 2,322,430	\$ 2,091,821	-10.9%

PUBLIC HOUSING DIVISION BUDGETS

The budget for FY16 includes a 2% July and 2% January pay adjustment and an 8.5% decrease in health insurance costs. One-time maintenance costs in the FY15 budget are not repeated in FY16, accounting for the reduction in operating costs.

Expenditures are expected to exceed revenues by \$211,377 in the current year FY15, with the difference shown as appropriated fund balance on the previous page in order to present a balanced budget.

EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Central Maintenance						
Personnel	\$ 588,408	\$ 655,764	\$ 655,764	\$ 639,453	\$ 661,676	0.9%
Operating	766,737	1,010,335	775,171	1,062,930	735,450	-27.2%
Capital	-	61,500	692,208	61,222	88,500	43.9%
Total	\$ 1,355,145	\$ 1,727,599	\$ 2,123,143	\$ 1,763,605	\$ 1,485,626	-14.0%
Central Office Cost Center						
Personnel	\$ 533,887	\$ 446,149	\$ 435,064	\$ 405,563	\$ 449,187	0.7%
Operating	138,151	173,672	162,545	153,262	157,008	-9.6%
Contribution to Reserve	-	-	-	-	-	N/A
Total	\$ 672,038	\$ 619,821	\$ 597,609	\$ 558,825	\$ 606,195	-2.2%
2013 Flood Recovery						
Operating	\$ 357,304	\$ -	\$ -	\$ -	\$ -	N/A
Capital	-	-	-	-	-	N/A
Total	\$ 357,304	\$ -	\$ -	\$ -	\$ -	N/A
Total Expenses	\$ 2,384,487	\$ 2,347,420	\$ 2,720,752	\$ 2,322,430	\$ 2,091,821	-10.9%

PUBLIC HOUSING

KEY PERFORMANCE MEASURES



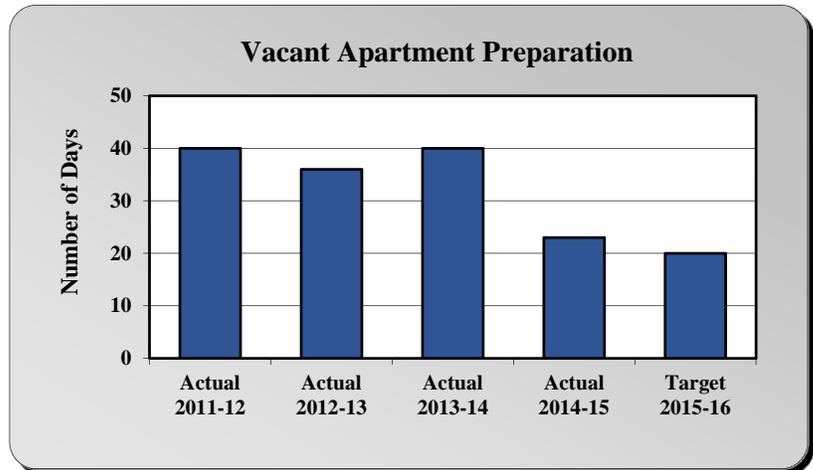
Create a Place
for Everyone

Department Program: Rental Housing for low-income families

Goal: Prepare vacant apartments for occupancy

Objective: Prepare vacant apartments for occupancy within 20 days

In fiscal year 2014-15, the Housing Department did not achieve this goal. Fifty-eight units were vacant. It took an average of 23 days to prepare units for occupancy.

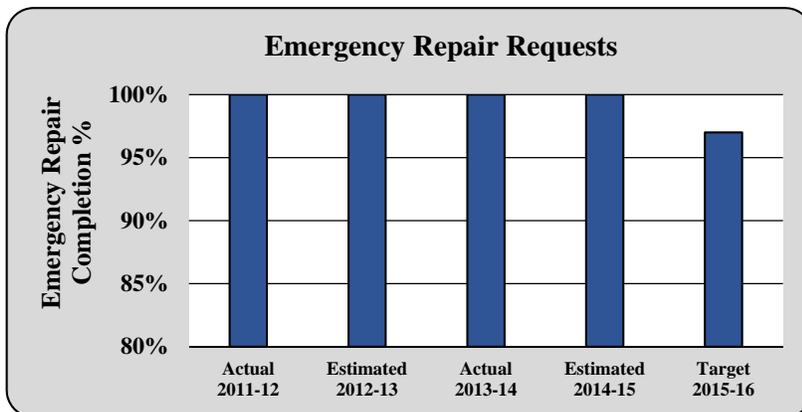


Create a Place
for Everyone

Department Program: Maintenance Services

Goal: Complete or abate emergency repairs

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



In fiscal year 2014-2015, 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 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 \$42780 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 \$28541 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 \$406,248 grant, and \$17,338 of program income for rehabilitation of public housing, homeownership assistance, neighborhood revitalization, code enforcement, after school programs, community and homelessness outreach and youth skills development programs.

The 2014 project ordinance budgets a \$403,505 grant for rehabilitation of public housing, homeownership assistance, code enforcement, after school programs, community and homelessness outreach, and youth skills development programs.

