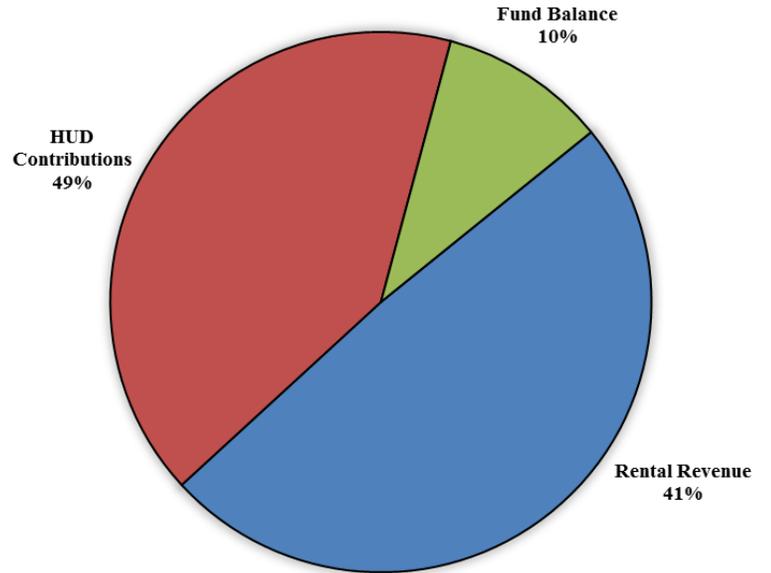


PUBLIC HOUSING FUND

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

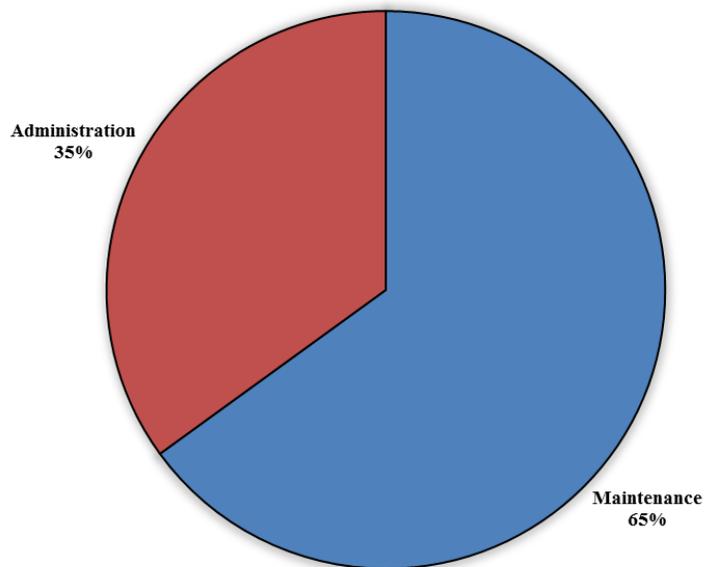
Since those with fewer than 400 units have been exempt each year from HUD's new funding model (AMPs) since 2007-08, we have returned to a simpler budget presentation comprised of Administrative and Maintenance divisions.

PUBLIC HOUSING REVENUES



Total \$2,204,372

PUBLIC 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.

The Public Housing Fund Department identified the following primary programs that are included in the adopted budget for 2018-19.

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

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.

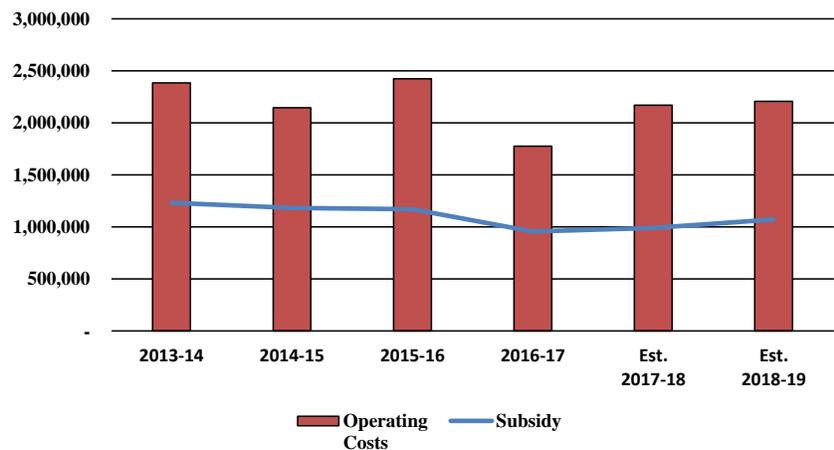
Primary revenue sources include dwelling rents paid by residents and operating grants from the Department of Housing and Urban Development (HUD). In the fall of 2005, HUD adopted a “new Operating Fund final rule” which prescribed a phased series of changes to public housing management and reporting requirements. 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 2017-18 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 2018 but we have no information about calendar 2019. Based on interim allocations, our estimate of HUD’s subsidy for 2017-18 is \$990,630,

about a 3.5% increase from the 2016-17 subsidy of \$956,462. Due to our need to sustain maintenance to our units, primarily due to the age of the units, we have requested an increase in our operation subsidy for 2018-19.

Housing Expenses vs. HUD Operating Subsidy



The Housing Department estimates dwelling rents, the second largest revenue for the Public Housing Fund, at about \$903,642 decrease over current year estimates due to a number of vacant units, tenant’s income, and subsequent rent requirements.

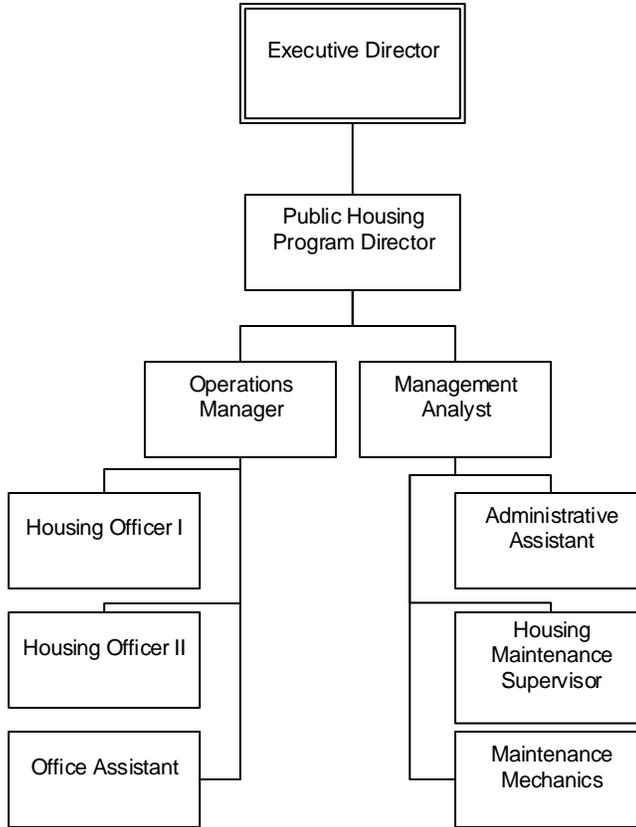
Major Expenditures and Estimates

Major expenditure categories include about \$1,261,497 for salaries and benefits, \$177,200 for utilities, \$90,200 for liability and flood insurance and about \$518,100 for maintenance of the units.

The personnel costs include a 3% pay adjustment and a 1.5% decrease in health insurance costs.

	2017-18 Original Budget	2018-19 Adopted Budget	% Change from 2017-18
Salary & Benefits - Administration	\$ 534,393	\$ 563,062	5.4%
Salary & Benefits - Maintenance	724,944	698,435	-3.7%
Maintenance Costs	546,760	518,100	-5.2%
Utilities	169,200	177,200	4.7%
Liability & Flood Insurance	84,044	90,200	7.3%
Other Expenses	244,858	157,375	-35.7%
Total Budget	\$ 2,304,199	\$ 2,204,372	-4.3%

PUBLIC HOUSING FUND



PUBLIC HOUSING
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2016-17 ADOPTED	2017-18 ADOPTED	2018-19 ADOPTED
Administration			
Director-Housing	1.00	1.00	1.00
Assistant Director	1.00	1.00	0.00
Operations Manager - Housing	0.00	0.00	1.00
Management Analyst	0.00	0.00	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	0.00
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 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 2018-19 retains a simpler model that includes an Administrative Division and a Maintenance Division.

The budget for 2018-19 reflects an estimate of the HUD subsidy anticipated for calendar year 2018. The Town anticipates an 8.3% increase in HUD subsidies due to a request for an increase in the operation subsidy based on the age of the Town's units and the need to sustain maintenance. Rental revenue reflects a decrease due to a number of vacant units that are being addressed within the Public Housing Master Plan. Additionally, tenant's income and subsequent rent requirements have decreased.

REVENUES

	2016-17 Actual	2017-18 Original Budget	2017-18 Revised Budget	2017-18 Estimated	2018-19 Adopted Budget	% Change from 2017-18
Revenue Summary						
HUD Contributions	\$ 956,462	\$ 990,360	\$ 990,360	\$ 990,360	\$ 1,072,644	8.3%
Rental Revenue	944,456	956,166	956,166	956,166	903,642	-5.5%
Other Revenues	2,696	250	250	250	200	-20.0%
Interest Income	1,376	1,950	1,950	1,950	1,394	-28.5%
Appropriated Fund Balance	(128,067)	355,473	442,939	221,142	226,492	-36.3%
Total Revenues	\$ 1,776,923	\$ 2,304,199	\$ 2,391,665	\$ 2,169,868	\$ 2,204,372	-4.3%

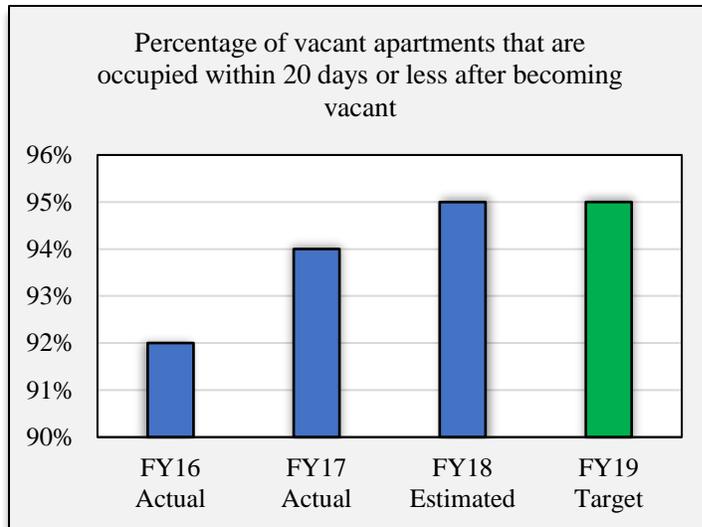
EXPENDITURES

	2016-17 Actual	2017-18 Original Budget	2017-18 Revised Budget	2017-18 Estimated	2018-19 Adopted Budget	% Change from 2017-18
Personnel	\$ 847,829	\$ 1,259,337	\$ 1,259,172	\$ 1,024,885	\$ 1,261,497	0.2%
Operating	884,349	1,044,862	1,132,493	1,144,983	942,875	-9.8%
Capital	44,745	-	-	-	-	N/A
Total	\$ 1,776,923	\$ 2,304,199	\$ 2,391,665	\$ 2,169,868	\$ 2,204,372	-4.3%

PUBLIC HOUSING

MISSION-LEVEL MEASURES

Affordable Housing	Program:	Public Housing Administration
	Objective:	To provide decent, safe, and well maintained affordable rental housing for low income residents.
	Mission Measure:	Percentage of vacant apartments that are occupied within 20 days or less after becoming vacant



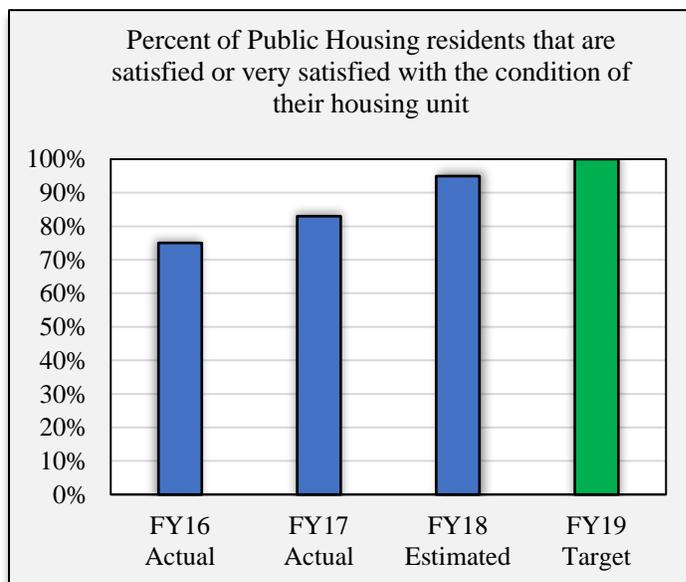
Departmental Analysis

- Shorter term vacancies result in larger operating subsidies
- Reducing the allowed days for notice from a resident would allow greater coordination with contractors and shorten the turnaround time

Initiatives - What will we do to take action?

1. More closely monitor vacancies
2. Increase the redistribution of current residents to the proper bedroom sized unit to make space for others
3. Amend our ACOP to allow greater flexibility for what days residents can move out of a unit

Affordable Housing	Program:	Public Housing Maintenance
	Objective:	To provide decent, safe, and well maintained affordable rental housing for low income residents.
	Mission Measure:	Percentage of vacant apartments that are occupied within 20 days or less after becoming vacant



Departmental Analysis

- Satisfied residents are less likely to complain and will be more willing to seek collaborative solutions; be more willing to assist in a volunteer capacity with community clean ups;

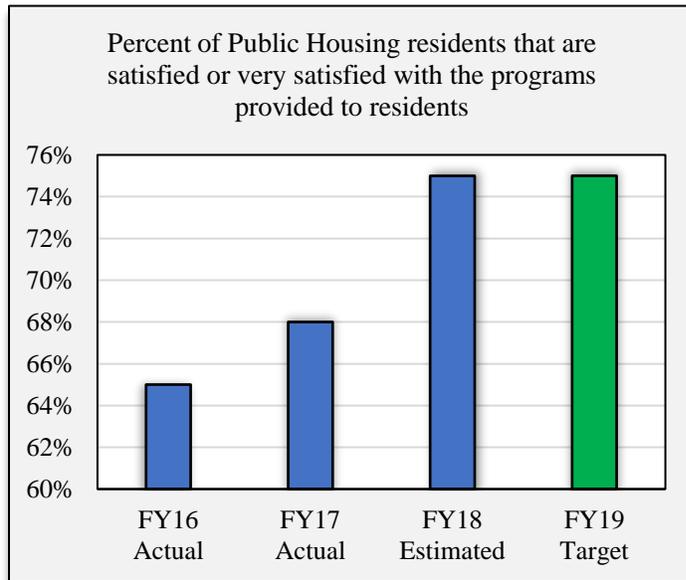
Initiatives - What will we do to take action?

1. We have reached out to residents on at least two occasions with surveys to gather information on how we can improve their satisfaction level
2. We have partnered with Refugee Community Partners in an effort to reach more of our Limited English Proficient residents to better involve them in community activities

PUBLIC HOUSING

MISSION-LEVEL MEASURES

Affordable Housing	Program:	Public Housing Administration
	Objective:	To provide decent, safe, and well maintained affordable rental housing for low income residents.
	Mission Measure:	Percentage of vacant apartments that are occupied within 20 days or less after becoming vacant



Departmental Analysis

- The Annual Plan includes a survey of residents for their suggestions on what to do with the Capital Grant fund. They have traditionally included request for job training; small business development training; general adult education training.

Initiatives - What will we do to take action?

1. We have two contractors that are offering job skill development training
2. We are negotiating for a financial literacy training program to start in the Fall of 2018
3. Our Landscaper is offering gardening classes starting in September 2018
4. The Boys and Girls Club may assist our efforts to offer general adult education training in two of our sites

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 2014 project ordinance budgets a \$403,505 grant and \$7,338 program income, for public housing improvements, homeownership assistance, code enforcement, after school programs, community and homelessness outreach, and youth skills development programs.

The 2015 project ordinance budgets a \$404,761 grant and \$7,338 program income, for public housing improvements, homeownership assistance, code enforcement, after-school programs, summer youth employment programs, and youth skills development programs, community and homelessness outreach, homeowner housing improvements.

The 2016 project ordinance budgets a \$387,702 grant and \$7,338 program income, for public housing improvements, homeownership assistance, homeowner housing improvement programs, code enforcement, neighborhood revitalization activities, summer youth employment programs, homelessness outreach and case management, youth skills development and community literacy programs.

The 2017 project ordinance budgets a \$387,702 grant and \$7,338 program income, for public housing improvements, homeownership assistance, homeowner housing improvement programs, code enforcement, neighborhood revitalization activities, summer youth employment programs, and homelessness case management.