

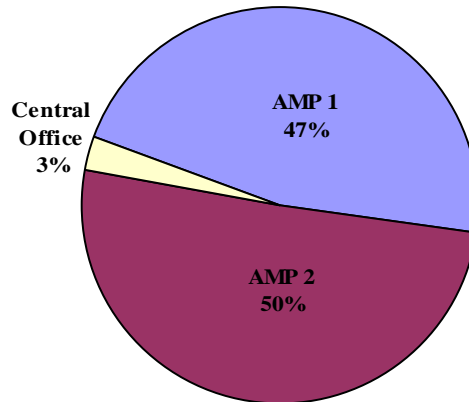
# ***PUBLIC HOUSING FUND***

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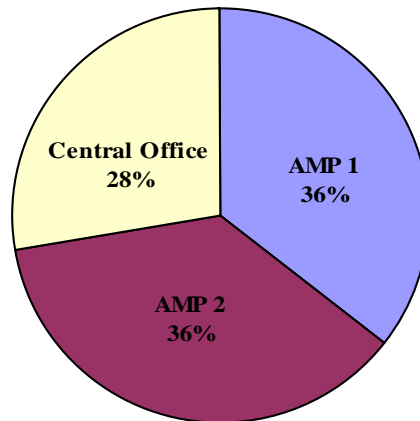
The Public Housing Fund is used to account for federal grants restricted for the Town's public housing programs.

HUD's funding model changes significantly in 2007-08, dictating changes that preclude comparison with the historical model presented on page 9 for the period through 2006-07. Under the new funding formula, the Town's 13 public housing sites are separate into two Asset Management Projects (AMPs) and all of HUD's funding is allocated by AMP. Overhead costs are accounted for in the "Central Office Cost Center" and are funded through internal fees charged to the AMPs.

**Housing Revenues  
Net of Transfers**



**Housing Expenses  
(Net of Transfers)**



# ***DEPARTMENT OF HOUSING***

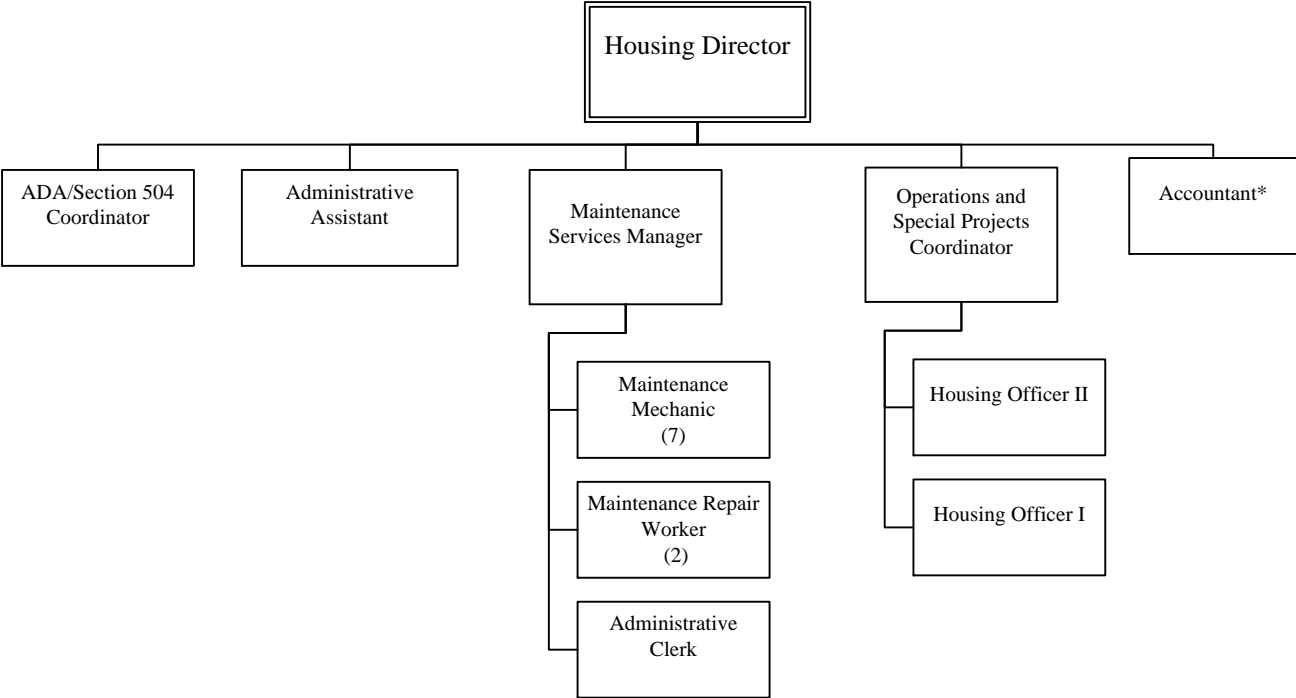
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**MISSION STATEMENT:** *The mission of the Department of Housing is to provide decent, safe, and affordable rental housing for Chapel Hill's public housing families and to provide programs and services to help public housing families improve basic life skills and achieve economic independence.*

The Department of Housing manages the Town's 336 public housing apartments located in 13 neighborhoods throughout Chapel Hill and Carrboro. Goals for 2007-08 include:

- Transition to a project-based and asset management public housing operation as required by the U.S. Department of Housing and Urban Development.
- Ensure safe and well maintained housing for all residents.
- Complete preventive maintenance and safety inspections and repairs in all 336 public housing apartments.
- Prepare vacant apartments for occupancy.
- Recertify residents' eligibility for public housing tenancy.

**HOUSING**



\*Position is funded by the Housing Department and supervised by the Finance Department.

***PUBLIC HOUSING***  
***STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS***

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	<b>2005-06 ADOPTED</b>	<b>2006-07 ADOPTED</b>	<b>2007-08 ADOPTED</b>
<b>Administration</b>			
Director-Housing	1.00	1.00	1.00
Operations and Special Projects Coordinator	1.00	1.00	1.00
Accountant - Housing*	1.00	1.00	1.00
Office Assistant	1.00	1.00	1.00
ADA/Section 504 Coordinator**	0.00	0.00	1.00
Administrative Assistant	0.00	0.00	0.00
Division Totals	4.00	4.00	5.00
<b>Maintenance</b>			
Maintenance Services Manager	1.00	1.00	1.00
Maintenance Mechanic (Repair Worker, I, II, III)	9.00	9.00	9.00
Administrative Clerk	1.00	1.00	1.00
Division Totals	11.00	11.00	11.00
<b>Resident Services</b>			
Housing Officer II	1.00	1.00	1.00
Housing Officer I	1.00	1.00	1.00
Resident Services Officer	0.00	0.00	0.00
Division Totals	2.00	2.00	2.00
Housing Department Totals	17.00	17.00	18.00

\*The Accountant position is supervised by the Finance Department.

\*\*Grant-funded position

## ***PUBLIC HOUSING FUND***

### ***Major Revenue Sources - Descriptions and Estimates***

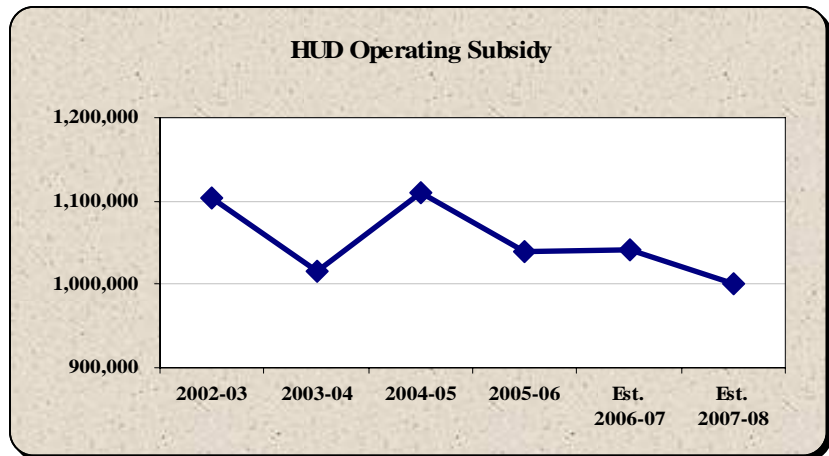
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The Town's Public Housing program provides for the administration and operation of the Town's 336 public housing units, and is funded primarily through federal grants and rents paid by residents.

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 an operating grant from the Department of Housing and Urban Development (HUD). In the fall of 2005,

HUD adopted a "new Operating Fund final rule" which prescribes a phased series of changes to public housing management and reporting requirements. As a first step of implementation, HUD began budgeting on a calendar year basis, so we have confirmation of HUD's funding for the first half of fiscal year 2008, but will not have a final budget for the full



federal subsidy until late 2007-08. We may need to return to the Council at that time if an amendment is necessary. Our preliminary estimate of HUD's subsidy for FY08 is \$1,000,724, a 3.8% decrease from the FY07 subsidy of \$1,040,994.

The Housing Department estimates dwelling rents, the second largest revenue for the Public Housing Fund, at \$379,000, \$25,000 more than budgeted in 2006-07.

HUD's new funding formula allocates the subsidy to the two designated projects or "AMPs" that are comprised of the Town's public housing locations. All overhead costs are accounted for separately in the Central Office Cost Center, which charges fees to the AMPs for central administration, but the fees are capped. In order to continue the current level of funding for Housing administration, we are budgeting a transfer from the General Fund in the amount of \$176,000.

The transfers from the AMPs to the Central Office totaling \$229,089 are shown as revenue to the Central Office and an expense to the AMP's. The total budget for fiscal year 2007-08 net of the transfers is about 1.6 million. The adopted budget including the internal transfers to the Central Office Cost Center is about \$1.8 million.

## ***Major Expenditures and Estimates***

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Major expenditure categories include about \$981,000 for salaries, \$113,000 for utilities, \$50,000 for liability insurance and \$294,000 for maintenance of the units. The new reporting rules require that we separate expenses of the AMPs from those of the Central Office Cost Center.

Net of the transfer to the central office, expenses are allocated as follows:

Central Office	444,089
AMP 1	569,583
AMP 2	<u>590,252</u>
Total	<u>1,603,924</u>

Budgeted expenditures include about \$22,000 for 4% pay adjustments effective October 2007 as approved for Town employees and about \$10,000 for increases in medical insurance coverage and workers compensation. There were no other significant changes in overall expenditure levels.

***PUBLIC HOUSING  
BUDGET SUMMARY - NEW BUDGETING MODEL***

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*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. A change in HUD's funding formula is expected to result in a decrease in federal subsidy. Funding for administrative expenses is supplemented with a transfer from the General Fund.*

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**EXPENDITURES**

	<b>Division Budget</b>	<b>Internal Transfers</b>	<b>2007-08 Adopted Budget</b>
AMP 1	569,583	98,181	667,764
AMP 2	590,252	130,908	721,160
Central Office Cost Center	444,089		444,089
<b>Total</b>	<b>1,603,924</b>	<b>229,089</b>	<b>1,833,013</b>

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**REVENUES**

	<b>Budget</b>	<b>Internal Transfers</b>	<b>2007-08 Adopted Budget</b>
Rental Revenue	379,000	-	379,000
HUD Contributions	1,000,724	-	1,000,724
Other Revenues	9,200	-	9,200
Interest Income	39,000	-	39,000
Internal Transfers	-	229,089	229,089
Transfer from General Fund	176,000	-	176,000
<b>Total</b>	<b>1,603,924</b>	<b>229,089</b>	<b>1,833,013</b>

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## ***PUBLIC HOUSING FUND***

### ***New Operating Fund Final Rule***

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In the fall of 2005, HUD adopted a “new Operating Fund final rule” which prescribes a phased series of changes to public housing management and reporting requirements. There are five elements of the new reporting and operating model:

Element	Implementation Date
Project-based funding	Implemented at agency level for calendar year 2007, at AMP level for calendar year 2008
Project-based budgeting	Required for fiscal year 2007-08
Project-based accounting	Required for fiscal year 2007-08
Project-based management	Required for fiscal year 2007-08
Project-based performance assessment	Under review, initially set for implementation in second year after project-based accounting

The first phase of project-based funding is under way, with the 2007 calendar year funding established at agency level on a project-based format. The 2007-08 budget is the first to be established under the new reporting model.

#### **Asset Management Projects**

Under project-based budgeting and accounting, housing agencies are encouraged to operate as much as possible like for-profit property management firms. The funding stream and expenditure tracking are focused on the properties rather than on the agency as a whole. The Town was required last year to identify Asset Management Projects (AMPs) that would be reported under the new asset management rules, and the Town’s public housing locations were split as follows:

##### AMP 1 Locations

Lindsay  
 Craig Gomains  
 Trinity  
 Pritchard Park  
 Church/Caldwell  
 N. Columbia St.

##### AMP 2 Locations

S. Estes  
 S. Roberson  
 Colony Wood  
 Eastwood  
 Oakwood  
 Rainbow Heights

Each AMP is expected to operate as a functional unit, with each AMP calculating its profit or loss separately.



# ***PUBLIC HOUSING FUND***

## ***New Operating Fund Final Rule***

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### **Central Office Cost Center**

The Central Office Cost Center is funded through fees charged to the AMPs for project management and oversight functions. The fees are calculated as follows:

Property Management Fees – Can be calculated with an independent survey of property management fees charged by the for-profit industry in your area, or you can use the fee schedule established by HUD by geographical area. The fee is calculated per unit per month for all occupied units or HUD-approved vacancies. For our area, the schedule allots \$45.84 per unit per month.

Bookkeeping Fees – Calculated at \$7.50 per unit per month for all occupied units and approved vacancies.

Asset Management Fees – Calculated at \$10 per unit per month, but restricted to AMPs that have excess cash. The other fees may be accrued and paid when cash becomes available, but the asset management fee cannot be assessed to a unit that is not showing a profit.

Among the expenses required by HUD to be allocated to the Central Office are management salaries, human resource costs, legal fees, accounting services, centralized servers, software maintenance and support, risk management, centralized procurement and inventory management.

# ***PUBLIC HOUSING***

## ***AMP 1 Budget***

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*AMP 1 consists of 161 rental units of public housing from properties at Lindsay Street, Craig Gomains, Trinity, Pritchard Park, Church/Caldwell, Airport Road and N. Columbia Street. This unit is shown breaking even, but is not able to transfer all the asset management fees to the Central Office that it should generate. The AMP is short \$17,793 in fees it could contribute towards overhead costs in the Central Office.*

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### **EXPENDITURES**

	<b>AMP Budget</b>	<b>Interfund Transfers</b>	<b>2007-08 Adopted Budget</b>
Personnel	310,674		310,674
Operating	258,909		258,909
Central Office Fees		98,181	98,181
<b>Total</b>	<b>569,583</b>	<b>98,181</b>	<b>667,764</b>

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### **REVENUES**

	<b>AMP Budget</b>	<b>Interfund Transfers</b>	<b>2007-08 Adopted Budget</b>
HUD Subsidy	480,348	-	480,348
Rental Revenues	183,000	-	183,000
Other Income	4,416	-	4,416
<b>Total</b>	<b>667,764</b>	<b>-</b>	<b>667,764</b>

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<b>NET PROFIT/LOSS</b>	98,181	(98,181)	-
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***PUBLIC HOUSING***  
***AMP 2 Budget***

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*AMP 2 consists of 175 rental units of public housing from properties at S. Estes, S. Roberson, Colony Woods, Eastwood, Oakwood and Rainbow Heights. This unit is contributing a total of \$130,908 in asset management fees towards the Central Office Cost Center.*

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**EXPENDITURES**

	<b>AMP 2 Budget</b>	<b>Interfund Transfers</b>	<b>2007-08 Adopted Budget</b>
Personnel	332,426		332,426
Operating	257,826		257,826
Central Office Fees		130,908	130,908
<b>Total</b>	<b>590,252</b>	<b>130,908</b>	<b>721,160</b>

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**REVENUES**

	<b>AMP 2 Budget</b>	<b>Interfund Transfers</b>	<b>2007-08 Adopted Budget</b>
HUD Subsidy	520,376	-	520,376
Rental Revenues	196,000	-	196,000
Other Income	4,784	-	4,784
<b>Total</b>	<b>721,160</b>	<b>-</b>	<b>721,160</b>

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<b>NET PROFIT/LOSS</b>	130,908	(130,908)	-
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***PUBLIC HOUSING***  
***Central Office Cost Center Budget***

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*The Central Office Cost Center consists of all overhead and administrative cost as defined by HUD to include management, central warehouse, computer and telephone systems maintenance, legal fees and retiree health liability. The Central Office budget is balanced with a transfer from the General Fund to supplement fees charged to the AMPs.*

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**EXPENDITURES**

	<b>Central Office Budget</b>	<b>Interfund Transfers</b>	<b>2007-08 Adopted Budget</b>
Personnel	338,483	-	338,483
Operating	105,606	-	105,606
Central Office Fees	-	-	-
<b>Total</b>	<b>444,089</b>	<b>-</b>	<b>444,089</b>

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**REVENUES**

	<b>Central Office Budget</b>	<b>Interfund Transfers</b>	<b>2007-08 Adopted Budget</b>
Interfund Transfers	-	229,089	229,089
Transfer from the General Fund	176,000	-	176,000
Interest Income	39,000	-	39,000
<b>Total</b>	<b>215,000</b>	<b>229,089</b>	<b>444,089</b>

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<b>NET PROFIT/LOSS</b>	(229,089)	229,089	-
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**PUBLIC HOUSING**  
**BUDGET SUMMARY - OLD BUDGETING MODEL**

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*HUD's funding model changes significantly in 2007-08, precluding comparison with the historical model presented below for the period through 2006-07. The 2007-08 budget is presented in the new format on pages 234 - 236.*

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**EXPENDITURES**

	<b>2005-06 Actual</b>	<b>2006-07 Original Budget</b>	<b>2006-07 Revised Budget</b>	<b>2006-07 Estimated</b>	<b>2007-08 Adopted Budget</b>
Administration					
Personnel	392,577	351,894	353,894	339,430	
Operating	90,658	107,814	111,314	106,488	See new
Routine Maintenance					budget
Personnel	616,572	624,424	624,424	596,889	format
Operating	314,792	365,577	370,264	351,576	
Non-Routine Maintenance	70,495	122,266	120,641	83,169	
Non-Departmental	50,659	66,586	68,086	64,233	
<b>Total</b>	<b>1,535,753</b>	<b>1,638,561</b>	<b>1,648,623</b>	<b>1,541,785</b>	

**REVENUES**

	<b>2005-06 Actual</b>	<b>2006-07 Original Budget</b>	<b>2006-07 Revised Budget</b>	<b>2006-07 Estimated</b>	<b>2007-08 Adopted Budget</b>
Rental Revenue	368,936	353,666	353,666	378,182	
HUD Contributions	1,040,017	1,107,020	1,107,020	1,040,994	See new
Other Revenues	21,591	14,574	14,574	5,860	budget
Interest Income	23,918	25,500	25,500	44,000	format
Appropriated Fund Balance	81,291	137,801	147,863	72,749	
<b>Total</b>	<b>1,535,753</b>	<b>1,638,561</b>	<b>1,648,623</b>	<b>1,541,785</b>	

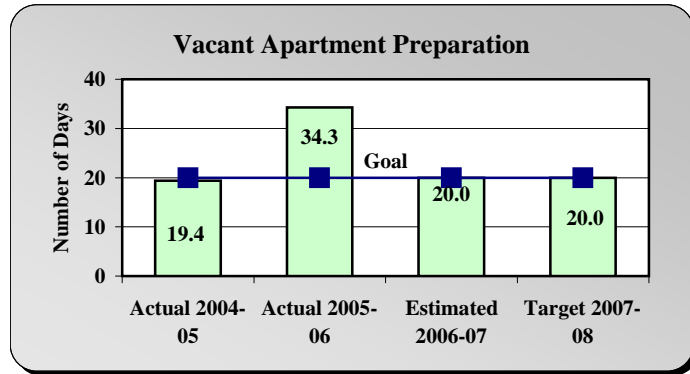
# HOUSING TRENDS

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

**GOAL :** Maximize livable housing stock.

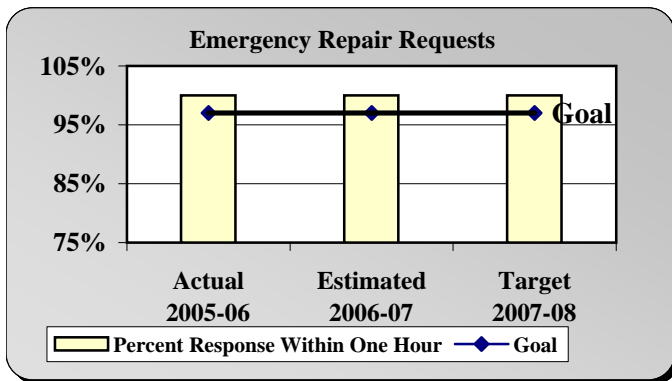
**OBJECTIVE :** Prepare vacant apartments for occupancy within 20 days.

In fiscal year 2006-07, the Housing Department met this goal, improving greatly on the prior year's performance. The Housing Department will strive to achieve this goal again in fiscal year 2007-08.



**GOAL :** Maximize livable housing stock.

**OBJECTIVE :** Complete or abate 97% of emergency repairs within 24 hours. (Note: This goal was established in fiscal year 2005-06.)



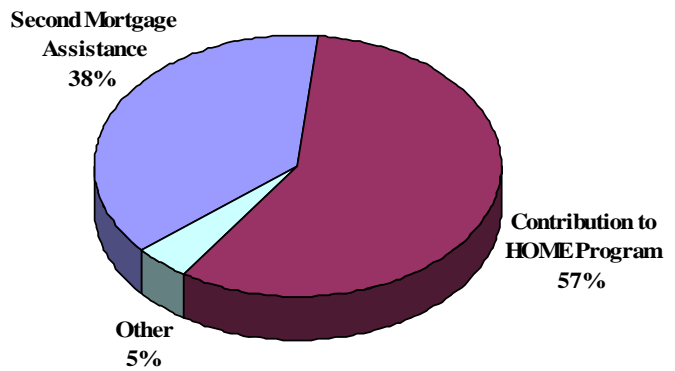
In fiscal year 2006-07, the Housing Department completed or abated 100% of its 184 emergency repairs within 24 hours, following standards set forth by the Department of Housing and Urban Development.

# ***HOUSING LOAN TRUST FUND***

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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 Expenditures**



# ***HOUSING LOAN TRUST FUND***

## ***BUDGET SUMMARY***

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*The Housing Loan Trust Fund reflects a continuation of existing programs for mortgage assistance in 2007-08 and includes funding for the Town's share of matching funds for the HOME program administered by Orange County.*

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### **EXPENDITURES**

	<b>2005-06 Actual</b>	<b>2006-07 Original Budget</b>	<b>2006-07 Revised Budget</b>	<b>2006-07 Estimated</b>	<b>2007-08 Adopted Budget</b>	<b>% Change from 2006-07</b>
Other Expenses	(847)	180	180	261	180	0.0%
2nd Mortgage Assistance	12,700	40,000	40,000	40,000	40,000	0.0%
Interest	1,160	4,600	4,600	-	4,600	0.0%
Contributions to Agencies:						
HOME Program Match	-	61,398	194,883	61,398	61,400	0.0%
Habitat for Humanity	29,933	-	67	-	-	N/A
<b>Total</b>	<b>42,946</b>	<b>106,178</b>	<b>239,730</b>	<b>101,659</b>	<b>106,180</b>	<b>0.0%</b>

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### **REVENUES**

	<b>2005-06 Actual</b>	<b>2006-07 Original Budget</b>	<b>2006-07 Revised Budget</b>	<b>2006-07 Estimated</b>	<b>2007-08 Adopted Budget</b>	<b>% Change from 2006-07</b>
Interest Income	11,227	4,000	4,000	4,000	4,000	0.0%
Program Income	2,000					N/A
Appropriated Fund Balance	29,719	102,178	235,730	97,659	102,180	0.0%
<b>Total</b>	<b>42,946</b>	<b>106,178</b>	<b>239,730</b>	<b>101,659</b>	<b>106,180</b>	<b>0.0%</b>

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

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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.

The 2001 project ordinance budgets a \$441,000 grant and \$35,000 of program income for rehabilitation of public housing, Meadowmont Affordable Townhomes, neighborhood revitalization, property acquisition for a Habitat for Humanity subdivision, and community services.

The 2002 project ordinance budgets a \$445,000 grant and \$16,000 of program income for rehabilitation of public housing, neighborhood revitalization, community services, and acquisition of property for a Habitat for Humanity subdivision.

The 2003 project ordinance budgets a \$723,000 grant and \$5,250 of reallocated funds for rehabilitation of public housing, neighborhood revitalization, a comprehensive rehabilitation program, and community services.

The 2004 project ordinance budgets a \$711,000 grant and \$91,318 of program income for rehabilitation of public housing, neighborhood revitalization, homeownership assistance, and community services.

The 2005 project ordinance budgets a \$666,392 grant and \$17,475 of program income for rehabilitation of public housing, acquisition of property in the Northside neighborhood, start-up costs for a new men's homeless shelter, sewer connection assistance, and community services.

The 2006 project ordinance budgets a \$598,310 grant for rehabilitation of public housing, acquisition of property in the Northside and Pine Knolls neighborhoods, and community services.

