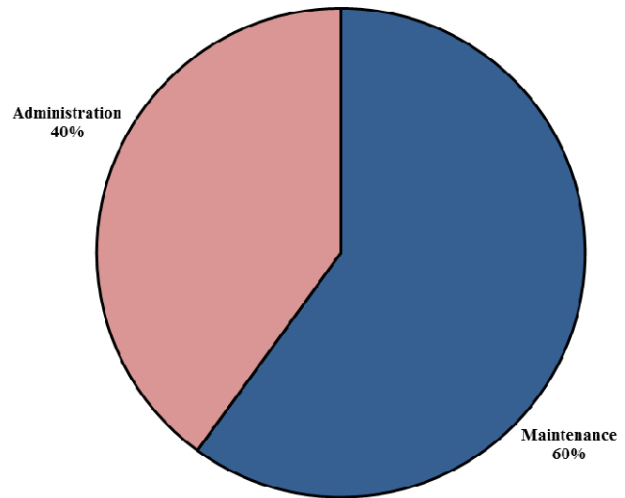


PUBLIC HOUSING FUND

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

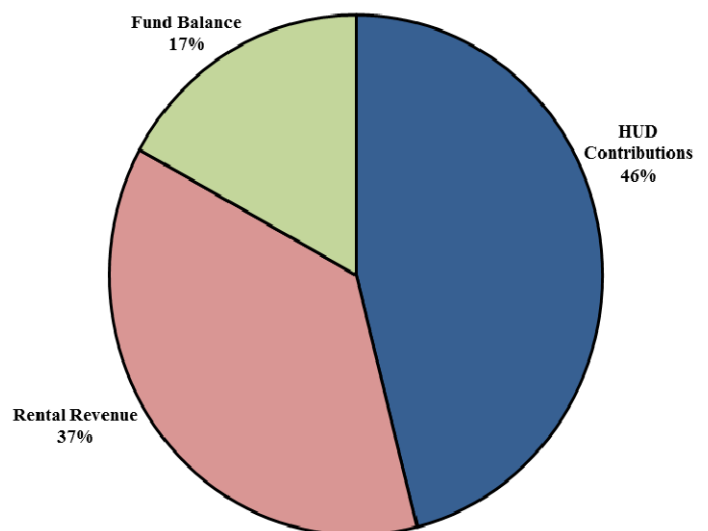
Since those with fewer than 400 units have been exempt each year from HUD's new funding model (AMPs) since 2007-08, we have returned to a simpler budget presentation comprised of Administrative and Maintenance divisions.

Public Housing Expenses



Total \$2,442,116

Public Housing Revenues



PUBLIC HOUSING FUND DEPARTMENT

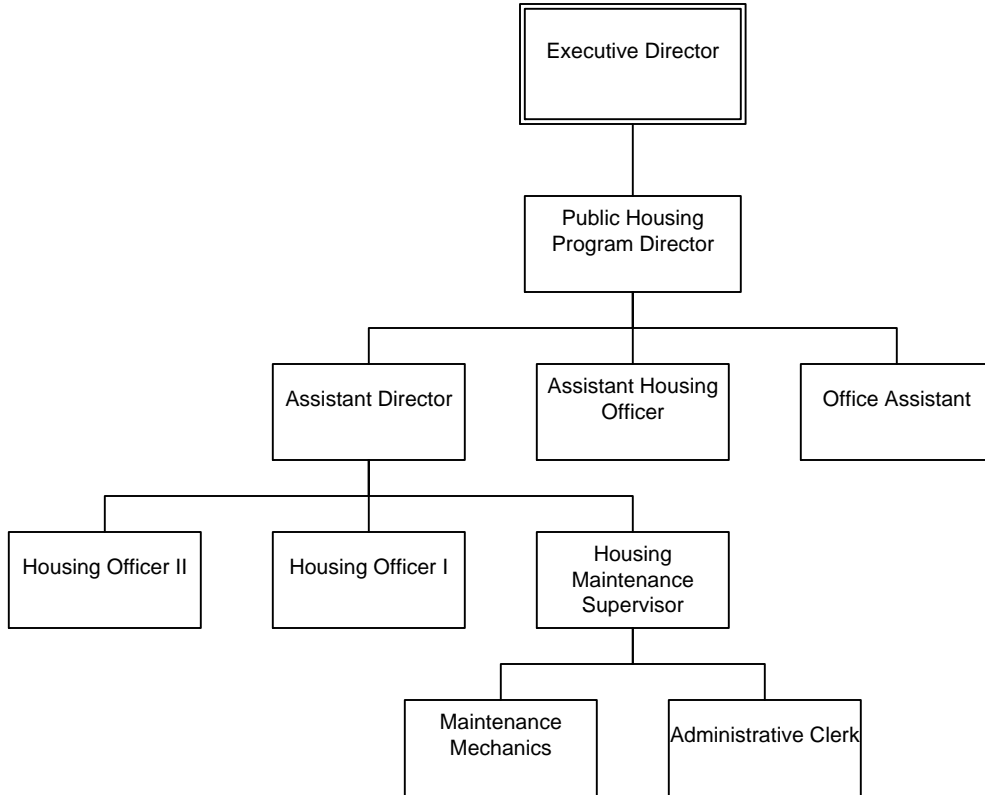
MISSION STATEMENT:

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 2016-17.

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
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2014-15 ADOPTED	2015-16 ADOPTED	2016-17 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

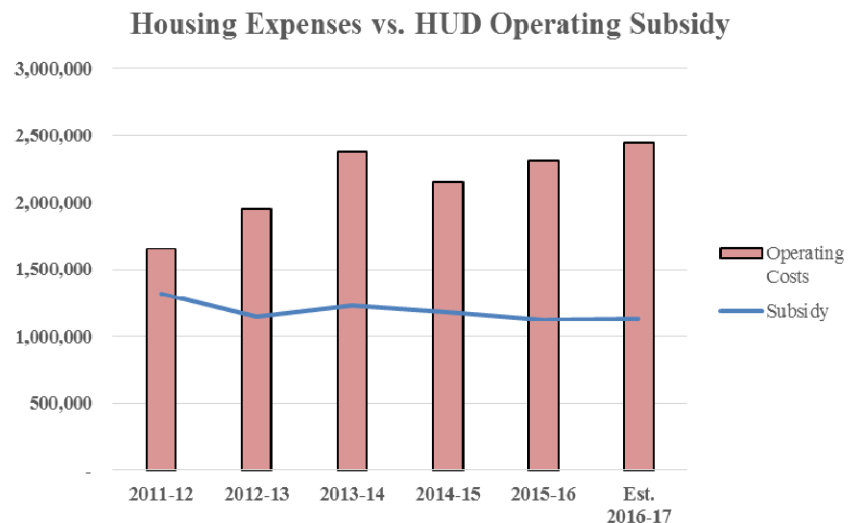
The Town’s Public Housing program provides for the administration and operation of the Town's 336 public housing units, and is funded primarily through federal grants and rents paid by residents.

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 2016-17 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 2016 but we have no information about calendar 2016. Based on interim allocations, our estimate of HUD’s subsidy for 2015-16 is \$1,126,646, about a 4.8% decrease from the 2014-15 subsidy of \$1,183,160. Due to this decrease, we are estimating a \$1,130,127 in subsidy for 2016-17.



The Housing Department estimates dwelling rents, the second largest revenue for the Public Housing Fund, at about \$924,811, an increase over current year estimates with the completion of renovation projects.

Major Expenditures and Estimates

Major expenditure categories include about \$1,165,617 for salaries and benefits, \$169,200 for utilities, \$83,044 for liability and flood insurance and about \$516,071 for maintenance of the units.

The personnel costs include a 2% July and 1.5% January of market rate increase in employee pay and a 15.5% increase in health insurance costs.

Approximately \$307,000 is budgeted to replace old and deteriorating roofs at Rainbow Heights, Craig, Gomains, and Lindsey Street neighborhoods, and \$50,000 will be used to create a Housing Master Plan. These projects are one-time appropriations of fund balance. Capital expenses saw a decrease due to the completion of one-time projects.

	2015-16 Original Budget	2016-17 Adopted Budget	% Change from 2015-16
Salary and Benefits - Administration	\$ 449,187	\$ 476,381	6.05%
Salary and Benefits - Maintenance	661,676	689,236	4.17%
Maintenance Costs	514,850	516,071	0.24%
Utilities	169,200	169,200	0.00%
Liability and Flood Insurance	78,000	83,044	3.87%
Capital Expense	88,500	34,834	-60.64%
Other Expenses	130,408	473,350	262.98%
Total Budget	\$ 2,091,821	\$ 2,442,116	16.75%

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 2016-17 retains a simpler model that includes an Administrative Division and a Maintenance Division.

The budget for 2016-17 reflects an estimate of the HUD subsidy anticipated for calendar year 2016. As yet, there has been no indication of HUD's funding for calendar year 2017. Rental revenue reflects an increase with the reopening of apartments that were closed for renovation and an increase in the flat rent schedule. \$307,166 is included in the Public Housing budget to replace roofs at Rainbow Heights, Craig, Gomains, and Lindsey Street neighborhoods, while an additional \$50,000 is included in order to develop a Housing Master Plan.

REVENUES

	2014-15 Actual	2015-16 Original Budget	2015-16 Revised Budget	2015-16 Estimated	2016-17 Adopted Budget	% Change from 2015-16
Revenue Summary						
HUD Contributions	\$ 1,183,160	\$ 1,153,556	\$ 1,153,556	\$ 1,126,646	\$ 1,130,127	-2.0%
Rental Revenue	910,430	830,256	830,256	924,811	907,043	9.2%
Other Revenues	631	150	150	250	250	66.7%
Interest Income	2,055	1,950	1,950	1,509	1,950	0.0%
Insurance Claims	49,612	-	-	-	-	N/A
Appropriated Fund Balance	-	105,909	938,207	257,080	402,746	280.3%
Total Revenues	\$ 2,145,888	\$ 2,091,821	\$ 2,924,119	\$ 2,310,296	\$ 2,442,116	16.7%

EXPENDITURES

	2014-15 Actual	2015-16 Original Budget	2015-16 Revised Budget	2015-16 Estimated	2016-17 Adopted Budget	% Change from 2015-16
Personnel	\$ 1,019,198	\$ 1,110,863	\$ 1,105,778	\$ 985,847	\$ 1,165,617	4.9%
Operating	791,954	892,458	1,083,961	855,559	1,241,665	39.1%
Capital	170,407	88,500	734,380	468,890	34,834	-60.6%
Contribution to Reserve	164,329	-	-	-	-	N/A
Total	\$ 2,145,888	\$ 2,091,821	\$ 2,924,119	\$ 2,310,296	\$ 2,442,116	16.7%

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 2016-17 remains with the simpler model of an Administrative Division and a Maintenance Division.

Revenues anticipated for the 2016-17 fiscal year reflect a continuation of HUD's calendar year 2016 reduction in grants to agencies with reserves or fund balance. Rental revenues are up significantly (9.2%, or about \$77,000). The Adopted Budget for 2016-17 is balanced with the use of about \$403,000 in fund balance.

REVENUES

	2014-15 Actual	2015-16 Original Budget	2015-16 Revised Budget	2015-16 Estimated	2016-17 Adopted Budget	% Change from 2015-16
AMP 1						
HUD Contributions	\$ 593,567	\$ 563,400	\$ 563,400	\$ 577,213	\$ 579,033	2.8%
Rental Revenue	424,665	403,221	403,221	401,546	387,960	-3.8%
Other Revenues	125	75	75	75	75	0.0%
Approp. Fund Balance	-	-	-	-	402,746	N/A
Total AMP 1	\$ 1,018,357	\$ 966,696	\$ 966,696	\$ 978,834	\$ 1,369,814	41.7%
AMP 2						
HUD Contributions	\$ 589,593	\$ 590,156	\$ 590,156	\$ 549,433	\$ 551,094	-6.6%
Rental Revenue	485,765	427,035	427,035	523,265	519,083	21.6%
Other Revenues	75	75	75	175	175	133.3%
Total AMP 2	\$ 1,075,432	\$ 1,017,266	\$ 1,017,266	\$ 1,072,873	\$ 1,070,352	5.2%
Central Office Cost Center						
Interest Income	\$ 2,055	\$ 1,950	\$ 1,950	\$ 1,509	\$ 1,950	0.0%
Other Revenues	432	-	-	-	-	N/A
Approp. Fund Balance	-	105,909	938,207	257,080	-	-100.0%
Total Central Office	\$ 2,487	\$ 107,859	\$ 940,157	\$ 258,589	\$ 1,950	-98.2%
2013 Flood Recovery						
Insurance Claims	\$ 49,612	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 2,145,887	\$ 2,091,821	\$ 2,924,119	\$ 2,310,296	\$ 2,442,116	16.7%

PUBLIC HOUSING DIVISION BUDGETS

The adopted budget for 2016-17 includes a 2% July and 1.5% January pay adjustment, as well as a 15.5% increase in health insurance costs. The increase in operating is due to the replacement of three roofs (\$307,000) and the creation of a Public Housing Master Plan (\$50,000).

Expenditures are expected to exceed revenues by \$257,000 for 2015-16, with the difference shown as appropriated fund balance on the previous page in order to present a balanced budget.

EXPENDITURES

	2014-15 Actual	2015-16 Original Budget	2015-16 Revised Budget	2015-16 Estimated	2016-17 Adopted Budget	% Change from 2015-16
Central Maintenance						
Personnel	\$ 615,248	\$ 661,676	\$ 626,771	\$ 581,115	\$ 689,236	4.2%
Operating	650,237	735,450	906,938	696,695	736,671	0.2%
Capital	-	88,500	734,380	468,890	34,834	-60.6%
Total	\$ 1,265,485	\$ 1,485,626	\$ 2,268,089	\$ 1,746,700	\$ 1,460,741	-1.7%
Central Office Cost Center						
Personnel	\$ 403,949	\$ 449,187	\$ 479,007	\$ 404,732	\$ 476,381	6.1%
Operating	141,717	157,008	177,023	158,864	504,994	221.6%
Contribution to Reserve	334,736	-	-	-	-	N/A
Total	\$ 880,402	\$ 606,195	\$ 656,030	\$ 563,596	\$ 981,375	61.9%
2013 Flood Recovery						
Operating	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Capital	-	-	-	-	-	N/A
Total	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Total Expenses	\$ 2,145,887	\$ 2,091,821	\$ 2,924,119	\$ 2,310,296	\$ 2,442,116	16.7%

PUBLIC HOUSING

KEY PERFORMANCE MEASURES

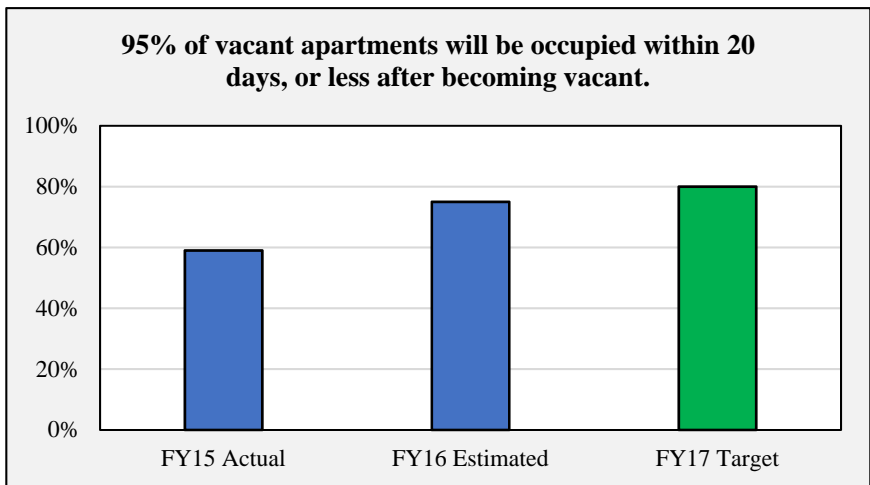


Create a Place for
Everyone

Department Program: Rental Housing for Low-Income Families

Goal: Prepare vacant apartments for occupancy

In fiscal year 2015-16, the Housing & Community Department did not achieve this goal. Approximately 75% of vacant apartments became occupied within 20 days or less.



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 rehabilitation of public housing, 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 rehabilitation on public housing, 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 renovation of public housing facilities, 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.

