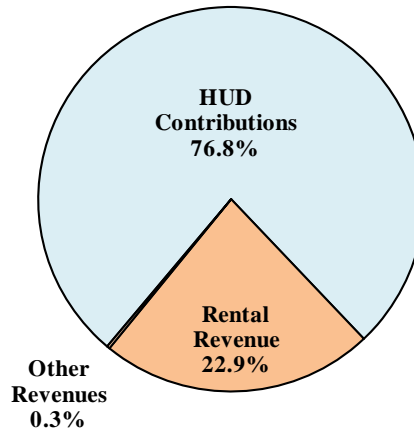


PUBLIC HOUSING FUND

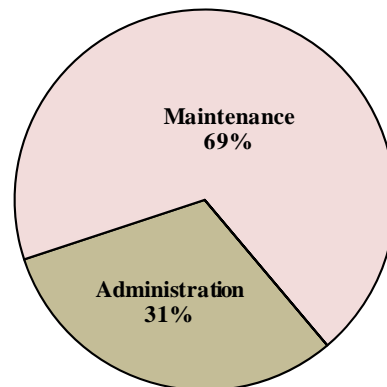
The Public Housing Fund is used to account for federal grants restricted for the Town's public housing programs.

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

Housing Revenues



Housing Expenses



HOUSING DEPARTMENT

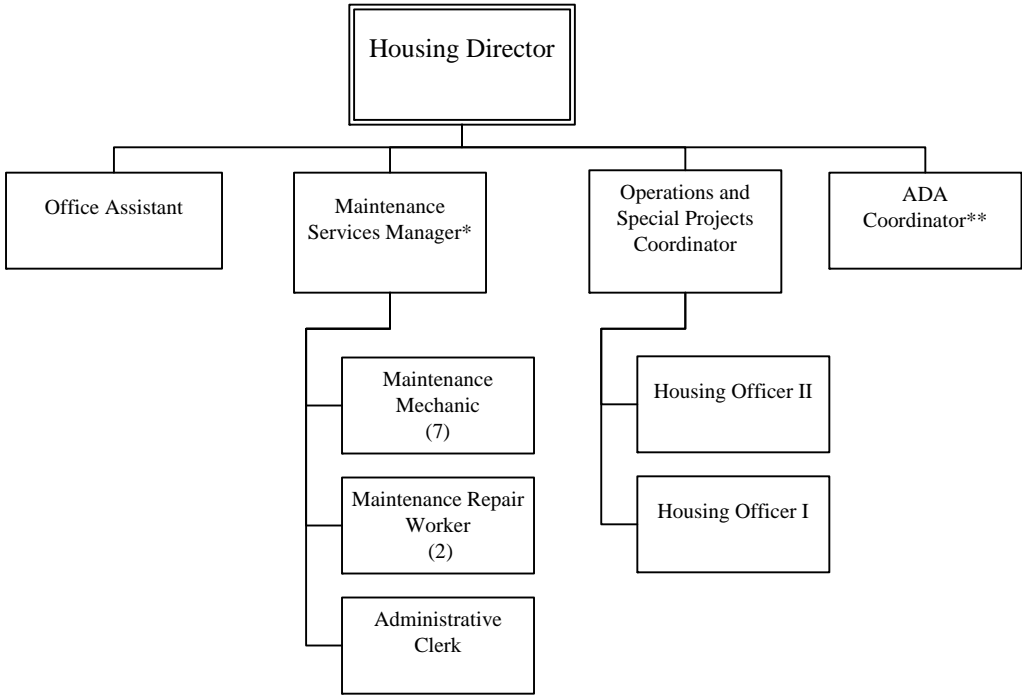
MISSION STATEMENT:

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.

Summary of services provided in support of department's mission:

- Low cost or no cost rental housing for low-income families.
- Respond daily to residents' requests for repair services.
- Twenty-four hour emergency maintenance repair services 7 days a week.
- Education opportunities, job training, budgeting and life skills development services to help public housing families achieve economic independence.
- Referral services for residents experiencing alcohol or drug dependency problems.
- Conflict resolution services to help residents resolve disputes.
- Referral services for families needing financial assistance to pay rent.
- Read mail and other correspondence for residents who cannot read.
- Make home visits to complete redeterminations or eligibility or receive rent from elderly or disabled residents who can not come to the office.
- Information and referral services to public housing applicants and the general public about the public housing programs and other federal housing programs.

HOUSING



*Maintenance positions are funded by the Housing Department and supervised by the Public Works Department.

**ADA Coordinator position is grant-funded.

PUBLIC HOUSING
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2009-10 ADOPTED	2010-11 ADOPTED	2011-12 ADOPTED
Administration			
Director-Housing	1.00	1.00	1.00
Operations and Special Projects Coordinator	1.00	1.00	1.00
Housing Budget Officer ¹	1.00	0.00	0.00
Office Assistant	1.00	1.00	1.00
ADA/Section 504 Coordinator ²	1.00	1.00	1.00
Division Totals	5.00	4.00	4.00
Maintenance³			
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
Resident Services			
Housing Officer II	1.00	1.00	1.00
Housing Officer I	1.00	1.00	1.00
Division Totals	2.00	2.00	2.00
Housing Department Totals	18.00	17.00	17.00

¹ The Housing Budget Officer position was changed to "Accountant" and moved to Finance mid-year FY10.

² Grant-funded position.

³ Maintenance positions are supervised by the Public Works Department.

PUBLIC HOUSING FUND

Major Revenue Sources - Descriptions and Estimates

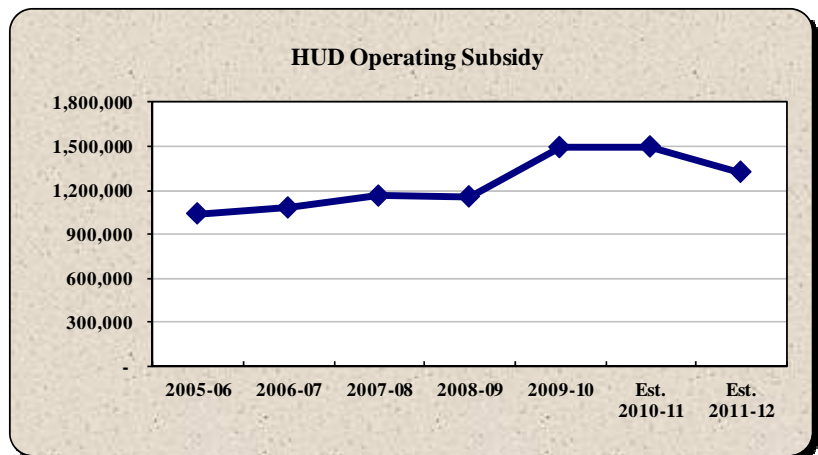
The Town's Public Housing program provides for the administration and operation of the Town's 336 public housing units, and is funded primarily through federal grants and rents paid by residents.

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 prescribes 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 has 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 FY12 under a simpler budget model that more closely reflects the way we are reporting to HUD and eliminates the necessity of separating expenditures into AMPs.

At the time of printing this document, we have not received notification of funding for the full fiscal year 2011, and HUD has not established a working system for agencies to request funding for calendar year 2011. Based on interim allocations, our estimate of HUD's subsidy for 2010-11 is \$1,495,763, about a 3% increase over the FY10 subsidy of \$1,491,477. Based on budget-cutting discussions at the federal level, we are estimating a reduction in HUD subsidy for FY12, to a total of \$1,323,490.



The Housing Department estimates dwelling rents, the second largest revenue for the Public Housing Fund, at about \$375,000, \$12,000 more than budgeted in 2010-11, based on increased collection efforts.

Major Expenditures and Estimates

Major expenditure categories include about \$966,000 for salaries and benefits, \$157,000 for utilities, \$76,000 for liability and flood insurance and about \$352,000 for maintenance of the units. The personnel costs include a 10.1% increase in medical insurance and a 7% increase in the Town's retirement contribution for employees. The change in reporting structure includes returning the Maintenance Services Manager to the Maintenance division from Administration, and returning the two Housing Officer positions to Administration from Maintenance. About \$96,000 of personnel costs are budgeted to be paid through Housing Capital and Community Development Block Grants, both subject to federal grant awards that are pending at this time. The budget is balanced by continuing to hold a maintenance position vacant throughout FY12.

	2010-11 Original Budget	2011-12 Adopted Budget	% Change from 2010-11
Salary and Benefits - Administration	238,153	337,744	41.82%
Salary and Benefits - Maintenance	676,161	627,978	-7.13%
Maintenance Costs	317,989	352,196	10.76%
Utilities	141,140	156,570	10.93%
Liability and Flood Insurance	83,000	75,625	-8.89%
Other Expenses	177,068	172,657	-2.49%
Contribution to Reserve	40,229	-	-100.00%
Total Budget Net of Transfers	1,673,740	1,722,770	2.93%

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 2011-12 returns to the simpler model of an Administrative Division and a Maintenance Division.

REVENUES

	2009-10 Actual	2010-11 Original Budget	2010-11 Revised Budget	2010-11 Estimated	2011-12 Adopted Budget	% Change from 2010-11
Revenue Summary						
HUD Contributions	\$ 1,491,477	\$ 1,287,040	\$ 1,287,040	\$ 1,495,763	\$ 1,323,490	2.8%
Rental Revenue	401,715	382,500	382,500	434,811	395,130	3.3%
Other Revenues	987	400	27,441	27,266	250	-37.5%
Interest Income	5,373	3,800	3,800	4,294	3,900	2.6%
Internal Transfers	-	258,594	258,594	-	-	-100.0%
Approp. Fund Balance	-	-	8,453	-	-	N/A
Total Revenues	\$ 1,899,552	\$ 1,932,334	\$ 1,967,828	\$ 1,962,134	\$ 1,722,770	-10.8%

EXPENDITURES

	2009-10 Actual	2010-11 Original Budget	2010-11 Revised Budget	2010-11 Estimated	2011-12 Adopted Budget	% Change from 2010-11
Personnel	\$ 864,266	\$ 914,314	\$ 924,557	\$ 776,554	\$ 965,722	5.6%
Operating	638,260	719,197	744,448	680,907	757,048	5.3%
Internal Transfers	-	258,594	258,594	-	-	-100.0%
Contribution to Reserves	397,026	40,229	40,229	504,673	-	-100.0%
Total	\$ 1,899,552	\$ 1,932,334	\$ 1,967,828	\$ 1,962,134	\$ 1,722,770	-10.8%

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. We believe it is likely the waiver will be made permanent, so the budget for 2011-12 returns to the simpler model of an Administrative Division and a Maintenance Division.

REVENUES

	2009-10 Actual	2010-11 Original Budget	2010-11 Revised Budget	2010-11 Estimated	2011-12 Adopted Budget	% Change from 2010-11
AMP 1						
HUD Contributions	\$ 708,774	\$ 589,195	\$ 589,195	\$ 676,869	\$ 607,000	3.0%
Rental Revenue	228,066	229,000	229,000	255,194	231,500	1.1%
Other Revenues	125	150	150	125	125	-16.7%
Approp. Fund Balance		-	3,807	-	-	N/A
Total AMP 1	\$ 936,965	\$ 818,345	\$ 822,152	\$ 932,188	\$ 838,625	2.5%
AMP 2						
HUD Contributions	\$ 782,703	\$ 697,845	\$ 697,845	\$ 818,894	\$ 716,490	2.7%
Rental Revenue	173,649	153,500	153,500	179,617	163,630	6.6%
Other Revenues	862	250	250	100	125	-50.0%
Approp. Fund Balance	-	-	2,531	-	-	N/A
Total AMP 2	\$ 957,214	\$ 851,595	\$ 854,126	\$ 998,611	\$ 880,245	3.4%
Central Office Cost Center						
Interest Income	\$ 5,373	\$ 3,800	\$ 3,800	\$ 4,294	\$ 3,900	2.6%
Internal Transfers		258,594	258,594	-	-	-100.0%
Other Revenues	-	-	27,041	27,041	-	N/A
Approp. Fund Balance	-	-	2,115	-	-	N/A
Total Central Office	\$ 5,373	\$ 262,394	\$ 291,550	\$ 31,335	\$ 3,900	-98.5%
Total Revenues	\$ 1,899,552	\$ 1,932,334	\$ 1,967,828	\$ 1,962,134	\$ 1,722,770	-10.8%

PUBLIC HOUSING DIVISION BUDGETS

The adopted budget for FY12 includes increases for employee medical insurance and retirement, and is balanced by holding a maintenance position vacant. Revenues are expected to exceed expenditures by \$504,673 across all divisions in FY11, with the difference shown as "contribution to reserves" below in order to present a balanced budget.

EXPENDITURES

	2009-10 Actual	2010-11 Original Budget	2010-11 Revised Budget	2010-11 Estimated	2011-12 Adopted Budget	% Change from 2010-11
AMP 1						
Personnel	\$ 255,861	\$ 337,347	\$ 326,272	\$ 195,065	\$ -	-100.0%
Operating	278,717	310,620	325,502	290,781	-	-100.0%
Internal Transfers	-	121,262	121,262	-	-	-100.0%
Contribution to Reserves	-	49,116	49,116	252,387	-	-100.0%
Total	\$ 534,578	\$ 818,345	\$ 822,152	\$ 738,233	\$ -	-100.0%
AMP 2						
Personnel	\$ 328,667	\$ 338,814	\$ 348,019	\$ 333,035	\$ -	-100.0%
Operating	261,851	287,657	308,024	288,945	-	-100.0%
Internal Transfers	-	137,332	137,332	-	-	-100.0%
Contribution to Reserves	-	87,792	87,792	252,286	-	-100.0%
Total	\$ 590,518	\$ 851,595	\$ 881,167	\$ 874,266	\$ -	-100.0%
Central Maintenance						
Personnel	\$ -	\$ -	\$ -	\$ -	\$ 627,978	N/A
Operating	-	-	-	-	558,517	N/A
Total	\$ -	\$ -	\$ -	\$ -	\$ 1,186,495	N/A
Central Office Cost Center						
Personnel	\$ 279,738	\$ 238,153	\$ 250,266	\$ 248,454	\$ 337,744	41.8%
Operating	97,692	120,920	110,922	101,181	198,531	64.2%
Contribution to Reserves	397,026	(96,679)	(96,679)	-	-	N/A
Total	\$ 774,456	\$ 262,394	\$ 264,509	\$ 349,635	\$ 536,275	104.4%
Total Expenses	\$ 1,899,552	\$ 1,932,334	\$ 1,967,828	\$ 1,962,134	\$ 1,722,770	-10.8%

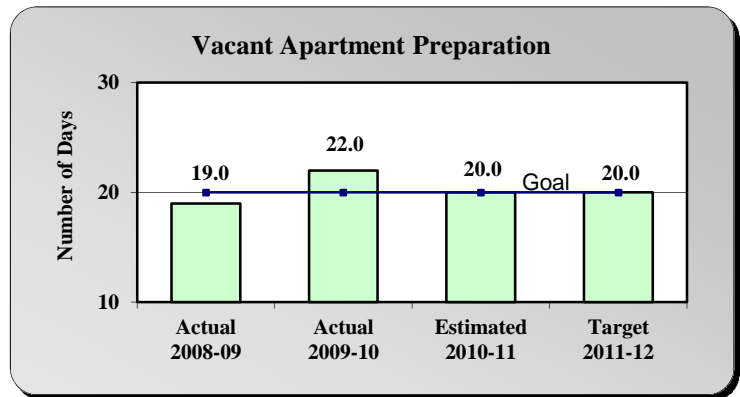
HOUSING TRENDS

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

GOAL : Maximize livable housing stock.

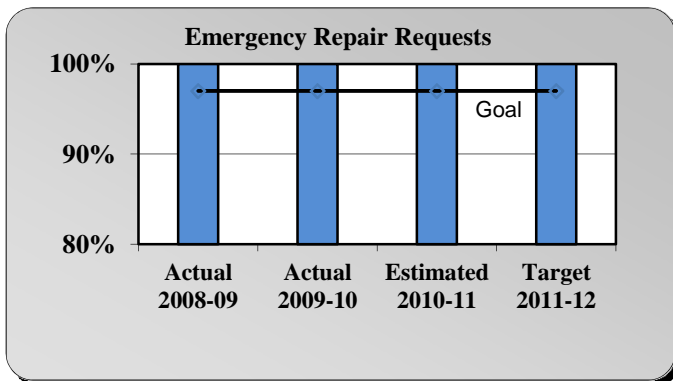
OBJECTIVE : Prepare vacant apartments for occupancy within 20 days.

In fiscal year 2010-11, the Housing Department achieved this goal, improving on the prior year's performance. The Housing Department will strive to achieve this goal again in fiscal year 2011-12.



GOAL : Maximize livable housing stock.

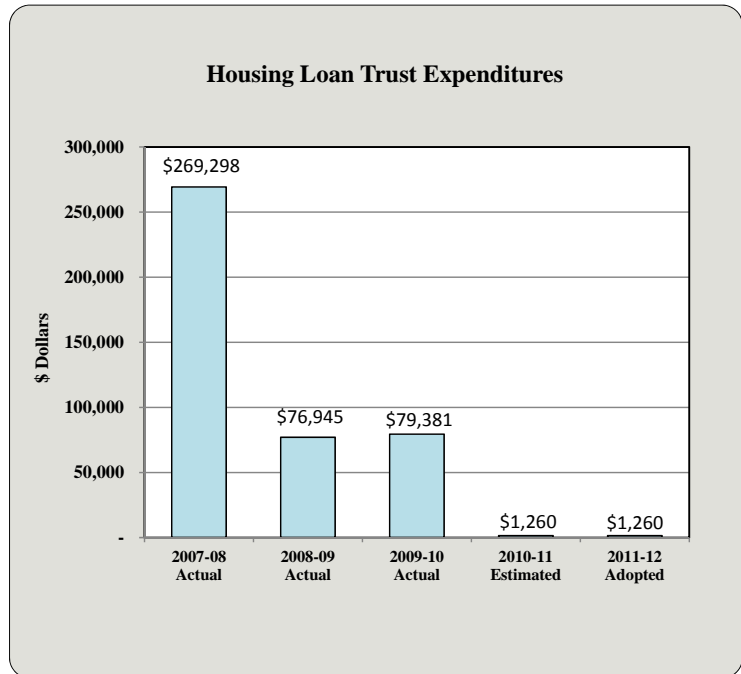
OBJECTIVE : Complete or abate 97% of emergency repairs within 24 hours.



In fiscal year 2010-11, the Housing Department completed or abated 100% of its 108 emergency repairs within 24 hours, following standards set forth by the Department of Housing and Urban Development.

HOUSING LOAN TRUST FUND

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 FUND BUDGET SUMMARY

The Housing Loan Trust Fund budget for 2010-11 was set to exhaust the remaining funds available for mortgage assistance programs and the Town's share of matching funds for the HOME program administered by Orange County. Activity in 2010-11 is estimated to leave a small balance available to appropriate for the FY2011-12 fiscal year.

EXPENDITURES

	2009-10 Actual	2010-11 Original Budget	2010-11 Revised Budget	2010-11 Estimated	2011-12 Adopted Budget	% Change from 2010-11
Other Expenses	\$ 525	\$ 1,260	\$ 1,260	\$ 1,260	\$ 1,260	0.0%
Grants/Deferred Loans	11,208	-	-	-	-	N/A
Contributions to Agencies: HOME Program Match	67,648	-	-	-	-	N/A
Total	\$ 79,381	\$ 1,260	\$ 1,260	\$ 1,260	\$ 1,260	0.0%

REVENUES

	2009-10 Actual	2010-11 Original Budget	2010-11 Revised Budget	2010-11 Estimated	2011-12 Adopted Budget	% Change from 2010-11
Interest Income	\$ 215	\$ 300	\$ 300	\$ -	\$ -	-100.0%
Program Income	42,000	-	-	-	-	N/A
Appropriated Fund Balance	37,166	960	960	1,260	1,260	31.3%
Total	\$ 79,381	\$ 1,260	\$ 1,260	\$ 1,260	\$ 1,260	0.0%

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 2007 project ordinance budgets a \$596,282 grant for rehabilitation of public housing, homeownership assistance, a comprehensive housing rehabilitation program for the Northside and Pine Knolls neighborhoods, neighborhood revitalization activities, and community services.

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.

