



2019

Public Housing Master Plan



Town of Chapel Hill



I. Introduction

Chapel Hill Public Housing Master Plan

The Town of Chapel Hill is focused on providing sanitary, safe, and affordable rental housing for the 820 people we serve in Chapel Hill today *and* assuring that these homes are here for decades to come — for lower income residents who want to live in Chapel Hill.

The purpose of the Chapel Hill Public Housing Master Plan is to create a sustainable strategy relative to the maintenance, development, and redevelopment potential of our public housing communities with identified financial resources. Consistent with this purpose is our mission to provide programs and services to help public housing residents improve basic life skills and increase their economic independence.

This document serves to summarize the findings and recommendations of the master planning process and is organized into three sections: Housing Preservation & Creation; Resident Programming and Engagement; and Core Functions and Organizational Structure.

Background

In an effort to better understand the status and state of each community, in 2016 residents were invited to share:

1. What they liked most about their neighborhood?
2. What they would like done differently?
3. What type of programming would they like to see offered in one of the public housing community spaces (South Estes, Airport Gardens, and Craig Gomains)?

Residents provided candid feedback about their communities, programming interests, and ideas for how to improve the quality of life in the Town's public housing communities. These conversations informed our thinking as we developed the Master Plan.

2. The Town and Public Housing: A snapshot

a. Community Profile

Town

Chapel Hill's population is nearly 60,000 (59,234 in 2017), with 20,564 households.ⁱ As a largely built-out town, Chapel Hill has experienced modest population growth of about 0.5% per year, with a total increase of nearly 5% since 2010. In 2015, about half of Chapel Hill's households were renters (51%).ⁱⁱ Approximately 42% of Chapel Hill's renter households and 24% of its owner households are one-person households. The average household size is 2.3. 27% of the population is non-White, including 13% who are Asian and 10% who are Black or African American.

Public Housing

Demographic Data Point	Town of Chapel Hill Public Housing	Town of Chapel Hill (2013-2017) [5]
# Households	296	20,564
# Residents	820	59,234
Average Household Size	3	2.35
% Female Head of Household (HH)	73.7%	53.4%
% of Population <18	45.3%	17.1%
% of Population 65+	16.78%	10.8%
Median Household Income (in 2017 dollars)	\$20,748	\$67,426
% of HH Earning < 30% AMI ¹	55.94%	32%
% of Adults with Disability	19.58%	7.2%

Chapel Hill's public housing population represents nearly 2% of the Town's population. As illustrated in the table below, public housing households tend to be larger, with a larger percentage of female head of households, children, seniors, and disabled populations. Median household income among public housing households is 29.8% of

¹ The **area median income** (AMI) is a statistic generated by the U.S. Department of Housing and Urban Development (HUD) for purposes of determining the eligibility of applicants for certain federal housing programs

the median for the Town and more than 50% of all households are extremely low income (<30% AMI).ⁱⁱⁱ

b. Housing Profile

Town of Chapel Hill

Chapel Hill’s housing inventory includes 21,685 housing units, including 306 public housing units located in Chapel Hill. Chapel Hill operates an additional 30 units located in the Oakwood community in Carrboro. One of Chapel Hill’s greatest challenges is affordability for lower income households. The area median income for our metropolitan area (Durham-Chapel Hill) is \$67,400^{iv}.

A major proportion of low income households in the area are cost burdened, meaning they pay more than 30% of their income on rent (\$6,066) – 83% of renters with incomes at or below 30% Area Median Income (AMI) (\$20,200) are cost burdened.

c. Assessment of Public Housing Apartments

The Town’s public housing portfolio includes 336 apartments in 13 properties. As of 15 March 2019, 11% of units are vacant, the majority being the 40 units at Trinity Ct. As shown in Table 1, 100% of the Town’s public housing was built in 1994 or earlier, with 54% built before 1978.

Property Name	# Units	Occupancy Rate %	Year Constructed
Airport Gardens	26	92.31 (2 of 26)	1972
Caldwell/Church Street	20	100	1986
Colony Woods West	30	96.67 (1 of 30)	1981
Craig Gomains	40	95 (2 of 40)	1967
Eastwood	32	100	1986
Lindsay Street	9	100	1967
North Columbia	11	90.91 (1 of 11)	1968
Oakwood	30	100	1984
Pritchard Park	15	100	1972

Property Name	# Units	Occupancy Rate %	Year Constructed
Rainbow Heights	24	91.67 (2 of 24)	1994
South Estes	44	95.45 (2 of 44)	1970
South Roberson	15	100	1972
Trinity	40	0	1975
Totals	336	89.4%	43 years avg. age of units

Table 1

The national average tenure for a public housing household is 4-6 years.^v The average tenure for residents is 14 years, with approximately 60% of Chapel Hill Public Housing households have lived in their unit for 10 years or more.

The tenure of our residents provides insight on why our waiting list tends to range from 1 to 3 years before an applicant moves into an apartment. There is limited tenant movement from our communities.

The Town’s public housing sites are located throughout Town. Currently, one half of Chapel Hill public housing sites are concentrated in or near downtown, and in the Northside neighborhood.

Cost of Maintenance

The Town’s existing multi-family portfolio is old, outdated, and expensive to maintain. Several of the appliances and fixtures are no longer produced so it is impossible to locate replacement parts. Since July of 2016, the Town has paid contractors an average of \$40,824 annually to assist in the maintenance of its roof repair, plumbing, electrical, heating and air conditioning, and concrete repair and/or replacement.

System	FY 17/18	FY 18/19
Plumbing	\$72,356	\$95,984
Electrical	\$34,338	\$52,742
Concrete repair	\$118,534	\$193,298

Roofing	\$1,245	\$243, 761
Pest Control	\$19,121	\$30,586
Heating & Air	\$10,151	\$17,856

These costs were associated with safety inspection, daily maintenance and occasional emergency repairs. To gain a better understanding of the condition of our units, we contracted with an engineering firm to conduct a comprehensive assessment for each of our properties. Our goal was to collect valuable and specific data that would assist in the development of long-range plan for our housing portfolio. A summary of the evaluation of each of our communities is below.

Community	Year Built	# of Units	Repair Costs	Avg. Cost per Unit
Airport Gardens	1972	26	\$1.34 M	\$51,500
Caldwell/Church	1986	20	\$0.64M	\$31,900
Colony Woods	1981	30	\$1.63 M	\$54,400
Craig Gomains	1967	40	\$1.62 M	\$40,500
Eastwood	1986	32	\$1.20 M	\$37,600
Lindsay Street	1967	9	\$0.50 M	\$55,800
North Columbia	1968	11	\$0.44 M	\$40,000
Oakwood	1984	30	\$1.15 M	\$38,300
Pritchard Park	1972	15	\$0.74 M	\$49,600
Rainbow Heights	1994	24	\$1.34 M	\$57,400
South Estes	1970	44	\$1.96 M	\$44,600
South Roberson	1972	15	\$0.65 M	\$43,000
Trinity Court	1975	40	\$1.44 M	\$36,000
Totals			\$14.65 M	

Strategy for Renovations

An engineering firm provided an estimate of repair costs for each apartment complex based on their inspection and the year the unit was built. The estimate provided a method for us to track costs for repairs and then to apply that to our replacement schedule for each community.

Recognizing that \$14,000,000 is the estimated cost for total renovations, it does not include relocation and property storage costs, we used this information to develop a strategy to plan renovations, redevelopment, and possible replacement of our public housing apartments that we could accomplish with minimal displacement of our residents.

a. Assessments

In order to move from anecdotal to empirical data about the physical condition of our portfolio, the Town of Chapel Hill undertook a two phase approach to evaluating the physical condition of its properties.

Phase I consisted of a 100% inspection of all public housing developments, performed in accordance with the United States Housing and Urban Development (US HUD) Real Estate Assessment Center (REAC) standards. The Town contracted a national firm that conducts REAC inspections of public housing units. The reports generated from these inspections were used in two ways; first, all critical or life safety issues were identified and immediately addressed in order to help ensure the safety of our residents. Second, the reports helped to inform a hierarchy of how to address repairs and renovations.



The reports also provided further support for our decision to relocate residents from the Trinity Court apartments.

The report identified structural deformities, mold, and compromised areas in the roofs in all four of the apartment buildings at Trinity Court.

As units became available in other neighborhoods, Trinity Court residents were relocated based on criteria of age, families with small children and residents with physical mobility issues. The last family was relocated in May of 2018 and the complex remains vacant.

Phase II involved a more technical evaluation of our units. The Town contracted with an engineering firm to conduct inspections and perform assessments of all major building systems in each apartment in our public housing communities. The assessment included inspections of structural conditions, electrical, plumbing, and HVAC systems, and all roofing. These inspections and reports helped us determine the lifespans of our major building components of our units. The assessments also identified serious deficiencies and provided cost estimates for replacement or repair of failing deteriorated systems.^{vi}

During **Phase II**, we worked with a student intern from the University of North Carolina's School of Social Work to collect information from residents through a survey administered on-line and in person. The survey was designed to assess resident satisfaction with and an understanding of the maintenance procedures employed in Chapel Hill Public Housing.



MAINTAINING & BUILDING COMMUNITY, TOGETHER

Findings from Maintenance of Public Housing Assessment Survey

Alex Lombardi

Social Work Intern, Town of Chapel Hill Department of Housing

The survey results, comments from residents gleaned during seven community outreach meetings, and the physical assessment reports were shared with our development consultants. Our consultants helped us evaluate the data received from the assessments and develop a plan for preserving our portfolio and creating new housing opportunities on our sites.

3. Action Plan

a. Principles

Chapel Hill Town Council has adopted a goal of adopting and supporting affordable housing programs, projects, and policies that increase our diversity in income, race, age, and lifestyle. We believe that the Town can continue its efforts to meet that goal by completing scheduled renovations, and implementing plans to redevelop some of our communities.

b. Asset Management

Asset management allows the Town to create a hierarchy of its Public Housing properties based on each individual community's property-focused budgeting, accounting, and management systems. In Chapel Hill, our properties are grouped into

two separate Asset Management Projects (AMPs) to reflect the cost of maintaining each separately. The Town receives funding based on the renovations needed for each AMP.

The annual operating subsidy the Town receives from HUD is granted based on a Five-Year Renovation Plan. The Five-Year Renovation Plan describes our mission, and our long-range goals and objectives for achieving the mission over a five-year period. In 2020 we will submit a new Five Year plan to HUD based on the Renovation Plan for each AMP created through this Master Planning process.

Strategy for Preservation (Renovations)

Asset Management Project (AMP I)^{vii}				
Community	1 to 3 year Objectives	Cost	3 to 5 year Objectives	Cost
Lindsay Street	Concrete Step Repair	\$27,000	Window replacement Heating/AC Railings and steps upgrade	\$30,000 \$40,500 \$70,500
North Columbia	Restoration of Fire Unit	\$87,976	Energy efficient window replacement	\$30,000
Pritchard Park	Electrical Upgrades Heating/AC Plumbing fixtures	\$22,500 \$67,500 \$66,000	Parking lot resurfacing Landscaping Appliances replacement	\$30,000 \$27,000 \$28,500
Airport Gardens	Plumbing Sewer system upgrades Landscaping	\$114,000 \$80,000 \$35,000	Siding Roofing Doors & Windows Light fixtures	\$276,000 \$67,600 \$112,000 \$7,800
Church Street	Exterior: Siding, roofing Windows, light fixtures, handicap ramps	\$98,000	Interior: cabinets, doors, light fixtures, plumbing, furnace	\$143,000
Totals For AMP I		\$597,976		\$862,900

Asset Management Property (AMP) II				
Community	1 to 3 year Objectives	Cost	3 to 5 year Objectives	Cost
S. Estes	Storm Water Assessment Study	\$300,000		
S. Roberson	Electrical Heating Plumbing Sewer	\$22,600 \$67,000 \$76,000 \$114,000	Parking Lot resurfacing Painting Interiors	\$156,000 \$75,000
Colony Woods	Parking Lot resurfacing Frontage upgrades	\$145,000 \$235,000	Interior renovations Appliances Upgrades	\$592,689 \$40,800
Eastwood	Cabinet renovations Appliance Upgrades	\$85,350 \$43,520	Parking lot resurfacing Community garden Playground upgrade	\$167,000 \$300,000 \$67,500
Oakwood	New Roofs Concrete repair	Completed 2018	Plumbing overhaul Directional signage	\$132,000 \$45,000
Rainbow Heights	New Roofs Concrete Repair	Completed 2018	Curbing Resurfacing parking lots Windows upgrades Light fixtures Handicap ramps	\$67,000 \$32,000 \$54,450 \$34,000 \$22,900
Totals for AMP II		\$1,088,470		\$1,786,339

The 1 to 3 year plan also includes:

- Signage upgrades for all neighborhoods (except North Columbia)
- Tree Assessment to identify dead or dying trees and the cost of their removal.
- Landscaping upgrades and community gardens where possible for all neighborhoods

- Enhancements (Paint, shelving, electrical upgrades, additional chairs/tables) for all community spaces (S. Estes Community Center; Airport Gardens, and 505 Craig Street)

c. RAD – Rental Assistance Demonstration Conversion

In 2012, Congress authorized the *Rental Assistance Demonstration (RAD)* to test a new way of meeting the large and growing capital improvement needs of the nation's aging public housing stock, as well as to preserve projects funded under HUD's "legacy" programs (Rental Supplement, Rental Assistance Payment, and Moderate Rehabilitation). Properties "convert" their assistance to long-term, project-based Section 8 contracts. These new contracts provide a more reliable source of operating subsidy that allow PHAs and owners to safely leverage private capital – typically debt and equity – in order to finance the property rehabilitation or replacement.

Current and future residents are provided a set of rights and protections, including consultation during the conversion process, the right to return to the property when repairs are completed, the right to organize and funding for organizing initiatives, and a right to move with tenant-based assistance if needed to move closer to a job, school, family, or other reason. Further, HUD requires that a public or non-profit entity must always maintain a controlling interest in the property. The Town is currently pursuing a RAD conversion for its Trinity Court and Craig Gomains properties. The proposal is a two phase operation which would allow a renovated Trinity Court to act as a relocation site for Craig Gomains residents while renovations take place in Craig Gomains.

4. Community Programming and Engagement

In addition to the physical condition and structure of our public housing buildings, our master planning also focuses on our residents, and the opportunities and interactions they have as Public Housing Residents. Community engagement seeks to better engage the community to achieve long-term and sustainable outcomes, processes, relationships, discourse, decision-making, or implementation.

Our vision is to help create plans and policies that emphasize the input of our community and meet the needs of our residents

Over the past year, our staff has been focused on:

1. Creating and sustaining an active informed Resident Leadership Council; and

2. Creating opportunities for our contractors to offer job skill training to our residents.

During our Master Plan community meetings, the Annual Plan Outreach meeting, and RAD information meetings held in December 2018 and January 2019, our residents identified additional programming that they would like to see in Chapel Hill Public Housing.

Resident Security / Neighborhood Watch program and training	Childcare or head start program
Drug and alcohol abuse prevention programs	Training and programs which could lead to home ownership
Special programs for seniors	Resident Newsletter (published monthly)
Business development	English as a Second Language (ESL)

We have met some of these objectives through Neighborhood Pop-up picnics where we fellowship with residents and invite several community non-profit groups to talk with our residents and share information.

Our monthly newsletter is a special part of our outreach and we seek to add more resident contributions in the near future.

We currently do not have dedicated staff to design, coordinate, evaluate, and promote these suggestions for program additions. However, we continue to look for internal and external partnership opportunities to develop plans to better respond to the interests of our residents.

We have partnered with local organizations to provide financial literacy programs and homeownership counseling for our residents. Based on feedback from program participants, we plan continue offering these programs and identify new opportunities to expand programming in these areas.

IV. Organizational Changes

Operational Excellence is defined as the point where each employee can see how their daily actions affect our residents. Our goal is for employees to be engaged with our residents and committed to improving the quality of life for our residents.

While it sounds simplistic, we mean that every employee in Public Housing should understand the importance of providing excellent customer service which includes responding to the concerns of our residents in a timely, professional, consistent and intentional manner. Our team would understand that, in their respective areas, they are encouraged to collaborate with each other to develop creative, consistent, and innovative initiatives and solutions to the challenges we face.

Once everyone can identify the normal and abnormal flow of activities involving our residents, we can progress towards creating more standard responses for abnormal situations. This means that staff working in maintenance or administration will know exactly what to do when things go wrong.

The end result is something we will identify as “self-correction”, which means that when the process breaks down somewhere in the operation, employees are able to identify where the break down occurred and next steps for correction without the need for management intervention.

This concept is consistent with the recent employee engagement survey results that showed Public Housing employees seek more autonomy in making decisions. Enhancing our processes and procedures will also allow a better quality control system for our daily work.

In order to successfully implement our plan for operational excellence, there must be a dedicated employee responsible and held accountable for each stage of our work-flow. There may be overlap of personnel for several processes; yet, each employee has to be able to report for each area of the work-flow that they are assigned.

Through brainstorming with staff and gathering feedback from our residents, we were able to identify specific functions within our operation that could be grouped together for better efficiencies and clarity. While not exhaustive, it will allow us to continue to

monitor our functions, processes, and make organizational changes as necessary to better meet the needs of our residents.

I. Applications & Recruitment

- a. Advertising & Recruitment
- b. Equity & inclusion
- c. Data points about applicants
- d. Liaison with community organizations

II. Policies & procedures

- a. Staff
- b. Residents
- c. Codification
- d. Comparison with Town, & HUD policies
- e. Document Management/Inventory

III. Procurement

- a. Bids
- b. Contract negotiation
- c. Vendor/contractor relations
- d. Purchase requisition
- e. Purchase orders
- f. Uniform guidelines
- g. Prevailing wage & Labor standards

IV. Fiscal responsibility

- a. Rent Collection
- b. Repayment agreements
- c. Flat Rate survey
- d. Uniformity
- e. Section 3 – job placement
- f. Community service agencies & placement

V. Resident safety & programming

- a. Trespass
- b. Resident council
- c. Lighting

- d. Training
- e. Fire safety
- f. Training

VI. Resident re-certifications

- a. Schedule & coordination
- b. Interpreters & translators
- c. Documentation

VII. HUD compliance & documentation

- a. EPIC (Energy Performance Information Center)
- b. PIC (Public and Indian Housing Information Center)
- c. Operating Subsidy
- d. Capital Grant Fund
- e. REAC (Real Estate Assessment Center)

VIII. Dispute Resolution

- a. Customer service
- b. Complaint tracking & analysis
- c. Grievance
- d. Mediation
- e. Neighborhood disputes

IX. Resident Leadership Team development

- a. Training
- b. Advertising
- c. Term, policy, and coordination
- d. Funding
- e. Grant availability

X. Unit transfers, move-outs, and reported damage to units

- a. Reasonable accommodation
- b. Waiting list
- c. Next Up list
- d. Applicant & Resident Prep for move
- e. New Tenant Orientation
- f. New Move in Welcome basket

XI. Development & Modernization

- a. Building Maintenance
- b. Building inspections
- c. Refurbishing
- d. Appliance replacement
- e. Capital improvement programs
- f. Project management
- g. New construction
- h. RAD (Rental Assistance Demonstration)

V. Conclusion

With our planned RAD Conversion for Trinity Court and Craig Gomains, renovations scheduled over the next 5 years, on-going community outreach and engagement; and organizational structural changes, we will be in a better position to establish each neighborhood as a separate entity and evaluate its individual assets and needs. In this manner, staff will be better equipped to meet those needs and replicate the areas that are working well.

The Public Housing Master Plan is a work in progress. Consistent evaluations and periodic quality review are required to make sure that our actions are consistent with this Plan. We believe that the specific, measurable, attainable, realistic, and timely goals established in the plan will help us better meet the needs of our residents.

Our public housing communities are an essential component of the Town's affordable housing program. The development and implementation of this Master Plan reinforces the Town's commitment to meet the Council's goal of Creating a Place for Everyone.

ⁱ 2013-17 American Community Survey 5-year Estimates

ⁱⁱ 2013-17 American Community Survey 5-year Estimates

ⁱⁱⁱ Fannie Mae Area Median Income Reports, 2017 and departmental records

^{iv} Fannie Mae Area Median Income Reports 2017

^v OECD Affordable Housing Database – <http://oe.cd/ahd>

^{vi} Bradley McClung, AIA, NCARB, Project Architect, Summit Design and Engineering Services

^{vii} AMP I includes: Lindsay, Craig/Gomains, N. Columbia, Trinity Court, Pritchard, Airport Gardens, Church/Caldwell
AMP II includes: South Estes, S. Roberson, Colony Woods, Eastwood, Oakwood, and Rainbow Heights