

01-26-2022 Town Council Meeting Responses to Council Questions

ITEM #11: Receive the Second Quarter Fiscal Year (FY) 2022 Affordable Housing and Public Housing Reports

Council Question:

I continue to be concerned about this policy of Emergency and Urgent Work Orders only in public housing. In the private sector, routine and preventative maintenance has continued in safe ways - what is the justification for not providing similar services to public housing residents?

Council Question:

Why are we still only doing emergency and urgent work orders only in our public housing?

Staff Response:

HUD provides guidance for all Public Housing Agencies on how to establish protocols during the COVID-19 pandemic to ensure the safety of staff and residents.

To minimize possible exposure or contraction of the virus and observing an increase in the number of residents (and staff) testing positive, Housing staff made the decision to respond to emergency work orders only.

While we are responding to emergency work orders only at this time, many of our "routine" categories have been upgraded due to weather, age of the residents, and potential for exacerbation:

- *No heat calls*
- *Light bulbs out in interior and exterior areas*
- *Leaks*
- *Clogged plumbing*

We continue to provide pest control, safety inspections, and respond to assess calls when it is not clear if it should be upgraded from a "routine" status.

We understand the Council's interest and we are evaluating how we can resume normal operations in a safe manner.

01-26-2022 Town Council Meeting Responses to Council Questions

Council Question:

Where are we on our affordable housing maintenance and repairs? What are the needs/upgrades of our Town owned affordable housing units? Costs associated?

Staff Response:

Housing and Urban Development (HUD) provides Capital Grants to Public Housing Agencies (PHA) to address build, renovate, and/or modernize the public housing in their communities.

Each five-year cycle, the agency submits a proposed budget for planned renovation and/or repair projects. Each agency has to obligate the funds within one year of receipt and fully expend within four years of receipt of the funds. Our work has been slowed by COVID and staffing shortages. However, we are on track to meet all expenditure time lines.

Our current funds remaining for expenditure are as follows:

<u>Grant Year</u>	<u>Amount Available</u>
2022	\$ 935,260
2021	853,218
2020	743,913
2019	280,002
2018	<u>9,456</u>
	<u>\$2,821,849</u>

Our current project list is as follows:

<i>HVAC System at Administrative offices needs replacement.</i>	<i>Identified during repair in 2020. Estimated Cost \$15,000</i>
<i>New software for the maintenance and management of our client files and unit portfolio</i>	<i>HAB/MRI (Our current provider) would not sign a new contract with us due to the Federal provisions required of all vendors we do business with. New Vendor: YARDI. Estimated cost \$19,824</i>
<i>Cameras for dumpster area and community centers to dissuade vandalism and illegal dumping</i>	<i>First bid received from S3NC is \$79,000. Will receive 2nd bid from vendor this Thursday (January 27, 2022).</i>

01-26-2022 Town Council Meeting Responses to Council Questions

Strategy for Preservation (Renovations) Asset Management Project (AMP I)				
Community	1-to-3-year Objectives	Cost	3-to-5-year Objectives	Cost
North	Restoration of Fire Unit	\$87,976	Energy efficient window	\$30,000
Columbia	(Completed)		replacement	
Pritchard Park	Electrical Upgrades	\$22,500	Parking lot resurfacing	\$30,000
	Heating/AC	\$67,500	Landscaping	\$27,000
	Plumbing fixtures	\$66,000	Appliance replacement	\$28,500
Church Street	Exterior:	\$98,000	Interior: cabinets, doors, light	\$143,000
	Siding, roofing		fixtures, plumbing, furnace	
	Windows, light fixtures,			
	handicap ramps			
Totals for AMP I		\$254,000		\$258,500

Strategy for Preservation (Renovations) Asset Management Project (AMP II)				
Community	1-to-3-year Objectives	Cost	3-to-5-year Objectives	Cost
S. Estes	Storm Water Assessment Study	\$300,000		
Colony Woods	Parking Lot resurfacing	\$145,000	Interior renovations	\$592,689
	Frontage upgrades	\$235,000	Appliances Upgrades	\$40,800
Oakwood	New Roofs	Completed	Plumbing overhaul	\$132,000
	Concrete repair		Playground Upgrade	\$45,000
			Directional signage	
Rainbow Heights	New Roofs	Completed	Curbing	\$67,000
	Concrete Repair		Resurfacing parking lots	\$32,000
			Windows upgrades	\$54,450
			Light fixtures	\$34,000
			Handicap ramps	\$22,900
Totals for AMP II		\$680,000		\$1,020,839

01-26-2022 Town Council Meeting Responses to Council Questions

Council Question:

What is the score/condition of our Town owned affordable housing units?

Staff Response:

Transitional Housing - Our portfolio of 21 transitional housing units are made up of single-family homes, townhomes, and condos scattered throughout town and are generally in good condition. The transitional program is designed to be self-sustaining with revenue generated from rent supporting maintenance and repair needs. However, as we have continued to acquire additional units and the units within our portfolio are aging, we have noted an increase in maintenance and repair costs. We are in the process of developing a long-term sustainability plan for our Transitional/Affordable Portfolio that will allow us to continue to be responsive to maintenance and repair needs and maintain our units in good condition over time.

Public Housing - Public Housing Agencies are evaluated according to the Public Housing Assessment System (PHAS) established by HUD and is based on the review of 4 categories:

1. Management
2. Physical
3. Capital Fund
4. Financial Condition

Chapel Hill’s current PHAS score is based on the **October 2019** Real Estate Assessment Center (REAC) inspection. **Due to COVID, there has not been a graded assessment since that time.** HUD did conduct a Habitability Inspection on July 27 and 29, 2021, however that was not a graded inspection. Public Housing maintains the **“Troubled”** status that was assigned from the October 2019 REAC inspection. We have taken many steps to improve our status for when the inspection process resumes.

<i>INDICATOR (our score)</i>	<i>HUD EVALUTION MEASURES</i>	<i>ACTIONS TAKEN TO IMPROVE SCORE</i>
Physical Condition <i>(19/40 points)</i>	<ul style="list-style-type: none"> ▪ Physical inspections 	<ul style="list-style-type: none"> ▪ Building improvements ▪ Repairs

01-26-2022 Town Council Meeting
Responses to Council Questions

<i>INDICATOR (our score)</i>	<i>HUD EVALUTION MEASURES</i>	<i>ACTIONS TAKEN TO IMPROVE SCORE</i>
Financial Condition <i>(25/25 points)</i>	<ul style="list-style-type: none"> ▪ <i>Management of funds</i> 	<ul style="list-style-type: none"> ▪ <i>Monitor and process all invoices to ensure they are paid within 30 days</i>
Management <i>(5/25 points)</i>	<ul style="list-style-type: none"> ▪ <i>Tenant Accounts Receivable</i> ▪ <i>Occupancy Rate</i> ▪ <i>Accounts Payable</i> 	<ul style="list-style-type: none"> ▪ <i>Account for reductions in rent due to loss of income during pandemic</i> ▪ <i>Offer timely rent payment incentives</i> ▪ <i>Maintain all payable accounts within current status; paid within 90 days</i>
Capital Fund <i>(5/10 points)</i>	<ul style="list-style-type: none"> ▪ <i>Obligation of HUD funds</i> ▪ <i>Occupancy Rate</i> 	<ul style="list-style-type: none"> ▪ <i>Obligate funds to specific projects – Create timeline to complete projects on time</i> ▪ <i>Decrease time units are vacant</i>