

Contract # 6962
From Munis Contract Entry

TOWN OF CHAPEL HILL ROUTING FORM *Amendment One*

Vendor/Contractor Name: U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT
Vendor # 27567

Document Name/Title: AMENDMENT TO RECOVERY AGREEMENT ACTION PLAN
Bid # (If applicable)

Department: Public Housing
Contact Person: Faith M. Brodie
Phone Number: 919.969.4985

Return To: Faith M. Brodie
Department: Public Housing

	Date Received	Date Forwarded	Initials
Department Head (Review & Approve)	2.28.22	2.28.22	FMB
Purchasing & Contracts Manager			
Finance Officer (Per Budget Act)			
Legal Review			
Deputy/Town Manager (If Required)			
Town Clerk (Attest, Date and Notarize)			
Purchasing & Contracts Mgr (Distribution and Mailing)			

Deadline for Signing: asap	G/L Account Number(s): n/a	Contract Dollar Amount(s): n/a
Special Distribution Instructions Originals emailed to Town Council, Mayor, and Town Manager	Notes/Explanation Office of Field Operations at the Greensboro Field Office of the Housing & Urban Development Department requesting a signed recovery agreement action plan amendment from the governing Board for Chapel Hill Hill Public Housing based on its Troubled Designation.	
Vendor Mailing Address/Telephone		

**STATE OF NORTH CAROLINA
COUNTY OF ORANGE**

**AMENDMENT ONE TO RECOVERY
AGREEMENT ACTION PLAN**

This Amendment One to the United States Department of Housing and Urban Development (HUD) Recovery Agreement Action Plan dated November 1, 2019, herein “original Contract”, by and between the Town of Chapel Hill, herein “Town”, and The United States Department of Housing and Urban Development (HUD) , herein “Contractor”, is made and entered as of the date set forth below.

Said Action Plan is hereby amended as follows:

The attached **Action Plan, Exhibit A**, will replace the Action Plan attached as Exhibit B and incorporated into the Recovery Agreement dated November 1, 2019.

Except as herein and as may be previously amended, all the terms and provisions of the original Contract are hereby reaffirmed and shall remain in full force and effect.

[SIGNATURES ON FOLLOWING PAGE.]

This **Amendment One to the Recovery Agreement Action Plan** dated November 1, 2019 is by and between the Town of Chapel Hill and the United States Department of Housing and Urban Development (HUD).

IN WITNESS WHEREOF, the parties hereto cause this agreement to be executed in their respective names.

United States Department of Housing and Urban Development

SIGNATURE

PRINTED NAME & TITLE

WITNESS

PRINTED NAME & TITLE

TOWN OF CHAPEL HILL

Faith M. Brodie

~~DEPARTMENT HEAD/EXECUTIVE DIRECTOR OR DEPUTY/TOWN MANAGER~~

Faith M. Brodie, Public Housing Director

PRINTED NAME & DEPARTMENT

ATTEST BY TOWN CLERK:

TOWN CLERK

TOWN SEAL

Town Clerk attests date this the _____ day of _____, 20____.

Approved as to Form and Authorization

ATTORNEY FOR TOWN

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

FINANCE OFFICER

DATE



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Greensboro Field Office
Office of Public Housing
1500 Pinecroft Road, Suite 401, Asheville Building
Greensboro, North Carolina 27407-3838
336-547-4000
www.hud.gov • espanol.hud.gov

January 31, 2022

Board of Commissioners
c/o Honorable Pam Hemminger, Chair
Town of Chapel Hill
Department of Housing
405 Martin Luther King Jr. Blvd.
Chapel Hill, NC 27514

Re: Recovery Agreement Amended Action Plan

Dear Commissioners:

A Recovery Agreement and Action Plan, dated November 1, 2019, was executed between the Town of Chapel Hill Department of Housing (PHA), the Town of Chapel Hill, Chapel Hill, North Carolina, and the United States Department of Housing and Urban Development (HUD) because of a designation of Troubled by HUD's Real Estate Assessment Center ("REAC") for the fiscal year ending June 30, 2018.

This purpose of this letter is to transmit the amended Action Plan, Exhibit A, to the Recovery Agreement. The parties mutually agree that that the Recovery Agreement entered into between the PHA, the Town of Chapel Hill, and HUD, dated November 1, 2019, shall be amended in the following manner:

The attached Action Plan, Exhibit A, to this transmittal letter will replace the Action Plan attached as Exhibit A and incorporated into the Recovery Agreement dated November 1, 2019.

The Recovery Agreement is a binding contract required by federal statute that delineates performance outcomes, timelines, and reporting requirements that must be strictly adhered to. It also specifies remedies to achieve agreed-upon levels of performance. The results must be evident in applicable Office of Public and Indian Housing (PIH) computer systems such as Electronic Line of Credit Control System (eLOCCS), Inventory Management/Public Housing Information Center (IMS/PIC), etc., documentation provided to PIH as noted in the Action Plan, and the PHA's Audit Reports. Among other requirements, the Agreement includes recovery benchmarks in accordance with statutory requirements, implemented by regulations found at 24 CFR §902.75(d). Specifically, the PHA must meet two sequential benchmarks after being designated Troubled: 1) a 50% recovery of the Troubled PHAS score for the period ending June 30, 2022 – that is to say, a minimum PHAS score for that period of 55 and 2) Sustain a full recovery to a PHAS score of 60 or higher for the period ending June 30, 2023.

HUD's mission is to create strong, sustainable, inclusive communities and quality, affordable homes for all.

The first periodic progress report must be received by HUD no later than March 31, 2022 and must continue quarterly thereafter for the duration of the Agreement. Failure to comply with HUD requirements and its Annual Contributions Contract under the United States Housing Act of 1937, as amended, shall constitute a default under the Agreement and shall be a basis for a determination of substantial default by HUD under section 6(j)(3)(A) of the Act.

We look forward to working with the PHA and TCH to recover and achieve sustainable performance. If you have any questions about the Recovery Agreement and Action Plan, please contact Angela Strong, Portfolio Management Specialist at Angela.T.Strong@hud.gov or (336) 851-8089. Thank you for your ongoing assistance in this matter.

Sincerely,



Raquel K. Hardin
Acting Director, Office of Public Housing
Office of Field Operations
U.S. Department of Housing and Urban Development

Enclosure

cc:

Ms. Karen Stegman, Mayor pro tem, Vice-Chair
Email: kstegman@townofchapelhill.org
Town of Chapel Hill Department of Housing
405 Martin Luther King Jr. Blvd.
Chapel Hill, NC 27514

Mr. Michael Parker, Commissioner
Email: mparker@townofchapelhill.org
Town of Chapel Hill Department of Housing
405 Martin Luther King Jr. Blvd.
Chapel Hill, NC 27514

Ms. Jessica Anderson, Commissioner
Email: janderson@townofchapelhill.org
Town of Chapel Hill Department of Housing
405 Martin Luther King Jr. Blvd.
Chapel Hill, NC 27514

Mr. Tai Huynh, Commissioner
Email: thuynh@townofchapelhill.org
Town of Chapel Hill Department of Housing
405 Martin Luther King Jr. Blvd.
Chapel Hill, NC 27514

Ms. Amy Ryan, Commissioner
Email: aryan@townofchapelhill.org
Town of Chapel Hill Department of Housing
405 Martin Luther King Jr. Blvd.
Chapel Hill, NC 27514

Mr. Adam Searing, Commissioner
Email: Asearing@townofchapelhill.org
Town of Chapel Hill Department of Housing
405 Martin Luther King Jr. Blvd.
Chapel Hill, NC 27514

Ms. Paris Miller Foushee, Commissioner
Email: Pmillerfoushee@townofchapelhill.org
Town of Chapel Hill Department of Housing
405 Martin Luther King Jr. Blvd.
Chapel Hill, NC 27514

Ms. Camille Berry, Commissioner
Email: Cberry@townofchapelhill.org
Town of Chapel Hill Department of Housing
405 Martin Luther King Jr. Blvd.
Chapel Hill, NC 27514

Ms. Faith Brodie, Executive Director
Email: fbrodie@townofchapelhill.org
Town of Chapel Hill Department of Housing
317 Caldwell Street Extension
Chapel Hill, NC 27516

Recovery Agreement Amendment #1
between
the Town of Chapel Hill Department of Housing
And
the United States Department of Housing and Urban Development
And
the Town of Chapel Hill

The parties mutually agree that the Recovery Agreement entered into between the Town of Chapel Hill Department of Housing ("PHA"), the UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ("HUD") and the Town of Chapel Hill ("TCH") dated November 1, 2019, shall be amended in the following manner:

The attached Action Plan, Exhibit A to this Recovery Agreement Amendment #1, will replace the Action Plan attached as Exhibit A and incorporated into the Recovery Agreement dated November 1, 2019.

IN WITNESS WHEREOF, the parties or their duly authorized representatives hereby execute this Agreement on the date first written above.

UNITED STATES DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

By: _____
Shelia M. Hester
Acting Director, Office of Public Housing
Greensboro Field Office

Town of Chapel Hill Department of Housing
ATTEST: BY ITS BOARD OF
COMMISSIONERS

By: _____
Pam Hemminger, Mayor
Board Chair
Town of Chapel Hill Department of Housing

By: *Faith M. Brodie*
Faith Brodie
Executive Director
Town of Chapel Hill Department of Housing



By:

Maurice Jones
Town Manager
Town of Chapel Hill



**SIGN
HERE**



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Greensboro Field Office
Office of Public Housing
1500 Pinecroft Road, Suite 401, Asheville Building
Greensboro, North Carolina 27407-3838
336-547-4000
www.hud.gov • espanol.hud.gov

NOV 01 2019

Board of Commissioners
c/o Honorable Pam Hemminger, Chair
Town of Chapel Hill
Department of Housing
405 Martin Luther King Jr. Blvd.
Chapel Hill, NC 27514

Re: Final Recovery Agreement and Action Plan

Dear Commissioners:

This purpose of this letter is to transmit the final Recovery Agreement and Action Plan executed between the Town of Chapel Hill Department of Housing (PHA), the Town of Chapel Hill (TCH), Chapel Hill, North Carolina, and the United States Department of Housing and Urban Development (HUD), because of a designation of Troubled by HUD's Real Estate Assessment Center ("REAC") for the fiscal year ending June 30, 2018. Thank you for your cooperation in negotiating the terms of the Agreement.

The Recovery Agreement and Action Plan is a binding contract required by federal statute that delineates performance outcomes, timelines, and reporting requirements that must be strictly adhered to. It also specifies remedies to achieve agreed-upon levels of performance. Your first periodic report must be received by HUD no later than January 6, 2020. However, please submit a response to Action Plan Item Numbers P002 and P002-A within 10 days of the date of this letter.

One of the terms of the Recovery Agreement may require the PHA and TCH to engage residents and other community stakeholders to develop a Sustainability Plan that identifies place-based solutions, steps, and resources to support the agency's recovery. You will be contacted by a HUD team member to assist you in initiating the process to develop a Sustainability Plan.

We look forward to working with the PHA and the TCH to recover and achieve sustainable performance. If you have any questions about the Recovery Agreement and Action Plan, please contact Angela Strong, Portfolio Management Specialist at Angela.T.Strong@hud.gov or (336) 851-8089. Thank you for your ongoing assistance in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Kyles".

Courtney N. Kyles
Director, Office of Public Housing
Office of Field Operations
U.S. Department of Housing and Urban Development

Enclosures

HUD's mission is to create strong, sustainable, inclusive communities and quality, affordable homes for all.

ccs:

Ms. Jessica Anderson, Mayor pro tem, Commissioner
Town of Chapel Hill Department of Housing
101 Eastridge Place
Chapel Hill, NC 27516

Ms. Donna Bell, Commissioner
Town of Chapel Hill Department of Housing
611 Craig St.
Chapel Hill, NC 27516

Mr. Allen Buansi, Commissioner
Town of Chapel Hill Department of Housing
305 Copperline Drive, #V
Chapel Hill, NC 27516

Ms. Hongbin Gu, Commissioner
Town of Chapel Hill Department of Housing
113 Parkridge Ave.
Chapel Hill, NC 27517

Ms. Nancy Oates, Commissioner
Town of Chapel Hill Department of Housing
101 Windemere Crossing
Chapel Hill, NC 27516

Ms. Rachel Schaevitz, Commissioner
Town of Chapel Hill Department of Housing
101 Braswell Ct.
Chapel Hill, NC 27516

Mr. Michael Parker, Commissioner
Town of Chapel Hill Department of Housing
601 W. Rosemary St. Unit 311
Chapel Hill, NC 27516

Ms. Karen Stegman, Commissioner
Town of Chapel Hill Department of Housing
2525 Buxton Ct.
Chapel Hill, NC 27514

Ms. Faith Brodie, Executive Director
Town of Chapel Hill Department of Housing
317 Caldwell Street Extension
Chapel Hill, NC 27516

Recovery Agreement between
Town of Chapel Hill Department of Housing
And
the United States Department of Housing and Urban Development
And
the Town of Chapel Hill

This Recovery Agreement is entered into between the Town of Chapel Hill Department of Housing (PHA), the UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ("HUD") and the Town of Chapel Hill (TCH) as of this 1st day of November, 2019.

RECITALS

WHEREAS, under the United States Housing Act of 1937, as amended, ("Act"), 42 U.S.C. § 1437 *et seq.*, the United States Department of Housing and Urban Development ("HUD") is responsible for administering low income housing programs, and pursuant to the Act, HUD has entered into an Annual Contributions Contract ("ACC") with the PHA to develop and operate public housing projects of the PHA; and

WHEREAS, pursuant to the Act, HUD must evaluate public housing performance and has instituted the Public Housing Assessment System ("PHAS"); and

WHEREAS, on the basis of an annual PHAS score, the PHA has been designated Troubled or Substandard for financial, physical and/or management indicators, or other such deficiencies as HUD has identified; and

WHEREAS, the Act requires HUD to enter into agreements that establish performance targets, set out strategies for meeting targets, provide for incentives and sanctions for effective implementation of the strategies leading to recovery of performance and attain an improved status of at least a Standard Performer; and

WHEREAS, the recovery of performance is intended to lead to a sustainable sound fiscal management and good governance; and

WHEREAS, the parties desire to correct all HUD-identified deficiencies through the implementation of this Recovery Agreement, ("Agreement");

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, HUD, the PHA and the TCH agree as follows:

- I. The PHA agrees to achieve the outcomes outlined in the Action Plan and incorporated into this Agreement as Exhibit A.
- II. The PHA and the TCH agree to work together to develop and implement a Sustainability Plan if necessary to achieve recovery.

- III. The Action Plan describes the results following HUD's review and assessments of PHA performance, the measures that need to be implemented to improve the performance and the desired outcomes to be achieved and establishes a timetable to achieve those outcomes. The Action Plan also identifies the available remedies to resolve HUD's determination of non-performance.
- IV. Upon execution of the Agreement, the PHA will commence with the required actions listed in the Plan within the timeframes set forth therein.
- V. The PHA will cure identified deficiencies within the timeframes established in the Action Plan.
- VI. Subject to section XII, regardless of possible changes in the PHA's Board composition, or the decision-making individuals for HUD or the TCH, the term of this Agreement is effective as of the execution date of this document and will continue until completion of the Action Plan in accordance with 6(j) (2) and (3) of the Act, and any agreed upon extensions. This Agreement will remain in effect until the PHA has completed all items listed in the Plan, even if HUD removes the PHA's troubled/substandard designation.
- VII. HUD, in its discretion, may provide technical assistance, including training or contract support, to the PHA to facilitate accomplishment of the items in the Action Plan. The PHA's compliance with the Action Plan, however, shall not be contingent on HUD's provision of any technical assistance or other discretionary assistance.
- VIII. The PHA shall provide HUD with written progress reports as identified in the Action Plan. The report shall detail the PHA's progress towards the completion of the items required by the Action Plan. The reports shall identify those items that have been completed and provide any necessary documentation to support this determination.
- IX. HUD will review the Action Plan progress reports submitted by the PHA and supporting documentation. HUD will confirm in writing to the PHA the items that HUD determines to have been successfully completed, those that require additional documentation and those that are past due.
- X. If the PHA disagrees with HUD's determination concerning the completion of any item, the PHA may request a reconsideration of the determination and submit additional information to support its position. HUD will provide the PHA with a written notice of its decision.
- XI. The failure of the PHA, its employees, officers, agents, or contractors to comply with this Agreement, including the failure to achieve the agreed upon outcomes or to take the actions or comply with the time frame set forth in the Action Plan, may result in HUD seeking any available remedies, including any of the following actions sequentially or simultaneously:

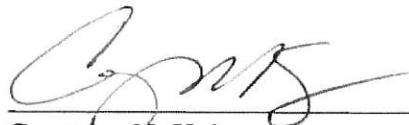
- a. Consolidation;
 - b. Consortia/Joint Venture;
 - c. Contraction of Operational Activities;
 - d. Cooperative Endeavor Agreement;
 - e. Debarment;
 - f. Deliver possession and control of project(s) to HUD;
 - g. Limited Denial of Participation;
 - h. Receivership; and/or
 - i. Suspension.
- XII. The parties by mutual written agreement may agree to extend the timeframes set forth in the Action Plan from time to time. In the event said timeframes are extended, HUD agrees that it will not take any of the actions against the PHA as set forth in this section of the Agreement for noncompliance with original timeframes.
- XIII. Communication related to the Recovery Agreement and Action Plan shall be provided to the Public Housing Director and the HUD Recovery Team leader, if applicable.
- XIV. HUD, the PHA and their employees, subcontractors, partners or assigns, and the TCH shall comply with all applicable federal, state, and local laws and regulations relating to the performance of this Agreement to which their activities are subject.
- XV. Notwithstanding any provisions of this Agreement to the contrary, the parties shall not be held liable for any failure or delay in the performance of this Agreement that arises from fires, floods, strikes, embargoes, acts of the public enemy, unusually severe weather, outbreak of war, riots, civil commotion, force majeure, acts of God, or for any other cause of same character which is unavoidable through the exercise of due care and beyond the control of the parties, provided that said failure or delay in the performance of this Agreement attributed to any of the events described herein is acknowledged in writing by HUD. Upon the issuance of HUD's written acknowledgement, the failure to perform shall be deemed excused during the continuance of such circumstances as determined by HUD, but this Agreement shall otherwise remain in effect.
- XVI. In the event of any conflict between terms in this Agreement, including all exhibits, attachments and all other documents specifically incorporated by reference, and HUD's applicable Public Housing requirements including, but not limited to, the Act, HUD regulations there under (and, to the extent applicable, any HUD-approved waivers of regulatory requirements), the ACC, HUD notices, the HUD-approved Declaration of Trust or Declaration of Restrictive Covenants in favor of HUD, and all applicable Federal statutory, executive order and regulatory requirements, as those requirements may be amended from time to time, the applicable Public Housing requirements shall prevail. HUD reserves the right to resolve any conflict.

- XVII. Any modification or amendment of any condition or provision in this Agreement by either party will not imply or constitute a further modification or amendment of the same or any other condition or provision, nor shall it relieve the parties from performing any subsequent obligations strictly in accordance with the term of this Agreement. No modification or amendment shall be effective unless in writing and signed by the party against whom enforcement is sought. Such modification or amendment shall be limited to provisions of this Agreement specifically referred to therein and shall not be deemed a modification or amendment of any other provision. No modification or amendment of this Agreement shall constitute a HUD-approved waiver of regulatory requirements.
- XVIII. Should any term or provision of this Agreement be held, to any extent invalid or unenforceable, as against any person, entity or circumstance during the term hereof, by force of any statute, law, or ruling of any forum of competent jurisdiction, such invalidity shall not affect any other term or provision of this Agreement to the extent that the Agreement shall remain operable, enforceable and in full force and effect to the extent permitted by law.
- XIX. To the extent authorized by the Act and HUD regulations, HUD can unilaterally amend this Agreement. Otherwise, this agreement may be amended by mutual agreement of the parties.
- XX. This Agreement states the entire understanding and agreement between the parties and supersedes any and all written or oral representations, statements, negotiations, or agreements previously existing between the parties with respect to the subject matter of this Agreement. However, this Agreement does not supersede, modify or amend the ACC as further described in Paragraph XXII. The parties recognize that any representations, statements or negotiations made by the staff of either party does not suffice to legally bind either party in a contractual relationship unless they have been reduced to writing and signed by their authorized representative(s). This Agreement shall inure to the benefit of and shall be binding upon the parties, their respective assigns, and successors in interest.
- XXI. This Agreement may be executed and delivered in separate counterparts, which, when so executed and delivered, shall be deemed an original.
- XXII. This Agreement does not supersede, modify or amend the ACC between HUD and the PHA, or in any way excuse the PHA from complying fully with its obligations under the ACC. HUD does not waive its statutory, regulatory or contractual rights. Nothing contained in this Agreement shall serve to limit, modify or preclude HUD's right to take any remedial action allowed by the ACC or any provision of the Act or related regulations. Nothing contained in this Agreement shall serve to limit, modify or preclude HUD or the PHA's right to take any remedial action allowed by the Agreement.
- XXIII. The parties agree that any cost associated with the implementation of this Agreement, the Action Plan and the Sustainability Plan shall be their individual responsibility unless specifically agreed in writing between the parties.

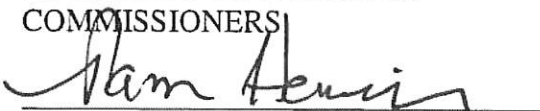
XXIV. The TCH, through its Appointing Authority, acknowledges the importance of effective governance as part of the recovery and sustainability of the PHA. As a signatory of this Agreement, the TCH commits to oversee and monitor its duly appointed agents, the appointees to the PHA Governing Board, in the discharge of their duties. Upon the discovery of any failure of the PHA Board to discharge its duties under this Agreement, the TCH will take all necessary steps to correct the Board's actions or omissions and ensure compliance with the terms of this Agreement.

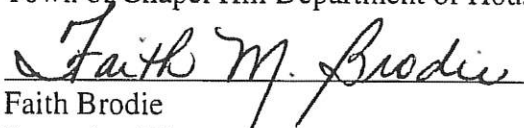
IN WITNESS WHEREOF, the parties or their duly authorized representatives hereby execute this Agreement on the date first written above.

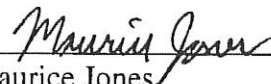
UNITED STATES DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

By: 
Courtney N. Kyles
Director, Office of Public Housing
Greensboro Field Office

Town of Chapel Hill Department of Housing
ATTEST: BY ITS BOARD OF
COMMISSIONERS

By: 
Pam Hemminger, Mayor
Board Chair
Town of Chapel Hill Department of Housing

By: 
Faith Brodie
Executive Director
Town of Chapel Hill Department of Housing

By: 
Maurice Jones
Town Manager
Town of Chapel Hill

Performance Standards	
General	The Performance Standards section identifies the outcomes to which the PHA will be held accountable for achieving. The outcomes must include any statutory and regulatory recovery requirements under 6(j) of the Housing Act and the PHAS Interim Rule. In addition, it may include other key performance areas necessary for the long-term sustainability of the PHA. Once executed, this section of the Recovery Agreement Action Plan may be modified only in accordance with Section XIX of the Recovery Agreement.
Results & Determinations	The results and determinations (R&D) from the assessment that are impacting the PHA's performance. Multiple R&Ds may be aggregated into one performance metric
Desired Outcome	The level of performance (readiness, willingness, ability and ethics) of the PHA necessary to ensure the sustainable recovery of the PHA.
Baseline Data or PHAS Score	Metrics (in most cases, the PHAS indicator or sub-indicators) that reflect achievement of the performance area identified in the Desired Outcome at the time the PHA entered "Troubled" status.
Required Score or Measurement	Metrics (in most cases, the PHAS indicator or sub-indicators) that will be used to measure whether the PHA has achieved the Desired Outcome. These metrics must match the baseline data metrics.
Target Accomplishment Date	The date by which a PHA shall achieve a Desired Outcome, as evidenced by the identified metric. In the case of metrics based on the PHAS indicator or sub-indicators, the target date should be tied to the release of a FYE score (e.g., 12/31/2020 release) rather than an actual date.
Actual Accomplishment Date	The date (or score release) where a PHA achieves the Desired Outcome as evidenced by the identified metric.
Remedies	Specific actions that HUD and the PHA agree will be taken in the case that a PHA fails to achieve a Desired Outcome (as evidenced by the identified metric) within the target accomplishment date; or, in the case of an incentive, incentives that will be available to a PHA upon achieving a Desired Outcome (as evidenced by the identified metric) within the target accomplishment date. Failure to implement an agreed-upon remedy by a PHA when a Desired Outcome is not met is a default of the Recovery Agreement.

Action Items	
General	The Action Items section identifies the actions the PHA commits to make in order to progress toward the achievement of the Desired Outcomes identified in the Performance Standards section of this document. At the outset of the agreement, the PHA, in conjunction with technical assistance by HUD, should establish initial steps that the PHA will take to begin the recovery process. The Action Items section should be updated each reporting period, with the PHA (1) verifying whether an action was completed within the reporting period, and (2) establishing additional actions that need to be taken to achieve the Desired Outcomes. HUD will not implement a remedy for failure to achieve an action within the targeted time period; however, the Action Items section of the Action Plan will be a part of the administrative record in the case that HUD takes an administrative action.
Targeted Performance Item	The Item Number from the Performance Standards section that references the Desired Outcome to be targeted.
Action	An action the PHA will take to work towards a Desired Outcome within the Performance Standards section of the Action Plan. The PHA is responsible for developing its plan of action and can request feedback or technical assistance from HUD.
Initial Reporting Period	The first reporting period in which an action is established.
Target Date	The date by which an action will be completed. A reporting period date may be used rather than a specific date (e.g., if an action is projected to be completed within a month or quarter, the target date may reference the next reporting period date). An action item may span more than one reporting period, but if multiple steps are required to achieve an action (e.g., if the PHA must do certain tasks before completing a larger task (such as a RAD conversion)), then the PHA should break the action item into multiple items to allow for monitoring of progress.
Actual Date	The date by which an action is completed. A reporting period date may be used rather than a specific date.
Comments	Additional information relevant to the PHA's completion of action items.

Amended Action Plan—Exhibit A to the Recovery Agreement between the Town of Chapel Hill Department of Housing and HUD

Item Number	Results and Determinations from Assessment	Desired Outcome	Performance Measurement		Target Accomplishment Date	Actual Accomplishment Date	Remedies
			Baseline Data or PHAS Score as of FYE 2018	Required Score or Measurement			
AREA: GOVERNANCE, PHAS SUBSTANTIAL IMPROVEMENT & RECOVERY							
G-1	The Town of Chapel Hill Department of Housing's (CHDH) governance has been ineffective in maintaining CHDH performance at an acceptable level, leading to failing performance in PHAS and a designation as troubled.	By the next PHAS assessment that is at least 12 months after the initial notice of the troubled performer designation, improve performance by at least 50 percent of the difference between the initial PHAS assessment score that led to the troubled performer status and the score necessary to remove the PHA's designation as a troubled performer.	Overall PHAS Score: 50 out of 100 Financial Indicator: 25 out of 25 Management Indicator: 1 out of 25 Physical Indicator: 19 out of 40 Capital Fund Indicator: 5 out of 10	PHAS: 55	The PHAS assessment released by HUD for the first Fiscal Year End date that is 6/30/2022 or later (subject to a waiver that affects substantial improvement and recovery timelines).		Failure to achieve an improvement of at least 50 percent of the difference between the initial PHAS assessment score and the score necessary to remove the PHA's designation as a troubled performer will result in a referral to the Assistant Secretary to determine such remedial actions, consistent with the provisions of the ACC and other HUD regulations, including, but not limited to, remedies available for substantial default.
		By the next PHAS assessment that is at least 24 months after the initial notice of the troubled performer designation, improve performance and achieve an overall PHAS score of at least 60.		PHAS: 60			
G-2	Poor oversight and management has resulted in deteriorated performance, which will require changes in the way the Town Manager, Town Council (Board), ED and CHDH leadership team, and staff operate in order to recover and maintain that recovery.	The CHDH develops and adopts a Sustainability Plan that effectively identifies steps that the CHDH will take to improve and sustain performance on an ongoing basis.	N/A	A Board-adopted Sustainability Plan	6 months from the execution of this agreement		If a Sustainability Plan is not approved and adopted by the Board, the Board will hire a technical assistance provider or consultant to develop the Sustainability Plan.
AREA: MANAGEMENT							
M-1	The CHDH's ED and leadership team did not manage the CHDH programs with respect to performance, as evidenced by the CHDH's failure to maintain occupancy at an acceptable rate.	The CHDH's ED and leadership team are ready and able to manage the programs with respect to performance, as evidenced by an increased occupancy rate.	FYE 6/30/2018 Occupancy: 93% Occupancy is calculated based on FDS Unit Months Leased divided by Unit Months Available	FDS Occupancy: 96% or greater	The approved unaudited and approved audited FDS submission for the first Fiscal Year End date that is 6/30/2022 or later		If the CHDH is unable to improve the property management, the Board agrees to solicit a management agent to operate the CHDH within 6 months from release of the failing measurement.
AREA: PHYSICAL							
P-1	The CHDH's ED and leadership team did not effectively manage or maintain the scattered site properties and many of the buildings and systems are approaching the end of their useful life, as evidenced by their low PASS scores.	The CHDH's Executive Director and leadership team are ready and able to effectively manage and maintain the scattered site properties, as evidenced by improved, passing PASS scores.	AMP 1: UPCS 53/100 AMP 2: UPCS 42/100	Overall PASS score of at least 24/40	The PHAS assessment released by HUD for the first Fiscal Year End date that is 6/30/2022 or later		If the CHDH is unable to improve the physical condition of its portfolio, the Board agrees to reposition its scattered site inventory.

Amended Action Plan—Exhibit A to the Recovery Agreement between the Town of Chapel Hill Department of Housing and HUD

Item Number	Results and Determinations from Assessment	Desired Outcome	Performance Measurement		Target Accomplishment Date	Actual Accomplishment Date	Remedies
			Baseline Data or PHAS Score as of FYE 2018	Required Score or Measurement			
AREA: CAPITAL FUND							
CF-1	The CHDH's ED and leadership team did not monitor or manage the Capital Fund (CFP) and procurement process, as evidenced by the 9j violation of CFP Obligation and the lack of a Management Plan, Capital Fund Plan, and Energy Audit/Physical Needs Assessments (PNA).	The CHDH's ED and leadership team is ready and able to manage the CFP and procurement process. The CHDH will report on a monthly basis in LOCCS for all of its grants on its obligation end date, or on the extended obligation end date, for all open Capital Fund program grants that have obligation end dates during the assessed fiscal year and does not have any grants that have been sanctioned pursuant to § 9(j) of the 1937 Act during the assessed fiscal year.	Timeliness of Fund Obligation Rate - 0/5 for NC19P095501-16 grant and above.	Timeliness of Fund Obligation Rate - 5/5	The PHAS assessment released by HUD for the first Fiscal Year End date that is 6/30/2022 or later (subject to a waiver that affects substantial improvement and recovery timelines).		If the CHDH is unable to improve the timeliness of fund obligation and expenditure, HUD will place the agency in default of the recovery agreement, and the CHDH will be subject to automatic review of all LOCCS drawdowns by HUD FO staff, and will be required to provide supporting documentation prior to each transaction.
AREA: REPOSITIONING							
R-1	The CHDH's public housing stock is aging, and many of the building systems have reached the end of their useful life. The PHA has not historically kept up with needed capital repairs. PHA has submitted a RAD application for Trinity Court (40 units) under AMP 1 and has an approved CHAP but has not submitted a financing plan.	The CHDH's ED and leadership team is ready and able to complete the RAD process and close on Trinity Court (40 units) under AMP 1.	Trinity Courts continues to negatively affect the CHDH's PASS score. CHDH withdrew the original RAD CHAP awarded on 9/18/2018. An amended CHAP for Trinity Court (40 units) under AMP 1 was issued on 3/29/2021. The Board contracted with Community Housing Partners during March 2021 for RAD repositioning assistance. The financing plan is due to HUD by 6/30/2022.	The CHDH prepares and submits an approvable financing plan for Trinity Courts (40 units) under AMP 1.	6/30/2022		If the CHDH fails to submit an approvable financing plan timely, the Board will procure a qualified third-party developer to complete the repositioning process on behalf of CHDH.

Action Items

Targeted Performance Item	Action	Initial Reporting Period	Target Date	Actual Date	Comments
G-1.1: Effectiveness of Board Oversight	The Town Council (Board) and Town of Chapel Hill Department of Housing (CHDH) staff will complete <i>Lead the Way: PHA Governance and Financial Management – A Training for Board Members, via HUD Exchange</i> to become educated on Board member responsibilities. https://www.hudexchange.info/trainings/courses/lead-the-way-pha-governance-and-financial-management/ .		Within 120 days from the execution of this RA		Certificate of Completion or Equivalent Required for each Board Member
G-1.2: Effectiveness of Board Oversight	The Executive Director (ED) and Board will review the monthly Board Package and revise, as needed, to include sufficient reports related to public housing, finance, and facilities management to aid the Board in monitoring and providing oversight of PHA activities.		6/30/2022		
G-1.3: Timely response to CHDH sensitive activities	Implement process or protocol to ensure Board support of CHDH/HUD PH activities that require time sensitive decisions/voting during the period (July 1 - August 31) the Town Council/Board is not in session. Submit a copy of the protocol to the HUD FO.		3/31/2022		Board Resolution required with copy of protocol.
M-1: Occupancy	The ED will develop and implement a tracking method for vacant units to assist in reducing unit turnaround time, improving occupancy across all AMPs, and reporting these metrics to the Board on a routine basis.		3/31/2022		
P-1.1: Physical conditions	The ED will lead staff in using the REAC Physical Inspection Report Summaries to correct deficiencies and ensure units are ready to lease up. This requires the ED to identify which staff will be granted access to review the PASS system.		Immediately, and on-going		11/4/2020: FO Verified use of capital funds (2016 CFP) as planned/proposed in 5 year Action Plan to repair and rehab PH units. PHA response 11/4/2020 to CF 5-Year Action/Annual Plan: "97 units were repaired during the time period of 10/01/2019 and 06/30/20. The total cost involved is \$43,217.10. No revisions to 5 year plan needed nor revisions made to CFP 2016 - 2019. PHA provided sufficient supporting documentation. FO Verified corrected physical deficiencies. PHA's 2019 Physical Score - 25. No Units were repaired after 3/24/2020 due to COVID" (Applicable period 3/24/20 to 11/4/20). HUD FO can offer TA and guidance to PHA as to standards required to successfully pass REAC inspections by maintaining homes in decent, safe, and sanitary condition. Once the Low Income Unit becomes Vacant, the PHA must comply with the turnaround unit time of 20 - 25 days to keep the units available for the low income participants.
P-1.2: Physical conditions	The ED will lead staff in procuring an A/E to conduct a Physical Needs Assessment (PNA), 2) use that PNA to program and plan the Capital Fund 5-year Action Plan with the projects identified in the PNA and with the results of the UPCS physical inspection reports, and 3) use the PHA's AE to design, bid, and contract the projects in years 1 and 2 of the Capital Fund 5-year Action Plan that will immediately improve the physical condition of CHDH's dwelling units.		Immediately, and on-going	11/4/2020	
P-1.3: Physical conditions	PHA will conduct regular inspections of each development to identify and effectuate urgent repairs.		Immediately, and on-going		
P-1.4: Physical conditions	Respond to work orders timely and perform preventative maintenance in accordance with a maintenance plan set forth in the sustainability plan. Emergency work orders should be completed within 24 hours.		Immediately, and on-going		

Action Items

Targeted Performance Item	Action	Initial Reporting Period	Target Date	Actual Date	Comments
CF-1.1: CFP Obligations and Expenditures	The ED will identify staff who will be granted access to EPIC and eLOCCS and ensure staff obtain access.		Immediately, and on-going		
CF-1.2: CFP Obligations and Expenditures	The ED will implement procedures to ensure that assigned eLOCCS users perform CFP monitoring, including preparing reports for presentation to the Board.		Immediately, and on-going		
CF-1.3: CFP Obligations and Expenditures	The ED and staff eLOCCS users will monitor and report to the Board the status of the agency's Obligations and Expenditures in eLOCCS for all open CFP grants.		Ongoing		
R-1: Repositioning	Schedule a TA meeting with HUD to discuss steps to move forward with Trinity Court Apartments RAD CHAP and financing plan.		Within 30 days from the execution of this RA		
<p>CHDH shall submit progress reports to the Field Office using this Action Plan as the reporting template commencing 3/31/2022 and every Quarter thereafter until the Recovery Agreement is terminated. Each progress report shall identify (1) actions taken during the reporting period that the CHDH has taken toward achieving the measurements identified in the Performance Standards, and (2) actions the Housing Authority will take in the next reporting period.</p>					

Exhibit B

Action Plan to the Recovery Agreement between the Town of Chapel Hill Department of Housing (TCDH) and U.S. Department of Housing and Urban Development (HUD)

Item Number	Results and Determination from Assessment	Desired Outcome	Measures to Achieve Outcomes	Target Accomplishment Date	Actual Accomplishment Date	Remedies	Comments / Accomplishments
AREA: GOVERNANCE							
G001	The Town Council members serve as the Board of Commissioners (Board) for the TCDH. The Board should increase its knowledge and understanding of HUD's Public Housing (PH) program requirements in connection with TCDH programs, finances, and activities. The Town Council/Board is not in session from July 1 - August 31, which impacts its ability to meet, discuss, and vote as a body on TCDH PH program activities that may be time sensitive. For example the TCDH's fiscal year beginning 6/30 budget is generally reviewed by the Town Manager.	Board with sufficient knowledge of public housing authority (PHA) governance and financial management in order to effectively fulfill its responsibility with providing effective governance and oversight of the TCDH year round.	(1) Board "Group training" designed around HUD's on-line <i>Lead the Way: PHA Governance and Financial Management – A Training for Board Members</i> , via HUD Exchange: https://www.hudexchange.info/trainings/courses/lead-the-way-pha-governance-and-financial-management/ (2) Develop a simple Training Plan to conduct Group Training	(1) 3/31/2020 and (2) 12/31/2019		Board Group Training and Certification/Certificate of Completion by each Board member.	
	G001-A	Board demonstrates support of TCDH/HUD PH activities by scheduling "Special Meetings" for those TCDH activities that require time sensitive decisions/voting.	Number of "Special Meetings" scheduled in fiscal year 2020.	6/30/2020		Calendar of Special Meetings	
G002	TCDH Executive Director (ED), staff, and the Finance Dept. should participate in available HUD training.	Increased knowledge of HUD PH programs, finances, and activities.	Attend Greensboro PIH Office <i>New ED training</i> and complete <i>Lead the Way Training</i>	3/31/2020		Certificates of Completion	

Item Number	Results and Determination from Assessment	Desired Outcome	Measures to Achieve Outcomes	Target Accomplishment Date	Actual Accomplishment Date	Remedies	Comments / Accomplishments
AREA: FINANCE							
F001	A review of IPA Audit report for FYE 6/30/18 found the Tenant Security Deposits to be underfunded.	A fully funded Tenant Security Deposits Account that is maintained.	(1) Established controls that reveal when liabilities exceed assets. (2) Provide documentation that includes: Rent Roll, Bank Statement and General Ledger.	Quarterly until 6/30/2020		Applicable Budgetary Statement in Fiscal Year End (FYE) 2019 IPA Audit reflects fully funded Tenant Security Deposit	
AREA: PHYSICAL							
P001	The TCDH failed to prioritize capital funding.	Utilize capital funds annually as planned/proposed in 5 year Action Plan to repair and rehab PH units	Number of units that have undergone planned repairs or rehab. Amount of funds expended to repair or rehab units.	Quarterly until 6/30/2020		Physical Indicator score greater than 19	
P002	The TCDH failed to correct deficiencies identified in previous REAC Inspection Report: TCDH lost large number of points due to Site and Health and Safety (HS) deficiencies	(H&S) Missing/Damaged/Expired Extinguishers: All units have fire extinguishers that have been serviced and checked. Preventive Maintenance for safety.	(1) Work order history to show corrected. (2) Number of monthly safety inspections performed by maintenance personnel.	(1) 11/01/2019 and (2) 3/31/2020		Physical Indicator score greater than 19	
	P002-A	(H&S) Emergency/Fire Exits blocked/Unstable (Emergency/Fire Exits): All Building Emergency/Fire Exits made accessible	(1) Work order history to show corrected. (2) Number of monthly safety inspections performed by maintenance personnel.	(1) 11/01/2019 and (2) 3/31/2020		Physical Indicator Score greater than 19	
	P002-B	(Site) Overgrown/Penetrating Vegetation (Grounds): Reduce amount of overgrown/penetrating vegetation		12/31/2019		Physical Indicator Score greater than 19	
		P002-C	Revise, if applicable, current 5-Year Action Plan in EPIC to incorporate physical observed deficiencies.	12/31/2019		Physical Indicator Score greater than 19	

Item Number	Results and Determination from Assessment	Desired Outcome	Measures to Achieve Outcomes	Target Accomplishment Date	Actual Accomplishment Date	Remedies	Comments / Accomplishments
		P002-D	Revise, if applicable, Annual Plan for years 2016 through 2019	12/31/2019		Physical Indicator Score greater than 19	
AREA: MANAGEMENT							
M001	TCDH failed to maintain an acceptable occupancy level at its developments. TCDH has 40 units at its Trinity Court site that are inhabitable. These vacant units attribute significantly to the PHA's low occupancy rate.	Occupancy rate at 90% or better.	Track occupancy weekly and reflect in PIC. At least monthly reporting to HUD that addresses cause of vacant units and strategy for increasing occupancy.	Quarterly		Written report demonstrates progress	
M001-A	The TCDH is entertaining RAD/PH Repositioning. HUD issued a multi-phase RAD conversion award letter on December 6, 2018 to the TCDH.	(1) Trinity Court as priority development for repositioning. (2) Eliminate inhabitable units as major impact to low occupancy rate.	Repositioning plan for Trinity Court	6/20/2020		Planning stage implemented	
M001-B	Thirty-three (33) is the average number of days to turnaround "normal" units.	Reduce average number of days to turnaround "normal" vacant units to 20 days, or less, to bring units back on-line sooner to be occupied.	Number of days "normal" vacant units are turned, available, and occupied. Provide report to reflect this information.	Quarterly until 6/30/2020		Report demonstrates progress	
M002	The TCDH Tenant Accounts Receivable (TAR) is too high.	Reduced TAR ratio	(1) Increase Revenues by collecting rents in accordance to PHA policy/ACOP. (2) Tenant Accounts Receivable Schedule that reflects 0-30 days, 30-60 days, 60-90 days.	Quarterly until 6/30/2020		Tenant Account Receivables ratio < 2.5. Decrease TAR write off.	
M003	The TCDH Accounts Payable (A/P) ratio is too high.	Reduced A/P ratio	(1) Pay bills timely to avoid any late fees. (2) Provide Aging Report for Accounts Payable	Quarterly until 6/30/2020		Accounts Payable ratio greater than 0.74	

Item Number	Results and Determination from Assessment	Desired Outcome	Measures to Achieve Outcomes	Target Accomplishment Date	Actual Accomplishment Date	Remedies	Comments / Accomplishments
AREA: CAPITAL FUND							
C001	TCDH failed to obligate and expend 2014 Capital Fund Program Grant in a timely manner.	Obligate and expend 2016 - 2019 Capital Fund Program grants timely and in accordance with 24 CFR Part 905.	Obligate 90 percent or more of 2017 CFP Grant amount by the obligation end date.	8/15/2019		Earn at least 50% of the available points for the Capital Fund indicator.	
	C001-A	Expend 2016 CFP Grant by 4/12/2020 deadline.	(1) Entries made in HUD's Electronic Line of Credit Control System (eLOCCS).	12/31/2019 and 03/31/2020		eLOCCS reflects funds disbursed before 4/12/2020.	
	C001-B	Maintain obligations for CFP Grants 2017-2019	eLOCCS entries	Monthly		eLOCCS reflects obligation of funds by the obligation end date.	
C002	It does not appear the ED has been consistently informed of Capital Fund Program grant activity housed in eLOCCS.	ED has capability of accessing eLOCCS to review CFP activity and monitor due dates/deadlines.	(1) ED has access to eLOCCS via HUD's Secure Systems menu. (2) ED enters eLOCCS regularly to review CFP grants.	Monthly		ED knowledgeable of CFP activity	