

04-10-2019 Town Council Meeting
Responses to Council Questions

ITEM #9: Review the Public Housing Master Plan

Council Question: Do the rehab cost estimates include improvements/repairs to the housing communities beyond the individual apts., such as sidewalk and playground improvements?

Staff Response: *The projected rehab cost estimates do not include improvements/repairs to the housing communities beyond the individual apartments unless specifically stated. For example, some of the plumbing improvements may require work on the lines outside of the apartment.*

Council Question: Master Plan Goals - Is there a reason we wouldn't want goal one to explicitly state that our public housing is meant to increase housing options for households of limited income levels, as opposed to all income levels? I would like to see the plan call out priorities more explicitly, especially prioritizing serving 30% AMI and below, and up to 80% AMI.

Staff Response: *We agree that this would be a reasonable addition to clarify the goals of the Master Plan.*

Council Question: How many residents participated in the community meetings and survey? Could you please share the survey and results and comments collected during meetings?

Staff Response: *86 residents returned surveys to the School of Social Work intern.*

All Residents were invited to the first meeting held on June 14, 2017 @ the Hargraves Recreation Center to share information with all residents about the Rental Assistance Demonstration (RAD) program process and our vision for the future of Chapel Hill Public Housing. 38 residents attended this meeting.

Staff has actively sought to engage and involve residents in the development of the Public Housing Master Plan and RAD application since their inception. Five meetings were held between June and December of 2017 at the Community Connect Center in the South Estes neighborhood, the community room in the Craig Gomains neighborhood, and our Administrative Offices on Caldwell Street. Twenty-one residents attended these meetings.

Residents from the Craig Gomains property were specifically invited to a 2nd meeting held on July 11th at the centrally located Hargraves Community Center. Residents were notified and invited in writing 14 days prior to the meeting, with a reminder flyer distributed 5 days before the meeting. Sixty-three residents attended this meeting.

On July 24th, Residents with limited English proficiency were invited to a separate meeting at the Hargraves Community Center with the assistance of both a Burmese and Karen interpreter. Fifteen residents attended this meeting.

04-10-2019 Town Council Meeting
Responses to Council Questions

A memo summarizing the comments from the meetings about the RAD program is attached.

Council Question: I think it is important for the master plan to include some additional key information - could you please add the prioritization criteria used for admittance? It would also be helpful to include a department org chart so we can understand # of staff, roles, etc.

Staff Response: *Yes, we can incorporate the information suggested as well as other feedback we may receive from the Council into a revised version of the Master Plan.*

Council Question: Could you please inform Council when public housing neighborhood meetings and events are taking place?

Staff Response: *Yes, we will make sure that all public housing meetings and scheduled activity information is shared with the Council.*

Council Question: The old Public Housing Advisory Board was the forum for residents to bring grievances and appeal eviction decisions. Since that board no longer exists, where does that function now sit?

Staff Response: *The Town of Chapel Hill Public Housing Department has a Memorandum of Understanding (MOU) with Francina Lewis Muse as an independent Hearing Officer to hear appeals from decisions of the Housing Director.*

Council Question: Could you please provide information on the status of organizing a residents' council, as part of the presentation?

Staff Response: *It is our interest to establish a Residents' Council that would have representation from each community. We will continue to solicit residents to serve. Last week, we sent our first resident to a resident's meeting in Concord, North Carolina sponsored by the Carolina Council of Redevelopment and Housing Officials. We believe she will share this experience with others and encourage them to become a part of the Residents' Council.*

Council Question: Could the presentation please include a review of the HUD PHAS designations we have received over the past year or so, the recovery plan(s) developed in response, and a review of where we are now with HUD?

Staff Response: *Yes, Wednesday's presentation will include an update on the Town's status and provide an overview of our recovery plans.*

04-10-2019 Town Council Meeting

Responses to Council Questions

Council Question: What is the timeframe for the master plan? Is there a plan to develop metrics for monitoring implementation of the master plan?

Council Question: Will there be any periodic updates to Council on the progress of the Public Housing Master Plan?

Staff Response: *The Master Plan will be implemented in phases. The present document has renovations scheduled to be completed over the next 5 years. We expect to be fully staffed by the end of May 2019. One of the positions we are filling is a Management Analyst whose primary responsibilities will include establishing and monitoring performance measures. The status of the established measures will be reported to the Council on a quarterly basis in coordination with the Affordable Housing Quarterly Report.*

Council Question: In the Public Housing Master Plan Summary, p. 241, the percentage of families below the poverty line increased from 6.4% to 8.6% between 2000 and 2008. Does that include UNC students?

Staff Response: *The sources of demographic data for the Public Housing Master Plan are the U.S. Census, American Community Survey and the HUD Comprehensive Housing Affordability Strategy (CHAS) data tables. It is our assumption that UNC students are included in the data.*

Council Question: Of the 200 people on the Public Housing waiting list, how many are already living in Orange County or work in Chapel Hill?

Staff Response: *Of the 204 applicants on our waiting list, 119 have identified themselves as Orange County residents. We do not have updated information on employment status of applicants.*

Council Question: Regarding the vacancies chart on pp. 245-6, why are there any vacancies at all, given the high demand? How long is the turnaround time after a tenant moves out and before a new one can move in?

Staff Response: *We experience vacancies because it takes approximately 25 days to prepare a unit for a new tenant to move it after the unit is vacated. Depending on the state of the unit when it is vacated, it may take longer to make repairs. We currently have an open bid process with a goal of identifying more contractors to improve our turn around process timeframe so that we can prepare units for move in at a faster rate.*

04-10-2019 Town Council Meeting
Responses to Council Questions

Council Question: What is the most common repair or refurbishment that must be made between tenants?

Staff Response: *The most common repairs or refurbishment that must occur in the unit after it is vacated are repair of holes in the drywall, new tile installation, and painting of all rooms.*

Council Question: Does Public Housing have any prohibitions against smoking or pets?

Staff Response: *Chapel Hill Public Housing established a No Smoking Rule in and on Public Housing property, effective June 1, 2018. The smoke-free policy prohibits all tobacco products, cigarettes, cigars, pipes, water pipes (hookahs) and Electronic Nicotine Delivery Systems (E-cigarette). There is a pet policy which prohibits certain breeds and establishes a maximum weight. Residents must pay a non-refundable pet fee.*

Council Question: Why the significant increase in maintenance costs between FY18 and FY19?

Staff Response: *In 2017, the Town of Chapel Hill Public Housing began work to address the deficiencies identified in the assessments. This increased the number of contractors that were needed to get the work completed in a timely manner with little to no displacement of our residents. We completed these tasks in May 2018.*

Council Question: What accounts for the slow-down in the construction of public housing in Chapel Hill-Carrboro after 1994?

Staff Response: *The Town did not have plans to develop additional public housing beyond the development of the Rainbow Heights Community in 1994.*

Council Question: What would it take, budget-wise and timeline-wise, to cover the estimated cost for total renovations and relocation and property storage costs?

Staff Response: *Based on the projections from the engineering team, total renovations would take approximately \$14 million dollars over a period of 3 to 6 years depending on weather conditions, access of materials, and contractor costs. We do not yet have an estimate for relocation and property storage costs as they would vary from tenant to tenant and bedroom size.*

04-10-2019 Town Council Meeting
Responses to Council Questions

Council Question: What kind of movement has there been for the resident security/ neighborhood watch training and childcare programs, the kind of programs requested by residents?

Staff Response: *Both the Carrboro and Chapel Hill Police Department are prepared to organize neighborhood watch training programs in all of the Town's Public Housing Neighborhoods. Staff has been actively seeking residents willing to serve as the lead for their neighborhood. Once we are able to secure a lead, we will proceed with establishing a schedule for training. We have two residents that have established childcare services in their home. With the assistance of the Chapel Hill Parks and Recreation department, we have been able to initiate conversations with the Holmes Childcare Program at Hargraves to reserve spots for Public Housing residents. We also have contracts with the Boys/Girls Club to offer after school programs in the South Estes and Craig Gomains neighborhoods.*

Council Question: Please ask staff to give us an update on RAD conversion. When council approved applying for eligibility, it was only to leave our options open. We had many concerns, including costs and extent of net increase in units. The way the section reads on p. 254, it sounds like staff are proceeding as if council has already approved a RAD conversion, which we haven't done.

Council Question: Is there a plan to have a separate RAD-specific agenda item come to Council this spring (or whatever timing makes sense for the process timeline)? This topic will require a more detailed, in-depth conversation than what is currently included in the master plan and draft presentation. If we are planning to cover it in this meeting, please let us know and I will submit additional questions.

Council Question: What are the possibilities, opportunities and strategies for public housing to redevelop as mixed use projects?

Staff Response: *We will provide an update on our search for a development partner and the RAD conversion at the meeting on Wednesday. We are in the process of scheduling a discussion with the Council to discuss the selection of a development partner, whether to pursue a RAD conversion for the Trinity Court and Craig Gomains neighborhoods, and a more specific discussion about financing and redevelopment of the sites. It would also be an opportunity to have a discussion about the income levels to be served, including options for creating mixed-income communities.*

Resident Information Meetings

June 14, 2018

July 11, 2018

Hargraves Community Center

Chapel Hill, North Carolina

Organizational

Residents from the Chapel Hill's (CHPH) total portfolio were invited to the first meeting held on June 14th since the decision had not yet been made about which community we wanted to pursue for RAD and it was also a way to share information with all residents about the RAD application and our vision for the future of Chapel Hill Public Housing.

Residents from the Craig Gomains property were specifically invited to the 2nd meeting held on July 11th meeting. They were notified and invited in writing 14 days prior to the meeting, with a reminder flyer distributed 5 days before the meeting. The meeting was held at the Hargraves Community Center due to its central location for invited residents and a large a community meeting space able to accommodate comfortably up to 100 residents while offering light refreshments. Hargraves is a short walk from Craig Gomains and there is public transportation that runs on the streets adjacent to both the community and the community center.

Due to general community notices and advance discussion with the many of the residents during previous meetings held about our Public Housing Master Plan, several residents from other communities chose to attend the 2nd meeting designed just for residents of Craig Gomains.

While most of the resident comments were actually more about seeking a basic understanding of RAD and related clarifying questions than they were "comments" about the RAD conversion process, they are included and addressed below. Many of the same questions asked in the first Resident Meeting we also asked in the second Resident Meeting so they are not repeated below. We plan to post the resident comments and responses to comments on the Housing and Community webpage under a special "RAD" sub-page, provided to neighborhood leaders, and copies will be available at our administrative office and community meeting spaces.

Resident Comments & Responses

1. Comment: Does the RAD conversion process provide me with a regular Section 8 Voucher now?

Response: No. The conversion process involves converting Public Housing Capital and Operating funds to long-term, project-based Section 8 contracts, which are effectively

committed to the property as contractual subsidies, and not to individuals as Housing Choice Vouchers (HCVs). However, RAD does offer residents of converted properties the option to apply for an available HCV after one or two years of tenure in a converted property for any reason, depending on the availability of HCVs at Chapel Hill Public Housing (CHPH). This is a new “choice and mobility” option available to public housing residents in RAD converted properties that allows residents of RAD-converted properties to receive a preference on the HCV waitlist.

2. Comment: Are we going to change all the other conditions [requirements] of public housing by doing RAD?

Response: No. Although RAD shifts the funding subsidies from the Section 9 Public Housing program to the Section 8 Multifamily Housing program RAD goes to great lengths to keep the resident requirements, processes, rights and responsibilities nearly the same as public housing. **Residents will continue to pay 30% of their income in rent; residents cannot be involuntarily displaced, although some may need to be temporarily relocated during the construction period; and residents cannot be re-screened after construction.** Other provisions of RAD also mirror similar public housing provisions.

3. Comment: If relocation [during construction] is necessary, at whose expense will it be?

Response: CHPH will assume any and all construction related relocation expenses due to temporary relocation, including moving expenses.

4. Comment: Will we be allowed to come back after renovations?

Response: Response: Absolutely. Under RAD legal residents of public housing have the right to return to their developments without rescreening or additional conditions.

5. Comment: Will we be allowed to keep our children in the same school during the renovation process?

Response: Section 6.4 of the RAD Fair Housing, Civil Rights, and Relocation Requirements Notice explains the requirements for each type of relocation in connection with a RAD conversion. For temporary location lasting one year or less, it states that “the resident’s temporarily occupied housing must be decent, safe, and sanitary and the resident must be reimbursed for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation.” While it does not specifically address whether residents must be relocated within the same school district, as part of the RAD approval process HUD does consider whether residents could carry on their everyday activities, including attending school, in the planned temporary housing.

For permanent moves in connection with a transfer of assistance, this section states that “if HUD determines that the distance from the Converting Project to the site of the Covered Project is significant and the resident could not reasonably be required to move to the new site, then HUD will require the PHA to adjust project plans to accommodate the resident in an assisted unit (e.g., a public housing unit, some other project-based Section 8 unit or a market unit with a housing choice voucher) within a reasonable distance of the site of the Converting Project. HUD will evaluate whether this requirement applies on a case by case basis, considering whether the distance would impose a significant burden on residents’ access to existing employment, transportation options, schooling or other critical services.”

6. Comment: If I do not wish to participate in the “relocation program” am I still eligible to return to the neighborhood after the renovations are complete?

Response: Yes, they retain the right to return in the situation you describe. That right can only be voluntarily waived in writing after the resident has been given 30 days to consider his or her decision.

Section 6.2 of the RAD Fair Housing, Civil Rights, and Relocation Requirements Notice describes this by saying, "any public housing or Section 8 assisted resident that may need to be relocated temporarily to facilitate rehabilitation or construction has a right to return to an assisted unit at the Covered Project once rehabilitation or construction is complete." It also states that "if the resident who would be precluded from returning to the Covered Project prefers to voluntarily and permanently relocate rather than object to the project plans, the PHA must secure informed, written consent to a voluntary permanent relocation in lieu of returning to the Covered Project."

7. Comment: So do I have to qualify to come back after renovations?

Response: No. As long as any resident remains in good standing (lease-compliant) with your housing while temporarily relocated there are no qualifications to coming back to your development after renovations.

8. Comment: Will Craig Gomains still have property available to the disabled as well as the elderly to remain in?

Response: Definitely. Craig Gomains has proven to be a great location and well-built property to meet the needs of both elderly and disabled residents and we intend to preserve much of the same population after RAD. RAD will allow us to create even more space for the needs of our elderly and differently abled community.

9. Comment: If there is funding by lenders and private investors, after 20 years and cost goes up and we can't afford it, will the private investors be able to reclaim the property?

Response: No. Regardless of the types of financing used for the next 20 years or if the costs go up during that period, HUD will retain a use agreement on the properties restricting their use as low-income housing. This prohibits private lenders or investors from reclaiming the property and using it for different purposes. In addition, RAD requires the property owner to renew its subsidy contract after the initial 20 year contract period. CHPH will have the ability over the longer term to seek new financing to address the costs of needed improvements at that time.

10.Comment: How long is the process to make the RAD conversion?

Response: It depends on the extent of improvements needed on the properties. For example, Trinity Court with its 40 units will need to be demolished and rebuilt, while Craig Gomains may be able to be renovated in phases. Based on the amounts of construction, which dictates the amount of financing that have to be obtained and get final approval from HUD for properties to be converted, the conversion process could range from one to three years. Only when properties have been formally converted can CHPH begin construction and if needed, temporarily relocate families during construction. So it is likely that construction process for all of the properties will take the next three to six years to complete, and potentially longer to finish any phased construction that might get planned for larger properties.

11.Comment: Does the current lease change in any way once we get to the new program?

Response: Yes and no. The lease will be changed to the standard lease format for either the Section 8 program. However, the new Section 8-based lease has nearly all of the same provisions, rights, processes, responsibilities, etc, as does the current public lease, although the language may be slightly different. HUD and tenant-advocates including the National Low-Income Housing Coalition made a considerable effort when devising RAD to “transfer over” the basic provisions and processes such as rent payments, occupancy requirements, hearing and appeals processes to the Section 8 RAD leases from the standard public housing lease.

12.Comment: Am I entitled to my old unit?

Response: No. Actually no public housing resident is entitled to live in a particular housing unit. Rather, public housing assures that eligible households have access to available units that are appropriately sized to their household size. RAD generally follows this policy. RAD requires that residents temporarily-relocated during construction have the right to return to their current property—or if demolished and replaced, to the new property—but not to a specific unit in the property.

13.Comment: Is the funding involved with RAD grants or loans?

Response: Actually, RAD only provides a Section 8 project-based rental operating subsidy to a particular converting property, which enables the CHPH to then obtain needed financing which

can be lending from private or public sectors, equity investments by private investors and, in some cases, a small amount of grants.

14. Comment: What if the CHPH defaults [on a loan] can we be put out of our homes?

Response: HUD will not approve a RAD financing plan if CHPH does not have the resources to repay all debt and meet all obligations that come with the financing. This significantly reduces the chances of a loan default. However, if a default was to occur, RAD has detailed rules to potentially cure the default, and if that fails, to manage any unlikely foreclosure process. First, HUD will work with the PHA and lender to correct the default. In the unlikely event that can't be done and a lender proceeds to foreclosure, RAD rules require that the RAD use agreement remain on the property while HUD transfers the Section 8 contract to another public entity or non-profit whenever possible or a capable for profit entity when not possible