



# PUBLIC HOUSING QUARTERLY REPORT FY22 Q1: JULY-SEPTEMBER 2021

Our quarterly reports are designed to continuously provide an overview of the Public Housing Department’s efforts to improve our federal scoring and share preservation efforts for our Public Housing portfolio. To be consistent with the United States Department of Housing and Urban Development (HUD)’s evaluation methods, we include information as it pertains to the Public Housing Assessment System (**PHAS**), which obtains results that are objective, uniform, and verifiable.

Chapel Hill’s listed PHAS score is based on the October 2019 Real Estate Assessment Center (**REAC**) inspection. Due to the COVID conditions, there has not been a graded assessment since that time. HUD conducted a 2021 **Habitability Inspection** on July 27 and 29, 2021, but that did not provide a graded evaluation.

Our October 2019 scores: .....	-Financial: 25 (out of 25)
	-Management: 5 (out of 25)
	-Capital Fund: 5 (out of 10)
	-Physical Condition: 19 (out of 40)
Total Score: .....	54 out of 100
Status: .....	<b>Troubled Status</b>

Graded as a Troubled Status resulted in a requirement for us to implement procedures to fulfill a **Recovery Agreement** with HUD. Our Recovery Agreement contained the following corrective actions:

- All Elected Officials and Senior Leadership Staff participating in HUD’s “Lead the Way” training;
- Increasing the quantity and quality of external contractors;
- Improving the expenditure of our capital funds;
- Evaluating maintenance staffing and performance; and
- Evaluating previous REAC reports for strategies to improve Capital Fund and maintenance costs.

These are our evaluation tools referred to as **PHAS Indicators**. Public Housing leadership added a fifth indicator, Community Engagement, to identify opportunities for further connections with tenants. The five indicators are listed below, as well as evaluation measures and steps taken to positively influence those measures.

INDICATOR	HUD EVALUATION MEASURES	ACTIONS TAKEN TO IMPROVE SCORE
<b>Physical Condition</b>	▪ Physical inspections	▪ Building improvements ▪ Repairs

<b>Financial Condition</b>	<ul style="list-style-type: none"> <li>▪ Management of funds</li> </ul>	<ul style="list-style-type: none"> <li>▪ Monitor and process all invoices to ensure they are paid within 30 days</li> </ul>
<b>Management</b>	<ul style="list-style-type: none"> <li>▪ Tenant Accounts Receivable</li> <li>▪ Occupancy Rate</li> <li>▪ Accounts Payable</li> </ul>	<ul style="list-style-type: none"> <li>▪ Account for reductions in rent due to loss of income during pandemic</li> <li>▪ Offer timely rent payment incentives</li> <li>▪ Maintain all payable accounts within current status; paid within 90 days</li> </ul>
<b>Capital Fund</b>	<ul style="list-style-type: none"> <li>▪ Obligation of HUD funds</li> <li>▪ Occupancy Rate</li> </ul>	<ul style="list-style-type: none"> <li>▪ Obligate funds to specific projects – Create timeline to show exactly which properties will be improved</li> <li>▪ Decrease time units are vacant</li> </ul>
<b>Community Engagement*</b>	<ul style="list-style-type: none"> <li>▪ Created indicators to develop and analyze community engagement efforts.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue Monthly newsletter</li> <li>▪ Coordinate weekly Food Bank</li> <li>▪ Facilitate Resident’s Council</li> <li>▪ Survey residents reference programming interest</li> </ul>

\*added by Public Housing leadership to maintain and improve connections with tenants.



## OUR “NEW NORMAL” DEALING WITH COVID PANDEMIC

- Continued pre-screening process (employees, tenants, and applicants)
- Continued abbreviated monthly safety inspections
- Responded to Emergency and Urgent Work Orders only (maintained record of Routine Work Orders)
- Staggered staffing at Administrative Office
- Continued weekly food distribution at Eubanks Park and Ride lot with the assistance of volunteers and other Town Departments



## PHYSICAL CONDITION

- Responded to 50 Emergency Work Orders; 48 (96%) closed within 24 hours
- Improved work order process flow among staff to better report physical condition needs
- Completed procurement process to obtain new Pest Control contractor (Orkin)
- Completed repair of 2 units damaged by fire at Oakwood, preserving two affordable housing units
- Contracts in progress:
  - Pressure washing of all Public Housing neighborhood buildings, upgrade of commodes and sinks in community centers to motion sensor units



## FINANCIAL CONDITION/ OPERATING FUND

- Liquidity Rate and Money Owed to Vendors have improved
- Adequacy of Reserves rate decreased

Quarter 1	18%
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## MANAGEMENT

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- **Tenant Account Receivable:** 89% of rents paid
- **Occupancy Rates:** 5 vacant units at the end of the quarter (without Trinity 98%)
  - 2 unit renovations completed from fire damage and waiting on Certificate of Occupancy
  - 3 units undergoing preparation for leasing
- 3 households transferred to appropriately sized bedroom units in accordance with our Over-Housing policy
- Hired and trained new Administrative Assistant in our maintenance division
- Ongoing hiring efforts to fill 5 job vacancies: Housing Officer II, Maintenance Programs Supervisor and three Maintenance Mechanics.



## CAPITAL FUND

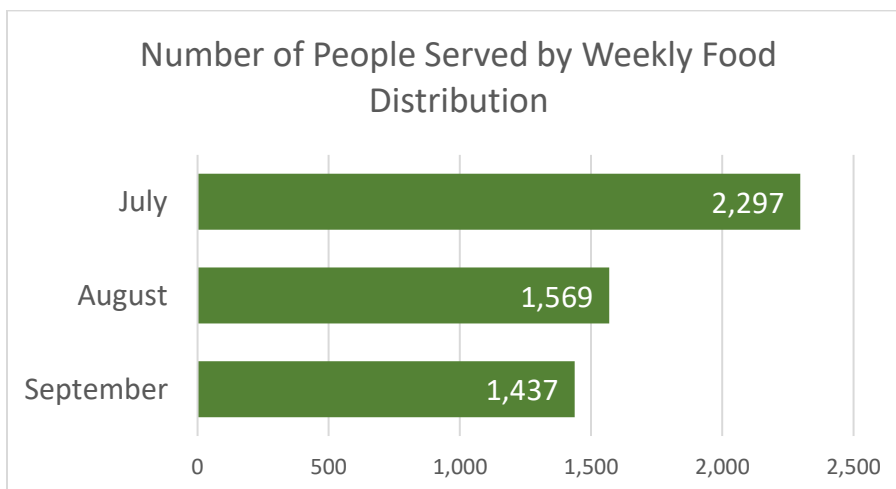
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- Funds used for development, preservation, financing, modernization, and management improvements.
- Our expenditure rate has improved. We must fully expend all funds received within 4 years of date of receipt.
- 100% allocation of funds to identified projects.
- FY22 HUD Capital Grant drawn down and now available to our budget once we have purchase orders, invoices or contracts.
- Current Available Balance: \$2,951,232
- Current Encumbrance: \$295,957
- Quarter 1 Projects: Mural artwork project started in S. Estes neighborhood with a Kick-Off Meeting; refrigerator and range replacements



## COMMUNITY ENGAGEMENT

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- 296 Newsletters mailed each month
- Resident Council convened each month and is growing in membership
- Over 5,000 people served at weekly Food Bank Distribution
- Wellness Committee information shared with tenants
- Office Assistant met regularly with Everbridge, a public communication platform created to allow for communication with tenants via automated calls and alerts.
- Distribution of Emergency Preparedness bags to  $\frac{3}{4}$  of Public Housing households with assistance from Fire Department staff (first  $\frac{1}{4}$  distributed in FY21 Q4)
- Second community engagement meeting held with Community Housing Partners for Trinity Re-Imagined project; a third is scheduled for November 4<sup>th</sup> 2021.

## **\*\* NOTES AND DEFINITIONS**

HUD- U.S. Department of Housing and Urban Development

PHAS- Public Housing Assessment System- An assessment tool used by HUD to measure Public Housing Agencies uniformly and consistently.

PHAS Indicators - Four areas of Public Housing Agency operations that are inspected and rated; they are physical condition, financial condition, management, and capital fund.

Habitability Inspection: HUD conducted inspections; does not result in “grade” but does allow PHA to make corrections to any identified needs.

Liquidity- The ratio between cash and current liabilities.

- The higher the ratio, the better the score.

Adequacy of Reserves-the ratio between unrestricted resources and average monthly operating expenses

- The higher the ratio, the better the score.

Unrestricted Resources- Access to anything that can be turned into cash (unrestricted cash, tenant’s security deposits, unrestricted investments)

Monthly Operating Expenses- dwelling rent expense, operating expense, and extraordinary maintenance (divided by 12 for a monthly average)

Adjusted Operated Income-the ratio between operating income and annual debt service.

Accounts Payable-the ratio between total vendor accounts payable and monthly operating expense.

- The lower the ratio, the higher the score
- Accounts payable-(both > and < than 90 days)/Monthly operating expenses