



PUBLIC HOUSING QUARTERLY REPORT

FY21 Q2/ OCTOBER- DECEMBER 2020

In this report we provide an overview of the Town’s Public Housing’s rating as identified by the Department of Housing & Urban Development’s (HUD) Public Housing Assessment System (PHAS). The PHAS was created by HUD to evaluate the overall condition of each housing agency to obtain results that are objective, uniform, and verifiable. The current PHAS score is a result of the Oct. 2019 Real Estate Assessment Center (REAC) inspection.

Chapel Hill Public Housing received these scores:

- Physical Condition: 19 (out of 40)
- Management: 5 (out of 25)
- Capital Fund: 5 (out of 10)
- Total Score: 54 out of 100 = **Troubled Status**

Troubled Status resulted in a **Recovery Agreement** with HUD, which included the following corrective actions:

- Elected officials participating in training
- Increasing quantity and quality of contractors
- Improving expenditure of capital funds
- Evaluate maintenance staffing and performance
- Increase use of previous REAC reports for capital fund and maintenance cost planning

The methodology uses four evaluation tools referred to as **PHAS Indicators**. Public Housing leadership added a fifth, Community Engagement, to identify opportunities to further connect with tenants. The five indicators are listed below, as well as their evaluation measures and steps taken to positively influence those measures.

INDICATOR	HUD EVALUATION MEASURES	ACTIONS TAKEN TO IMPROVE SCORE
Physical Condition	<ul style="list-style-type: none"> ▪ Physical inspections 	<ul style="list-style-type: none"> ▪ Building improvements ▪ Repairs
Financial Condition	<ul style="list-style-type: none"> ▪ Management of funds 	<ul style="list-style-type: none"> ▪ Pay all invoices within 30 days
Management	<ul style="list-style-type: none"> ▪ Tenant Accounts Receivable ▪ Occupancy Rate ▪ Accounts Payable 	<ul style="list-style-type: none"> ▪ Account for reductions in rent due to loss of income during pandemic ▪ Offering timely rent payment incentives ▪ Increase quantity of contractors
Capital Fund	<ul style="list-style-type: none"> ▪ Obligation of HUD funds ▪ Occupancy Rate 	<ul style="list-style-type: none"> ▪ Obligate funds to specific projects – Create timeline to show exactly which properties will be improved and how ▪ Decrease time units are vacant
Community Engagement*	<ul style="list-style-type: none"> ▪ Create additional methods to maintain contact with residents 	<ul style="list-style-type: none"> ▪ Distribute Monthly newsletter ▪ Sponsor weekly Food Bank ▪ Establish a Resident’s Council ▪ Provide masks to residents ▪ Surveyed residents reference programming interest

*added by Public Housing leadership to maintain and improve connections with residents



COVID-19 CHANGES TO NORMAL OPERATIONS

- Implemented pre-screening process (employees, residents and applicants)
- Distributed masks to all Public Housing residents
- Postponed PHAS inspection this quarter
- Suspended Monthly Residential Preventative Maintenance
- Responded to Emergency Work Orders only (maintained record of Routine Work Orders)



PHYSICAL CONDITION

- Responded to 179 Emergency Work Orders; 173 (98%) closed within 24 hours
- Restarted monthly Pest Control and air conditioner filter changes
- Restarted residential entry level inspections
- Repair contracts completed or in progress:



Repair of brick wall at Sykes St. playground area



Reroofing of Craig/Gomains and Lindsay St. (19 buildings)



Rebuilding fire damaged Units (E-1 and E-2) Oakwood



FINANCIAL CONDITION/ OPERATING FUND

- In both FY19 and FY20, Public Housing had no debt service and gained maximum points.
- Adequacy of Reserves has increased in percentage, which is a good thing.

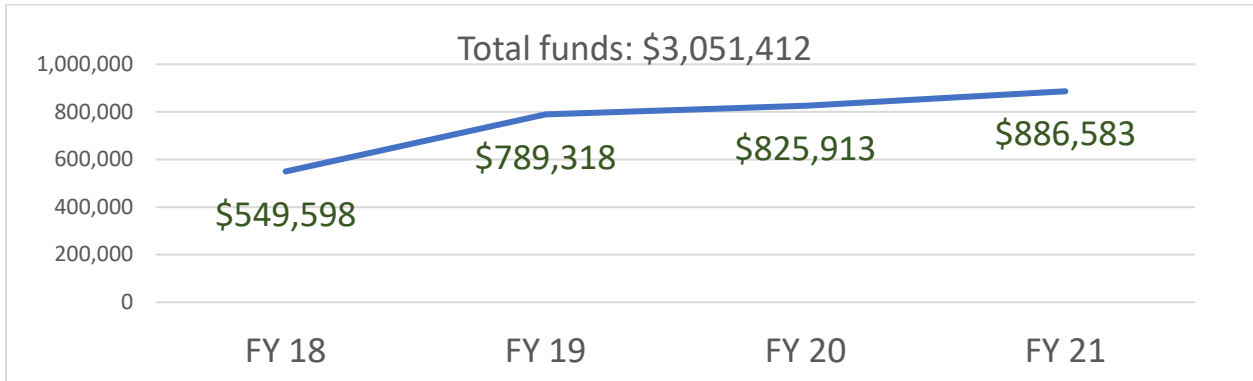


MANAGEMENT

- Tenant Account Receivable: 98% of resident rent paid
- Occupancy Rates: 7 vacant units at the end of the quarter
 - 2 units under repair due to fire damage, 5 being prepared to lease



CAPITAL FUND

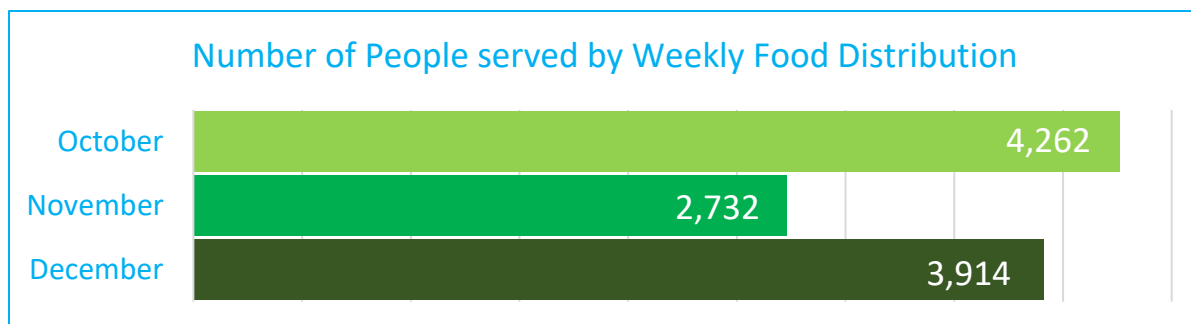


- Funds used for development, financing, modernization, and management improvement
- Continued to meet HUD requirement of allocating 100% of funds to identified projects



COMMUNITY ENGAGEMENT

- Mailed monthly newsletter to residents
- Mailed 2021 Calendars to residents including information on community resources
- Held Resident Council Kick-Off Meeting on January 27, 2021
- Partnered with Piedmont Health Services to administer COVID tests and flu shots
- Distributed over 2,500 masks to residents
- Operate weekly food distribution held at Eubanks Park and Ride



**** 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.

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