

The Housing Authority of the City of Durham

# Annual PHA Plan Revisions

# FY 2019

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The Annual PHA Plan provides a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low-income, very low-income, and extremely low-income families. This document provides an overview of the changes to the Annual PHA Plan.

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<b>Annual PHA Plan</b> <i>(Standard PHAs and Troubled PHAs)</i>	U.S. Department of Housing and Urban Development Office of Public and Indian Housing	OMB No. 2577-0226 Expires: 02/29/2016
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**Purpose.** The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families.

**Applicability.** Form HUD-50075-ST is to be completed annually by **STANDARD PHAs or TROUBLED PHAs**. PHAs that meet the definition of a High Performer PHA, Small PHA, HCV-Only PHA or Qualified PHA do not need to submit this form.

**Definitions.**

- (1) **High-Performer PHA** – A PHA that owns or manages more than 550 combined public housing units and housing choice vouchers, and was designated as a high performer on both of the most recent Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP) assessments if administering both programs, or PHAS if only administering public housing.
- (2) **Small PHA** - A PHA that is not designated as PHAS or SEMAP troubled, or at risk of being designated as troubled, that owns or manages less than 250 public housing units and any number of vouchers where the total combined units exceeds 550.
- (3) **Housing Choice Voucher (HCV) Only PHA** - A PHA that administers more than 550 HCVs, was not designated as troubled in its most recent SEMAP assessment and does not own or manage public housing.
- (4) **Standard PHA** - A PHA that owns or manages 250 or more public housing units and any number of vouchers where the total combined units exceeds 550, and that was designated as a standard performer in the most recent PHAS or SEMAP assessments.
- (5) **Troubled PHA** - A PHA that achieves an overall PHAS or SEMAP score of less than 60 percent.
- (6) **Qualified PHA** - A PHA with 550 or fewer public housing dwelling units and/or housing choice vouchers combined, and is not PHAS or SEMAP troubled.

<b>A.</b>	<b>PHA Information.</b>
<b>A.1</b>	<p><b>PHA Name:</b> <u>The Housing Authority of the City of Durham</u></p> <p><b>PHA Code:</b> <u>NC013</u></p> <p><b>PHA Type:</b> <input type="checkbox"/> Standard PHA <input checked="" type="checkbox"/> Troubled PHA</p> <p><b>PHA Plan for Fiscal Year (FY) Beginning:</b> (MM/YYYY): <u>01/2019</u></p> <p><b>PHA Inventory</b> (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above)</p> <p><b>Number of Public Housing (PH) Units</b> <u>1,379</u></p> <p>This number reduces 2018's 1,409 PH units by 30 units at one development (Laurel Oaks). This development will be converted to Project Based Assistance under the Rental Assistance Demonstration by the end of FY 2018.</p> <p><b>Number of Housing Choice Vouchers (HCVs)</b> <u>2,791</u></p> <p><b>Total Combined Units/Vouchers</b> <u>4,200</u></p> <p><b>PHA Plan Submission Type:</b> <input checked="" type="checkbox"/> Annual Submission <input type="checkbox"/> Revised Annual Submission</p>

**Availability of Information.** PHAs must have the elements listed below in sections B and C readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official website. PHAs are also encouraged to provide each resident council a copy of their PHA Plans.

**The proposed PHA Plan, PHA Plan Elements and all information related to the Public Hearing, including updates, will be available for review by the public at the following locations:**

- Durham Housing Authority’s Central Office located at 330 East Main Street, Durham, NC 27701
- Durham Housing Authority Management Office locations:
  - McDougald Terrace, 1101 Lawson Street, Durham, NC 27701
  - Oldham Towers, 519 East Main Street, Durham, NC 27701
  - Cornwallis Road, 3000 Weaver Street, Durham, NC 27707
  - J. J. Henderson Housing Center, 807 S. Duke Street, Durham, NC 27701
  - Hoover Road, 1126 S Hoover Rd, Durham, NC 27701
  - Laurel Oaks, 600 Gingerberry Lane, Durham, NC 27713
  - Oxford Manor, 3633 Keystone Place, Durham, NC 27704
- Durham Housing Authority website - [www.durhamhousingauthority.org](http://www.durhamhousingauthority.org)

**PHA Consortia:** (Check box if submitting a Joint PHA Plan and complete table below)

Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program	
				PH	HCV
Lead PHA:					

**B. Annual Plan Elements**

**B.1 Revision of PHA Plan Elements.**

(a) Have the following PHA Plan elements been revised by the PHA?

- |                                     |                                     |  |
|-------------------------------------|-------------------------------------|--|
| Y                                   | N                                   |  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | Statement of Housing Needs and Strategy for Addressing Housing Needs                   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | Financial Resources.   |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Rent Determination.  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | Operation and Management.  |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Grievance Procedures.  |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Homeownership Programs.  |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Community Service and Self-Sufficiency Programs.                                       |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | Safety and Crime Prevention.   |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Pet Policy.  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | Asset Management.  |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Substantial Deviation.   |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Significant Amendment/Modification   |

(b) If the PHA answered yes for any element, describe the revisions for each revised element(s):  
**Please see attached.**

(c) The PHA must submit its Deconcentration Policy for Field Office review.  
**Please see attached.**

**B.2 New Activities.**

(a) Does the PHA intend to undertake any new activities related to the following in the PHA’s current Fiscal Year?

- |                                     |                                     |  |
|-------------------------------------|-------------------------------------|--|
| Y                                   | N                                   |  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | Hope VI or Choice Neighborhoods.   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | Mixed Finance Modernization or Development.  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | Demolition and/or Disposition.   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | Designated Housing for Elderly and/or Disabled Families.   |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Conversion of Public Housing to Tenant-Based Assistance.   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | Conversion of Public Housing to Project-Based Assistance under RAD.  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | Occupancy by Over-Income Families.   |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Occupancy by Police Officers.  |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Non-Smoking Policies.  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | Project-Based Vouchers.  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | Units with Approved Vacancies for Modernization.   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants). |

(b) If any of these activities are planned for the current Fiscal Year, describe the activities. For new demolition activities, describe any public housing development or portion thereof, owned by the PHA for

	<p>which the PHA has applied or will apply for demolition and/or disposition approval under section 18 of the 1937 Act under the separate demolition/disposition approval process. If using Project-Based Vouchers (PBVs), provide the projected number of project based units and general locations, and describe how project basing would be consistent with the PHA Plan.</p> <p>Please see attached.</p>
<p><b>B.3</b></p>	<p><b>Civil Rights Certification.</b></p> <p>Form HUD-50077, <i>PHA Certifications of Compliance with the PHA Plans and Related Regulations</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p> <p>This will be added to the plan after the Public Comment period, and all appropriate revisions incorporated.</p>
<p><b>B.4</b></p>	<p><b>Most Recent Fiscal Year Audit.</b></p> <p>(a) Were there any findings in the most recent FY Audit?</p> <p>Y N  <input checked="" type="checkbox"/> <input type="checkbox"/></p> <p>(b) If yes, please describe:</p> <p>The most recently completed annual audit was for the fiscal year that ended December 31, 2016 (FY2016) and was submitted to HUD. As a result of that audit, there were four findings noted. The findings included exceptions in participant files in the Housing Choice Voucher program related to eligibility, timely completion of rent reasonableness determinations, and the timely completion of Housing Quality Standards (HQS) inspections; The fourth finding were exceptions in Low Income Public Housing program resident files related to eligibility.</p> <p>DHA staffers are implementing corrective actions to the extent possible to address the findings.</p>
<p><b>B.5</b></p>	<p><b>Progress Report.</b></p> <p>Provide a description of the PHA's progress in meeting its Mission and Goals described in the PHA 5-Year and Annual Plan.</p> <p>Please see attached.</p>
<p><b>B.6</b></p>	<p><b>Resident Advisory Board (RAB) Comments.</b></p> <p>(a) Did the RAB(s) provide comments to the PHA Plan?</p> <p>Y N  <input type="checkbox"/> <input checked="" type="checkbox"/> Comments from the RAB will be captured during the Public Comment Period.</p> <p>(c) If yes, comments must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.</p>

<p><b>B.7</b></p>	<p><b>Certification by State or Local Officials.</b></p> <p><u>Form HUD 50077-SL</u>, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan. This will be added to the plan once the Public Comment period is over, and all appropriate revisions incorporated.</p>
<p><b>B.8</b></p>	<p><b>Troubled PHA.</b></p> <p>(a) Does the PHA have any current Memorandum of Agreement, Performance Improvement Plan, or Recovery Plan in place?  Y   N   N/A  <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> A recovery plan has been proposed to HUD, however we are awaiting acceptance.</p> <p>(b) If yes, please describe:</p>
<p><b>C.</b></p>	<p><b>Statement of Capital Improvements.</b> Required for all PHAs completing this form that administer public housing and receive funding from the Capital Fund Program (CFP).</p>
<p><b>C.1</b></p>	<p><b>Capital Improvements.</b> Include a reference here to the most recent HUD-approved 5-Year Action Plan (HUD-50075.2) and the date that it was approved by HUD.</p> <p>Please see attached.</p>

## B.1 Revision of PHA Plan Elements

### Statement of Housing Needs

#### Housing Needs of Families in the Jurisdiction Served by the PHA

This statement of housing needs in the jurisdiction served by DHA is based upon the information contained in the City of Durham’s Consolidated Plan and other data available to DHA. The estimated number of families that have housing needs can be found in the “Overall” needs column. The remaining columns are characteristics of housing needs, and the impact of each factor is rated by family type from 1 to 5, with 1 being “no impact” and 5 being “severe impact”. “N/A” is used to indicate that no information is available upon which the PHA can make this assessment.

Family Type	Overall	Affordability	Supply	Quality	Accessibility	Size	Location
Extremely Low Income (Less than or equal to 30% of AMI)	13,420	5	5	5	5	3	5
Very Low Income (Over 30% but less than or equal to 50% of AMI)	11,260	5	5	4	5	4	5
Low Income (Over 50% but less than or equal to 80% of AMI)	16,405	5	5	3	5	5	3
Elderly	18,115	5	4	4	5	1	3
Families with Disabilities	24,742	5	4	4	5	1	5
White	148,199	5	N/A	4	N/A	2	4
Black	110,385	5	N/A	5	N/A	2	5
Asian	12,882	2	N/A	1	N/A	1	1
American Indian/Alaskan Native	1,174	1	N/A	1	N/A	1	1
Hispanic/Latino	39,453	5	N/A	5	N/A	2	5



## Housing Needs of Families on the Public Housing and Housing Choice Voucher Waiting Lists

Housing Choice Voucher Waiting List	Number of Families	Percentage of Families
Total on Waiting List	410	100%
Extremely Low Income (Less than or equal to 30% of AMI)	3816	95%
Very Low Income (Over 30% but less than or equal to 50% of AMI)	353	4%
Low Income (Over 50% but less than or equal to 80% of AMI)	42	1%
Families with Dependents	163	21%
Elderly Families	32	17%
Families with Disabilities	86	17%
White	29	6%
Black	366	89%
Asian	0	0%
American Indian/Alaskan Native	2	0%
Native Hawaiian/Other Pacific Islander	0	0%
Hispanic/Latino	13	3%

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Public Housing Waiting List	Number of Families	Percentage of Families
Total on Waiting List	4002	100%
Extremely Low Income (Less than or equal to 30% of AMI)	3816	95%
Very Low Income (Over 30% but less than or equal to 50% of AMI)	150	4%
Low Income (Over 50% but less than or equal to 80% of AMI)	27	1%
Families with Dependents	824	21%
Elderly Families	679	17%
Families with Disabilities	687	17%
White	240	6%
Black	3576	89%
Asian	9	0%
American Indian/Alaskan Native	14	0%
Native Hawaiian/Other Pacific Islander	6	0%
Hispanic/Latino	118	3%
<b>Bedroom Size</b>		
0 Bedroom	366	9%
1 Bedroom	1904	48%
2 Bedrooms	1068	27%
3 Bedrooms	520	13%
4 bedrooms	129	3%
5 Bedrooms	13	0%
6 bedrooms	2	0%

## Strategy for Addressing Housing Needs

DHA is aware renters have the most severe housing cost burdens, especially at the lowest-income levels – extremely low and very low-income families – as well as elderly and disabled families. Citywide, there are approximately 16,500 low-income households. The jurisdiction has a shortfall in affordable units for very low and extremely low-income households, with the majority of very low-income individuals paying over 50% of their income for housing. Additionally, existing affordable housing developments, which serve the City of Durham’s most vulnerable populations, has the potential to lose its affordability restrictions. There are approximately 6,100 income restricted, subsidized units in Durham. DHA owns 31% of these units.

There is a significant shortage of affordable rental housing in the jurisdiction. Therefore, DHA is partnering with the City of Durham to expend public funds collaboratively that leverages private sector investment, as well as encourage a high degree of community support and engagement.

The Housing Authority of the City of Durham (DHA) identifies the needs of the extremely low-income, very-low income, low-income, elderly, and disabled families. DHA will utilize the Rental Assistance Demonstration Program, implemented by HUD in 2012, to rehabilitate the existing public housing portfolio without largely relying on federal funding. The program authorizes public housing authorities (PHAs) to convert their existing public housing units to project-based voucher assistance units. PHAs are then able to utilize private market financing tools, such as low-income housing tax credits and multifamily housing bonds to substantially renovate their public housing portfolios. In 2012 and 2013, DHA embarked upon an ambitious plan to convert its entire public housing portfolio and HOPE VI developments to the RAD program, consisting of nearly 1900 units from 19 public developments and 4 mixed-income/tax-credit developments.

DHA’s strategy to address the housing needs of families within the jurisdiction:

- Reduce the number of public housing vacancies
- Increase voucher utilization
- Utilize the Rental Assistance Demonstration (RAD) Program to convert public housing to project-based assistance
- Leverage private and public funds including Low-Income Tax Credits and Tax-Exempt Bonds to create new senior and multi-family housing opportunities

Reasons for choosing these strategies:

- Sustain the affordable housing stock currently in existence in Durham.
- Viable solution to address the quantity of households that are already rent-burdened in Durham due to the excessive rental prices in the existing market.
- Create housing in areas of opportunity in Durham.
- Create additional affordable housing units.
- Diversity the existing housing options.

## Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions

### Public Housing Policies that Govern Eligibility, Selection, and Admissions

#### Waiting List Procedures

The Waiting List Procedures for the Public Housing Program will remain the same with the exception of the following proposed ACOP revisions (changes are in **bold**):

- Families may obtain application forms from the Site they are applying for **during the times designated by the site, or from the DHA website, when available**. Families may also request – by telephone, mail, **or e-mail** – that a form be sent to the family via first class mail or **e-mail**.
- Completed applications must be returned to the Site the applicant is applying for by mail, fax, **email**, or in person during **the times designated by the site**. Applications must be complete in order to be accepted by DHA for processing. If an application is incomplete, DHA will notify the family of the additional information required.
- **Families may also apply using the Online Application Portal when available.**
- DHA will mail written notification of the preliminary eligibility determination within 10 business days of receiving a completed application. ~~If applicable, the notice will also indicate the waiting list preference(s) for which the family appears to qualify.~~
- **The site-based waiting list will be updated at least annually or more frequently as needed** to ensure that all applicants and applicant information is current and timely.

#### Admission Preferences

The Public Housing Admissions preferences will remain the same.

#### Determining Eligibility

The Public Housing Program's Eligibility policies will remain the same with the exception of the of the following proposed ACOP revisions (changes are in **bold**):

- Exhibit 3-2 of the ACOP has updates so that the exhibit mirrors previously approved ACOP changes regarding eligibility determinations.
- Families may obtain application forms from the Site they are applying for **during the times designated by the site, or from the DHA website**. Families may also request – by telephone, mail, **or e-mail** – that a form be sent to the family via first class mail or **e-mail**.

Completed applications must be returned to the Site the applicant is applying for by mail, fax, **e-mail**, or in person during **the times designated by the site**. Applications must be

complete in order to be accepted by DHA for processing. If an application is incomplete, DHA will notify the family of the additional information required.

**Families may also apply using the Online Application Portal when available.**

- DHA will mail written notification of the preliminary eligibility determination within 10 business days of receiving a completed application. ~~If applicable, the notice will also indicate the waiting list preference(s) for which the family appears to qualify.~~
- The **site-based waiting list will be purged at least annually or more frequently as needed** to ensure that all applicants and applicant information is current and timely.
- Language regarding security deposit amounts was updated to allow DHA the discretion to implement of move-in specials.

### Occupancy Policies

The Public Housing Program Occupancy Policies will remain the same with the exception of the following proposed ACOP revisions (changes are in **bold**):

- **For a family with net assets equal to or less than \$5,000, DHA will accept for purposes of annual reexamination only, a family's certification that it has net assets equal to or less than \$5,000.**
- **To verify the benefits of residents when 100 percent of the family's income consists of Social Security payments to include Supplemental Security Income (SSI) and Supplemental Security Disability Insurance (SSDI), DHA will recalculate family income by applying the Social Security Administrations published cost of living adjustments to the previously verified income amount.**
- For Community Service and Self Sufficiency Requirement an *exempt individual* is an adult who:
  - Is in a family receiving assistance under a state program funded under part A of title IV of the Social Security Act, or under any other welfare program of the state in which DHA is located, including a state-administered welfare-to-work program, and has not been found by the state or other administering entity to be in noncompliance with such program. **HUD has determined that the Supplemental Nutrition Assistance Program (SNAP) qualifies as a welfare program of the state.**
- A section was added to the ACOP to cover the Emergency Transfer Policy requirements implemented by the Violence Against Women Act 2013 (VAWA) Final Rule that went into effect December of 2016.
- 
- **Arrest records or police reports will not be used as the sole basis for terminating a lease. An arrest record or police report may, however, trigger an investigation into whether**

the applicant actually engaged in disqualifying criminal activity. A conviction will be given more weight than an arrest.

- The Housing Opportunity Through Modernization Act (HOTMA) of 2016 places an income limitation on public housing tenancy for families. The law requires that once a family's income has exceeded 120% of AMI, or a different limitation set by the Secretary of HUD ("over-income limit") for two consecutive years, DHA must terminate the family's tenancy within six (6) months of the second income determination or charge the family a monthly rent equal to the greater of:
  - (1) The applicable Fair Market Rent (FMR) for the area; or
  - (2) The amount of monthly subsidy for the unit including amounts from the operating and capital fund, as determined by regulations.

DHA must notify a family of the potential changes to monthly rent or potential termination after one (1) year of the family's income exceeding the over-income limit.

DHA must submit a publicly available report to HUD annually about the number of families residing in public housing with incomes exceeding the over-income limit and the number of families on the waiting lists for admission to public housing.

Please see the *FY 2019 Proposed ACOP Revisions* for the complete listing of all policy changes, to compare old language versus new language, as well as the respective policy locations in the ACOP.

#### Public Housing Program Deconcentration Policy

DHA's admission policy is designed to provide for deconcentration of poverty and income-mixing by bringing higher income tenants into lower income projects and lower income tenants into higher income projects.

Developments subject to the deconcentration requirement are referred to as 'covered developments' and include general occupancy (family) public housing developments. The following developments are not subject to deconcentration and income mixing requirements:

- developments operated by a DHA with fewer than 100 public housing units;
- mixed population or developments designated specifically for elderly or disabled families;
- developments operated by a DHA with only one general occupancy development;
- developments approved for demolition or for conversion to tenant-based public housing;
- developments approved for a mixed-finance plan using HOPE VI or public housing funds

#### **Steps for Implementation**

To implement this requirement DHA must comply with the following steps:

Step 1. On an annual basis DHA will determine the average income (or median income) of all families residing in all DHA's covered developments.

Step 2. DHA will determine the average income (or median income, if median income was used in Step 1) of all families residing in each covered development. In determining average income for each development, DHA will not adjust for unit size.

Step 3. DHA will determine whether each of its covered developments falls above, within, or below the established income range (EIR), which is from 85% to 115% of the average family income determined in Step 1. However, the upper limit must never be less than the income at which a family would be defined as an extremely low income family (30% of median income).

Step 4. DHA with covered developments having average incomes outside the EIR must then determine whether or not these developments are consistent with its local goals and annual plan.

Step 5. Where the income profile for a covered development is not explained or justified in the annual plan submission, DHA must include in its admission policy its specific policy to provide for deconcentration of poverty and income mixing.

Depending on local circumstances DHA's deconcentration efforts may include, but is not limited to the following:

- Providing incentives to encourage families to accept units in developments where their income level is needed, including rent incentives, affirmative marketing plans, or added amenities
- Targeting investment and capital improvements toward developments with an average income below the EIR to encourage families with incomes above the EIR to accept units in those developments
- Establishing a preference for admission of working families in developments below the EIR
- Skipping a family on the waiting list to reach another family in an effort to further the goals of deconcentration
- Providing other strategies permitted by statute and determined by DHA in consultation with the residents and the community through the annual plan process to be responsive to local needs and DHA strategic objectives

A family has the sole discretion whether to accept an offer of a unit made under DHA's deconcentration policy. DHA must not take any adverse action toward any eligible family for choosing not to accept an offer of a unit under DHA's deconcentration policy.

If, at annual review, the average incomes at all general occupancy developments are within the EIR, DHA will be considered to be in compliance with the deconcentration requirement and no further action is required.

At the beginning of each housing authority fiscal year, the housing authority will establish a goal for housing 40% of its new admissions with families whose incomes are at or below the area median income for developments outside of the EIR to provide for deconcentration of poverty

and income mixing. The annual goal will be calculated by taking 40% of the total number of move-ins from the housing authority fiscal year.

### Public Housing Program Deconcentration Analysis

#### Average Incomes for Properties Subject to Deconcentration Rule\*

<b>PROPERTY</b>	<b>AVERAGE INCOME</b>
McDougald Terrace	\$ 8,030.00
Oldham Towers	\$ 8,837.00
Cornwallis Road	\$ 7,426.00
Liberty Street	\$ 9,103.00
Oxford Manor	\$ 9,124.00
<b>TOTAL</b>	<b>\$ 42,520.00</b>
<b>ESTABLISHED INCOME RANGE (EIR)</b>	
85% of Average Property Income	\$ 7,228.40
115% of Average Property Income	\$ 9,779.60
30% of Area Median Income	\$ 25,100.00

*As of July 30, 2018*

DHA properties, as a whole, fall within the Established Income Range (EIR). All properties have income lower than 30% of the Area Median Income. However, McDougald Terrace falls outside of the EIR.

\*Scattered Sites, J.J. Henderson, and Forest Hill Heights are designated as elderly, and are not subject to the Deconcentration Rule. Laurel Oaks, Hoover Road, Club Boulevard and Edgemont Elms have fewer than 100 units, and therefore are not subject to the Deconcentration Rule.



## HCV Program Policies that Govern Eligibility, Selection, and Admissions

### Waiting List Procedures

The Waiting List Management Procedures for the HCV Program will remain the same.

### Admission Preferences

The HCV Program Admission preference will remain the same with the exception of the following proposed HCV Administrative Plan revisions (changes are in **bold**):

- **Public Housing Preference**

DHA will admit an applicant to the Housing Choice Voucher program before all other applicants on the waiting list if:

- The applicant resides in DHA public housing, AND;
- The applicant family is being temporarily displaced due to DHA rehabilitation, modernization programs **and Rental Assistance Demonstration**

- **Family Unification Preference**

The Family Unification Program is a program to promote family unification by providing rental assistance for **(1) families for whom the lack of adequate housing is a primary factor in the separation, or imminent separation of children from their families (there is no maximum length of time that this population can receive assistance); or (2) youth between the ages of 18-24 who left foster care at age 16 or older, or will leave foster care within 90 days, and are homeless or at risk of becoming homeless (the maximum length of time for this population to receive assistance is 36 months).**

### Determining Eligibility

The HCV Program Eligibility policies will remain the same with the exception of the of the following proposed HCV Administrative Plan revisions (changes are in **bold**):

- If the family breakup results from the occurrence of domestic violence, dating violence, sexual assault or stalking, DHA must ensure that the victim retains assistance. (For documentation requirements and policies related to domestic violence, dating violence, sexual assault or stalking, see section 16-IX.D. of this plan).

**In accordance with Notice PIH 2017-08, for HUD–Veterans Affairs Supportive Housing (HUD–VASH) vouchers, when the veteran is the perpetrator of domestic violence, dating violence, sexual assault, or stalking, the victim must continue to be assisted. Upon termination of the perpetrator’s HUD–VASH voucher, the victim should be given a regular HCV if one is available, and the perpetrator’s HUD–VASH voucher should be used to serve another eligible family. If a regular HCV is not available, the victim will continue to use the HUD–VASH voucher, which must be issued to another eligible family upon the voucher’s turnover.**

If a court determines the disposition of property between members of the assisted family, DHA is bound by the court's determination of which family members continue to receive assistance.

- HUD authorizes DHA to deny assistance based on the family's previous behavior in assisted housing. **Per the alternative requirements listed in the *Federal Register* notice dated December 29, 2014, PHAs are no longer permitted to deny assistance to a family because the family previously failed to meet its obligations under the Family Self-Sufficiency (FSS) program [FR Notice 12/29/14].**
- If the balance is not paid in full, or the applicant does not provide proof of being in good standing with **or entering into an approved** repayment plan with the previous PHA, the application is withdrawn from the waiting list and the applicant must reapply when the waiting list is re-opened.
- DHA will perform a criminal background check through **the agency's designated vendor**, for every adult household member including current live-in-aides/caretakers and candidates awaiting approval to join the household as a live-in-aide or caretaker.

If the results of the criminal background check indicate that there may be past criminal activity (**felony level**) **within the past three years, DHA will send the applicant a Notice of Intent to Deny Assistance, in addition to an Arrest and Conviction Form, by which the applicant can explain the nature of the circumstances surrounding the criminal activity, and provide any documentation in support of his/her rehabilitation efforts.**

**DHA will also review the applicant's criminal background for patterns of violent or drug-related criminal activity, including misdemeanor level activity. DHA has the discretion to deny assistance for such patterns of criminal activity, under the grounds that said activity would negatively impact other resident's health, safety, or right to peaceful enjoyment of the premises.**

- **Exceptions to Screening Procedures:**  
DHA will continue to screen applicants that apply for Housing Choice Voucher Program assistance on a case-by-case basis. At DHA's discretion, applicants who are determined to have **felony level** criminal activity listed on their background checks within the 3 year eligibility threshold may still be determined eligible for housing assistance, should the applicants be able to provide verification of successful engagement and/or completion of a treatment program, community re-entry program, parole/probation, **or a Certificate of Relief, issued by a court official.**
- The Violence against Women Act of 2013 (VAWA) and the HUD regulation at 24 CFR 5.2005(b) prohibit PHAs from denying an applicant admission to the HCV program "on the basis or **as a direct result of** the fact that the applicant is or has been a victim of domestic violence, dating violence, sexual assault or stalking, if the applicant otherwise qualifies for assistance or admission."

**Notification**

VAWA 2013 expanded notification requirements to include the obligation for PHAs to provide applicants who are denied assistance with a **VAWA Notice of Occupancy Rights (form HUD-5380)** and a **domestic violence certification** form (HUD-5382) at the time the applicant is denied.

**DHA Policy**

DHA acknowledges that a victim of domestic violence, dating violence, sexual assault or stalking may have an unfavorable history (e.g., a poor credit history, **poor rental history**, a record of previous damage to an apartment, a prior arrest record) **due to adverse factors** that would warrant denial under DHA's policies, but that may be the result of an abuser's actions.

**While DHA is not required to identify whether adverse factors that resulted in the applicant's denial are a result of domestic violence, dating violence, sexual assault, or stalking, the applicant may inform DHA that their status as a victim is directly related to the grounds for the denial. DHA will request that the applicant provide enough information to the PHA to allow DHA to make an objectively reasonable determination, based on all circumstances, whether the adverse factor is a direct result of their status as a victim.**

DHA will include in its notice of denial the VAWA information described in section 16-IX.C of this plan as well as including a copy of the form HUD-5382. DHA will request in writing that an applicant wishing to claim protection under VAWA notify DHA within 14 business days.

Please see the *FY 2019 Proposed HCV Administrative Plan Revisions* for the complete listing of all policy changes, to compare old language versus new language, as well as the respective policy locations in the HCV Administrative Plan.

**Search Time**

HCV Policies regarding search time for a voucher holder will remain the same.

## Financial Resources

### Statement of Estimated Financial Resources FY 2019

#### Sources:

<b>1. Federal Grants (FY2019 grants)</b>			
a. PH Operating Fund		\$ 6,370,133	PH Operations
b. PH Capital Fund		\$ 3,891,504	PH Capital Improvements/Development Activities
c. Hope 6 Revitalization (balance remaining in LOCCS - obl)		\$ -	
d. Funding for HCV HAP (based on 2018 budget)		\$ 19,753,628	HCV Operations
Funding for HCV Adm (based on 2018 budget)		\$ 1,665,341	HCV Operations
e. ROSS Grant - FSS Coordinators - based on 2018 grant		\$ 144,000	Resident Services
<b>Sub-total (Fed Grants - Year 2019)</b>		<b>\$ 31,824,606</b>	
<b>2. Prior year federal grants (PYFG) (unobligated)</b>			
a. CFP Grants			
CFP 2013	182,188		
CFP 2014	741,759		
CFP 2015	1,241,507		
CFP 2016	714,733		
CFP 2017	1,862,271		
CFP 2018	3,891,504		
RHF 2013	1,395		
RHF 2015	46,641		
RHF 2017	319,221		
<b>Sub-Total PYFG</b>	<b>9,001,219</b>	<b>\$ 9,001,219</b>	PH Capital Improvements/Development
<b>3. PH Dwelling Rental Income</b>			
(only PH units, not including RAD)		\$ 3,294,008	PH Operations
<b>4. Other Income</b>			
Investment Income - based on 2018 budget		\$ 492	PH Operations
Investment Income - based on 2018 budget		\$ 693	HCV Operations
Other - PH - 2018 budget		\$ 280,664	PH Operations
Other - HCV - 2018 budget		\$ 8,597	HCV Operations
<b>Subtotal Other Income</b>		<b>\$ 290,446</b>	
<b>Non-federal sources</b>			
a. HCV City of Durham Grant		\$ 49,044	Development Activities
b. Other City of Durham Grant		\$ 149,386	Development Activities
c. Fayette Place City of Durham Grant		\$ 53,539	Development Activities
(balances as of 6/30/18)		\$ 251,969	
<b>Total Resources</b>		<b>\$ 44,662,248</b>	

## Operation and Management

DHA has a matrix structure where programs and functional responsibilities have reasonably equal weight. The Board of Commissioners appoints the Chief Executive Officer to administer the affairs of the Authority.

The Chief Executive Officer oversees seven (7) directors who manage day-to-day agency operations in the areas of: Administration, Development, Financial Services, the HCV Program, the Public and Affordable Housing Programs, Resident Services, and Strategic Management.

Programs Under DHA Management	Internal Policy Documents Governing Programs
<b>Public Housing Program</b>	<ul style="list-style-type: none"> <li>— Public Housing Admissions &amp; Continued Occupancy Policy (ACOP)</li> <li>— DHA Public Housing Dwelling Lease</li> <li>— DHA Public Housing Preventative Maintenance Policy</li> <li>— DHA Schedule of Maintenance Charges</li> <li>— DHA Procurement Policy</li> </ul>
<b>Public Housing Family Self-Sufficiency (FSS) Program</b>	<ul style="list-style-type: none"> <li>— Public Housing ACOP</li> </ul>
<b>Public Housing Capital Fund Program</b>	<ul style="list-style-type: none"> <li>— DHA Procurement Policy</li> </ul>
<b>HOPE VI Program</b>	<ul style="list-style-type: none"> <li>— DHA Procurement Policy</li> </ul>
<b>Housing Choice Voucher (HCV) Program</b>	<ul style="list-style-type: none"> <li>— HCV Administrative Plan</li> </ul>
<b>HCV FSS Program</b>	<ul style="list-style-type: none"> <li>— HCV Administrative Plan</li> </ul>

*\*All DHA Employees under these programs are governed by DHA's Personnel Policy. All Program records are subject to DHA's Record Retention Policy.*

## Safety and Crime Prevention

DHA's Resident Safety Operations coordinate efforts with Durham Police/Sheriff Departments to better serve our more than 1,600 residents. Calls for Service, Incident Reports, and monthly Crime Statistics dictate the need to monitor activities at certain developments and to respond accordingly. The socioeconomic, educational factors and other challenges faced by our residents daily, requires that we as an agency attempt to assist them as best as possible. DHA uses all these factors and more to aid us in addressing the safety of its residents.

DHA has partnered with the Durham Police Department (DPD) to establish a Police Substation at McDougald Terrace (our largest development, with 360 units) to improve accessibility for residents when needed. Not only has police presence in the McDougald Terrace community attributed to a major drop in crime, the community policing concept aids in the physical, social, cultural and welfare development of our residents. DPD and DHA believe, that it has also allowed officers to develop effective relationships with the residents and provide comprehensive services within the community, including taking the children on field trips.

DHA recently revised its Trespass Policy to include policies that will assist DHA with keeping disruptive and dangerous persons off of the housing development properties. The policy will allow DHA to remove residents from public housing properties if the person engages in drug trafficking or other criminal activities.

The Resident Safety Operations team and DHA Property Managers work closely with the Durham Police Department to trespass any individuals engaged in detrimental activities on DHA properties. In addition to this, and increased lease enforcement, DHA is confident there will be a decrease in disturbances at our properties and increase the safety and security of our residents.

DHA's Resident Safety Operations team also conducts bi-monthly Crime Task Force meetings. At these meetings DHA Property Managers, staffers, resident leaders, Durham police/sheriff officers/North Carolina Highway patrols, Resident Patrols, Community Floor Captains, Neighborhood Watch groups and support agencies address DHA's crime/safety concerns. In addition, these meetings support self-sufficiency programs, crisis intervention programs, health & safety workshops, gang prevention programs and other community activities for families to promote community engagement and interaction. These programs are offered by DHA's Resident Services' staff. Local supporters also include: Duke and North Carolina Universities, Durham County Local Emergency Committee, Durham County Health Department, Durham City Improvement Services, American Red Cross, Alliance Health Care, Durham County Gun Safety Team, Durham County Gang Strategy Steering Committee, Men of Vision, Bull City United, churches, civic organizations and others.

DHA resident volunteers are trained to participate in our Floor Captains program in our high rise buildings. They, along with our Resident Patrols, provide an internal neighborhood watch program within the high rise properties after being trained by Resident Safety Operations team. These individuals control entrances and exits, perform Operation Infirm Checks where they check on the elderly, conduct knock and talks, check on safety concerns. Training topics include: Calling 911, how not to put yourself in harm's way, Responding to crisis, Checking visitors ID, Answering alarms calls, Protocol, Writing up incident reports, Active Shooter Training; Professionals also teach them CPR, and Stop The Bleed tactics.

DHA's properties are located throughout Durham's many communities. The Resident Safety Operations team's crime/safety efforts requires collaboration with the Durham Police Department's Chief and five District Commanders. This partnership plays an integral role in DHA's crime and safety prevention efforts. DHA's Resident Safety Manager is the official liaison between DPD and DHA. He attends the DPD's weekly Crime Abatement meetings to gather criminal data on DHA's communities, discusses trends, crime mappings, upcoming events and special operations.

The Resident Safety Operations' Manager and Specialist work closely with the Durham County Sheriff's Department on a number of crime prevention programs. DHA's Resident Safety Manager also attends the monthly Durham County Violent Crime Reduction Roundtable. This meeting is chaired by the Mayor and includes the City Manager, County Commissioner, Chief of Police,

Durham County Sheriff, DHA's Chief Executive Officer and other high ranking city officials to discuss crime trends and data, all in the interest of decreasing crime and improving safety in DHA's communities.

### Asset Management

DHA will utilize the Rental Assistance Demonstration (RAD) Program, implemented by HUD in 2012, to rehabilitate and modernize the existing public housing inventory. The RAD program gives DHA the ability to rehabilitate and modernize the current housing inventory without largely relying on federal funding. The RAD program authorizes public housing authorities (PHAs) to convert their existing public housing units to project-based assistance units. PHAs are then able to utilize private market financing tools, such as low-income housing tax credits and multifamily housing bonds as capital investment to substantially renovate their public housing portfolios.

DHA's conversion of its public housing under the RAD program and the subsequent renovations will ensure the long-term viability of the current public housing communities.

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## B.2 New Activities

### Hope VI or Choice Neighborhoods

If a FY2018 or FY2019 Choice Neighborhoods Planning and Action or Implementation Grant Notice of Funding Availability becomes available, DHA will apply for the developments located in East Durham in the Downtown Redevelopment Target Plan area, as identified by the City of Durham. The targeted developments include: Oldham Towers, a seven-story dwelling building and one non-dwelling unit building with 106-units consisting of (50) one-bedroom units, and (53) one-bedroom, and (3) three-bedroom units; and Liberty Street, a 108-unit multifamily development consisting of: (32) one-bedroom, (47) two-bedroom, and (29) three-bedroom units. The developments are located on contiguous parcels.

Additionally, DHA may apply for a CNI for the McDougald Terrace development. Built in 1959, the development includes fifty-nine (59) dwelling unit buildings and one (1) non-dwelling unit building that houses the management office/community space. The development is situated on a little over 25 acres. Families occupy the row type brick veneer structures. The unit size bedroom distribution includes: (58) one-bedroom, (136) two-bedroom, (100) three-bedroom, (61) four-bedroom, and (5) five-bedroom rental units.

### Mixed Finance Modernization or Development

*Goley Street, Affordable Housing Development (up to 45 units)* – This rental development will consist of up to 45 dwelling units. Families will occupy the walk-up, row-house and semi-detached type structures. The unit size bedroom distribution is anticipated to include 22 two-bedroom and 23 three-bedroom rental units. DVI will work with a qualified architectural and engineering firm to determine the maximum number possible of replacement units. A Mixed-Finance / Modernization Proposal is planned to be submitted to HUD in 2019.

*Kerrwood Estates, Affordable Housing Development (NC013-19 / 3 units)* – There are currently 3 vacant parcels remaining at this development; the other single-family homes were previously sold. A HUD Mixed-Finance / Modernization Proposal is planned to be submitted in 2018.

*Rental Assistance Demonstration (RAD) Conversions* – DHA will re-apply for portfolio for all of its remaining public housing developments. The plan is for the developments to undergo modernization in the upcoming years in conjunction with the RAD program. Please see section titled "Conversion of Public Housing to Project-Based Assistance under RAD" for more information.

*Lincoln Apartments, Affordable Housing Development (up to 100 units)* – This 9.08 acre site may consist of a combination of rental and for-sale homeownership units. The currently vacant 150-unit apartment complex was constructed in phases, between 1960 and 1970. The inhabitable buildings are brick and concrete structures with shingle roofs. A Mixed-Finance / Modernization Proposal is planned to be submitted to HUD in 2019.



Fayette Place (*unit count TBD*) – This proposed mix-income, mix-use rental development will consist of a yet to be determined number of units. The developer will work with a qualified architectural and engineering firm to determine the highest and best use for the site and maximum number possible of units. A Mixed-Finance / Modernization Proposal is planned to be submitted to HUD in 2019.

### Demolition and/or Disposition

*Birchwood Heights (NC013 / 4 units)* – a Demolition/Disposition Proposal will be submitted to HUD Special Application Center in 2018.

*Central Office* – DHA may also explore the possibility of submitting a Demolition / Disposition proposal for the Central Office located at 330 East Main Street.

*Kerrwood Estates, Affordable Housing Development*– There are currently 3 vacant parcels remaining at this development; the other single-family homes were previously sold. A HUD Demolition / Disposition proposal is planned to be submitted in 2019.

*McDougald Terrace (NC013-01 / 14 units)* – Two buildings have been vacant since 2008. A HUD Demolition / Disposition proposal is planned to be submitted in 2018.

*Vacant DHA-owned parcels* – as part of the RAD conversion, DHA may seek to demolish all or a portion of the units at the sites and replace them elsewhere on parcels owned by DHA and/or DVI located within the City of Durham. A HUD Demolition / Disposition proposal will be submitted on an as-needed basis.

*McDougald Terrace (NC013-01 / 360 Units)* – This rental development was built in 1959 and has fifty-nine dwelling unit buildings and one non-dwelling unit building. Families occupy the row type brick veneer structures. The unit size bedroom distribution includes: (58) one-bedroom, (136) two-bedroom, (100) three-bedroom, (61) four-bedroom, and (5) five-bedroom rental units.

*J. J. Henderson Housing Center (NC013-09 / 178 units)* – A portion of the site may be pursued for demo/dispo in conjunction with RAD. This rental development was built in 1978 and has one nine-story dwelling unit building. Elderly individuals occupy the units the reinforced concrete frame and reinforced exterior wall high-rise elevator structure. The unit size bedroom distribution includes: (141) zero bedrooms and (37) one bedrooms.

*Scattered Sites (NC013-03 / 50 units)* – This rental development was built in 1962 and has twenty-five dwelling unit buildings and one non-dwelling unit building. Elderly individuals occupy the duplex-type wood frame with brick veneer structures. The unit size bedroom distribution includes: (12) zero bedrooms and (38) one bedrooms.

*Oldham Towers (NC013-04 / 106 units) and Liberty Street (NC013-06 / 108 units)* – Oldham Towers was built in 1969 and has one seven-story dwelling unit building and one non-dwelling unit building that is used to house the Resident Services Department. Elderly and non-elderly disabled individuals occupy the units. The complex consists of: (50) zero-bedroom, (53) one-bedroom, and (3) three-bedroom units.

*Cornwallis Road (NC013-05 / 200 units)* – This rental development was built in 1967 and has eighty-two dwelling unit buildings and one non-dwelling unit building. Families and elderly individuals occupy the single-family duplex and row type wood frame and brick veneer structures. The unit size bedroom distribution includes: (20) one-bedroom, (50) two-bedrooms, (76) three-bedroom units, (46) four bedrooms, (6) five bedrooms, and (2) six bedrooms.

*Liberty Street (NC013-06 / 108 units)* was built in 1972 and has twenty-six dwelling unit buildings and one non-dwelling unit building. Families occupy the row type structures and elderly individuals occupy the two-story walk-up structures. The unit size bedroom distribution includes: (32) one-bedroom, (47) two-bedroom, and (29) three-bedroom units.

*Club Boulevard (NC013-07 / 77 units)* – This rental development was built in 1969 and has seventy-seven dwelling unit buildings and one non-dwelling unit building. Families occupy single-family structures. The unit size bedroom distribution includes: (54) three-bedroom and (23) four-bedroom rental home units.

*Hoover Road (NC013-08 / 54 units)* – This rental development was built in 1968 and has seven dwelling unit buildings and one non-dwelling unit building. Families occupy the row type wood frame and brick veneer structures. The unit size bedroom distribution includes: (21) two bedrooms and (33) four bedrooms.

*Oxford Manor (NC013-12 / 172 units)* – This rental development was built in 1972 and has sixty-six dwelling unit buildings and one non-dwelling unit building. Families occupy the two-story row type wood frame with brick veneer structures. The unit size bedroom distribution includes: (50) two-bedrooms, (34) three-bedroom units, (68) four bedrooms, and (20) five bedrooms.

*Forest Hill Heights (NC013-14 / 55 units)* – This rental development was built in 1981 and has eight dwelling unit buildings and one non-dwelling unit building. Elderly individuals occupy the row type structures. The unit size bedroom distribution includes 20 zero-bedroom and 35 one-bedroom rental units.

#### **Leasing of Incidental Non-Dwelling Land- *Miracle League Ground Lease***

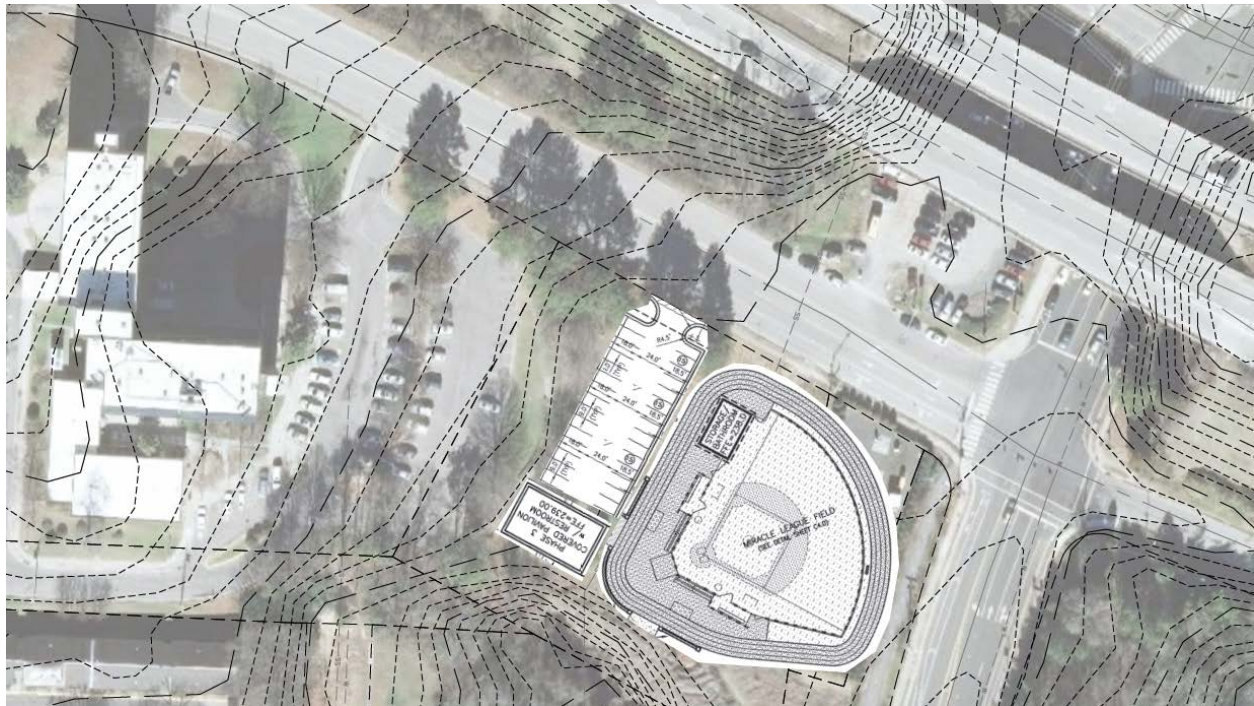
The Miracle League of the Triangle, Inc. is a North Carolina non-profit corporation founded in 2005 whose mission is to create, through baseball, positive life experiences for both children and adults with special needs and their families. The Miracle League is currently meeting its mission by serving nearly 400 players with special needs each season on 30 teams that play at specialized

baseball facilities located in Cary (Andy’s Foundation Field at Adams Elementary School) and Raleigh (Fred Smith Company Field near the Living Arts College).

The Miracle League, in collaboration with Capitol Broadcasting Company, Incorporated (“*Capitol Broadcasting*”), is interested in exploring a partnership with DHA to construct a Miracle League baseball facility on property currently owned by an affiliate of Capitol Broadcasting and DHA.

The subject DHA property is located adjacent to the J.J. Henderson public housing development at 473 Morehead Avenue, consists of roughly 1.5 acres of vacant land, and was recently being leased by DHA to the Durham Bulls as additional game-day parking (the “*DHA Property*”). The DHA Property is both vacant and excess land that has not historically been substantially utilized by DHA or DHA residents. The subject Capitol Broadcasting property borders the DHA Property, is located at 461 Morehead Avenue and consists of roughly .25 acres of vacant land (the “*Capitol Broadcasting Property*”). *Please see Exhibit A for a map of the proposed location.*

**Exhibit A**



***On the left side of the photo is the J.J. Henderson Housing Center. Towards the bottom of the photo is the proposed Miracle League project. At the top right side of the photo is the Durham Freeway-147.***

The proposed baseball facility would be located at the corner of Morehead Avenue and Blackwell Streets on the DHA Property and the Capitol Broadcasting Property, and in support of the Miracle League Partnership, DHA plans to ground lease the DHA Property to Miracle League. The Miracle League will be solely responsible for constructing the baseball facility. At the end of the lease term, all improvements (the entire baseball facility) will be owned by DHA at no cost. The proposed ground lease provides that DHA residents, invitees and employees will have the right

to utilize the baseball facility, including the walking track, when it is not in use by Miracle League, subject to prior written consent.

The term of the lease would be for 10 years from the date the lease is executed. Upon expiration of the lease the Miracle League will have an option to extend or not to extend the lease for an additional five (5) years. Upon expiration of the first optional extension DHA will have the option to extend or not to extend the lease for an additional five (5) years. The potential lease term is twenty years.

### Designated Housing for Elderly

DHA has designated a total of 389 housing inventory units to the Elderly and/or disabled, representing approximately 28% of its total public housing inventory. Those units are in the following developments: Oldham Towers, Scattered Sites, JJ Henderson, and Forest Hill Heights. There are (223) zero-bedrooms; (163) one-bedrooms, and (3) 3-bedrooms in this 389 total.

Among the designated developments, DHA must also apply any preferences that it has established. If there are not enough elderly families to occupy the units in a designated elderly development, DHA may allow near-elderly families to occupy the units. If there are an insufficient number elderly and near-elderly families for the units in a development designated for elderly families, DHA must make available to all other families any unit that is ready for re-rental and has been vacant for more than 60 consecutive days. As DHA converts its portfolio, it may request authorization for updates to these designations.

### Conversion of Public Housing to Project Based Assistance under RAD

The following developments are planned for conversion under RAD by the end of 2018:

- Laurel Oaks (NC013-15) Public Housing Development / 30 units
- 1010 Worth Street (NC013-32) Public Housing Development / 1 unit
- Goley Pointe (NC013-33) Public Housing Development / 14 units

DHA originally received a portfolio conversion award from HUD in March 2015; however, DHA rescinded Commitment to Enter into Housing Assistance Payment (CHAP) for the following developments and submitted Letters of Intent to re-apply, as RAD authority was made available: McDougald Terrace, Scattered Sites, Cornwallis Road, Hoover Road, JJ Henderson, Oxford Manor, Forest Hill Heights, Club Boulevard, and Oldham Towers, and Liberty Street.

DHA was notified in July 2018 that it can submit RAD applications for the aforementioned developments to receive a new CHAP. As part of the RAD conversion, DHA may seek to demolish all or a portion of the units listed below at the sites and replace/transfer assistance of some or all of the units to other parcels owned by DHA and/or DVI and other developments in the city of Durham.

*McDougald Terrace (NC013-01 / 360 Units)* – This rental development was built in 1959 and has fifty-nine dwelling unit buildings and one non-dwelling unit building. Families occupy the row type brick veneer structures. The unit size bedroom distribution includes: (58) one-bedroom, (136) two-bedroom, (100) three-bedroom, (61) four-bedroom, and (5) five-bedroom rental units.

*Scattered Sites (NC013-03 / 50 units)* – This rental development was built in 1962 and has twenty-five dwelling unit buildings and one non-dwelling unit building. Elderly individuals occupy the duplex-type wood frame with brick veneer structures. The unit size bedroom distribution includes: (12) zero bedrooms and (38) one bedrooms.

*Oldham Towers (NC013-04 / 106 units) and Liberty Street (NC013-06 / 108 units)* – Oldham Towers was built in 1969 and has one seven-story dwelling unit building and one non-dwelling unit building that is used to house the Resident Services Department. Elderly and non-elderly disabled individuals occupy the units. The complex consists of: (50) zero-bedroom, (53) one-bedroom, and (3) three-bedroom units.

Liberty Street was built in 1972 and has twenty-six dwelling unit buildings and one non-dwelling unit building. Families occupy the row type structures and elderly individuals occupy the two-story walk-up structures. The unit size bedroom distribution includes: (32) one-bedroom, (47) two-bedroom, and (29) three-bedroom units.

*Cornwallis Road (NC013-05 / 200 units)* – This rental development was built in 1967 and has eighty-two dwelling unit buildings and one non-dwelling unit building. Families and elderly individuals occupy the single-family duplex and row type wood frame and brick veneer structures. The unit size bedroom distribution includes: (20) one-bedroom, (50) two-bedrooms, (76) three-bedroom units, (46) four bedrooms, (6) five bedrooms, and (2) six bedrooms.

*Club Boulevard (NC013-07 / 77 units)* – This rental development was built in 1969 and has seventy-seven dwelling unit buildings and one non-dwelling unit building. Families occupy single-family structures. The unit size bedroom distribution includes: (54) three-bedroom and (23) four-bedroom rental home units.

*Hoover Road (NC013-08 / 54 units)* – This rental development was built in 1968 and has seven dwelling unit buildings and one non-dwelling unit building. Families occupy the row type wood frame and brick veneer structures. The unit size bedroom distribution includes: (21) two bedrooms and (33) four bedrooms.

*J. J. Henderson Housing Center (NC013-09 / 178 units)* – This rental development was built in 1978 and has one nine-story dwelling unit building. Elderly individuals occupy the units the reinforced concrete frame and reinforced exterior wall high-rise elevator structure. The unit size bedroom distribution includes: (141) zero bedrooms and (37) one bedrooms.

*Oxford Manor (NC013-12 / 172 units)* – This rental development was built in 1972 and has sixty-six dwelling unit buildings and one non-dwelling unit building. Families occupy the two-story row type wood frame with brick veneer structures. The unit size bedroom distribution includes: (50) two-bedrooms, (34) three-bedroom units, (68) four bedrooms, and (20) five bedrooms.

*Forest Hill Heights (NC013-14 / 55 units)* – This rental development was built in 1981 and has eight dwelling unit buildings and one non-dwelling unit building. Elderly individuals occupy the row type structures. The unit size bedroom distribution includes 20 zero-bedroom and 35 one-bedroom rental units.

*Laurel Oaks (NC013-15 / 30 units)* – This rental development was built in 2004 and has six dwelling unit buildings and one non-dwelling unit building. Families occupy the row type wood frame and brick veneer structures. The unit size bedroom distribution includes (30) three-bedroom units. A moderate rehabilitation and RAD Conversion is planned for 2018.

### **Transfer of Assistance**

In coordination with other developers in creating affordable housing in areas of opportunity, DHA actively seeks partnerships for the transfer of RAD assistance to other planned/proposed projects. Any transfer of assistance sites will comply with RAD program requirements.

### **Occupancy by Over-Income Families**

The Housing Opportunity Through Modernization Act (HOTMA) of 2016 places an income limitation on public housing tenancy for families. The law requires that once a family's income has exceeded 120% of AMI, or a different limitation set by the Secretary of HUD ("over-income limit") for two consecutive years, DHA must terminate the family's tenancy within six (6) months of the second income determination or charge the family a monthly rent equal to the greater of:

- (1) The applicable Fair Market Rent (FMR) for the area; or
- (2) The amount of monthly subsidy for the unit including amounts from the operating and capital fund, as determined by regulations.

DHA must notify a family of the potential changes to monthly rent or potential termination after one (1) year of the family's income exceeding the over-income limit.

DHA must submit a publicly available report to HUD annually about the number of families residing in public housing with incomes exceeding the over-income limit and the number of families on the waiting lists for admission to public housing.

Unless required to do so by local law, DHA may not evict or terminate the tenancy of a family solely because the family is over income if: (1) the family has a valid contract of participation in the Family Self-Sufficiency (FSS) program, or (2) the family is currently receiving the earned income disallowance. This rule does not require PHA's to evict over-income residents, but rather



gives PHA's the discretion to do so thereby making units available for applicants who are income-eligible.

DHA will not evict or terminate the tenancies of families solely because they are over income; however, DHA will consider the number of families on the waiting lists for admission when making a determination regarding whether to terminate a family whose income exceeds the over-income limit.

### Project-Based Vouchers

DHA can allocate up to 20 percent of its authorized Housing Choice Vouchers to project-based vouchers (PBV). PBV subsidy is attached to a project, as in specific units in a building. DHA currently has 152 PBV units at the following communities and anticipates adding additional PBV units in 2019.

The new project-based voucher developments will comply with PBV goals, civil rights requirements, Housing Quality Standards, and deconcentration standard as stating 983.57(b)(1) and other policies that govern eligibility, selection and admissions.

New Project Based Vouchers are being proposed for the following communities:

*1228 Carroll Street development:* DHA proposes to provide PBV for the development of (16) units of permanent supportive housing for persons who are homeless. The project is planned for 1228 Carroll Street, Durham, NC. The development site is located in southeast Durham, immersed in a thriving residential community of opportunity. DHA's plan incorporates a commitment to end homelessness and support permanent supportive with PBV in doing so.

*Willard Street Apartments (Transit-Oriented Design (TOD) project):* DHA proposes to provide (21) PBVs in the proposed 82-unit development. A 9% LIHTC application was submitted for the project in May 2018. Centrally located in downtown Durham, and near an existing transit hub, if successfully awarded LIHTC funding, this development will create affordable housing with ease of access to social and economic options. DHA is committed to partnering with developers in the creation of affordable housing options in areas of opportunity.

For all developments converting to RAD after FY2017, DHA proposes to convert via Project-based assistance under Project-based Vouchers (PBV).

### Units with Approved Vacancies for Modernization

DHA will apply to place units with Commitment to Enter into Housing Assistance Payment (CHAP) contracts under the RAD program offline under as they undergo modernization. Currently there are no units in this category.

*Other Capital Grant Programs (i.e. Capital Fund Community Facilities Grants or Emergency Safety and Security Grants)*

DHA applied for the 2018 Emergency Safety and Security Grant to provide increased security measures at its Oxford Manor property. If awarded, the grant will be used to provide much needed lighting and camera security to deter and prevent crime at the Oxford Manor property. DHA will also apply in FY 2019.

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## B.5 Progress Report

**Mission:** To develop, own, manage and contribute to diverse communities of choice.

DHA formally adopted its updated Strategic Plan in May of 2017, recognizing the importance of having a clear and current set of goals to accomplish its mission. The main focus was to produce a relevant set of goals and corresponding objectives that more closely mirrored the long term plans of DHA, the community, and most importantly how DHA can better serve its clients.

DHA's vision is to be the leading affordable housing provider dedicated to building stronger Durham communities. With that in mind, during the preliminary stages of developing these goals, DHA made great strides towards the objectives to accomplish them. DHA will endeavor to meet and exceed these goals and objectives in the coming years.

### **Goal 1: Financial Stability & Operational Efficiency**

Objectives:

- Improve DHA's financial operations, structure and reporting capability
- Diversify revenue sources in order to promote financial sustainability and stability
- Upgrade DHA's use of technology and develop a strategy for moving toward a paperless environment
- Ensure work processes and decision-making practices are aligned to support DHA's mission

Progress:

In order to achieve financial stability and operational efficiency, DHA has streamlined current banking activities to include services that will increase efficiencies in financial processing and enhanced rent collections to provide tenants with options for making payments electronically. DHA is also exploring our current software system and revamping our processes to optimize its use.

### **Goal 2: High Performing Organization**

Objectives:

- Recruit and Retain Quality Employees
- Strengthen DHA's Financial Well-being
- Achieve and Maintain High Performing Status (i.e. SEMAP and PHAS)
- Develop an Internal Control System

Progress:

In order to recruit and retain quality employees, DHA has solicited a wage/rate comparability study of the existing organizational structure; this is expected to be complete by the end of FY2017. Once the study is completed DHA will update job descriptions and develop a compensation incentive plan for high performing employees. DHA will also increase staff training on-the-job and off-site to all staff. DHA is currently working on developing strategies for succession planning for manager and directors level positions.

Strengthening DHA's financial well-being comes in many forms. For example, in 2017 each department has designated one person to contact our legal firm to assist with driving down cost. Additionally, the Housing Choice Voucher Program (HCVP) reduced legal fees by bringing collections in-house.

DHA is currently identifying ways to promote different kinds of energy change at each of the properties through multi-family utility benchmarking and energy reviews. DHA will continue to mitigate the potential for fraud by developing internal controls through separation of duties and ensuring policies are in place. DHA plans to develop a fee-for-service program for reimbursements of overhead costs and to offset any COCC deficits. DHA continues to actively search and apply for funding for resident services, resident scholarships and partnerships with non-profit organizations. DHA applied to the HOPWA, Shelter Plus Care, and Home Again grant.

HCVP obtained high performance status on the 2017 SEMAP, and increased points under the score. In order to continue to achieve and maintain High Performing Status, HCVP will continue to track the progress on the SEMAP indicators.

Under our Public Housing program we are launching a leasing initiative to increase occupancy, and putting strategies in place to increase Uniform Physical Conditions Scores (UPCS) to improve the Physical Inspection score under PHAS. The first priority is to achieve Standard Performer Status, and make strides to High Performer thereafter.

### **Goal 3: Strong Community Partnerships**

Objectives:

- Strong Community Relations
- Increase Community Awareness

Progress:

Strong partnerships have enhanced the success of our communities with their dedication toward improving of our residents' educational levels, health & wellness and job preparation. These organizations continuously provide assistance in areas of medical support (blood

pressure screening & obesity awareness, case management), food distribution, nutritious meals and academy preparation.

The Resident Services Department is dedicated to improving the lives and safety of children and youth residing in our communities. Our goal is to connect our youth to positive enrichment programs such as on-site afterschool and tutoring services, mentoring and youth development programs.

During 2017 DHA and the Durham Police Department successfully launched a Community Engagement Unit (CEU) at the McDougald Terrace Community. The collaboration has been so successful reducing crime in the community and fostering police and resident relations that officers from the CEU also engage with other communities in the area.

DHA will continue to enhance its safety and security efforts for DHA residents and the surrounding neighborhoods through community engagement programs, presenting safety monthly Resident Council meetings, City-Wide Partners Against Crime Initiatives and active participation with the DPD, Crime Task Force meetings, and annual National Night Out events.

#### **Goal 4: Quality Customer Service**

##### Objectives:

- Ensure that there is effective Communication within the organization, with clients and with the community
- Treat everyone with RESPECT
- Ensure that staff are Knowledgeable about the programs that we offer
- Build stronger levels of Trust and Transparency

##### Progress:

Ensuring effective communication takes many forms; the HCVP department implemented quarterly Landlord Workshops in 2017 to educate current and new Landlords on the rules, regulations and DHA's process, while the Asset Management has monthly meeting to discuss customer service, new regulations, and policy changes. Asset Management staff have also attended customer service trainings in 2016 and 2017. The HCVP program is revising the customer walk-in inquiring process to ensure that it's efficient and is in the process of scheduling departmental customer service training.

The DHA ConnectHome initiative continues to provide access to the internet with free Wi-Fi to its residents. Durham along with twenty-six other cities was selected to participate in the ConnectHome initiative. ConnectHome is part of President Obama's effort to provide high speed internet to low-income households. Internet access will help ensure that students will have access to the internet at home.

The Resident Services Department provides services and service-linkages on a daily basis. Our programming schedules cover a six day window (Monday thru Saturday). Examples of existing programs are Moms on a Mission (mentoring young mothers to improve parenting skills) and Men of Vision geared to motivate young men for sustainable careers. Secondly, we implemented computer literacy training (providing computer hardware at no cost) to the residents that attend these scheduled classes. Thirdly, our health and wellness partners have developed meaningful relationships for improving health for our family and elderly residential sites. The University of North Carolina Medical Center, Duke University Medical Center & Nursing Department and North Carolina Central University's Nursing students have established health assessment programs for several of our family communities and elderly & disabled sites.

We will continue to explore opportunities for staff to have access to intranet services to improve communication and promote workplace efficiency. Quarterly General staff meetings are held to provide updates on what's taking place within the agency/community.

### **Goal 5: Create Healthy and Sustainable Communities**

#### Objectives:

- Elicit/involve (resident) Community participation in planning decisions (i.e. municipal (zoning & ordinances), state, and federal)
- Promote public health (i.e. – health assessments) and a clean and safe environment
- Provide diversity and diverse housing opportunities
- Design housing that incorporates transportation options
- Improve availability and access by ALL to opportunities and needs

#### Progress:

By engaging the residents, asset management will examine ways to improve the overall safety and aesthetics of the developments. DHA has also established productive partnerships with local health & wellness providers, medical centers and local university nursing departments to provide healthy assessments and workshops for our residents. The University of North Carolina Medical Center currently provides PHD Doctorial personnel to engage our residents on a program called "Community Engagement to Enhance Evidence-based Interventions" which is an AIDS Awareness Study. Duke University Medical Center and Nursing Department are establishing a Health Assessment Program for adults and children in our communities. North Carolina Central University's Nursing students have established a health assessment program for two of our elderly & disabled sites.

As part of the Rental Assistance Demonstration (RAD) program, DHA has continuously updated residents about the upcoming conversions. Since January 2017, Development staff has presented monthly updates to Morreene Road and Damar Court resident councils to elicit feedback and answer any questions pertaining to RAD.

DHA is providing diversity and diverse housing opportunities by utilizing various funding sources, such as Low Income Housing Tax Credit, Continuum of Care, etc. DHA submitted a 9% LIHTC for the Club Boulevard Development in May 2017. DHA is also working with the City of Durham to build affordable housing near the future light rail station.

#### **Goal 6: Strong Asset Portfolio**

Objectives:

- Maintain attractive, well-manicured properties / building and quality fleet management
- Invest in private market real estate
- Alternative Funding Sources
- Maintain competitive rents
- Have a pool of builders, developers and architects

Progress:

DHA has procured landscape contractors to assist in the seasonal maintenance of the properties. Each department will assess current fleet to determine what is no longer useful as well as developing a SOP and tracking mechanism to maintain fleet comprehensively. Researching and applying to alternative funding sources will create a strong asset portfolio for DHA. Annually a rent study is procured. DHA solicited for a pool of general contractors in 2016 and in by the end of 2017 solicited for a pool of qualified builders, developers, and architects.

## C. Statement of Capital Improvements

### C.1 Capital Improvements

See HUD Form 50075.2, approved by HUD on 07/12/2018 for 2018-22, which includes but is not limited to the following work items:

- Site improvements, such as paving, concrete, erosion control, dumpsters, CPTED lighting, playground improvements, mailbox centers, and utility improvements;
- Dwelling exterior improvements, such as exterior doors, windows, roofing, balconies, railings, canopies, vinyl siding, screen/security doors, downspouts and gutters, window screens, HVAC, and structural repairs;
- Dwelling interior improvements, such as kitchen renovations, appliances, flooring, hot water heaters, interior doors, bathroom renovations, closet doors, range hoods, washer/dryer connections and vents;
- Community Center renovations; and
- Resident relocation costs.

The following sites have been identified in the 5 Year Plan:

- NC013000001- McDougald Terrace
- NC013000003- Scattered Sites
- NC013000004- Oldham Towers
- NC013000005- Cornwallis Road
- NC013000006- Liberty Street
- NC013000007- Club Boulevard
- NC013000008- Hoover Road
- NC013000009- JJ Henderson
- NC013000012- Oxford Manor
- NC013000014- Forest Hill Heights