BOARD OF COMMISSIONERS
Kimberly Cameron
Daniel Hudgins
Barbara Fletcher Lofton
Tom Niemann
Gloria Nottingham
George Quick
Larry Yon, II

CITY COUNCIL MEMBER/DHA LIASION
Steve Schewel

LEGAL SERVICES
The Banks Law Firm

ON THE COVER
(clockwise from top left)
Community Center at Goley Pointe
DHA CEO Dallas J. Parks (center) with Urban Ministries' Patrice Nelson and representatives from Butterball at Thanksgiving Turkey Giveaway
Jamila McClain, Laurel Oaks resident, receives a Wheels4Hope car
Sandra Small, Laurel Oaks resident, accepts a Wheels4Hope car from program staff
Mayor William V. “Bill” Bell with ROSS program participant and educators
Mayor William V. “Bill” Bell with Marge Clemons and DHA CEO Dallas Parks

durhamhousingauthority.org
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Durham Housing Authority
2014 Annual Report

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The year 2014 was a transition year for the Durham Housing Authority (DHA). The agency worked to complete the renovation of Preiss-Steele Place (an 82-unit, tax credit development for the near-elderly and elderly) and oversaw the continued construction of Goley Pointe (a 20-unit site that will provide housing, mostly for Durham’s homeless population).

Further, DHA positioned itself to act upon the U. S. Department of Housing and Urban Development’s (HUD) Rental Assistance Demonstration (RAD) program Portfolio Award. This award will allow DHA to re-develop all of its housing sites using tax credit equity and public-private partnerships. DHA will close on its first RAD, tax credit award site, Morreene Road, during 2015.

DHA’s public housing units are nearly 100% occupied. Some units are designated for relocation due to RAD program conversions. The Housing Choice Voucher (HCV) program continues to recover from major funding (i.e. staffing) reductions and is aggressively attempting to lease up remaining vouchers.

While pre-development cost continue to stress the Central Office Cost Center (COCC) budget, site conversion closings will eventually remedy the problem.

DHA would like to thank its partners in City and County governments and DHA’s residents and resident leadership for their support. In addition, we acknowledge the dedication of DHA’s staff. While experiencing a nearly thirty percent reduction over the past four years, staff have played a major role in the agency’s accomplishing its operational objectives. Finally, many thanks to DHA’s Board of Commissioners for its effective leadership and dedication in a volunteer governance role.

**LEADERSHIP TEAM**

Jeffrey Causey, Chief Financial Officer  
Pamela Davis, Senior Property Manager  
Elvert Dorsey, Resident Services Director  
Meredith Daye, Director of Development  
Sabrina Sinegal, Human Resources Director  
Rhega Taylor, Housing Choice Voucher Director
Housing Choice Vouchers

A program in high demand to close the gap between families’ ability to pay rent and rising market rental rates, the HCV program is among HUD’s most successful in decentralizing poverty.

The Housing Choice Voucher Program provides subsidy for participants to secure housing in the private rental market. Property owners remain responsible for lease enforcement and property upkeep as well as screening families for suitability as renters.

Program participants (tenants) are free to choose any housing unit that fits their needs and qualifies under the program’s quality and affordability standard.

To be included in the program, housing units must pass inspection initially and then annually on or before the contract anniversary.

The program faced significant challenges in staffing limitations due to reduced administrative funding.

Despite these constraints, the department maintained a high performance rating from HUD in its Section Eight Management Assessment Program (SEMAP) score.

In 2014, the HCV program saw the lowest termination rate in five years, averaging only six terminations each month. With approximately 2,700 vouchers available, the program serves about 6,000 people in Durham County.

**WHO WE SERVE**

Of the 6,000 residents served:

- Forty percent are over age 50
- The average assistance payment is $567
- The average annual income is $14,000

During 2014, the HCV program opened wait lists briefly to accept applications from residents in these groups:

- Involuntary displacement
- Homeless veterans
- Elderly (62+ years of age) or disabled individuals
- Currently paying 50% or more of income for rent and utilities
- Single individuals who are elderly (age 62+), disabled, or chronically homeless
- Homeless families with minor children
Operations & Development

Operations

The properties include 14 Conventional Public Housing communities, one Affordable Housing community and a Tax Credit community.

PUBLIC HOUSING ASSESSMENT SYSTEM

The U.S. Department of Housing and Urban Development (HUD) uses the Public Housing Assessment System (PHAS) to measure the effectiveness and performance of housing authorities. This system also allows for the public to be aware of how well services are being delivered in the public housing program. For the second consecutive year, DHA has been rated as high performing with a PHAS score of 90.

REAL ESTATE ASSESSMENT CENTER SCORE

HUD’s Real Estate Assessment Center (REAC) also assesses the physical condition of all its related multifamily projects. DHA’s properties are up to 60 years old, making maintenance quite challenging. This year, DHA’s REAC score was 32 out of a possible 40 points.

Development

Development Ventures Incorporated, DHA’s wholly-owned subsidiary, received nine percent low-income housing tax credits for Preiss-Steele Place in 2012 from the North Carolina Housing Finance Agency. Renovations began in March 2014 and a Certificate of Compliance was received on December 31, 2014. Before renovations, Preiss-Steele Place was a 102-unit one-bedroom se-
Preiss-Steele Place is now an 82-unit development providing housing for the elderly, near elderly, and disabled. It consists of 62 one-bedroom and 20 two-bedroom units. The renovations included redesign of the interior units, a new elevator, new appliances, a walking trail and other upgrades. The total development cost was $13 million. The development provides affordable housing to households earning up to 60% of the area median income.

**CHOICE NEIGHBORHOOD INITIATIVE**

In October 2014 DHA submitted to HUD its final deliverable, a Transformation Plan to fulfill the requirements of the two-year Choice Neighborhoods Initiative (CNI) planning grant.

The goal of the CNI program is to support local driven strategies to address struggling neighborhoods with distressed public housing through a comprehensive approach to neighborhood transformation. The target area of Southeast Central Durham includes DHA’s oldest and largest public housing development – McDougald Terrace.

The creation of a community-generated Transformation Plan was the result of targeted surveys, community meetings, design charrettes, focus groups and steering committee meetings. McDougald Terrace residents, neighbors, and stakeholders such as the City of Durham and anchor institutions – North Carolina Central University and Lincoln Community Health Center – collaborated to create the Transformation Plan. Public events, interactive exercises and detailed conversations occurred throughout the process, including various presentations and review sessions related to several dozen maps which visually presented material such as physical features, housing conditions and socio-economic data.

The overall vision for a redeveloped Southeast Central Durham is a mixed-income community with rental and homeownership opportunities that increases neighborhood connectivity, access to amenities and wellness for residents.

**CAPITAL FUNDS**

The annual report in the Energy and Performance Information Center (EPIC) system was completed for Fiscal Year 2013 in January 2014 for all open Capital Fund Program (CFP) and Replacement Housing Factor (RHF) grants.

The Few Gardens RHF grant from 2010 was fully expended in 2014.

FY2015 PHA 5-Year and Annual Plan was submitted in September 2014.

An application was submitted for the FY2014 Safety and Security Emergency CFP grant in June 2014. The maximum grant award amount of $250,000 was requested to address safety and security emergencies that threaten the health and safety of public housing residents.

DHA’s application met eligibility requirements. Lack of funding required HUD to select the winning application by lottery and DHA’s application was not funded.

Throughout 2014, the CFP grants were used for multiple capital improvement projects at several DHA communities including:

- Crime Prevention Through Environmental Design (CPTED) improvements
- Community Center Renovations
- Replacement of hood ranges and exterior doors

A newly renovated kitchen at Preiss-Steele Place offers a fresh, modern look.
Resident Services

A hub for information, opportunities and services to help residents overcome obstacles and reach their goals. More information on DHA’s many resident support programs is available on the agency’s website.

21ST CENTURY COMMUNITY LEARNING CENTERS

In 2013 the DHA received a four year $1.2 million dollar grant from the NC Department of Public Instruction to implement eight 21st Century Community Learning Centers in Durham’s public housing communities. This provides academic enrichment opportunities during non-school hours for children, particularly students who attend low-performing schools in high poverty areas. The DHA 21st Century Program has partnered with Assymetry Inc. to provide ROBOTICS exposure for youth in its communities. Through ROBOTICS, youth are able to better understand mathematical, science and technology concepts.

FADE

This program is managed by a Youth & Family Education Program Specialist who is responsible for implementation and facilitation of the Strengthening Families Program (SFP) which accepts referrals from various agencies covering schools, the courts and other agencies serving at-risk youth.

Participants tour the county jail, go before the Honorable Pat Evans and receive valuable advice from the bench.

CREATING HEALTHY OPPORTUNITIES INSPIRING CHILDREN TO HAVE EVERYDAY SUCCESS (CHOICES)

The CHOICES Program works to deter youth from crime and promotes positive choices. This program is an interactive tour intended for young people from 11-16 years of age. The program takes participants and their parents through each step of the arrest and intake process within the Sheriff’s Department.

In 2014, there were (20) families enrolled into the program, with eight from DHA communities.

RESIDENT OPPORTUNITY SELF-SUFFICIENCY PROGRAM (ROSS)

This program develops and implements daily activities of the ROSS Elderly and Disabled Program. This is done by accessing information and support from agencies that assist the elderly and persons living with disabilities while enhancing their quality of life to maintain independence. It provides counseling and guidance to enhance the socialization, education health and wellness of the elderly and disabled.

WHEELS FOR HOPE

Durham Housing Authority was accepted as a partner with Wheels for Hope of Raleigh in April 2014. This partnership allows Resident Services to make three resident referrals per calendar year. The referral requirements are as follows: a potential Wheels4Hope recipient must be actively working with Resident Services. The resident must be employed for at least one year; must have a clean driving record and cannot have a car listed in their name. Cars are purchased for $588 (cost of the car is $500 and the tax and tags total $88). A property tax bill is sent to the car owner within 60 days of purchase. The property tax averages $35 per year. Three residents of the Laurel Oaks Community received cars in 2014 thanks to Wheels for Hope.

Sandra Small received a car through the Wheels for Hope program. She also serves as President of the Laurel Oaks Resident Council.
HOPE VI HOMEOWNERSHIP MORTGAGE ASSISTANCE

The mortgage assistance program assists prospective homebuyers in purchasing their primary residence to become first-time homebuyers. The total household income cannot exceed eighty percent of the HUD area household median income for Durham. There are also additional guidelines that must be met. HUD allocated more than $447,000 toward this activity, which was completed in 2014.

SECURITY / COMMUNITY SAFETY

This program is coordinating all crime and fire prevention and other actions necessary to provide safe housing to Authority residents. General duties involve organizing and training volunteer resident patrols and neighborhood watch programs, monitoring supplemental police activities and the coordination of resident programs.

OVERALL PARTNERSHIPS

These partners 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. An estimated 1,850 residents were served by these partnerships in 2014.

PRINCIPAL PARTNERSHIPS

CAARE provides community fairs, exercise and fitness classes, blood pressure screenings and other health related initiatives.

Duke University has provided assistance in the areas of youth and health education through their Community Service Learning Program and the Duke School of Nursing.

Durham Technical Community College is assisting DHA residents in obtaining their GED and/or completion of certificate programs such as Certified Nursing Assistant or Phlebotomy.

NCCU School of Nursing are conducting health related workshops/fairs, health education seminars and various screenings such as blood pressure and diabetes testing in the community.

The Food Bank of Durham provides surplus perishable food items to several DHA communities to help residents meet their nutritional needs. Communities being served include Laurel Oaks, Cornwallis Road, J.J. Henderson Housing Center and Liberty Street.

Feed My Sheep, Inc. has been providing breakfast to residents in the J.J. Henderson Housing Center and Oldham Towers communities for the past year. A hot meal is provided Monday – Friday.

“Cooking Matters” classes at the Hoover Road community promote healthy eating.
Finance


DURHAM HOUSING AUTHORITY
Summary Statement of Net Position

<table>
<thead>
<tr>
<th></th>
<th>December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>$8,107,281</td>
</tr>
<tr>
<td>Noncurrent assets</td>
<td>8,769,082</td>
</tr>
<tr>
<td>Capital assets</td>
<td>17,335,163</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$34,211,526</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>$2,434,484</td>
</tr>
<tr>
<td>Noncurrent liabilities</td>
<td>1,675,305</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>4,109,789</td>
</tr>
<tr>
<td><strong>NET POSITION</strong></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>15,825,149</td>
</tr>
<tr>
<td>Restricted</td>
<td></td>
</tr>
<tr>
<td>HOPE VI loan reserves</td>
<td>5,569,780</td>
</tr>
<tr>
<td>Replacement reserves</td>
<td>98,645</td>
</tr>
<tr>
<td>Operating reserves</td>
<td>54,470</td>
</tr>
<tr>
<td>Housing assistance payments</td>
<td>1,230,295</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>7,323,398</td>
</tr>
<tr>
<td>Total Net Position</td>
<td>$30,101,737</td>
</tr>
</tbody>
</table>
### Summary Statement of Revenues, Expenses and Changes in Net Position

**Year Ended December 31**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tenant rent</td>
<td>$4,499,351</td>
<td>$4,863,093</td>
<td>$4,669,756</td>
<td>($363,742)</td>
<td>-7.5%</td>
</tr>
<tr>
<td>Operating grants &amp; subsidies</td>
<td>29,952,179</td>
<td>28,981,902</td>
<td>31,025,492</td>
<td>970,277</td>
<td>3.3%</td>
</tr>
<tr>
<td>Other revenues</td>
<td>934,924</td>
<td>241,826</td>
<td>366,714</td>
<td>693,098</td>
<td>286.6%</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>$35,386,454</td>
<td>$34,086,821</td>
<td>$36,061,962</td>
<td>$1,299,633</td>
<td>3.8%</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td>6,762,884</td>
<td>6,189,557</td>
<td>6,616,733</td>
<td>573,327</td>
<td>9.3%</td>
</tr>
<tr>
<td>Tenant services</td>
<td>968,125</td>
<td>917,109</td>
<td>1,060,938</td>
<td>51,016</td>
<td>5.6%</td>
</tr>
<tr>
<td>Utilities</td>
<td>3,727,413</td>
<td>3,623,079</td>
<td>3,353,138</td>
<td>104,334</td>
<td>2.9%</td>
</tr>
<tr>
<td>Maintenance &amp; operations</td>
<td>4,103,907</td>
<td>4,126,390</td>
<td>4,634,900</td>
<td>(22,483)</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Protective services</td>
<td>134,437</td>
<td>12,915</td>
<td>227,809</td>
<td>121,522</td>
<td>940.9%</td>
</tr>
<tr>
<td>General expense</td>
<td>944,583</td>
<td>4,266,509</td>
<td>1,597,550</td>
<td>(3,321,926)</td>
<td>-77.9%</td>
</tr>
<tr>
<td>Housing assistance payments</td>
<td>17,128,963</td>
<td>18,580,286</td>
<td>17,759,833</td>
<td>(1,451,323)</td>
<td>-7.8%</td>
</tr>
<tr>
<td>Depreciation &amp; amortization</td>
<td>3,003,207</td>
<td>3,534,487</td>
<td>3,375,544</td>
<td>(531,280)</td>
<td>-15.0%</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>$36,773,519</td>
<td>$41,250,332</td>
<td>$38,626,535</td>
<td>($4,476,813)</td>
<td>-10.9%</td>
</tr>
<tr>
<td><strong>Net operating loss</strong></td>
<td>($1,387,065)</td>
<td>($7,163,511)</td>
<td>($2,329,374)</td>
<td>$7,242,855</td>
<td>-105.0%</td>
</tr>
<tr>
<td><strong>Non-operating revenues (expenses)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>2,663</td>
<td>4,996</td>
<td>8,040</td>
<td>(2,333)</td>
<td>-46.7%</td>
</tr>
<tr>
<td>Mortgage interest income</td>
<td>7,284</td>
<td>358,168</td>
<td>353,876</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(52,876)</td>
<td>(98,432)</td>
<td>(103,070)</td>
<td>45,556</td>
<td>-46.3%</td>
</tr>
<tr>
<td>Casualty Loss</td>
<td>(11,154)</td>
<td>(4,147)</td>
<td>(23,647)</td>
<td>(7,007)</td>
<td>169.0%</td>
</tr>
<tr>
<td>Gain on sale of capital assets</td>
<td>1,783,289</td>
<td>2,212</td>
<td>-</td>
<td>1,781,077</td>
<td>80518.9%</td>
</tr>
<tr>
<td><strong>Total non-operating revenues (expenses)</strong></td>
<td>$1,729,206</td>
<td>$262,797</td>
<td>$235,199</td>
<td>$1,466,409</td>
<td>558.0%</td>
</tr>
<tr>
<td>Change in net assets before contributions</td>
<td>342,141</td>
<td>(6,900,714)</td>
<td>(2,329,374)</td>
<td>7,242,855</td>
<td>105.0%</td>
</tr>
<tr>
<td>Capital grants contributions</td>
<td>905,194</td>
<td>1,487,576</td>
<td>2,474,808</td>
<td>(582,382)</td>
<td>-39.1%</td>
</tr>
<tr>
<td><strong>Change in net position</strong></td>
<td>$1,247,335</td>
<td>(5,413,138)</td>
<td>145,434</td>
<td>$6,660,473</td>
<td>-123.0%</td>
</tr>
<tr>
<td>Net position - beginning of year</td>
<td>28,854,402</td>
<td>34,267,540</td>
<td>34,122,106</td>
<td>(5,413,138)</td>
<td>-15.8%</td>
</tr>
<tr>
<td><strong>Net position - end of year</strong></td>
<td>$30,101,737</td>
<td>$28,854,402</td>
<td>$34,267,540</td>
<td>$1,247,335</td>
<td>4.3%</td>
</tr>
</tbody>
</table>
Human Resources

Supporting DHA’s mission by recruiting and retaining a quality workforce

Some of the achievements of the department during the year involved training in the areas of Fair Housing, Defensive Driving, and Conflict of Interest.

Human Resources worked with the City of Durham’s Youthwork Internship Program which allowed local students to work at the agency over the summer.

This program not only keeps the students active, but also teaches and encourages them to be responsible, to be team players and how to take direction. Exposing the students to the workforce at an early age helps them to become successful young adults.

The Human Resources Department played a key role in maintaining continuity of operations despite a reduction in force required by the Rental Assistance Demonstration program. The reduction of seven positions represents the second major downsizing at the DHA in over 10 years. Outsourcing and re-employment information was provided to everyone affected. To date, two of the employees have returned to work (one full-time and one on a temporary basis).

NEW HIRES
Renate Bennett – Client Service Representative (HCV Department)
Sally Butts – Property Manager (Affordable Housing)
Carlos Rawlinson – Youth Parenting Specialist (RSD Department)

PROMOTIONS
Alisha Curry from CNI Coordinator to Program Administrator
James Jones from Site Laborer to Maintenance Technician
Jasma Rankin from Hope VI Mortgage Assistance Program Assistant to 21st Century Project Coordinator

SERVICE AWARDS
Tammy Jacobs was recognized in 2014 for excellence in customer service. Tammy is the current ROSS Family/Homeownership Service Coordinator in the Resident Services Department and has been employed with DHA for nearly five years. Tammy assesses residents’ needs and identifies service providers to meet them. She was acknowledged because she “gives 110% to her job and provides quality customer service.”

EMPLOYEE ACHIEVEMENTS
Johnny Rowell was selected as the 2014 Triangle Tribune Father of the Year.

Johnny is the Maintenance Supervisor at McDougald Terrace and has been employed with DHA for 16 years.
CLUB BOULEVARD - 415 Glenbrook Drive
CORNWALLIS ROAD - 3000 Weaver Street
DAMAR COURT - 3412 Glasson Street
FOREST HILL HEIGHTS - 700 S. Mangum Street
HOOVER ROAD - 1126 Hoover Road
J.J. HENDERSON HOUSING CENTER - 807 S. Duke Street
LAUREL OAKS - 600 Laurel Oaks Drive
LIBERTY STREET - 131 Commerce Street
MCDougald TERRACE - 1101 Lawson Street
MORRENE ROAD - 412 Glasson Street
OLDHAM TOWERS - 519 E. Main Street
OXFORD MANOR - 3633 Keystone Place
SCATTERED SITES - 300 Gary Street
EDGEMONT ELMS - 912 Angier Avenue
PREISS-STEEL PLACE - 500 Pickwick Trail

ON THE BACK COVER
Clockwise from top left:
McDougald Terrace, Morrene Road (top), Oldham Towers (center), 1010 Worth Street, Goley Pointe, Preisse-Steele Place, Cornwallis Road