



Charlotte Housing Authority
Building Community, People & Partnerships



CHA Moving to Work Annual Report
2007-2008

**THE HOUSING AUTHORITY OF THE
CITY OF CHARLOTTE**

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Executive Summary

The Charlotte Housing Authority (CHA) is one of 28 housing authorities across the country participating in the U.S. Department of Housing and Urban Development (HUD) Moving To Work (MTW) demonstration program. The CHA MTW agreement was signed in December 2007, however, implementation of the MTW activities in this report began under an Interim MTW Agreement, which limited authorizations related to the Section 8 program only. For the beginning stages, there were only four (4) authorizations; therefore, this report does not reflect the accomplishments we expect to highlight as we age into the MTW Demonstration Program. The report is for the 2007-2008 Fiscal Year which ended March 31, 2008. The report summarizes the year's activities and accomplishments.

The CHA has experienced some accomplishments prior to the execution of the Interim agreement, which is evidenced by the number of families in need of housing recognizing CHA as a viable option. The CHA has an environment that facilitates the development of client families to reach their highest potential. In addition, CHA has diligently worked with the development community to leverage resources to develop high quality mixed income communities to promote economic integration.

Despite being in the beginning stages of the MTW Demonstration Program, the CHA has transitioned towards meeting the MTW primary goals with the following activities:

- Asset Management transition in 2002 enabling the organization to maximize the value of its assets, and guide all decisions for its financial well being, as well as its clients.
- Awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive annual financial report (CAFR) in March 2008.
- Boost in productivity and improved services with paperless storage of paper documents.

The MTW Report comprises information received from the Finance and Administration area, which manages all financial aspects of the Authority, and the Operations area, which provides decent, safe and affordable housing to low and moderate-income families while supporting their efforts to achieve self-sufficiency. The MTW activities in the report are ongoing and outlined in the 2008-2009 MTW Annual Plan.

General Housing Authority Operating Information

Housing Stock Information

Number of public housing units

The Charlotte Housing Authority has 3,072 conventional public housing units, spread across 36 developments as of March 31, 2008. The Charlotte Housing Authority manages 2,522 of these units and the remainder are managed by private companies. There are a total of 5,906 bedrooms distributed as follows:

0BRs	1BRs	2BRs	3BRs	4BRs	5BRs	Total
614	766	807	657	199	29	3072

Number of Housing Choice Vouchers utilized

There were 4,229 (99.5%) of 4,250 Housing Choice Vouchers being utilized as of March 31, 2008. This exceeds the CHA Scorecard Measure of 98%.

General description of other housing managed by the Agency

The following is a list of other housing owned or managed by CHA or its subsidiaries. All developments are located within the City of Charlotte and are in affordable market areas (50% - 60% of AMI):

Development	Total Units	1BR	2BR	3BR	4BR	Market	ACC	Owned by CHA Subsidiary	Managed by CHA
Grove Place	36		24	12		100%	0%	Yes	Yes
Oak Valley	50		32	18		100%	0%	Yes	Yes
Valley View	50		30	20		100%	0%	Yes	Yes
Villa Courts	32		36	0		0%	100% S8 multi family	Yes	Yes
Seneca Woods	50		24	24	2	100%		Yes	No
McAlpine Terrace	113	113				77%	23%	Yes	No
Glen Cove	50		30	20		80%	20%	Yes	No
SUBTOTALS	381	113	176	94	2				

Description of other properties owned or managed by the Agency

Through its subsidiaries, the Agency owns or manages affordable market rate units, multifamily project-based Section 8, participating in HOPE VI/tax-credit financed properties with Public Housing and/or Project Based Section 8 units. See chart above for detailed description.

Lease Up Information

Number of public housing units leased

- i) There were 2,811 occupied public housing units leased at the end of the fiscal year.

Number of HCV under lease

- ii) There were 4,229 Section 8 housing choice vouchers being utilized as of March 31, 2008.

Description of issues relating to any difficulties in leasing units

- iii) There were no issues or difficulties in leasing the HCV or public housing units. This is evidenced by the consistent 99% occupancy rate.

Waiting List Information

Description of waiting lists

- i) At the end of the fiscal year the public housing waiting list was centralized. As units became available, applicants were disbursed throughout the communities as needed. The Section 8 waiting list was Housing Choice Vouchers. At the beginning of the new fiscal year, April 1, 2008, the public housing waiting list and the Section 8 waiting list are transitioning to site based upon approval of the 2008 - 2009 MTW Annual Plan. The CHA waiting lists includes the City of Charlotte Relocation clients who have first preference on vacancies.

Number on waiting list at the beginning and end of FY, open/closed status

- ii) There were 4,500 families on the Section 8 waiting list at the beginning of the fiscal year and 3,629 families on that list at the conclusion of the fiscal year. The CHA waiting lists for both Section 8 and 9 were closed prior to the end of the fiscal year and remain closed.

Date the waiting list was last purged

- iii) The public housing waiting list applications were last purged in February 2007. The HCV waiting list applications were last purged in April 2007. The HCV waiting list will be purged during this fiscal year.

Long term MTW plan

Description of the Agency's long-term vision for its MTW program

- i) The agencies long term vision of the MTW program, beyond the MTW agreement, is to break the cycle of poverty for all of its very low income, non-senior, able-bodied families and address the needs of very low income families on our waiting list. This vision supports our goal to increase the number of housing opportunities for very low income families, enhance the quality of those units by incorporating more of them into mixed-income communities or providing management oriented physical improvements and increase the employment rate for families along with increasing the academic success of their school aged children. By focusing on enhancing the portfolio and collaborating with other agencies to reach out to CHA youth, we hope to ensure we move towards safer, economically self-sufficient, integrated communities.

Ongoing MTW Activities: HUD approval previously granted

Description of HUD approved proposed activities not implemented

- i) All four activities proposed in the Plan were approved by HUD and implemented. There are some components within the activities that are incomplete and will be ongoing as stated in the Plan.

Description of each ongoing and completed MTW activity

- ii) The 2007 – 2008 MTW Annual Plan MTW Activities are:
Implementation of a Section 8 Property Rating System. CHA engaged a local engineering firm, Professional Service Industries (PSI) to develop a quantitative evaluation rating system for the exterior appearance of a property using the City of Charlotte Code Enforcement Standards and U.S. Department of Housing and Urban Development Housing Quality Standards (HQS). PSI began inspections in December 2007 and to date has completed over 370 exterior inspections. There are approximately 1700 landlords participating in the Section 8 program. Reports are received twice a month from PSI.

The CHA is working on Section 8 Training for all 4,229 participants. Through a contractual relationship with Central Piedmont Community College (CPCC), a “Good Neighbors” Program is being taught to educate participants on the differences between living in a single family dwelling versus an apartment community, conflict resolution, and codes and standards. Completed MTW activities include sessions serving over 65 persons to date. The sessions are held monthly. Currently, all new program participants pulled from the Section 8 waiting list are given “Good Neighbors” training.

In response to community concern regarding concentration of Section 8, CHA created a Resident and Landlord Tracking Program. The objective of the program is to use Geographic Information Science (GIS) mapping to identify each voucher holder

within Mecklenburg County. This will enable CHA to analyze which census tracts have a large number of vouchers and determine current housing cost and opportunity for affordable housing in non-concentrated census tracts. The mapping has been completed; however, the analyzing of the data is underway.

Affordable Housing Impact Studies were undertaken to examine the impact of affordable housing on neighboring property owners. Utilizing local social and economic data and GIS technology, three reports have been generated: School Quality and Affordable Housing in Charlotte, NC: A Spatial Assessment, Section 8 Households and the Relationship to Property Crime in Charlotte, NC and Section 8 Households and the Relationship to Residential Property Values in Charlotte, NC.

Description ongoing activity relationship to a statutory objective

iii) The ongoing activities relate to at least one of the three statutory objectives as follows:

The Section 8 Property Rating System meets the objective to expand housing affordable housing opportunities. By continuously establishing a quantitative evaluation rating system for the exterior appearance of a property participating in the Section 8 Program, landlords are driven to maintain quality standards or those sites will not be housing of choice for low-income families. Raising the bar on the standards is anticipated to improve conditions and provide more housing opportunities.

The Section 8 Training program meets the objective to increase housing choices for families. The training will assist families with their transition to various neighborhoods throughout Charlotte, as opposed to limiting their choices for fear of not adjusting or Not In My Back Yard (NIMBY) concerns.

The Resident and Landlord Tracking Program will assist in increasing housing choices for low-income families. Analysis of non-concentrated census tracts will help determine current housing cost and whether there are affordable housing opportunities available in non-concentrated areas. The Fair Market Rates in these areas will be raised to 120% to increase more participation by the landlords.

The Affordable Housing Impact Studies will yield better housing choices by families and assist in increasing housing choices for low-income families. It is anticipated that the results of the data analysis will afford low-income families the opportunity to have information that will aid in making decisions about desired areas that are impacted in the community.

Actual impact of each ongoing MTW activity on the stated objective

iv) Analysis of the actual impact of each ongoing MTW activity on the stated objective varies as reported below:

1. All of the activities are still in beginning stages of implementation; therefore, the actual impact cannot be fully analyzed. It should be noted, however, that preliminary analysis of the Section 8 Training indicate that of the over 65 persons trained, there has been no violation of Section 8 requirements as established by the guidelines or community concerns.

Evaluation of the actual performance versus the target benchmark goals

- v) Evaluation of the actual performance versus the target benchmark goals, the originally established baseline, and the previous year's performance
Pertaining to the Section 8 Rating System, approximately 370 units have been evaluated at the time of Plan submission. Inspections began in November 2007 and are expected to be completed in two and one half years. PSI was expected to evaluate approximately 200 properties per quarter. CHA target benchmark was 800 inspections by March 31, 2009.

The Section 8 Training Program targeted 300 families by January 2009, as well as conducting the training sessions for new participants monthly. The actual performance has been over 65 persons trained and sessions are held monthly.

The mapping of the Resident Landlord Tracking Program has not gathered enough data to conduct actual versus target benchmark goals, therefore there is no evaluation to document. In addition, this is a new program; the previous year's performance is not applicable.

The final report for the Affordable Housing Studies was expected in April 2008 after the fiscal year ended. Evaluation of actual versus targeted benchmark is not available at this time.

Narrative explanation of benchmarks not achieved and any new strategies

- i) Narrative explanation of benchmarks not achieved and any new strategies identified

For the Section 8 Rating System Initiative, it has been determined that PSI is meeting the benchmark in the Section 8 Rating System. No new strategies were identified.

Within the Section 8 Training Program, the targeted number has a deadline of January 2009 to serve the remaining residents. Presently, all new admissions and incoming ports are required to attend the "Good Neighbor" training. CHA is entering a contact to provide "Good Neighbor" training to all Section 8 participants by conducting mandatory training to a larger group once per month. This will ensure the organization meets its target goal.

The original baseline for the Resident and Landlord Tracking Program was to begin the voucher clustering process by December 2007. The contract for the service was executed in November 2007 and the database collection began in December 2007. The data is being compiled on a quarterly basis. In order to assess the conditions and results, quarterly reports for two years will need to be compiled. No new strategies were identified.

The final report for the Affordable Housing Studies was expected in May 2008 after the fiscal year ended. The policy will be given to board for approval in July 2008. CHA is considering tracking, reviewing and mapping the data twice a year.

Effectiveness of the activity in achieving the statutory objectives it relates to

- vi) Evaluation of the effectiveness of the activity in achieving the statutory objectives it relates to

There are no early indications of the activity effectiveness in achieving the statutory objectives of any of the activities because there has not been a full year of implementation.

The specific provision (s) of the Act or regulation that is waived under MTW

- vii) The specific provision (s) of the Act or regulation that is waived under MTW that authorized the Agency to make the change, and description of how the waived section of the Act or regulation was necessary to achieve the benchmark.

The Agency is authorized to certify that housing assisted under MTW will meet housing quality standards established or approved by HUD. This authorization waives certain provisions of Section 8 (o) (8) E of the 1937 Act and 24 C.F.R. Part 982, Subpart I, § 982.405 as necessary to implement the Agency's Annual MTW Plan. This waiver is necessary to achieve the benchmark because it will result in a tool that CHA staff can use to evaluate properties to ensure that housing under the Section 8 program is maintained at a determined quality standard; thereby, increasing the number of quality housing choices for low-income families. It is noted that CHA has higher standards than traditional federal HQS.

The authorization which gives CHA the flexibility to utilize excess HAP funding to fund mandatory training for all Section 8 participants is 1437g(d)(1)(H) and corresponding regulations at 24 C.F.R. § 982.154 and § 982.157 (b) (ii). This waiver is essential to achieving the benchmark because the activity assists families in their transition to various neighborhoods throughout Charlotte and curbs criticism of the program.

The authorization which gives CHA the flexibility to establish payment standards between 90 percent of fair market rental (FMR) and 120 percent of FMR by census tract instead of HUD established FMR jurisdiction for the Resident and Landlord Tracking Program is 42 U.S.C 1437f(o)(1)(B) and corresponding regulations at 24 C.F.R. § 982.503 (c) (2). The waiver is necessary to achieve the benchmark because it reduces the concentration of vouchers in certain census tracts in Charlotte, increases housing choices for low-income families.

The authorization which gives CHA the flexibility to establish payment standards between 90 percent of fair market rental (FMR) and 120 percent of 120 FMR by census tract instead of HUD established FMR jurisdiction for the Affordable Housing Program Studies is 42 U.S.C 1437f(o)(1)(B) and corresponding regulations at 24 C.F.R. § 982.503 (c) (2). The waiver is necessary to achieve the benchmark because it reduces the concentration of vouchers in certain census tracts in Charlotte, increases housing choices for low-income families.

Sources and Uses of Funding

Unaudited Financial Statement

- i) Unaudited Financial Statement is Appendix A.

Planned vs. financial information by development

- ii) Planned vs. financial information by development with a narrative discussion and explanation of the differences is Appendix B.

Planned vs. actual for all capital activities in the Annual MTW Plan

- iii) Planned vs. actual for all capital activities presented in the Annual MTW Plan with a narrative discussion and explanation of differences is Appendix C.

Explanation of how funding fungibility was used

- iv) During the 2007-2008 year the Charlotte Housing Authority (CHA) was not a full MTW Authority until the final agreement was signed in December 2007. The full funding fungibility was not available until the final agreement was signed. After the agreement was signed the CHA transferred Housing Assistance Payment funds that had accumulated during the MTW negotiations and Interim Agreement period to the MTW fund for distribution as determined locally.

Administrative

Latest Agency-directed evaluation

- i) The latest Agency-directed evaluations of the demonstration are not applicable.

Performance and Evaluation Report for Capital Fund

- ii) Performance and Evaluation Report for Capital Fund activities not included in the MTW Block Grant is not applicable.

Description of progress on correction or elimination

- iii) Description of progress on the correction or elimination of observed deficiencies cited in monitoring visits, physical inspections, submissions to REAC, or other oversight and monitoring mechanisms is not applicable

APPENDICES

Appendix A Unaudited Financial Statements

Appendix B Planned vs. financial information by property

Appendix C Planned vs. actual for all capital activities in the Annual MTW Plan

Appendix D Reporting Compliance for Statutory MTW Requirements

Appendix B

SOURCES AND USES OF FUNDS

The Operating Budgets for the fiscal year 2007-2008 for the Charlotte Housing Authority were based on 1) the priorities set by the Board, 2) the Mission of the Housing Authority 3) our strategic goals and 4) HUD's directive for project based management, accounting and budgeting.

MISSION

The Charlotte Housing Authority is a non-profit real estate holding company with a public purpose. That public purpose is to provide decent, safe and affordable housing to low and moderate-income families while supporting their efforts to achieve self-sufficiency.

Strategic Goals

In order to accomplish our vision and mission, the following strategic goals have been established to transform the Authority into the type of real estate entity that more effectively meets the community's needs.

Strategic Goal #1: Lead the development of collaborative relationships for affordable housing solutions to a broad continuum of stakeholders.

Strategic Goal #2: Maximize the economic, physical, and social value of our real estate portfolio.

Strategic Goal #3: Ensure that the Authority attains long-term financial viability.

Strategic Goal #4: Provide the highest quality, most cost-effective real estate management services, which exceed HUD and industry standards.

Strategic Goal #5: Create an environment that facilitates the development of client families to reach their highest potential.

SOURCES OF FUNDS

This next section looks at how well we managed our resources within the confines of how we expected to spend our resources. We are comparing the original budget (per the MTW Annual Plan) to our actual spending for the fiscal year April 2007 to March 2008. Note, during the year our Board of Commissioners allows the allocation of funds for projects that were not anticipated for the year. These changes to the budget are seen in the Revised Budget Per Draft Audit column. Also included in that column are the administrative budget changes that we made during the year. These budget changes allowed us to reallocate budgeted expense money to different lines items within major categories so that we are able to stay within our spending limits. While in some instances it may appear we spent more than budgeted by major category, a look at the revised budget column shows that we have reallocated resources to ensure that overspending by category did not occur.

PUBLIC HOUSING

EXHIBIT A

PUBLIC HOUSING SOURCES OF FUNDS	2007-2008	2007-2008	2007-2008	VARIANCE	
	REVISED BUDGET (PER DRAFT AUDIT)	ORIGINAL BUDGET (PER MTW PLAN)	ACTUAL (PER DRAFT AUDIT)	ORIGINAL BUDGET TO ACTUAL	
Tenant Rental Revenue	4,752,236	4,752,236	4,663,026	(89,210)	A
Other Resident Income i.e. Late Fees, Excess Utilities	231,316	231,316	419,305	187,989	B
Other Revenue -Cable, Antenna, Vending	53,702	53,704	800,974	747,270	C
Operating Subsidy	10,675,249	10,195,806	10,852,144	656,338	D
Other Revenue	829,059	766,238	116,148	(650,090)	E
Other Sources	5,875,497	-	7,041,809	7,041,809	F
TOTAL SOURCES OF FUNDS	22,417,059	15,999,300	23,893,406	7,894,106	

VARIANCE ANALYSIS

A. Tenant rents were under budget due to modernization efforts at four properties.

B. Other Resident Income was more than budgeted especially in excess utilities which was \$163,000 more than budgeted.

C. Other revenue was more than budgeted due to unbudgeted ground lease revenue that was received, more than budgeted cable and antennae revenue, and more than budgeted investment income.

D. Actual subsidy received was higher than budget because HUD increased the proration for calendar year 2007 from 76% to 83.4 % effective April 1. The 7.4% difference received between January and March was made up in April through September and is included in the current fiscal year amount.

E. Income projected for First Ward was less than budgeted. Funds are transferred to cover expenditures and most expenditures were charged to the First Ward grant to close the grant and Capital Fund fees were less than budgeted.

F. Proceeds from the sale of the Live Oak Property.

SECTION 8

EXHIBIT B

SECTION 8 SOURCES OF FUNDS	2007-2008	2007-2008	2007-2008	VARIANCE	
	REVISED BUDGET (PER DRAFT AUDIT)	ORIGINAL BUDGET (PER MTW PLAN)	ACTUAL (PER DRAFT AUDIT)	ORIGINAL BUDGET TO ACTUAL	
Operating Subsidy	38,836,222	33,454,592	40,659,997	7,205,405	A
Administrative Fees - Vouchers	2,251,081	2,195,531	2,293,159	97,628	A
Administrative Fees - Portables	240,000	240,000	207,013	(32,987)	B
Interest Income	230,407	230,406	548,722	318,316	C
Fraud Recovery	60,000	60,000	228,034	168,034	D
Other Revenue	46,800	46,800	90,972	44,172	E
Fund Balance Appropriated	8,830,591	846,806	-	(846,806)	F
TOTAL SOURCES OF FUNDS	50,495,101	37,074,135	44,027,897	6,953,762	

VARIANCE ANALYSIS

A. Housing assistance payment revenues and administrative fees were projected as shown; subsequently the Charlotte Housing Authority received funding as a Moving to Work agency.

B. Administrative fees from portables were less than budgeted because of our efforts to decrease the number of portable participants in our program. We had 396 portable in April 2007 and 216 portables in March 2008.

C. Interest income was more than projected due to strategic investment within HUD guidelines of Section 8 funds and the timing for housing assistance payments. We received early housing assistance payments.

D. We intensified our efforts to uncover fraud in our program and the results are shown in our increase in revenue from fraud recovery. We had 87 new cases in the 2007-2008 fiscal year.

E. Other revenue sources mainly include a small grant we received for the FSS Coordinator and unbudgeted forfeited escrow.

F. Funds not used but appropriated to cover expenses of the Section 8 Program. Other funds were appropriated to establish the MTW fund as per the MTW agreement.

CENTRAL OFFICE COST CENTER (COCC)

EXHIBIT C

CENTRAL OFFICE COST CENTER SOURCES OF FUNDS	2007-2008 REVISED BUDGET (PER DRAFT AUDIT)	2007-2008 ORIGINAL BUDGET (PER MTW PLAN)	2007-2008 ACTUAL (PER DRAFT AUDIT)	VARIANCE ORIGINAL BUDGET TO ACTUAL	
Public Housing Revenues	1,901,893	1,901,893	1,831,029	(70,864)	A
Section 8 Fees	1,024,830	1,034,658	994,773	(39,885)	A
Horizon Fees	234,668	234,668	176,770	(57,898)	A
Quality Control Revenue	64,128	64,128	58,210	(5,918)	B
Relocation Fees	955,555	714,600	965,633	251,033	C
Maintenance Operations Revenue	158,197	158,197	98,372	(59,825)	D
Investment Income	144,540	144,540	26,353	(118,187)	E
Bond Issuance Fees	200,000	200,000	95,164	(104,836)	F
Total Other Sources	2,564,845	510,714	433,526	(77,188)	G
TOTAL SOURCES OF FUNDS	7,248,656	4,963,398	4,679,830	(206,380)	

VARIANCE ANALYSIS

A. Property management and bookkeeping fees are based on actual units occupied and vouchers utilized during the year which was slightly less than budgeted. Property management, bookkeeping and asset management fees were not allowed for one Horizon Development Properties, Inc. property.

B. Our asset management department performs bond monitoring and property management oversight for some of our privately managed sites. These actual fees received were less than we budgeted.

C. The City Relocation Program received more participants as the city increased the number of clients sent to us due to the condemnation of properties

D. Less than anticipated use of centralized maintenance services. In some instances site staff performed locksmith services.

E. Investment income less than budgeted due to the amount of cash allocated to the Central Office.

F. Revenues derived from bonds that were issued were less than budgeted. We expected to receive fees from Live Oak Multifamily, First Apartments, South Oak Crossing and Brookside Apartments. The fees from South Oak Crossing were transferred to Horizon Development Properties, Inc as revenue for the Real Estate Department.

G. Miscellaneous revenue consists of fund appropriations for projects approved by the Board of Commissioners such as the Piedmont Courts Revitalization Plan, McAlpine Terrace and Glen Cove Apartments renovations and infrastructure cost. We were under budget because all these funds were not used.

CAROL HOEFENER CENTER

EXHIBIT D

CAROL HOEFENER CENTER SOURCES OF FUNDS	2007-2008 REVISED BUDGET (PER DRAFT AUDIT)	2007-2008 ORIGINAL BUDGET (PER MTW PLAN)	2007-2008 ACTUAL (PER DRAFT AUDIT)	VARIANCE ORIGINAL BUDGET TO ACTUAL	
Other Revenue	-	8,336	23,952	15,616	A
Non Dwelling Rent	-	223,968	268,444	44,476	B
Fund Balance Appropriated	-	9,183	-	(9,183)	C
TOTAL SOURCES OF FUNDS:	-	241,487	292,396	50,909	

VARIANCE ANALYSIS

A. The Hoefener Center was able to book more community events and received unbudgeted interest income.

B. The actual revenue was approximately \$40,000 more than anticipated from space rented for a daycare. Rental revenue from the PELM - Daycare Center is formula driven and basis on a percentage of expenses.

C. Funds were not appropriated from fund balance.

HORIZON DEVELOPMENT PROPERTIES, INC.

EXHIBIT E

HORIZON DEVELOPMENT PROPERTIES, INC SOURCES OF FUNDS	2007-2008 REVISED BUDGET (PER DRAFT AUDIT)	2007-2008 ORIGINAL BUDGET (PER MTW PLAN)	2007-2008 ACTUAL (PER DRAFT AUDIT)	VARIANCE ORIGINAL BUDGET TO ACTUAL	
Tenant Rental Revenue	1,911,995	1,911,995	1,802,942	(109,053)	A
Other Resident Income - Late Fees, Excess Utilities	21,636	21,636	20,656	(980)	
Operating Subsidy	215,280	215,280	174,300	(40,980)	B
Other Revenue	411,917	402,917	522,112	119,195	C
Total Other Sources	1,042,137	581,126	95,164	(485,962)	D
TOTAL SOURCES OF FUNDS:	3,602,965	3,132,954	2,615,174	(517,780)	

VARIANCE ANALYSIS

A. McAlpine Terrace and Glen Cove Apartments are under leasing due to renovations at those two properties. We also received less than budgeted rental income at Grove Place.

B. Less than budgeted subsidy from project based Section 8 property subsidy based upon occupancy and adjustments made to subsidy payments during the year.

C. Fees from the sale of the Belvedere land and the sale of the Live Oak property

D. Funding for Board approved spending such as the developer fees, Live Oak and Sixth & Davidson projects were not realized. Revenue is from the transfer of bond issuance fees from the Central Office Cost Center.

USES OF FUNDS

Operating expenses are similar for each of the funds. In each case for the major categories, we have remained within the budgeted parameters. As stated earlier, administrative budget changes were done to allow us to reallocate budgeted expense money to different line items within major categories so that we are able to stay within our spending limits. A brief description of expenses by major category follows.

Administrative expenses are those expenses such as salaries, benefits and other sundry expenses - telephones, office supplies and training for site managers, the re-exam staff, housing specialist in our Section 8 program etc.

Tenant and Social Services represent those cost associated with staff that provides case management to our residents. Those costs also include salary/ benefits and other associated sundry expenses.

Maintenance represent all cost associated with maintenance of the properties. Staff salaries, materials and outside contract services such a pest control and lawn care.

Other General represents those costs for insurance- auto and property, PILOT, bad debt and indirect public housing charges.

PUBLIC HOUSING

EXHIBIT F

PUBLIC HOUSING USES OF FUNDS	2007-2008 REVISED BUDGET (PER DRAFT AUDIT)	2007-2008 ORIGINAL BUDGET (PER MTW PLAN)	2007-2008 ACTUAL (PER DRAFT AUDIT)	VARIANCE ORIGINAL BUDGET TO ACTUAL	
Total Administrative:	2,718,985	2,610,428	2,566,692	43,736	A
Total Tenant and Social Services:	888,759	752,128	508,458	243,670	B
Total Utilities:	3,757,020	3,648,592	3,601,899	46,693	C
Total Ordinary Maintenance and Operation:	5,575,938	4,464,991	5,030,969	(565,978)	D
Total General Expenses:	6,781,604	4,012,447	3,387,170	625,277	E
Extraordinary Items	305,470		133,147	(133,147)	F
TOTAL OPERATING EXPENSES:	20,027,776	15,488,586	15,228,335	260,251	
Total Other Items	2,389,283	510,714	1,337,773	(827,059)	G
TOTAL USES OF FUNDS	22,417,059	15,999,300	16,566,108	(566,808)	

VARIANCE ANALYSIS

- A. We did not incur expenses as expected for the Hall House disposition.
- B. The First Ward Case Management expenses were moved to the First Ward grant to close out the grant.
- C. In the utility area, electricity cost were less than budgeted
- D. Administrative budget changes were done to reallocate expenses to cover necessary items in maintenance contract and materials.
- E. Funds were not spent on McAlpine Terrace and Glen Cove Apartments, the mews infrastructure project or future appropriations.
- F. Less than budgeted funds spent for energy conservation measures.
- G. The net of the proceeds from the sale of a project and the loan of funds for another project.

SECTION 8

EXHIBIT G

SECTION 8 USES OF FUNDS	2007-2008	2007-2008	2007-2008	VARIANCE	
	REVISED BUDGET (PER DRAFT AUDIT)	ORIGINAL BUDGET (PER MTW PLAN)	ACTUAL (PER DRAFT AUDIT)	ORIGINAL BUDGET TO ACTUAL	
Total Administrative:	2,731,721	3,208,989	2,453,007	755,982	A
Total Tenant and Social Services:	903,856	277,667	821,604	(543,937)	A
Total Ordinary Maintenance and Operation:	32,887	25,140	16,495	8,645	B
Total Housing Assistance Payments	30,019,323	33,454,592	27,749,837	5,704,755	C
Total Protective Services	52,398	51,075	52,293	(1,218)	
Total General Expenses:	41,916	24,672	41,013	(16,341)	D
TOTAL OPERATING EXPENSES:	33,782,101	37,042,135	31,134,249	5,907,886	
Total Other Expenses-Non Dwelling Equipment	13,000	32,000	12,935	19,065	E
Total Other Uses	16,700,000	-	16,606,893	(16,606,893)	C
TOTAL USES OF FUNDS	50,495,101	37,074,135	47,754,077	(10,679,942)	

VARIANCE ANALYSIS

A. We reclassified the asset management fee from Administrative to Tenant and Social Services.

B. We budgeted more in gasoline that was used for the Housing Inspection staff.

C. The budgeted dollars for housing assistance payments were adjusted due to the final allocation based on our MTW status. Also an adjustment was made to transfer funds to establish an MTW fund in the 2007-2008 fiscal year.

D. Bad debt expense was not originally budgeted. However an administrative budget change was done to reallocate expenses to cover the bad debt expense.

E. Only one vehicle was purchased.

F. Transfer of funds for the creation of an MTW funds budget.

CENTRAL OFFICE COST CENTER (COCC)

EXHIBIT H

CENTRAL OFFICE COST CENTER USES OF FUNDS	2007-2008 REVISED BUDGET (PER DRAFT AUDIT)	2007-2008 ORIGINAL BUDGET (PER MTW PLAN)	2007-2008 ACTUAL (PER DRAFT AUDIT)	VARIANCE ORIGINAL BUDGET TO ACTUAL	
Total Administrative:	3,843,135	3,788,596	3,359,563	429,033	A
Total Tenant and Social Services:	736,814	399,915	681,248	(281,333)	A
Total Utilities:	53,652	53,652	44,372	9,280	B
Total Ordinary Maintenance and Operation:	482,560	484,107	446,891	37,216	C
Total General Expenses:	1,804,959	37,128	35,806	1,322	
TOTAL OPERATING EXPENSES:	6,921,120	4,763,398	4,567,880	195,518	
Total Other Items	327,536	200,000	104,605	95,395	D
TOTAL USES OF FUNDS	7,248,656	4,963,398	4,672,485	290,913	

VARIANCE ANALYSIS

A. Reclassification of expenses from Administrative to Tenant and Social Services for the Asset Management Fee. Expenses for the City Relocation Program were more than the original budget because of the number of participants assisted in the program. Also administrative expenses associated with Board approved projects were added to the budget.

B. Under budget in all utility areas.

C. Under budget in maintenance contracts areas such as landscape, trash collection and equipment maintenance contracts.

D. This item mainly represents the transfer of bond issuance fees to Horizon Development Properties, Inc.

CAROL HOEFENER CENTER

EXHIBIT I

CAROL HOEFENER CENTER USES OF FUNDS	2007-2008 REVISED BUDGET (PER DRAFT AUDIT)	2007-2008 ORIGINAL BUDGET (PER MTW PLAN)	2007-2008 ACTUAL (PER DRAFT AUDIT)	VARIANCE ORIGINAL BUDGET TO ACTUAL	
Total Administrative:	72,710	65,991	68,610	(2,619)	A
Total Utilities:	61,155	50,700	54,149	(3,449)	B
Total Ordinary Maintenance and Operation:	87,409	107,904	75,184	32,720	C
Total General Expenses:	20,213	16,892	13,824	3,068	D
TOTAL USES OF FUNDS	241,487	241,487	211,767	29,720	

VARIANCE ANALYSIS

A. Spending in some administrative category expense line items made it necessary to make administrative budget changes to keep spending within budgeted levels.

B. Less than budgeted spending in the electricity and gas expense line items.

C. Less than budgeted spending in many of the maintenance contract category line items.

D. Insurance cost- property, automobile and general liability – were less than budgeted

HORIZON DEVELOPMENT PROPERTIES, INC.

EXHIBIT J

HORIZON DEVELOPMENT PROPERTIES, INC USES OF FUNDS	2007-2008 REVISED BUDGET (PER DRAFT AUDIT)	2007-2008 ORIGINAL BUDGET (PER MTW PLAN)	2007-2008 ACTUAL (PER DRAFT AUDIT)	VARIANCE ORIGINAL BUDGET TO ACTUAL	
Total Administrative:	1,457,879	1,364,023	1,031,455	332,568	A
Total Tenant and Social Services:	34,745	34,245	16,707	17,538	B
Total Utilities:	280,065	249,588	268,346	(18,758)	C
Total Ordinary Maintenance and Operation:	889,249	840,095	681,269	158,826	D
Total General Expenses:	828,227	557,203	642,583	(85,380)	E
TOTAL OPERATING EXPENSES:	3,490,165	3,045,154	2,640,360	404,794	
Building Improvements	112,800	87,800	69,695	18,105	F
TOTAL USES OF FUNDS	3,602,965	3,132,954	2,710,055	827,693	

VARIANCE ANALYSIS

A. Less than budgeted spending in Professional Consultation expense. The Real Estate Department spent less than budgeted funds for consultants to assist with projects. Board approved spending and budgeting for developer fees.

B. Less than budgeted asset management fees. Fees were not allowed for one property.

C. Higher than anticipated electricity cost. However an administrative budget change was done to reallocate expenses to cover the electricity expense.

D. Under budget in maintenance contracts areas such as landscape, site improvement and trash collection contracts.

E. Less than budgeted taxes, insurance and debt service.

F. Less than budgeted building improvements.

Appendix C

CAPITAL FUND PROGRAM

EXHIBIT A

CAPITAL FUND PROGRAM SOURCES OF FUNDS	2007-2008 REVISED BUDGET (PER DRAFT AUDIT)	2007-2008 ORIGINAL BUDGET (PER MTW PLAN)	2007-2008 ACTUAL (PER DRAFT AUDIT)	VARIANCE ORIGINAL BUDGET TO ACTUAL	
2007 Capital Fund Grant	4,915,755	4,661,316	0	-4,661,316	A
TOTAL SOURCES OF FUNDS	4,915,755	4,661,316	0	-4,661,316	

VARIANCE ANALYSIS

- A. No revenue from the 2007 Capital Fund Grant was received due to there being no expenditure of funds from this grant. There was a total of \$7,338,117 available revenue from our 2004, 2005 and 2006 Capital Fund Grants for the projects that were done for this fiscal year.

REPLACEMENT HOUSING FUND PROGRAM

EXHIBIT B

REPLACEMENT HOUSING FUND PROGRAM SOURCES OF FUNDS	2007-2008 REVISED BUDGET (PER DRAFT AUDIT)	2007-2008 ORIGINAL BUDGET (PER MTW PLAN)	2007-2008 ACTUAL (PER DRAFT AUDIT)	VARIANCE ORIGINAL BUDGET TO ACTUAL	
2007 RHF Grant, Increment #1	511,410	235,034	511,410	276,376	A
2007 RHF Grant, Increment #2	233,062	210,785	233,062	22,277	A
TOTAL SOURCES OF FUNDS	744,472	445,819	744,472	298,653	

VARIANCE ANALYSIS

- A. Additional funds were received from HUD for both increments of the Replacement Housing Fund Grants.

CAPITAL FUND PROGRAM

EXHIBIT C

CAPITAL FUND PROGRAM SOURCES OF FUNDS	2007-2008 REVISED BUDGET (PER DRAFT AUDIT)	2007-2008 ORIGINAL BUDGET (PER MTW PLAN)	2007-2008 ACTUAL (PER DRAFT AUDIT)	VARIANCE ORIGINAL BUDGET TO ACTUAL	
Operations	550,000	550,000	0	550,000	A
Management Improvements	125,000	125,000	0	125,000	A
Administration	473,632	473,632	0	473,632	A
Audit	1,000	1,000	0	1,000	A
Fees and Costs	332,049	332,049	0	332,049	A
Infrastructure	40,000	40,000	0	40,000	A
Dwelling Structures	3,025,062	2,867,063	0	2,867,063	A
Dwelling Equipment	29,400	29,400	0	29,400	A
Non-Dwelling Equipment	128,000	83,000	0	83,000	A
Relocation	68,600	68,600	0	68,600	A
Contingency	143,012	91,572	0	91,572	A
TOTAL SOURCES OF FUNDS	4,915,755	4,661,316	0	4,661,316	

VARIANCE ANALYSIS

- A. There were no expenditures of the 2007 Capital Fund Grant during this fiscal year due to funds being available from our 2004, 2005 and 2006 Capital Fund Grants of which there were expenditures of \$1,533,484.

REPLACEMENT HOUSING FUND PROGRAM

EXHIBIT D

REPLACEMENT HOUSING FUND PROGRAM SOURCES OF FUNDS	2007-2008 REVISED BUDGET (PER DRAFT AUDIT)	2007-2008 ORIGINAL BUDGET (PER MTW PLAN)	2007-2008 ACTUAL (PER DRAFT AUDIT)	VARIANCE ORIGINAL BUDGET TO ACTUAL	
Fees and Costs	0	122,087	0	122,087	A
Infrastructure	0	323,732	0	323,732	A
Dwelling Structures	744,472	0	744,472	-744,472	A
TOTAL SOURCES OF FUNDS	744,472	445,819	744,472	-298,653	

VARIANCE ANALYSIS

- A. The budget was reallocated for both increments of the Replacement Housing Fund Grants and all funds fully expended.

Appendix D
Reporting Compliance with Statutory MTW Requirements (CHA)

Initial Incomes of Families Assisted by MTW

Fiscal Year:	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total number of newly admitted families assisted ¹	684										
Number of families with incomes below 50% of area median	681										
Percentage of families with incomes below 50% of area median	100%										

Baseline for the Number of Eligible Low-Income Families to Be Served

	Number of families served when Agency entered MTW	Non-MTW adjustments to the number of families served ²	Baseline number of families to be served	Explanations for adjustments to the number of families served
Number of public housing families served	2238	0	2238	
Number of tenant-based Section 8 families served	4321	0	4321	
Total number of families served	6559	0	6559	

¹ “Total number of newly admitted families assisted” is defined as all families that have been admitted to federal housing assistance during the fiscal year in question. Therefore, this does not mean that all families assisted by the housing authority will be captured in this figure. Instead, the figure only captures the initial admittees’ income, just as they begin to receive housing assistance.

² “Non-MTW adjustments to the number of families served” are defined as factors that are outside the control of the Agency. Acceptable “non-MTW adjustments” include, but are not limited to, influences of the economy and of the housing market. If the Agency includes non-MTW adjustments, HUD expects the explanations of the factors to be thorough and to include information substantiating the numbers used.

Number of Low-Income Families Served

Baseline number of families to be served (total number of families) ³	6559
Total number of families Served this Fiscal Year ⁴	6559
Numerical Difference ⁵	0
Percentage Difference	0%

Justification for variations in excess of 10% below the baseline number of families to be served (total number of families):

Baseline for the Mix of Family Sizes to Be Served

Family Size	Occupied number of Public Housing units by family size when Agency entered MTW	Utilized number of Section 8 vouchers by family size when Agency entered MTW	Non-MTW adjustments to the distribution of family sizes ⁶	Baseline number of family sizes to be maintained	Baseline percentages of family sizes to be maintained
1 person	1186	972	0	2158	33%
2 people	391	938	0	1329	20%
3 people	287	1018	0	1305	20%
4 people	220	773	0	993	15%
5 people	95	373	0	468	7%
6+ people	59	247	0	306	5%
Totals	2238	4321	0	6559	100%

Explanations for Baseline adjustments to the distribution of family sizes utilized	
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³ This number will be the same number in the chart above, at the cross-section of “total number of families served” and “baseline number of families served.”

⁴ The methodology used to obtain this figure will be the same methodology used to determine the “Number of families served when Agency entered MTW” in the table immediately above.

⁵ The Numerical Difference is considered “MTW adjustments to the number of families served.” This number will reflect adjustments to the number of families served that are directly due to decisions the Agency has made. HUD expects that in the course of the demonstration, Agencies will make decisions that may alter the number of families served.

⁶ “Non-MTW adjustments to the distribution of family sizes” are defined as factors that are outside the control of the Agency. Acceptable “non-MTW adjustments” include, but are not limited to, demographic changes in the community’s population. If the Agency includes non-MTW adjustments, HUD expects the explanations of the factors to be thorough and to include information substantiating the numbers used.

Mix of Family Sizes Served

	1 person	2 people	3 people	4 people	5 people	6+ people	Total
Baseline percentages of family sizes to be maintained ⁷	33%	20%	20%	15%	7%	5%	100%
Number of families served by family size this Fiscal Year ⁸	2158	1329	1305	993	468	306	6559
Percentages of families served by family size this Fiscal Year ⁹	33%	20%	20%	15%	7%	5%	100%
Percentage Difference	0%	0%	0%	0%	0%	0%	0%

⁷ These numbers in this row will be the same numbers in the chart above listed under the column “Baseline percentages of family sizes to be maintained.”

⁸ The methodology used to obtain these figures will be the same methodology used to determine the “Occupied number of Public Housing units by family size when Agency entered MTW” and “Utilized number of Section 8 Vouchers by family size when Agency entered MTW” in the table immediately above.

⁹ The “Percentages of families served by family size this fiscal year” will reflect adjustments to the mix of families served that are directly due to decisions the Agency has made. HUD expects that in the course of the demonstration, Agencies will make decisions that may alter the number of families served.