

DHA intends to undertake the following new activities in FY2017:

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.

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 2018.

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 received a portfolio and all developments may undergo modernization in the upcoming years under the RAD program. Please see section titled "Conversion of Public Housing to Project-Based Assistance under RAD" below for more information.

Demolition and/or Disposition

DHA owns 37 lots that were originally planned as the Homeownership Phase of its HOPE VI Grant. A Demolition / Disposition Proposal is planned to be submitted to HUD in 2016.

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

Birchwood Heights (NC013-13 / 4 units) – a Demolition / Disposition Proposal was submitted to HUD Special Allocations Center in 2015.

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 Demolition / Disposition Proposal is planned to be submitted in 2018.

Designated Housing for Elderly and Disabled Families

<i>Development Name and Number</i>	<i>Designation Type</i>	<i>Application Status</i>	<i>Date of Designation</i>	<i>Number of Units</i>
Scattered Sites NC19P013000003	Elderly Only	Approved	8/13/2012	50 Units
Forest Hill Heights NC19P013000014	Elderly Only	Approved	8/13/2012	55 Units
J.J. Henderson NC19P013000009	Elderly Only	Approved	8/13/2012	177 Units
HOPE VI Morning Glory Senior Village (Alston Manor) NC19P013000030	Elderly Only	Approved	8/13/2012	25 Units

Conversion of Public Housing to Project-Based Assistance under RAD

The following developments are planned for conversion under RAD by the end of 2016:

- Morreene Road (NC013-10) Public Housing Development / 224 units
- Damar Court (NC013-11) Public Housing Development / 102 units
- Edgemont Elms (NC013-21) Affordable Housing Development / 16 units
- Calvert Place (NC013-16) Affordable Housing Development / 43 units
- Franklin Village (NC013-28) Affordable Housing Development / 46 units
- Main Street Townhomes (NC013-29) Affordable Housing Development / 21 units
- Morning Glory Senior Village (NC13-30) Affordable Housing Development / 25 units

DHA received a portfolio conversion award from HUD in March 2015; RAD applications for remaining developments were submitted in March 2016. DHA and/or DVI will work with a qualified planner and architectural and engineering firm to determine the maximum number and type of replacement units. 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 and other developments in the city of Durham.

McDougald Terrace, Public Housing Development (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.

A 9% Low Income Housing Tax Credit (LIHTC) application submission for the development is planned for January 2018.

Scattered Sites, Public Housing Development (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.

A 4% LIHTC application submission, in conjunction with the Hoover Road development (NC013-08), is planned for July 2017.

Oldham Towers, Public Housing Development (NC013-04 / 106 units)

This rental development was built in 1969 and has one seven-story dwelling unit building and one non-dwelling unit building 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.

On March 25, 2015 DHA received a RAD program award to convert the 106-unit development into a project-based rental assistance complex. A combined Commitment to enter Housing Assistance Payments (CHAP) was awarded to Oldham Towers and Liberty Street during the fourth quarter of 2015. A 9% LIHTC application submission for the development in conjunction with the Liberty Street development is planned for January 2017. DHA seeks to demolish all or a portion of the units at this site and replace some of the units on the Club Boulevard (NC013-07) development.

Cornwallis Road, Public Housing Development (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.

A 9% LIHTC application submission for the development is planned for January 2019.

Liberty Street, Public Housing Development (NC013-06 / 108 units)

This rental development 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.

On March 25, 2015 received a RAD program award to convert the 108-unit development to a project-based rental assistance complex. A combined Commitment to enter Housing Assistance Payments (CHAP) was awarded to Oldham Towers and Liberty Street during the fourth quarter

of 2015. A 9% LIHTC application submission for the development in conjunction with the Oldham Towers development is planned for January 2017. DHA seeks to demolish all or a portion of the units at this site and replace some of the units on the Club Boulevard (NC013-07) development.

Club Boulevard, Public Housing Development (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.

A 9% LIHTC application was submitted for the development in January 2016 with a plan to demolish all 77 units and construct 31 one and 79 three bedroom units. Thirty-three additional replacement units were included in the proposal that were transferred from the Oldham Towers and Liberty Street sites.

Hoover Road, Public Housing Development (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.

A 4% LIHTC application submission, in conjunction with the Hoover Road development (NC013-03), is planned for July 2017.

J. J. Henderson Housing Center, Public Housing Development (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.

A 4% LIHTC application submission for the development is planned for July 2017.

Oxford Manor, Public Housing Development (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.

A 4% LIHTC application submission for the development is planned for July 2017.

Forest Hill Heights, Public Housing Development (NC013-14 / 55 units)

Attachment B.2 New Activities

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.

A 4% LIHTC application submission for the development is planned for 2017.

Laurel Oaks, Public Housing Development (NC013-15 / 30 units)

This Family Self-Sufficiency 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. There is vacant land at the site that will allow for the construction of additional units.

A Straight Conversion is planned for 2017.

Non-Smoking Policies

DHA plans to explore implementing non-smoking policies and programs as described in HUD Notices PIH-2009-21 and PIH-2012-25. DHA will engage with residents when considering a new policy, consult with resident boards and revise PHA Plans, lease agreements and/or lease addendums to reflect their new policy if it comes to fruition. DHA will also ensure that there is consistent application among all projects and buildings in their housing inventory in which smoke-free policies are being implemented.

Project-Based Vouchers

DHA plans to explore the possibility of using Project-Based Vouchers in Durham.

From ACOP – Chapter 4, Section III.B

Deconcentration of Poverty and Income-Mixing [24 CFR 903.1 and 903.2]

DHA's admission policy must be 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. A statement of DHA's deconcentration policies must be included in its annual plan [24 CFR 903.7(b)].

DHA's deconcentration policy must comply with its obligation to meet the income targeting requirement [24 CFR 903.2(c)(5)].

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; and developments approved for a mixed-finance plan using HOPE VI or public housing funds [24 CFR 903.2(b)].

Steps for Implementation [24 CFR 903.2(c)(1)]

To implement the statutory requirement to deconcentrate poverty and provide for income mixing in covered developments, DHA must comply with the following steps:

Step 1. DHA must determine the average income of all families residing in all DHA's covered developments. DHA may use the median income, instead of average income, provided that DHA includes a written explanation in its annual plan justifying the use of median income.

DHA Policy

DHA will determine the average income of all families in all covered developments on an annual basis.

Step 2. DHA must 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 has the option of adjusting its income analysis for unit size in accordance with procedures prescribed by HUD.

DHA Policy

DHA will determine the average income of all families residing in each covered development (not adjusting for unit size) on an annual basis.

Step 3. DHA must then 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 policy 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 [24 CFR 903.2(c)(4)].

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.

DHA Policy

For developments outside the EIR, DHA will take the following actions to provide for deconcentration of poverty and income mixing:

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

