



Date: October 18, 2013

To: Mayor Kleinschmidt and the Chapel Hill Town Council
From: Robert Dowling, Executive Director
Re: Quarterly status report for quarter ended September 30, 2013

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Robert Dowling

The first quarter of the 2013-14 fiscal year included the following highlights:

1. We sold 15 homes, nine of which were new to our inventory
2. Of our sales total, ten were condominiums
3. Two potential foreclosures linger
4. We began crafting an interlocal agreement with the local governments

Fifteen homes sold – This was a hugely successful quarter for our staff. We were able to close on seven condominiums in the 140 West Franklin development after several months of delays. All seven were 2BR units. A total of nine 1BR units and nine 2BR units are affordable in 140 West. We expect to close on the last two 2BR units in the current quarter. The 1BR units have less appeal to prospective buyers and will take longer to sell. We used \$157,500 of subsidy to sell these fifteen homes, \$31,500 of which came from the NC Housing Finance Agency. As of September 30, 2013, there were 212 homes in our inventory of affordable homes.

Condos ain't that tough – Much has been said, particularly by the author of this memo, about how difficult it is to sell condominiums. Since we sold ten condominiums in three months, clearly there is a market for condos. Three of the condo sales were resales of homes in Greenbridge, East 54 and Greenway. In addition to the ten condo sales, we sold five townhomes in the quarter. As of the date of this memo, we still have sixteen condominiums on the market, seven of which are under contract. Eight 1BR units at 140 West remain available.

Foreclosures – We have been faced with two possible foreclosures for more than four months. In one instance, the homeowner has declared bankruptcy which has forestalled foreclosure. In the second instance, we have offered to purchase the bank promissory note, but the bank has been unable to respond to that offer. As a result, both situations remain unresolved, despite our best efforts.

Interlocal Agreement - In June the Town Council approved the creation of an interlocal agreement among the Home Trust and our local government funders. The purpose of the agreement will be to establish a shared set of expectations as to the roles and responsibilities of the Home Trust and our government funders. We had an initial meeting with staff from each local government in August and we hope to provide a first draft of the agreement before the end of this month.