



Date: January 22, 2014

To: Mayor Kleinschmidt and the Chapel Hill Town Council
From: Robert Dowling, Executive Director
Re: Quarterly status report for quarter ended December 31, 2013

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Executive Director
Robert Dowling

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

1. We sold 12 homes, seven of which were new to our inventory
2. We re-engaged with developers of Waterstone and Burch Kove
3. We nearly reconciled a potential foreclosure in Larkspur
4. The board began a strategic planning process

Twelve homes sold – This was another successful quarter for our staff. We were able to close on six additional condominiums in the 140 West Franklin development (for a total of 13 closed). As of this date, five one-bedroom condos remain unsold in 140 West. Of our 12 closings during the quarter, ten were condominiums and two were townhomes. We used \$116,000 of subsidy to sell these twelve homes, \$32,000 of which came from the NC Housing Finance Agency. As of December 31, 2013, there were 220 homes in our inventory of affordable homes.

Waterstone and Burch Kove – Both of these developments were approved prior to the financial crisis and both have recently been purchased by new developers. Burch Kove on Homestead Road in Chapel Hill should begin site work in early 2014. There will be 11 affordable townhomes in Burch Kove, all of which will be built by the developer. The residential portion of Waterstone should also get started in the first quarter of 2014. We are required to develop twenty four affordable townhomes in Waterstone- beginning in mid-2015. As the developer of the homes, the Home Trust will be expected to hire a general contractor to build the homes. We will also require a significant amount of subsidy.

Almost resolved foreclosure – We made progress in resolving one of the possible foreclosures in Larkspur. I am hopeful that we will be purchasing this home from the lender before the end of January. Then we will need to make extensive repairs before offering it for sale to another low-income family. This will be a happy outcome, since these single family homes in Larkspur are highly desirable.

Strategic Planning - The Home Trust Board of Directors has determined that the organization needs a strategic plan to guide our work in the years ahead. The strategic plan will also inform the development of the proposed Charter, or interlocal agreement, among the local governments and the Home Trust. The Board held a planning retreat in early December and will hold a follow-up retreat in early March.