

Date: October 18, 2016



To: Mayor Pam Hemminger and the Chapel Hill Town Council
From: Robert Dowling, Executive Director
Re: Quarterly status report for quarter ended September 30, 2016

The first quarter of the 2016-17 fiscal year included the following highlights:

1. We sold ten homes, three of which are new to our inventory
2. We received approval to sell a home out of our inventory
3. We hosted the sixth annual Opening Doors fundraiser
4. We purchased a townhome from an owner in distress

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Ten homes sold – The July to September quarter was busy with both contracts and closings. Of the three new homes, two are the result of inclusionary housing in the Burch Kove neighborhood and one is part of the Northside Initiative. All three new homes are in Chapel Hill. Of the seven resales of existing CHT properties, six were condominiums and one was a townhome. Only four of the homes sold required any subsidy. Although we used almost \$127,000 of subsidy funds, only \$43,000 of that amount came from local funding sources. Almost \$83,000 came from the NC Housing Finance Agency. Seven of the ten homes sold were to homeowners earning less than 80% of the area median income.

Selling a home out of inventory – After two years of discussions with our government partners, we received approval to release 305 Pleasant Drive from our inventory of affordable homes. 305 Pleasant became the first Land Trust home in Orange County when we purchased it in June 2000. However, the home now requires a significant amount of rehab that we estimate could cost \$100,000. We are now listing it for sale without restrictions and we hope to recapture the funds invested in the property, which include \$30,000 of HOME funds.

Opening Doors 2016 – The Carolina Inn again hosted our annual Opening Doors fundraiser in September. About 260 people attended the event, which generated about \$70,000 to support our operations. We are very grateful to all of the local businesses and individuals who supported Opening Doors 2016. On a related note, the Home Trust was also awarded a \$7,000 grant from Bank of America to support our operations and assist with homeowner maintenance.

Homeowner in distress – Given the size of our inventory and the incomes of our homeowners, it is not surprising that we have to occasionally intercede to prevent a foreclosure. In August the board approved the purchase of one of our townhomes from an owner who was no longer able to make her mortgage payments. We paid off the lender and terminated the owner's ground lease. We then made repairs to the home and put it back on the market. That townhome is now under contract to be sold to a single parent who works at UNC Healthcare.