



**Date: January 24, 2018**

To: Mayor Pam Hemminger and Members of the Town Council  
From: Robert Dowling, Executive Director  
Re: Quarterly status report for quarter ended December 31, 2017

The second quarter of the 2017-18 fiscal year included the following highlights:

1. We purchased one Northside home
2. We acquired 58 affordable apartments at the Landings at Winmore
3. We have an opportunity to obtain two homes in the Courtyards

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**One Northside home purchased** – With \$35,000 of subsidy from the Town of Chapel Hill and \$60,000 from CHT project reserves, we purchased a single-family home in the Northside neighborhood. The long-time former owner had not been able to reside in her home in recent years due to roof leaks and the resultant mold. Self Help will undertake extensive renovations in early 2018 and the former owner will be able to move back into her home as a renter. Her rent will be just \$450, about half the amount of her old mortgage payment. When she is no longer able to live in the home, we will sell it as a Home Trust property. This is the first quarter in many years that we did not sell a home. As reported in previous quarterly reports, resales of existing homes were unusually slow. For the 2017 calendar year, only five existing Home Trust homes resold. We added six homes to our inventory. By comparison, in 2016, we sold 28 homes, 19 of which were resales.

**Closing on the Landings at Winmore** – The quarter was dominated by our acquisition of the Landings at Winmore, a 58-unit affordable rental development in Carrboro. We had hoped to close on November 30<sup>th</sup>, but the deal was almost scuttled by one of the primary lenders just before Thanksgiving. We were able to get the deal back on track and closed on December 29<sup>th</sup>. We owe a debt of gratitude to Orange County, Carrboro, the NC Housing Finance Agency and Bank of America for helping us close prior to year-end. The Landings has not been well managed, so we hired an experienced property manager, Partnership Property Management, to assume management responsibilities. The Home Trust invested about \$80,000 in due diligence and closing costs.

**New opportunity in the Courtyards of Homestead** - An anonymous donor, who purchased a home in the Courtyards, has made a very substantial donation to the Home Trust. His expressed intention is to enable us to provide two affordable homes in the Courtyards. However, since homes are quite expensive in the Courtyards, we need additional subsidy to create two affordable homes. With subsidy from HOME funds, the NC Housing Finance Agency, the Town of Chapel Hill and the Home Trust, we can sell two homes to households who earn less than 80% of median income. We hope to have all the subsidy lined up by the end of January. Construction of the first home should also begin by the end of January.