



July 12, 2022

To: Mayor Hemminger and Members of the Chapel Hill Town Council
From: Kimberly Sanchez, ED Community Home Trust
Re: CHT Annual status report for fiscal year 2021-2022

The 2021-2022 fiscal year included the following highlights:

- 1. We sold 16 homes.**
- 2. Our stewardship program helped 156 homeowners.**
- 3. Update on The Landings at Winmore**

Sixteen homes were sold (FY 2021-2022)

All homes were resales. Three of the homes received NCHFA CPLP funds in the form of a forgivable second mortgage. No additional subsidy was used. The average AMI for homeowners was 73.74%, the average annual household income for each sale was approximately \$50,000 the average purchase price of homes sold was \$110,312.

As of June 30, 2022, there were 276 homes in CHT's ownership inventory and 62 rental units. Of those 276 units, at purchase:

- 44 homeowners were below 50% AMI,
- 31 homeowners were between 50-59%,
- 76 homeowners were between 60-69%,
- 77 homeowners were between 70-79%,
- 27 homeowners were between 80-89%,
- 13 homeowners were between 90-99%,
- 8 homeowners were over 100%

Stewardship program achievements

Since 2007, CHT has implemented a mandatory stewardship program for all new homeowners. Since its inception, CHT has processed 839 applications that total an expenditure amount of \$916,818.28. Currently, 231 of our 276 homeowners participate in our stewardship program. The program requires a monthly fee that ranges from \$50-\$180, depending on the type of home, and this fee is included in the homeowner's affordability calculation from the very beginning (just like an HOA fee). These funds are pooled together so they may be used for all



homeowners who participate in the program. Eligible stewardship expenses include HVAC unit replacement and repair, roof replacement and repair, flooring replacement and repair, water heater replacement and repair and others. The intention of this program is to help homeowners with the large expensive items not covered by insurance and that are bound to occur as a result of homeownership. These large expenses, if required to be paid out of pocket by the homeowners would most likely make the home unaffordable, forcing homeowners to choose between making the repairs, buying groceries or paying the mortgage or HOA fee, among others.

During the 2021-2022 fiscal year, CHT, working directly with homeowners, processed 156 stewardship applications, resulting in a total expenditure of \$225,881.15, that required no local government subsidy. Below is a list of the major expenditures replaced/repaired this year:

- Nine HVAC replacements for a total expenditure of \$52,399.10
- 13 HVAC repairs for a total expenditure of \$22,418.40
- 13 Flooring repair/replacements for a total expenditure of \$38,037.20
- 5 Exterior home painting projects for a total expenditure of \$19,142.70
- 10 Hot Water Heater repair/replacements for a total expenditure of \$14,119.60

CHT also worked this fiscal year to replace 26 roofs at Vineyard Square through the stewardship program. CHT assisted the homeowners by obtaining quotes and managing the roofing project and relationship with the contractor. As a result, after about two weeks, all roofs and gutters were replaced at an expenditure of about \$5,000 per roof, 22 of which were covered 100% by CHT's stewardship program at no-cost to the homeowner. Please check out the blog post on <https://communityhometruster.org/a-new-roof-over-their-heads-for-the-holidays/>

The Landings at Winmore

Despite fiscal challenges, such as increasing HOA dues, increases in utilities and stormwater needs, The Landings continues to operate without any local government support. The Landings is a 58-unit Low Income Housing Tax Credit (LIHTC) building owned by CHT. The building was purchased by CHT in 2017 and was in severe financial distress and suffered from years of deferred maintenance. CHT assumed six loans in the approximate amount of 8 Million dollars, to purchase the property and today, most of the revenue from the Landings is swallowed by the debt service. Through the initial financial support of Orange County and Carrboro, CHT was able



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to stabilize some of the outstanding debts, but not all of them, and was unable to tackle a decade of deferred maintenance. Fortunately, CHT was able to secure a grant from Blue Cross Blue Shield that has been used toward deferred maintenance and health and safety improvements, including new stoves, LED lighting, new flooring, replacement of HVAC units, and many others. CHT had not increased rents for three years and in the past fiscal year, CHT increased rents by 2%. At The Landings over 50% of residents hold Section 8 Housing Choice Vouchers. Improvements made at The Landings last year included: the installation of security cameras, installation of better lighting in the parking areas, decreased trash dumping by residents and the private market residents resulting in a significant decrease in expenses, and implementation of a rental portal that allows tenants to make payments online and request maintenance needs. These improvements were made based on feedback from the Tenant Advocacy Committee (TAC), a regular meeting of tenants to discuss needs at The Landings. This year, the TAC team is working on increasing community engagement and refreshing the community room.