



July 22, 2024

To: Mayor Anderson and Members of the Chapel Hill Town Council

From: Kimberly Sanchez, ED Community Home Trust

Re: CHT Annual status report for fiscal year 2023-2024

The 2023-2024 fiscal year included the following highlights:

- 1. We sold 15 homes, including one acquisition in North Side and 5 new homes at Bridgepoint.**
- 2. Our stewardship program helped 98 homeowners.**
- 3. In partnership, repaired Legion Road Crawlspace**
- 4. Provided emergency maintenance relief via the Dowling Home Maintenance fund**

Eleven homes were sold (FY 2023-2024)

Nine homes were resales, one was an acquisition in North Side and five were new inventory in the Bridgepoint development. Nine of the homes received NCHFA CPLP funds in the form of a forgivable second mortgage. The North Side acquisition received an additional \$60,000 in CDBG funds. No local subsidy was used. The average AMI for homeowners was 64.72%, the average annual household income for each sale was approximately \$39,000 and the average purchase price of homes sold was approximately \$115,000.

NEW INVENTORY

In 2024-2025 we are anticipating new inventory of approximately 30 townhomes at Aura, Stanat's Place and 2217 Homestead Rd.

REPAIR AND MAINTENANCE

Stewardship program achievements

Since 2007, CHT has implemented a mandatory stewardship program for all new homeowners. Since its inception, CHT has processed approximately 1000 applications that total an expenditure amount of approximately \$1,305,657. Currently, 238 of our 281 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 2023-2024 fiscal year, CHT, working directly with homeowners, processed 98 stewardship applications, resulting in a total expenditure of \$169,973.40, that required no local government subsidy. Below is a list of the major expenditures replaced/repaired this year:

- 13 HVAC replacements
- 11 HVAC repairs
- 15 Flooring repair/replacements
- 1 Exterior home painting projects
- 7 Hot Water Heater repair/replacements

Legion Road Crawlspace

In 2001, Community Home Trust built 14 townhomes on Legion Road on land provided by the Town of Chapel Hill and Orange County. All 14 two- and three-bedroom townhomes are part of our permanently affordable homeownership inventory, and the community is governed by its own homeowners' association (HOA), supported by CHT.

Over the years, moisture has seeped into the crawlspaces of the homes, which isn't an uncommon problem to develop as homes age, especially in townhomes like these where the crawlspaces are low to the ground. Typically, moisture and mold will build up in crawlspaces when the vapor barriers and insulation between the home and the crawlspace break down. This can become problematic if that mold begins to affect air quality in the home or the structural integrity of the trusses supporting it. Unfortunately, although it's not an uncommon problem, it is an expensive one to fix. And while the Legion Road HOA had some funds set aside for repairs like this, it didn't have nearly enough to cover the whole project, which cost \$35,000.

This is where the importance of partnership comes in. Working with the Town of Chapel Hill, CHT was able to apply for and secure Community Development Block Grant (CDBG) funding for the project. The grant provided \$25,000 toward the project to help fill the gap in the funds the



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HOA had set aside. With the support from these grant funds and CHT's partnership with our Legion Road homeowners, the essential work of protecting all 14 homes' crawlspaces was completed. All homes had vapor barriers replaced, fungus cleaned from trusses, and areas sealed between the homes and crawlspaces, foundation vents secured, and drains put in places where water might accumulate, and making sure crawlspaces stay dry and mold-free.

<https://communityhometrust.org/crawlspace-updates-at-legion-road/>

Dowling Home Maintenance fund

There are plenty of homeownership costs that aren't covered by the Stewardship Program, smaller expenses that can still add up to become overwhelming, making a previously affordable home unaffordable, difficult to maintain, and even unhealthy in some cases. For example, a leaky or malfunctioning toilet can go from an inconvenience to a health hazard that causes costly damage if not repaired. But plumbing repairs are not covered by the Stewardship Program – so if a CHT homeowner can't afford to cover it themselves, what can they do?

In 2019, a group of generous donors worked together to answer that very question. In honor of the retirement of long-time Executive Director Robert Dowling, CHT and 61 donors created what is now known as the Dowling Home Maintenance Fund, which can be accessed by CHT homeowners to complete repairs that are essential to their health, safety, and the long-term maintenance of their homes but fall outside the list of major expenses covered by the Stewardship Program. CHT homeowners can apply for a loan from the fund, which is provided with no interest and no payments and does not have to be repaid until the home is sold. The fund had an initial investment of \$60,000 in 2019, and the average cost of a repair completed with the fund is \$1300.

<https://communityhometrust.org/blog-dowling-home-maintenance-fund/>