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Robert Dowling

Date: January 11, 2017

To: Mayor Pam Hemminger and the Chapel Hill Town Council
From: Robert Dowling, Executive Director
Re: Quarterly status report for quarter ended December 31, 2016

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

1. We sold eight homes, two of which are new to our inventory
2. We sold a home out of our inventory
3. We sold one home with about five partners
4. We have begun reviewing a new opportunity to expand our business model

Eight homes sold – We closed on the last of 11 new homes in the Burch Kove development in September. Home sales generally slow in the final quarter of the calendar year, but not this year. Both new homes sold in the recent quarter are part of the Northside Initiative; one of those homes is in Chapel Hill and one is in Carrboro. Of the six resales of existing CHT properties, five are townhomes and one is a condominium. Four of the homes required a total of \$159,500 of subsidy; of this amount \$85,000 was comprised of local funds. \$74,500 came from the NC Housing Finance Agency. Six of the eight homes sold were to homeowners earning less than 80% of the area median income.

One home sold out of inventory – In December, we sold 305 Pleasant Drive in Carrboro out of our affordable inventory. Although 305 Pleasant was the first Land Trust home in Orange County, it required a significant amount of rehab work, so we determined it was best to release the home from our inventory. Carrboro and the County agreed. Although we suffered a small loss on the sale, because the County agreed to split the loss with us, our loss is manageable. The County also recaptured about \$26,000 of subsidy funds.

One home, many partners – One of the Northside homes that we sold during the quarter required extraordinary effort on the part of many organizations, including The Jackson Center, Self Help, Rebuilding Together, Dustin Rawlings General Contracting and lender Cunningham and Company. Subsidy funding was provided by the Town of Carrboro, Orange County, the NC Housing Finance Agency, the Oak Foundation and several anonymous donors. All of that effort was essential to allow our new homeowners to move into their newly refurbished home just before Christmas. Of course, the Home Trust staff played a critical role in coordinating all the various aspects of this very successful collaboration.

New opportunity – We began reviewing a new opportunity that would expand our business model outside of the community land trust model. During the next few months, we will be working with a consultant to determine the viability of this opportunity.