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Robert Dowling

**Date: August 11, 2017**

To: Mayor Pam Hemminger and members of the Town Council  
From: Robert Dowling, Executive Director  
Re: Quarterly status report for quarter ended June 30, 2017

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

1. We sold four homes, three of which were new to our inventory
2. We performed significant due diligence on the potential acquisition of the Landings apartment complex
3. We initiated a property assessment program for our homeowners

**Four homes sold** – The three new homes we sold are all in the Chancellor’s View development in Chapel Hill. We now have 255 homes in our inventory of affordable homes. Two of the new homes were sold to households below 80% of AMI. We used \$20,000 of CDBG funds to reduce the prices of those homes, plus NCHFA subsidy as well. The third buyer earned just under 100% of AMI and did not receive any subsidy. Resales of existing homes remain unusually slow this year. Through June 30<sup>th</sup>, only one existing Home Trust home has resold. Our only resale, a condominium in Greenbridge, was sold to a Chapel Hill Carrboro school teacher, who earned more than 80% of AMI and therefore did not receive subsidy.

**Due diligence on the Landings** – As I mentioned in my last quarterly report, we have been delving into a new opportunity that would expand our business model outside of the community land trust model. We have a right of first refusal on a 58-unit, affordable apartment complex in Carrboro called The Landings. The property owner wants to convey the property to us this year. Since April, we have completed extensive analysis of the property’s financial results and focused on future projections. We also hired an architect to perform a thorough inspection of the property. We have also met several times with the management company and initiated meetings with residents. The Home Trust board will be further discussing this possible acquisition at the August board meeting.

**Property assessment program** - In the past quarter, we began a new program of offering free property condition assessments to our homeowners. Our construction manager has created a checklist of items that he checks in each home and provides a report to the homeowner. This service allows the Home Trust to get a better understanding of potential long-term maintenance risks, and it gives homeowners an idea of what future repair items they should be saving for.