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Robert Dowling

Date: April 12, 2018

To: Mayor Pam Hemminger and Members of the Town Council

From: Robert Dowling, Executive Director

Re: Quarterly status report for quarter ended March 31, 2018

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

1. We sold two homes, both of which were resales
2. We commenced our ownership of 58 affordable apartments at the Landings
3. We are moving forward to purchase two homes in the Courtyards
4. We provided counseling services to 47 people

Sold two homes – In 2017 we had just five Home Trust homes resell. In the first quarter of 2018, we closed on two resales; a one-bedroom condo in Greenbridge and a two-bedroom townhome in Vineyard Square. Neither sale required additional subsidy. The condo buyer's income of almost \$42,000 was 81% AMI based upon 2017 income limits. However, that same income was just 75% AMI based upon 2018 income limits. The townhome buyer, a single parent, earned \$34,000, or 53% AMI based upon 2017 income limits. Two other, existing Home Trust homes are under contract and another four are in the early stages of the resale process.

Ownership of the Landings – We expected our first year owning the Landings would be bumpy and challenging. We were right about that. We and our management company inherited more challenges than we had expected. The deep freeze in early January caused a third-floor sprinkler line to burst, which flooded three apartments. As a result, our insurance deductible was expended before the 10th day of the year. 2017 record-keeping was also confusing; causing our new management company and us many extra hours of work. We are slowly working through the challenges, but there are additional troubles ahead, as residents adjust to a new management company that, unlike the previous management, will enforce the terms of the leases.

Purchasing two homes in the Courtyards - The Town of Chapel Hill approved \$100,000 of Town subsidy to reduce the prices of two homes in the Courtyards. Most of the subsidy is being provided by an anonymous donor, who is interested in greater socio-economic diversity within the Courtyards neighborhood. With additional subsidy from HOME funds, neighbors within the Courtyards, the Home Trust and the NC Housing Finance Agency, we are now able to sell two homes to households earning less than 80% of median income. The first home should close before the end of the fiscal year.

Counseling services - We provided group and 1-on-1 counseling to 47 participants last quarter. That counseling included financial counseling, home buyer education and home maintenance classes. For the first-time, we facilitated two hands-on maintenance classes targeted to single women. This was a great success, and we hope to offer similar opportunities in the future.