



Date: April 28, 2006

To: Mayor Foy and the Chapel Hill Town Council

From: Robert Dowling, Executive Director

Re: Quarterly status report for quarter ended March 31, 2006

Board of Directors

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Vice Chair

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Robert Dowling
Executive Director

Funding Provided by:

Town of Chapel Hill
Orange County
Town of Carrboro
Town of Hillsborough

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The first quarter of 2006 was highlighted by our first substantial fundraiser, held at the home of Roger and Linda Perry. More than 100 people crowded into the Perry's home to support the Land Trust and hear former Senator John Edwards speak about poverty issues in America. Thanks to corporate and individual supporters, we raised enough to eliminate our projected deficit for the current fiscal year. We hope to end the fiscal year with a surplus of about \$50,000, which can be added to our property reserves.

We also had our board/staff retreat during the quarter, which focused less on strategic planning and more on the current state of the organization and how to improve our performance. We recognized that we need to focus on the long-term viability of the organization, which will entail continued fund raising in order to attract and retain dedicated staff members. We also recognized a pressing need to focus on how Land Trust homes are maintained over time. Our model needs to be revised to provide homeowners with greater incentives to perform normal maintenance, or our homes will inevitably deteriorate. The board named a committee of three board members and three staff members to focus on this asset management issue.

The other big news was the upfit of our offices in Carrboro. We recently expanded our office space and the landlord agreed to paint the walls, replace the carpets and install new lighting. That, plus new furniture, has created a whole new look and feel to our space. Staff member Ann Griffin deserves all our thanks for managing the transition.

Property closings slowed in the quarter, as just two Land Trust homes changed hands. However, we expect closings to pick up in the current quarter with both re-sales of existing homes and new Land Trust homes in the Pacifica development in Carrboro and in Northside. Habitat for Humanity and Empowerment are both building Land Trust homes as part of the Northside Initiative. We expect the first closings to occur in June.

Lastly, in conjunction with the Durham Community Land Trust, we are planning a state-wide Community Land Trust conference in April 2007 in Chapel Hill.

If you have any questions about the information provided in this report, please call me at 967-1545 ext. 307. Thank you for your continued support.

Copy to Mr. Cal Horton, Town Manager

Orange Community Housing and Land Trust
Quarterly Status Report
January, February, March 2006

The major work accomplished during the quarter was the following:

Northside

The Northside Initiative is making good progress. Five homes are now under construction and we expect to close on the two Habitat for Humanity homes in June. The two Empowerment homes should also obtain certificates of occupancy in the current quarter. The fifth home will be completed later in the summer. We conducted a two-hour buyer preparation course in March that included the participation of the CH Police Department.

Milton Avenue Homes:

The Town of Chapel Hill employee who was renting 111 Milton Avenue moved out in March. She moved back into her parent's home temporarily while she prepares to purchase one of the two Habitat homes in Northside. This is a wonderful success story that we hope to replicate when we rent 111 Milton again next month.

Legion Road Townhomes:

These townhomes, built five years ago, are in need of exterior maintenance, including pressure washing and painting. The homeowner association has not been reserving the funds necessary for long-term capital expenditures, so we are working with them to re-structure their budget. In addition, we will most likely agree to assist with the costs of painting the buildings.

Vineyard Square:

We have recently begun working with the homeowner's association (which includes the Land Trust homes and the market rate homes) to determine if Land Trust homeowners are receiving equivalent services. At issue are trash collection and building maintenance.

Rosemary Place:

We have recently become aware of design and construction issues that are resulting in the need for extraordinary expenses to maintain these townhomes. We are working with the homeowner's association to address these issues. These townhomes continue to increase in value but they resell very quickly.

Other Activities:

We re-purchased a Land Trust home in Hillsborough that we will upfit with new paint, a new hot water heater and other small repairs. The home is under contract to close next week.

We expect to transfer the apartments we own at Abbey Court to Chrysalis Foundation, which manages the housing activities of OPC Mental Health. We purchased three condominiums in Abbey Court in the late 1990's to serve OPC clients. We expect to transfer these units to Chrysalis Foundation in May or June.

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We are working with The Affordable Housing Group to obtain tax credits for Dobbins Hill II. TAHG is a Charlotte-based, nonprofit developer of tax credit rental properties. We assisted in securing \$120,000 of CDBG funds for 32 additional rental units at Dobbins Hill II. The tax credit application will be submitted to the Housing Finance Agency in early May.

Clearly, building maintenance was the theme for the quarter. The staff and board are becoming more aware of the challenges posed by the Land Trust model and we are actively working on solutions that will enable the model to perform better in the future.