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*Robert Dowling*

Executive Director

**Funding Provided by:**

*Town of Chapel Hill*

*Orange County*

*Town of Carrboro*

*Town of Hillsborough*

PO Box 307

104 Jones Ferry Road

Suite C

Carrboro, NC 27510

919.967.1545

Fax 919.968.4030

www.ochlt.org

January 30, 2008

Mayor Kevin Foy and  
Chapel Hill Town Council Members

**Re: Community Development and HOME funds**

Dear Mayor Foy and Council Members:

Orange Community Housing and Land Trust (the Land Trust) expects to need CDBG funds to reduce the prices of homes that resell in the 2008-09 fiscal year. **We request \$100,000 of CDBG funds to reduce the prices of existing Land Trust homes in Chapel Hill.**

In addition we will request **\$150,000 of HOME funds** to reduce prices of existing Land Trust homes that are located throughout Orange County. As of this writing, there are 132 homes in the Land Trust, 119 of which are in Chapel Hill.


As the Council is aware, existing Land Trust homes will require subsidy when they resell if they are to remain affordable and well maintained over time. We are projecting that 10-15 owners will resell their homes in the coming fiscal year.

As the Council may be aware, we have recently purchased and renovated several homes in Culbreth Park. These homes require substantial renovations and we have been drawing down funds from the Town's Housing Trust Fund. Neither CDBG nor HOME funds are appropriate sources of funding for this work given the federal regulations that accompany those funds. I would ask the Council to consider providing additional monies to the Trust fund if you would like us to continue working in Culbreth Park.

Lastly, we will again request **\$30,000 of HOME funds to support our operating budget.**

Thank you for your consideration of these requests and your support of affordable housing in our community.

Sincerely,

  
Robert Dowling  
Executive Director

cc: Mr. Roger Stancil, Town Manager



January 30, 2008

Mayor Kevin Foy and  
Chapel Hill Town Council Members  
Chapel Hill Town Hall

Re: 2008-09 Budget Request

Dear Mayor Foy and Members of the Town Council:

The Board of Directors of Orange Community Housing and Land Trust (the Land Trust) has authorized me to request \$178,000 from the Town Council for fiscal year 2008-09. This represents a \$25,000 increase from our current allocation. The funds are needed to increase our staffing from 6.5 FTE to 7.5 FTE to manage the volume of work that we expect in the next fiscal year.

Attached with this request is a detailed, line-item budget for 2008-09. As you can see, we are projecting an operating deficit of about \$4,000, which will come from our operating reserves. The board has also established a subsidy reserve of \$100,000 and a maintenance reserve of \$50,000.

I am pleased to report that we sold 18 homes in 2007, seven of which were new to the Land Trust, four of which are in Chapel Hill. Our inventory now stands at 132 homes.

As you know, the Land Trust faces two key challenges in the future:

1. Keeping our homes affordable in the face of stagnant HUD income limits, and
2. Keeping our homes well maintained over time.

We have revised our model to address both of these issues, but subsidies will be necessary over time. As we reported to you last spring, we expect to need about \$3 million to address the affordability and maintenance challenges of our initial inventory of 125 homes. These funds will be needed over a 20-year period beginning in 2007.

As you may recall, we are becoming more involved in property management to ensure the long-term desirability of Land Trust homes. These homes are community assets that if properly maintained, will serve low-income households for many decades into the future. As a result, property management will become an increasing part of our work as our homes get older.

We appreciate the Council's support and we look forward to creating an inclusionary housing program that will serve as a model for other communities throughout the country. If you have any questions, please feel free to call me at 967-1545 ext 307.

Sincerely,

  
Robert Dowling  
Executive Director

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**Orange Community Housing and Land Trust**

<b>Orange Community Housing and Land Trust</b>				
<b>Draft Operating Budget</b>				
<b>2008-2009</b>				
<b>Jan 2 2008</b>		<b>Approved</b>	<b>Revised</b>	<b>Draft</b>
		<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
		<b>2007-08</b>	<b>2007-08</b>	<b>2008-09</b>
<b>Core Income</b>				
	Chapel Hill	153,000	153,000	178,000
	Orange County	149,000	149,000	174,000
	Carrboro	26,000	26,000	30,000
	Hillsborough	2,500	2,500	2,500
	<b>Total Core Funding</b>	<b>330,500</b>	<b>330,500</b>	<b>384,500</b>
<b>Other Income</b>				
	HOME funds	30,000	30,000	30,000
	EDI Grant (2002)	6,000	6,000	0
	Fee Income	40,000	50,000	50,000
	<b>Donations</b>	<b>30,000</b>	<b>10,000</b>	<b>30,000</b>
	Land lease income	19,800	19,800	20,460
	EDI Grant	15,000	15,000	5,000
	<b>Interest Income</b>	<b>12,000</b>	<b>20,000</b>	<b>17,000</b>
	Net rental income	3,000	3,000	5,000
	Homebuyer Class Donations	1,500	1,500	0
	Miscellaneous Income	500	500	500
	<b>Total Other Income</b>	<b>157,800</b>	<b>155,800</b>	<b>157,960</b>
	<b>TOTAL INCOME</b>	<b>488,300</b>	<b>486,300</b>	<b>542,460</b>
<b>EXPENSES</b>				
<b>Personnel Expenses</b>				
	Executive Director	60,000	60,000	63,000
	Construction Manager	48,000	48,000	51,000
	Sales & Marketing Mgr	41,000	41,000	44,000
	Property Manager	48,000	43,000	46,000
	Land Trust Project Mgr	46,500	46,500	48,500
	Marketing Associate	23,237	23,237	36,000
	Communications admin	35,000	35,000	37,000
	<b>Office clerical</b>	<b>10,000</b>	<b>5,000</b>	<b>20,800</b>
	Health insurance	30,600	30,600	39,690
	Payroll Taxes	27,277	26,402	30,301
	Retirement plan	9,352	9,052	10,389
	Dental insurance	2,448	2,448	3,024
	Discretionary staff bonuses	4,000	4,000	4,000
	<b>Subtotal Personnel</b>	<b>385,414</b>	<b>374,239</b>	<b>433,704</b>
<b>Operating Expenses</b>				
	Office Rent	18,000	18,000	18,000
	Accounting/Audit	13,500	13,500	13,500
	Insurance	7,000	7,000	8,000
	Realtor Expenses	7,000	7,000	7,000
	<b>Training</b>	<b>5,000</b>	<b>8,000</b>	<b>6,000</b>
	Telephone/Internet	5,080	5,080	5,080
	Printing	4,000	4,000	4,500
	<b>Travel</b>	<b>4,000</b>	<b>3,000</b>	<b>4,000</b>
	Marketing/Advertising	3,500	3,500	4,000
	Memberships/Publications	3,000	3,000	3,500