

## ATTACHMENT 1

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Executive Director

**Funding Provided by:**

*Town of Chapel Hill*  
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**Date:** July 23, 2008

**To:** Tara Fikes, James Harris, Margaret Hauth, Donna Baker, Donna Armbrister

**From:** Robert Dowling, Executive Director

**Re:** Quarterly status report for quarter ended June 30, 2008

The quarter was highlighted by six activities:

1. Selling ten homes, including five homes that are new to the Land Trust
2. Buying a Milton Avenue home for future redevelopment
3. Hiring another part-time Realtor
4. Assuming property management for two homeowner associations
5. Preparing our operating budget for 2008-09
6. Constructing two green homes in Carrboro

**Selling ten homes** – Our sales team sold five homes that are new to the Land Trust, including two in the new Claremont subdivision, two that we renovated in Culbreth Park and an Empowerment home on N. Graham Street. We also resold two condos in Greenway and two townhomes in Rosemary Place. With approval from the Carrboro Board of Aldermen and the Land Trust Board of Directors, we sold a condo in Twin Magnolias out of the Land Trust. This unit was no longer affordable and would have required a great deal of subsidy to remain in the Land Trust. By selling it on the open market, we were able to provide substantial proceeds to the Town of Carrboro. During the fiscal year we sold 22 homes, eleven of which were new to the Land Trust, which now totals 136 homes.

**Milton Avenue home** – With assistance from the County Commissioners and the Town of Chapel Hill, we were able to purchase a Land Trust home on Milton Avenue that was being re-sold by the original owner. This home has structural problems that prevent us from reselling it to another low-income buyer. Instead, we are renting the home at below market rates to a family that is thrilled by this opportunity. Over time we will propose to redevelop this property and the one next door, which we also own. We hope to build three or four townhomes on the site of these two single-family homes that were built around 1960.

**Hiring another Realtor** – In order to accommodate our expected growth in 2009 and beyond, we recently hired a part-time Realtor who has sold homes in Orange County for more than ten years. This is the first of what will be several new staff members joining the organization in the current fiscal year. We also need to hire a marketing/development manager, a part-time bookkeeper and an operations manager.

**Property management** - Our recently hired property manager, who has been implementing our new model and collecting stewardship fees from our new homeowners, has also taken on management of the homeowner associations of Greenway condominiums and Rosemary Place townhomes. It is already clear that by taking responsibility for property management, we will ensure that these Land Trust homes (which we view as community assets) will be better maintained over time.

**2008-09 operating budget** – Due to the many demands on the County budget, the Commissioners were unable to provide an increase to our annual appropriation. As a result, notwithstanding increased allocations from both the Town Council and the Board of Aldermen, our operating budget for fiscal year 2008-09 entails a deficit of \$48,555. The deficit is due mostly to the need for additional staff (and additional office space) to accommodate the increase in sales activity that we expect to begin in mid-2009. Fortunately, we have sufficient operating reserves to absorb this deficit. However, it is clear to the board that such significant deficits are not sustainable going forward.

**Green homes in Carrboro** - We are nearing completion of two newly built homes that are perhaps the best built homes that we have ever offered to our buyers. Both homes are built to System Vision standards, which include a heating and cooling guarantee. Both homes also include hardwood flooring, Hardiplank siding and sprinkler systems. One of these homes, on Broad Street, is under contract. The other, a 3BR, 2 1/2 BA home on Eugene Street, remains available. Both of these homes are subsidized with HOME funds and second mortgages from the NC Housing Finance Agency.

Lastly, the Land Trust Maintenance Task Force, which was established by the local governments, met several times during the quarter and will most likely be making recommendations later this summer. The purpose of the Task Force is to address the long-term affordability and maintenance challenges faced by the Land Trust.