



Date: September 15, 2003

To: Orange County Board of Commissioners
 Chapel Hill Town Council
 Carrboro Board of Aldermen
 Hillsborough Town Board

From: Wayne Kuncl, Board President of Orange Community Housing and Land Trust

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The board of directors of Orange Community Housing and Land Trust (OCHLT) has approved the attached Mission Statement, Guiding Principles and Organizational Goals. **We would like each of the local governments to formally endorse these organizational tenets, in order to establish shared expectations.** We are particularly interested in each local governing board approving our Organizational Goals, which define who we are.

The staff and board devoted considerable time to this document because it's important as we plan for future development activities. The board considered opinions that were expressed by several elected officials whom we met with earlier this year. The specific questions that we discussed were the following:

- I. **Should OCHLT continue to develop housing?** It has been suggested that we focus our efforts on marketing the affordable homes built by private sector developers rather than develop homes ourselves. It is the Board's opinion that the organization should continue to *pursue both strategies*. The Town of Chapel Hill's policy of asking private sector developers to produce affordable housing for the Land Trust has proven an effective way to rapidly increase the county's permanently affordable housing stock. We feel strongly that this strategy should be pursued at every opportunity, and, in all planning jurisdictions.

However, depending upon the private sector may preclude us from certain opportunities (such as participating with Habitat for Humanity on the Sunrise property). We believe that it will be important for OCHLT to be able to serve as an independent, non-profit developer that can flexibly meet affordable housing needs that are not addressed by the private sector. Also, OCHLT strives to produce high quality homes that will be attractive, energy efficient, and affordable to maintain over time. The Board believes that OCHLT should continue to produce this type of durable, quality construction, rather than simply market homes that are produced by the private sector.

- II. **Should OCHLT shift its emphasis from producing homeownership opportunities to producing rental and special needs housing?** We are clearly not experts in the needs of special needs populations.

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However, we can partner with agencies that serve these populations to provide/develop housing. In this respect, it would make sense for those agencies to first identify their clients' housing needs, and then partner with OCHLT to develop that housing.

The Board recognizes affordable rental housing has already been identified as a pressing need in the county. We would be eager to participate in another tax credit rental development, but the right opportunity has not come along. It should be noted that we lack the capacity to manage many rental units, so the management function would need to be out-sourced.

- III. Should OCHLT focus more on renovating older homes?** During the past five years we have become more skilled in developing new properties than in renovating existing homes. Our staff does not possess the construction expertise necessary to be successful with renovation work. In addition, our experiences with older homes have caused us to become cautious about becoming involved with homes needing extensive work. These homes often entail greater risk for the organization (as with the home on Milton Avenue that we recently purchased that has foundation problems) that can become very costly. As a result, we intend to limit the scope of our rehab work to just newer homes, like those in Culbreth Park in Chapel Hill. There are other organizations that are better able to renovate older properties.

We want to serve the local governing boards in a way that serves each of your needs. However, we must be mindful that with a five person staff, our capacity is limited. Naturally, we will be happy to be present when each board discusses this matter, so please inform us of the date.

Thank you again for your continued support.

Wayne Kuncel / RD

Copies to:

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Cal Horton, Town of Chapel Hill
Eric Peterson, Town of Hillsborough
James Harris, Town of Carrboro