



ATTACHMENT 1

Date: October 29, 2004

To: Mayor Kevin Foy and Members of Town Council

Copy: Mr. Cal Horton, Town Manager

From: Robert Dowling, Orange Community Housing and Land Trust

**Re: Quarterly status report
For Quarter ended September 30, 2004**

Board of Directors

Christopher Moses
Chair

Barbara Kaminski
Vice-Chair

Eleanor Howe
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Garry Sronce

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Alex Zaffron

Robert Dowling
Executive Director

Funding provided by

Town of Chapel Hill

Orange County

Town of Carrboro

Town of Hillsborough



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The July, August, September quarter was dominated by our audit, training of new personnel, and the hiring of one more staff member. We are now fully staffed with talented people who are committed to the continued success of our organization. The staff now consists of the following individuals:

Christine Westfall, Land Trust Project Manager

Ann Griffin, Construction Manager

Crystal Fisher, Sales and Marketing Manager

Eleanor Howe, Office Manager

Amy Singleton, Sales and Marketing Associate

Transitions with new staff members present many challenges, but I expect this staff will build on the accomplishments of the people who have left us. We will continue to evolve and become more skilled as an organization that strives to meet affordable housing needs within our community.

In September, the auditors issued a very positive report to the Board of Directors on the organization's financial results in 2003-04. It was a banner year, as we closed on 54 homes and earned sufficient fee income to put the organization on firm financial footing. For the first time in this organization's history we have established reserves for future needs.

We also managed to close on eight new homes during the quarter, all of which are either in Vineyard Square, Larkspur or the Greenway Condominiums. There are still units available in both Vineyard Square and Greenway that are completed but remain unsold. We are also assisting a Greenway homeowner who is forced to sell her condo because of a job loss. The Land Trust board agreed to provide \$11,000 of subsidy from our own funds to assist in the sale of this property. Those funds will serve as a no-interest, no-payment second mortgage to the buyer, effectively lowering the purchase price of the unit.

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

Orange Community Housing and Land Trust
Quarterly Status Report
September October November 2004

The major work accomplished during the quarter was the following:

Vineyard Square:

We closed on five more townhomes in Vineyard Square during the quarter, bringing our total to fifteen. The two-bedroom townhomes, priced at \$90,000, continue to sell quite well. However we have three, 3BR units priced at \$105,000 that remain unsold. Centex has agreed to provide washing machines, dryers and refrigerators to buyers who close on these units before mid December.

Greenway Condominiums:

Fourteen of the sixteen units have been purchased by first-time homebuyers. We closed on one unit during the quarter, but the last two units, which are both 2BR units priced at \$140,000, are not attracting much interest. As mentioned earlier, one homeowner lost her job and needs to sell her home. We are providing assistance in the form of an \$11,000 second mortgage to an income qualified buyer. This will lower the effective purchase price to \$129,000. We are hoping to sell the unit at the reduced price and avoid a foreclosure situation.

We have been managing the homeowner association since we purchased the building last December. We have learned that our original HOA budget was inadequate and understated expenses and reserve requirements. As a result we have had to increase dues to the homeowners and inject capital into the HOA.

The board of the Land Trust has approved a capital infusion of up to \$7,000 in order to assist the HOA. We are also trying to get financial assistance from the developer. Lastly, we made some changes, like replacing fixtures, that will reduce operating expenses for the HOA.

Larkspur:

The third and fourth affordable homes closed in early July. Both families are large (four and five children) and both are very happy in their new homes. The fifth home is under construction now.

I met with some homeowners in Larkspur who had concerns about how the Land Trust worked. I answered their questions and tried to educate them about the philosophy and operation of the Land Trust.

Rosemary Place:

Warranty items are about complete. However we encountered some improperly installed commodes (one of which leaked), which we are continuing to explore with the general contractor.

We had our first resale of a RP townhome when an original homeowner accepted a new job in Raleigh and didn't want to commute. The new owner is a teacher in the Chapel Hill Carrboro School System.

Milton Avenue Homes:

The home with foundation problems has been rented to a Town of Chapel Hill employee. We made repairs to the interior and we're renting the home at a below-market price. Our tenant is very pleased to be living there, and she has expressed interest in buying the home, once we repair the foundation.

Our construction manager has been investigating the scope of the foundation problems and will have a report ready by December 31st. I expect it will be very costly to repair the foundation, and it may be more economical to move the home to a vacant lot and place it on a newly built foundation wall. Ideally we would then build a duplex on the Milton Avenue site.

Legion Road Townhomes

No activity

Pacifica

We are working with seven first-time homebuyers of the affordable units in this Carrboro development. The start of site work has been delayed due to last minute challenges faced by the developer. We hope this project will commence before spring 2005.

Homebuyer Classes:

Free classes were offered at Southern Human Services in July when 12 participants completed the class, and at the Carrboro Century Center in September when 9 participants completed the class.

Other Activities:

We signed a contract on the Culbreth Park home that we renovated during the summer. The home closed in October.

We completed the repairs to the Cedar Court condominium and signed as contract on that home in September.

We continue to work with Habitat for Humanity on the Sunrise Ridge development. We are in the process of defining construction responsibilities and assigning costs to those responsibilities.