



Board of Directors

Christopher Moses
Chair

Barbara Kaminski
Vice-Chair

Eleanor Howe
Secretary

Susan Levy
Treasurer

Marceia Blake

Marion Brooks

Laurie Charest

Gary Giles

Amy Hannon

Wayne Kuncel

Ernest Montague

Amy Newton

Jeff Oberhaus

Ruffin Slater

Garry Sronce

Edith Wiggins

Alex Zaffron

Robert Dowling
Executive Director

Funding provided by

Town of Chapel Hill

Orange County

Town of Carrboro

Town of Hillsborough

PO Box 307
104-C Jones Ferry Rd.
Carrboro, NC 27510
919. 967. 1545
Fax 919. 968. 4030
www.ochlt.org

AGENDA #5b

Date: January 31, 2005

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 December 31, 2004**

The October, November, December quarter was again a busy time for the Land Trust staff. We closed on fewer homes than in the previous quarters, which allowed time for much needed training for our newly-hired staff people. We learned that even experienced real estate professionals require detailed training in order to understand the complexities of working with the Land Trust model. We also learned that staff turnover is a tremendous drain on resources in a small organization.

We closed on five homes in the quarter; two in Vineyard Square, one in Culbreth Park, one in Cedar Court and one in Northside. Only the Cedar Court townhome was not sold as a Land Trust property. For the calendar year 2004, twenty-nine homes were added to the Land Trust, bringing the total number of Land Trust homes to 90 by December 31, 2004. The growth in the number of Land Trust homes has been remarkable, thanks to the support and policies of the Town Council. Your inclusionary housing policy is responsible for the vast bulk of all the homes in the Land Trust.

Other highlights from the quarter include the following:

- In October we hosted our Annual Meeting, and gave our inaugural Cornerstone Award to Roger Perry of East West Partners.
- Three new board members joined the board: Alisa Sprouse, a Greenway homeowner, Jim Tucker, a financial services professional and Dwayne Pinkney, Assistant Vice Chancellor at UNC all joined the board during the quarter.
- We had our first Land Trust homeowner face foreclosure when a Greenway condominium owner lost her job and was unable to make her mortgage payments. The Land Trust purchased that unit in early January.
- Crystal Fisher, our Marketing and Sales Manager, received her real estate broker's license in December.
- Christine Westfall, our Project Manager, completed the Chamber's Leadership Training course in December.

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
October November December 2004

The major work accomplished during the quarter was the following:

Vineyard Square:

We closed on just two additional townhomes in Vineyard Square. We've now closed on sixteen of the thirty townhomes being built by Centex Corporation. We expect the remaining fourteen homes will close by the end of this fiscal year. We have used HOME and CDBG funds to reduce the prices of the three bedroom units from \$115,000 to \$105,000, a price that is more competitive with other three-bedroom units in the Land Trust.

Greenway Condominiums:

Greenway has provided numerous learning lessons for us. We continue to struggle to sell the two-bedroom units that are priced at \$140,000. Clearly, that price is set too high, but the developer is unwilling to reduce it. This has been an expensive lesson for us, since we are now paying the HOA dues on the two unsold units. As stated earlier, we also just purchased a third 2BR unit to stave off a foreclosure. We are offering that unit for sale at \$129,000, using \$11,000 of our own funds as a second mortgage to the next buyer.

On a far more positive note, it appears that we will be selling one of the 2BR units to a very special person – a woman who was severely injured in an automobile accident twelve years ago. She is confined to a wheelchair, and is unable to work, but she has some very special friends who are raising the funds needed to buy her a ground floor unit. We expect that she will be able to close on her condo during the current quarter, once certain modifications are completed to the unit. This is truly a blessing for this woman, whose apartment lease is not being renewed by the new owner of her apartment complex. It will provide her with much needed housing security, and allow her to build equity over time.

We are continuing to work with the homeowner's association to solidify the HOA budget. As stated previously, this will require financial assistance from the Land Trust.

Larkspur:

No closings during the quarter. The next Land Trust home is schedule to be completed in April.

Rosemary Place:

Ann, Griffin, our Construction Manager, worked with Resolute Building Company to be sure that all commodes were properly installed. Apparently, there were a couple of toilets that leaked, but Resolute was very cooperative about checking all the suspect units and making repairs as needed. A few minor warranty items remain unresolved.

Milton Avenue Homes:

We have decided to continue renting the home with the foundation problems rather than incur the expense of fixing the problems. We have determined that fixing the foundation will be prohibitively expensive. By renting the home, we generate some cash flow that effectively reduces our net investment in the property (which is currently about \$135,000). Ideally we would continue renting the home for eight or ten years, at which point we would raze the house and redevelop a duplex on that site. However our ability to redevelop is subject to the Franklin Grove special use permit. The developer of Franklin Grove does not support our request to re-develop these Milton Avenue properties over time, so this issue remains somewhat unresolved.

Legion Road Townhomes

In November, one of the original owners informed us that she wanted to sell her townhome. It's a three bedroom unit that originally sold for \$100,000 in May 2001. It is being offered for resale for \$107,000.

Pacifica

We are working with seven first-time homebuyers of the affordable units in this Carrboro development. This development has been delayed for several months while the developer works out issues related to the general contractor. Hopefully site work will begin in the spring.

Other Activities:

We closed on our third home in Culbreth Park in October.

We closed on a Cedar Court condominium in October as well. This home is not in the Land Trust, because the original request for subsidy monies, which came from the Town of Carrboro, did not specify that it would be used for a Land Trust property. So it is encumbered with restrictive covenants that should ensure affordability for thirty years.

We closed on a newly-built home on Sykes Street in Northside. The home was developed by Empowerment, Inc. and represents the first collaboration between Empowerment and the Land Trust. We expect to collaborate with Empowerment on several more homes in Northside in the year ahead.