



Date: April 24, 2003

To: Mayor Kevin Foy and Members of the Town Council
Copy: Mr. Cal Horton, Town Manager
From: Robert Dowling, Orange Community Housing and Land Trust

Re: Quarterly status report
For Quarter ended March 31, 2003

- Board of Directors**
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Robert Dowling
 Executive Director

The first quarter of 2003 was busy as usual. We successfully closed on our first two Land Trust re-sales and we also closed on a home in Magnolia Place that is now permanently affordable. The re-sales of existing properties were more difficult than we would have thought, but we are learning with every transaction.

In my last quarterly report I thought we would be closing on the first homes in Rosemary Place by mid-April. However the wet winter weather slowed progress such that we will not be closing on the first homes until late May. We expect most of the thirty-two homeowners will be in their new homes by June 30th.

We have begun marketing homes that will be built in three different developments by private sector builders: sixteen condominiums in the Greenway Condominiums in Meadowmont, single-family homes in Larkspur and townhomes in Vineyard Square. The first of these units will be ready in the fall of 2003.

The board held a retreat in February and determined that our relatively new organization (since the merger in July 2001) needed to establish an organizational mission, vision and guiding principles. These important organizational building blocks will be shared with local elected officials in an effort to create shared expectations for the role of OCHLT.

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

- Funding provided by**
 Town of Chapel Hill
 Orange County
 Town of Carrboro
 Town of Hillsborough

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**Orange Community Housing and Land Trust
Quarterly Status Report
January, February, March 2003**

The major work accomplished during the quarter was the following:

Rosemary Place:

As stated earlier, construction was slowed by wet weather, which will result in delayed closings. The wet weather also hampered our efforts to remedy the mold growth that we discovered late last year in two of the buildings. At the suggestion of a mold specialist, Resolute Building Company removed all the sheetrock that contained mold, and replaced it. They also scrubbed mold from the crawlspaces. The problem will not be completely corrected until we dry out the crawlspaces by installing dehumidifiers. Once the crawlspace is dried out, which will occur prior to closings, the environment will no longer be conducive to mold growth. All homeowners will be alerted to this matter by the end of this month.

Our project manager, Eric Diener, has worked closely with Resolute to ensure that these homes are well built and in compliance with the Advanced Energy guidelines. As a result, the Rosemary Place Townhomes will be the most energy efficient homes in all of Meadowmont. Homeowners of two bedroom units can expect heating and cooling bills of about \$25 per month.

Milton Avenue Homes:

One of the original Milton Avenue homeowners needs to sell their home due to a loss of income. The home is no longer affordable since one of the two working parents lost part-time income. Since this home was just barely affordable to this four-person household when we sold it in 2001, the resale price is proving to be too expensive for most families earning less than 80% of median income. As a result, we have asked the town of Chapel Hill for an additional \$10,000 to make some repairs to the home and still bring the price down to a more affordable level (\$110,000).

Kovens Construction has made repairs in all four homes, mostly repairing cracks in interior walls that were caused by movement of the foundations. This is not an uncommon problem in homes built in eastern Chapel Hill where soils are prone to expansion and shrinkage.

Legion Road Townhomes

We closed on the first Legion Road re-sale in late January. The sale to a young couple was facilitated by a \$7,000 'soft' second mortgage provided by OCHLT. This made the home more affordable (the effective selling price was \$99,000).

A second Legion Road homeowner will be relocating out-of-state this summer. She is a Chapel Hill High School teacher and has found a colleague who is interested in purchasing her home.

Magnolia Place

We closed on our first Magnolia Place Land Trust home in February. The three-bedroom, 2 and ½ bath home in Hillsborough sold for \$103,500. Because we owned the home for six months, and paid interest for that period, we lost about \$1,500 on this transaction.

Pleasant Drive

We re-sold this Carrboro home in early March after completing extensive renovations. Most of the renovations were designed to improve the energy efficiency of the home, including new windows, insulation, and vinyl siding. The County approved \$30,000 for renovations and the home sold for \$110,000.

Homebuyer Classes:

Classes were offered at Chapel Hill Town Hall in January (19 participants completed the class), The Women’s Center in February (10 participants) and Southern Human Services Center in March (10 participants).

Abbey Court Condominiums:

OCHLT continues to manage three units in the Abbey Court Condominiums, which house clients of OPC Mental Health. OPC has converted one of the units into transitional housing, for clients that need temporary living arrangements. There was very little activity during the quarter.

Other Activities:

Christine Westfall, our Land Trust project manager spent most of the quarter working with our attorney on revising the ground lease. The ground lease is the lynchpin of the land trust model, and it was substantially revised to better reflect common law as practiced in North Carolina.

We have met with the developers of the Vineyard Square development, who will be providing 30 townhomes to be included in the Land Trust. They will be offering 2-bedroom units for \$90,000, and 3-bedroom units for \$115,000. We have a waiting list of approximately forty people who are interested in purchasing these homes. The first homes should be ready in late 2003.

We are also working with the developer of the Greenway Condominiums to generate the condominium documents that are required to sign contracts on the units. We expect to receive HOME funds to reduce the prices of these two-bedroom condominiums to \$80,000 and \$90,000.

In Carrboro, we are working with the Town to locate an affordable townhome or condominium for resale to a Town employee or another eligible buyer. The Town has \$130,00 of HOME funds that can be used to finance this transaction. We expect to complete a transaction this summer.