

**CITY OF MADISON
INTERDEPARTMENTAL CORRESPONDENCE**

TO: Community Development Authority
FROM: Percy Brown, CDA Deputy Executive Director
DATE: October 8, 2010
SUBJECT: Economic Development Status Report for the month of
September 2010

WEST BROADWAY REDEVELOPMENT AREA

Lake Point Condominium Project: Please see attached monthly report.

RESERVOIR AND DUPLEXES

There is one vacancy at the Reservoir and Duplex.

MONONA SHORES

84 of the 104 units at Monona Shores are currently occupied (81%). Of the 20 vacant units, 12 units are affordable and 8 units are market rate. Please see attached monthly report for further details.

REVIVAL RIDGE APARTMENTS

There are two vacancies at the Revival Ridge Apartments with two new approved leases and scheduled move-ins; one for October 8 and the other for October 15.

LOAN STATUS REPORT

See Attached.

LOAN AND GRANT LOSSES REPORT

See attached.

Percy Brown, Manager
Office of Economic Revitalization

October 7, 2010 Update for Lake Point Condominiums

Overall status: **Average**

Market Status: **Poor**

Inventory

11 Conversion units and 6 Townhomes (33 units sold)

0 New Offers,

Schedule item	Item Owner	Plan date	Actual or scheduled	Comments
Conversion Roof issues Basement issue	Receiver		5/15/11	The roof is being reviewed by three separate contractors and the board will devise a strategy by which to move forward. In addition, the basement is being reviewed for a water issue
Siding Issues	Receiver		10/15/10	Material is ordered and a schedule with the siding installer/manufacture for the Lake Point unit is set for next month.

Detail

The precipitous drop in market activity has continued. There have been very few tours and those showings have generated no new offers. The overall lag in the economy has affected sales in most markets. The Keller Williams team has been driving hard on Lake Point and I trust their efforts and continue to encourage any new ideas to generate activity.

In November's report, I will provide a financial status for the project and a pro forma overview.

As discussed in August, the long pending siding (warranty) issue with Wausau Supply/CertainTeed has come to conclusion. CertainTeed approved the siding replacement for the effected unit and has authorized the replacement. Due to the siding being a special order, the replacement may not be completed until early November.

With the 2010 budget functioning quite well, the board focus has been on macro site improvement. The site shows quite well and I feel positive about the Lake Point board going forward. Strong, committed leaders are participating. The investment in additional security patrols has been effective in preventing the vandalism and graffiti at the site.

We are working on the basement of the conversion units to eliminate the leaking, which has been a particular problem during heavy rains. As the laundry and storage for conversion unit buyers is located in the basement, its overall appeal must be maintained to secure futures buyers. When the repair work is complete and proves to

work, we'll paint and improve the lighting in the basement. That work will be scheduled during the slow winter months.

MARKETING

Lake Point Sales Report September, 2010

Garden View price range \$0-\$75,000

East and West Madison since 7/1/10 (3rd quarter)

- 53 active condos currently listed east and west Madison between \$0-\$75,000. This is about the same as the period 5/1/10-7/31/10.
- 15 have sold since 7/1/10 -- an average of 5 per month over the 3 month period 7/1/10-9/27/10. This is down by 50% from the previous 3 month period 5/1/10-7/31/10.
- Average sale price is \$57,180
- Average list price is \$62,425

Townhome price range \$100,000-\$175,000

East and West Madison since 7/1/10 (3rd quarter)

- 470 active condos currently listed east and west Madison between \$100,000-\$175,000. This is up by 59% from the previous period.
- 44 have sold since 7/1/10 -- an average of about 15/month over the 3 month period 7/1/10-9/27/10. This is down by about 50% from the previous 3 month period 5/1/10-7/31/10 (101 sales in that period)
- Average sale price is \$132,335
- Average list price is \$133,610

Area Sales and Activity

- In the 3rd Quarter there were two sales in the MLS Geo Code for Lake Point and the surrounding area (E15 and E16). Both of these sales were at Lake Point: 5327 and 5339 Garden View.
- There are currently 34 condos listed for sale on the MLS in this area; 12 of them are on Sunnyvale and nothing is currently moving there.
- The average list price per square foot is \$83. We are currently at \$82 for our Garden View units and \$93 for the Conservation units.
- About 20% of the properties currently listed are short sales

Lake Point Showings

Several showings in September by our team; most of the showings were on the Garden View units. For all showings, clients were just starting the process, some were relocating, they liked the units, were concerned about the lack of parking and concerned with the area. One couple witnessed tenants from the apartment next door to the east hover over their car while they were viewing the units and that made Mrs. Buyer very nervous. Later they drove by at night and Mrs. Buyer became frightened of living in the area. Overall, buyers are impressed with the finishes and the reasonable pricing.

Monthly Owner's Report for the Month of September, 2010

The New Monona Shores Apartment Homes

Operations and Marketing:

Occupancy:

The property closed out the month of September at 81% occupancy. There were 20 vacancies and 84 occupied apartments, of which 12 are affordable and 8 are market rate. There are 2 pending applications, slated for October move-in. There are 2 pending move-outs between now and the end of October and 1 applicant is on the Priority Waiting List to move-in when their home sells. Fortunately, there are no pending move-outs so every rental during the month will be a net gain.

There were another 5 rejections during the month of September. One of the five was over income and we did not have an available market rate apartment in the size they desired.

Resident Functions:

We continue to work with the Neighborhood Center to help promote their daily activities, which our residents participate in regularly. During the month of September, many of our residents took advantage of the monthly food pantry and 50+ luncheon. A Fiesta is planned for the beginning of October and the site office is helping to get the word out to the residents. The Community Center is also offering computer classes in Spanish and many of our kids are participating in the After School Program.

Resident Services:

Site personnel continue to monitor and improve day-to-day resident services.

During the month of September, staff is gearing up to provide fire safety information to the residents in October, which is Fire Safety Awareness month.

October is also Breast Cancer Awareness Month and staff is passing out great information to promote awareness and encourage individuals to get a mammogram. For those unable to afford one, information is available for free breast cancer screening.

A resident satisfaction survey is slated to go out next month.

Cost/Time Savings Ideas:

Continued monitoring of expenditures, services, performance and plans.

Whenever possible, complete projects using on-site staff, rather than contract labor, unless the cost is prohibitive. During the month of September, on-site staff replaced several vinyl floors.

Rent Changes:

None at this time.

Capital Improvements:

No capital replacements during the month of September.

Staff is working on a three year capital improvement plan.

Security/Crime Incidents:

None to report.

Marketing:

We began working with a new HUD program called House-Ability through the Road Home and YWCA. We were able to house an individual who had previously lived at the site a number of years ago. The program is similar in nature to the Section 8 program. What's really great about this program is the entire rent is paid through the program, so in essence they are acting as a payee for the resident. They also provide weekly case management and follow-up so that the renter gets the support they need.

Staff tracks all incoming phone calls and in-person visits and follows up by sending thank you notes and calling the prospects back.

The majority of leads are derived from Craig's list, Apartment Showcase, Rent.Com, Madison Art Institution, vendor and resident referrals.

The staff regularly checks various web sites like Craig's List and makes contact with people who have posted their housing needs.

Staff also stays in touch with other BMC staff and other management company's site staff and refers clients back and forth.

For the first time in a decade, more one bedroom apartments have opened up. We're finding that many are moving home

with family or doubling up with a roommate to save housing costs.

Staff has a special promotion on several floor plans and a decreased deposit as well.

Local Market Conditions:

Competitors continue to offer large concessions. We have also seen some recent competitors decrease rental rates.

Local Development:

Nothing new to report.

60 day Objectives

- The annual investor audit and inspection in September went very well as expected.
- 2011 budget is being finalized.
- Continue to stay up-to-date with HUD changes that are applicable to the AHTC program and comply with any necessary form revisions and compliance procedures.
- We also provide training and applicable procedures to stay in compliance with all local, state and federal housing regulations, both administrative and maintenance.
- The majority of turn-over for the year is now complete; therefore, operating expenses will decrease to some extent. We hope to begin placing more money in the reserve account as we are able.

Maintenance:

- Since the major turn-over is done for the year, staff is concentrating their efforts on finishing the Fall Preventive Maintenance schedule and finishing up painting and exterior projects while the weather is still nice.
- The maintenance staff has power washed some of the buildings and will continue to do so as time allows. So far, half of the buildings have been done.
- Exterior door painting project is completed and interior doors are 2/3 completed. We expect the balance to be done in October.
- Interior hallway painting and drywall repairs are underway. Staff plans to paint an accent wall in each common hall.
- Resident work orders continue to be completed within 24 hours, unless of course there is an emergency situation.
- Fall preventive maintenance is in planning stages.
- Staff is finalizing snow bids.

Personnel:

We are pleased to report a new manager, who had previously managed MSA, was rehired during the month of September. Residents, other staff members and vendors have responded very positively to the change.

**HOUSING REHABILITATION LOAN
STATUS FOR THE MONTH OF
SEPTEMBER, 2010**

<u>Program:</u>	<u>No:</u>	<u>Unit:</u>
New Applications		
Deferred Payment/HOME	2	2
Installment Loan (City)	2	1
TOTALS:	4	3
Applications in Initial Processing		
Deferred Payment/HOME	2	2
TOTALS:	2	2
Applications in Bidding Stage		
Deferred Payment/HOME	2	2
Installment Loan (City)	3	2
TOTALS:	5	4
Projects Approved But Not Closed		
Deferred Payment/HOME	3	3
Installment Loan (City)	2	2
TOTALS:	5	5
Projects Under Construction		
Deferred Payment Loan (CDBG)	1	1
Deferred Payment/HOME	13	13
Homebuyers Assistance Loan	4	4
Installment Loan (City)	5	5
TOTALS:	23	23
Projects Completed this Year		
Deferred Payment Loan (CDBG)	1	1
Deferred Payment/HOME	14	14
Homebuyers Assistance Loan	3	3
Installment Loan (City)	6	6
TOTALS:	24	24

**STATUS REPORT FOR THE MONTH OF SEPTEMBER 2010
HOUSING REHABILITATION LOANS**

PROGRAM	FUNDS AVAILABLE BEGINNING IN 2010	SOURCE OF REMAINING FUNDS AVAILABLE		ADJUSTED TOTAL FUNDS FOR 2010	LOANS CLOSED THIS MONTH		LOANS CLOSED YEAR TO DATE		REMAINING 2010 FUNDS AVAILABLE	LOANS APPROVED BUT NOT CLOSED		ADJUSTED TOTAL AVAILABLE	ADDITIONAL LOANS COMMITTED BUT NOT CLOSED		UNCOMMITTED LOAN FUNDS AVAILABLE		
		TRANSFERRED YEAR TO DATE	LOAN FUNDS TRANSFERRED THIS MONTH		NO. UNITS	DOLLAR AMOUNT	NO. UNITS	DOLLAR AMOUNT		NO. UNITS	DOLLAR AMOUNT		NO. UNITS	DOLLAR AMOUNT		NO. UNITS	DOLLAR AMOUNT
Installment (City)	\$752,213			\$752,213	1/2	\$8,300	10/12	\$167,100	\$585,113	1/1	\$4,200	\$580,913	3/3	\$57,000	\$523,913		
Deferred (City)	\$75,000	-\$1,500	-\$1,500	\$73,500					\$73,500			\$73,500			\$73,500		
Deferred (CDBG)	\$20,000	+1,500	+1,500	\$21,500	1/1	\$21,500	1/1	\$21,500	0			0			0		
Deferred (HOME)	\$581,000			\$581,000	2/2	\$42,000	11/11	\$210,900	\$370,100	3/3	\$63,000	\$307,100	2/2	\$38,000	\$269,100		
Homebuyer (HBA)	\$425,374	-\$175,000	-\$100,000	\$250,374			3/3	\$120,000	\$130,374			\$130,374			\$130,374		
TOTAL	\$1,853,587			\$1,678,587	4/5	\$71,800	25/27	\$519,500	\$1,159,087	4/4	\$67,200	\$1,091,887	5/5	\$95,000	\$996,887		

DOWN PAYMENT ASSISTANCE LOANS

PROGRAM	BEGINNING FUNDS AVAILABLE IN 2010	SOURCE OF REMAINING FUNDS AVAILABLE		ADJUSTED FUNDS AVAILABLE	LOANS CLOSED THIS MONTH		LOANS CLOSED YTD		REMAINING FUNDS AVAILABLE	LOANS COMMITTED BUT NOT CLOSED		UNCOMMITTED LOAN FUNDS AVAILABLE		
		TRANSFERRED YEAR TO DATE	LOAN FUNDS TRANSFERRED THIS MONTH		Home-Buy		Home-Buy			Home-Buy	Home-Buy		Home-Buy	
					Number	\$ Amount	Number	\$ Amount		Number	\$ Amount		Number	\$ Amount
Home-Buy	Home-Buy													
	\$157,494		\$100,000	\$257,494	1	5,000	94	\$204,100	\$53,394	0	0	\$53,394		
	HBA – Match				HBA – Match		HBA – Match		HBA – Match	HBA – Match		HBA – Match		
	-\$5,000	\$100,000		\$95,000	Number	\$ Amount	Number	\$ Amount		Number	\$ Amount			
							4	\$20,000	\$75,000	0	0	\$75,000		
	Total				Total		Total		Total	Total		Total		
					Number	\$ Amount	Number	\$ Amount		Number	\$ Amount			
			\$75,000	\$352,494	1	\$5,000	44	\$224,100	\$123,394	0	0	\$123,394		

CDA Loan and Grant Losses Report for the Month of September 2010

Loan & Grant Programs	In Default			Delinquent			Violation of Terms & Conditions			In Negotiation			In Bankruptcy			In Foreclosure			Written Off			Comment
	No.	% of Total	Dollar Amount	No.	% of Total	Dollar Amount	No.	% of Total	Dollar Amount	No.	% of Total	Dollar Amount	No.	% of Total	Dollar Amount	No.	% of Total	Dollar Amount	No.	% of Total	Dollar Amount	
Rehabilitation																1	0.01	\$18,000				In processing
Down Payment Assistance													1	0.01	\$3,100	4	0.01	\$16,800	1	0.01	\$5,000	Done
Capital Revolving Fund																						
Façade Improvement																						
TOTAL	0		\$0	0		\$0	0		\$0	0		\$0	1		\$3,100	5		\$34,800	1		\$5,000	