

**CITY OF MADISON  
INTERDEPARTMENTAL CORRESPONDENCE**

**TO:** Community Development Authority  
**FROM:** Percy Brown, CDA Deputy Executive Director  
**DATE:** November 1, 2012  
**SUBJECT:** Economic Development Status Report for the month of  
October 2012

**WEST BROADWAY REDEVELOPMENT AREA**

Lake Point Condominium Project: Attached please find the real estate marketing and monthly project report.

**RESERVOIR AND DUPLEXES**

The Reservoir and Duplex are fully occupied.

**MONONA SHORES**

Monona Shores is 92% occupied! The Madison Revitalization and Community Development Corporation (MRCDC) will be holding its annual meeting on Wednesday, November 7, at 12:00 p.m. Please see attached Monthly Owner's Report for more details.

**REVIVAL RIDGE APARTMENTS**

Revival Ridge remains 98% occupied (one vacant unit).

**LOAN STATUS REPORT**

**See attached.**

**LOAN AND GRANT LOSSES REPORT**

**See attached.**

Percy Brown, Manager  
Office of Economic Revitalization

---

# PROJECT REPORT

---

Prepared for: Community Development Authority of Madison, WI

Prepared by: SPL Beverly, LLC

Date: November 2 2012

Report #:



# November 2, 2012-Lake Point Condominiums Monthly Report

## Inventory

4 Townhomes

5 Conversion Unit Apartments

## Contracts

2 units under contract pending mortgage approvals

## PROJECT OVERVIEW

We remain committed to the open houses on a weekly basis. Buyer traffic is minimal, as it is historically when fall turns toward winter. Some local direct promotion has been put in place and the website has activity.

New ownership of the adjacent apartment project to the east is in the process of financing. Part of their due diligence was to survey the property which alerted ownership that the Lake Point east parking lot retaining wall is in part on their property. Michael Best and Friedrich's office in Milwaukee is their counsel and believes the issue can be resolved by a simple waiver from the Home Owners Association ("HOA") as to adverse possession claims. The HOA has sought legal opinion and the matter is moving along without issue at this juncture.



Waterstone Mortgage has been an effective partner for the project supplying several mortgages this year. As the majority of home mortgage loans are sold, loans must conform to the then current qualifications. The current criteria for

condominium lending on a fixed rate, long term note (FHA, Fannie), requires operation of the development to be turned over to the HOA, 10% of the annual operating budget be allocated on a monthly basis to the reserve account and the reserve account balance be in excess of 10% of the operating budget. The foregoing requirements are not issues for Lake Point. The challenge comes from the relatively newly imposed 90% SOLD requirement for condominium developments. That requirement is daunting. We are working with numerous lending sources to come up with alternatives and a longer range plan. At present, closing our two existing contracts is priority one. Being able and ready to facilitate the next contracts is our secondary goal. At this point, we have specific loans in process and we'll know it the next four days what we can do to move the contracts to close.

### Site Work

- 1) Epoxy injections for the Garden View basement cracks are being monitored during rains and I have no one reporting an issue.
- 2) The stairway deck repair is complete.
- 3) The drainage issue on Garden View court was reviewed at the end of July. We have no plan to proceed on work in or around this situation at this juncture.
- 4) Per the electrician's review, the common electrical panel servicing the basement is overloaded with the 20+ washers and dryers. Several electricians are bidding expansion and upgrade of the basement service.
- 5.) The Garden View Building water softener is original (1960s) and not functioning. Two alternative options to remedy this issue are being reviewed.

Items 5, 4 & 3 will not proceed until such time as a definitive solution works within our overall budget for the project and the work is definitively deemed a systemic development issue.

.

### Conversion Units

The inventory is in sound shape. Three units remain unfinished.

### Townhomes

The inventory is in sound shape. Two units remain unfinished.

### Marketing

The Keller Williams report is attached.

## Showings and Status of Offers in October, 2012

Offer: 5369 Garden View Court – Accepted Offer 10/20/2012

Current Offer: 1817 Conservation – Waterstone Mortgage still working to get financing approval

### October Showings:

#### Conservation Townhomes

10/23            1811 Conservation    Devery Cash

Client seemed to like the unit, the level of finish and the overall space. Was concerned about the neighborhood – but is a good location for his work and her school. However, they have a lease until June 1 and will be looking seriously later in the spring.

10/30            1811 Conservation    Hiam Gardner

Buyer did not like location.

#### Garden View

10/5            Garden View Ct    Greg Hull

Client liked the unit ok, it showed well, however, the overall size was too small and did not really like the layout.

10/11            Garden View Ct    Ken Kaiser

Client likes the unit, will consider, may write an offer

10/28            Garden View Ct    Devery Cash

Client was not real vocal. A divorce situation where she would move in with a 14 year old. Soon to be ex-husband was with her. Was worried about the overall size and lack of W/D. Told her there "might" be possibilities if she looked at the last, main floor unit. Said she would consider and keep me posted, not sure that she is going to be interested in pursuing.

**Open House** – October 28 – No Visitors

## MLS CONDO STATISTICS Oct 1 – Nov 1 2012

E15 Condo MLS Sales E15 (MLS geo code for Lake Point)

- 1 Sale this time period
- 12 Currently on the Market (9 new Lake Point, 1 Lake Point Re-sale)
- Average list price – \$82,950

### Market Statistics All MLS

Statistics for: Class=CD AND Date Range=10/01/2012-11/30/2012 AND Area=E15 AND Filter Actives=NO AND Zero Volume=NO); As Of: 11/1/2012

Class	Bedrooms	Current Active	Avg List Price	Avg DOM
All	All	12	\$82,950	308
CD	All	12	\$82,950	308
CD	0-1	0	\$0	0
CD	2	6	\$43,500	314
CD	3	6	\$122,400	302
CD	4+	0	\$0	0

Class	Bedrooms	Total Listed	Num Sold	Pct Sold	Avg List Price Sold	Avg Sale Price Sold	Sale Price/List Price Ratio	Avg DOM Sold	Avg List Price Unsold	Pct Expired
All	All	1	1	100.00%	\$70,000	\$73,000	104.29%	235	\$65,000	0.00%
CD	All	1	1	100.00%	\$70,000	\$73,000	104.29%	235	\$65,000	0.00%
CD	0-1	0	0	0.00%	\$0	\$0	0.00%	0	\$0	0.00%
CD	2	0	1	0.00%	\$70,000	\$73,000	104.29%	235	\$65,000	0.00%
CD	3	1	0	0.00%	\$0	\$0	0.00%	0	\$0	0.00%
CD	4+	0	0	0.00%	\$0	\$0	0.00%	0	\$0	0.00%

East Madison MLS Condo Sales Oct 1 – Nov 1, 2012

- 17 Sales
- Average Sale Price - \$93,348
- 188 Currently on the Market (Under \$200K)
- Average list price – \$122,380

### Market Statistics All MLS

Statistics for: Class=CD AND Price=-200000 AND Date Range=10/01/2012-11/30/2012 AND Area=E01, E02, E03, E04, E05, E06, E07, E08, E09, E10, E11, E12, E13, E14, E15, E16 AND Filter Actives=NO AND Zero Volume=NO); As Of: 11/1/2012

Class	Bedrooms	Current Active	Avg List Price	Avg DOM
All	All	188	\$122,380	226
CD	All	188	\$122,380	226
CD	0-1	32	\$112,247	294
CD	2	110	\$119,953	217
CD	3	45	\$134,930	201
CD	4+	1	\$149,000	110

Class	Bedrooms	Total Listed	Num Sold	Pct Sold	Avg List Price Sold	Avg Sale Price Sold	Sale Price/List Price Ratio	Avg DOM Sold	Avg List Price Unsold	Pct Expired
All	All	20	17	85.00%	\$98,500	\$93,348	94.77%	146	\$116,692	95.00%
CD	All	20	17	85.00%	\$98,500	\$93,348	94.77%	146	\$116,692	95.00%
CD	0-1	4	1	25.00%	\$165,000	\$158,000	95.76%	483	\$126,400	25.00%
CD	2	12	11	91.67%	\$90,845	\$84,980	93.54%	125	\$114,292	100.00%
CD	3	4	5	125.00%	\$102,040	\$98,830	96.85%	124	\$124,237	125.00%
CD	4+	0	0	0.00%	\$0	\$0	0.00%	0	\$84,900	0.00%

East Madison Condo MLS Sales Oct 1 – Nov 1, 2012 (1400– 1800 Sq ft), Under \$200K

- 44 Sales this time period
- Average Sales Price - \$130,917
- 46 Currently on the Market
- Average list price – \$141,995

**Market Statistics All MLS**

*Statistics for: Class=CD AND Price=-200000 AND Date Range=01/01/2012-11/30/2012 AND Area=E01, E02, E03, E04, E05, E06, E07, E08, E09, E10, E11, E12, E13, E14, E15, E16 AND FinSqFt=1400-1800 AND Filter Actives=NO AND Zero Volume=NO); As Of: 11/1/2012*

Class	Bedrooms	Current Active	Avg List Price	Avg DOM
All	All	46	\$141,995	209
CD	All	46	\$141,995	209
CD	0-1	0	\$0	0
CD	2	25	\$147,884	213
CD	3	21	\$134,985	204
CD	4+	0	\$0	0

Class	Bedrooms	Total Listed	Num Sold	Pct Sold	Avg List Price Sold	Avg Sale Price Sold	Sale Price/List Price Ratio	Avg DOM Sold	Avg List Price Unsold	Pct Expired
All	All	86	44	51.16%	\$139,147	\$130,917	94.09%	118	\$145,577	43.02%
CD	All	86	44	51.16%	\$139,147	\$130,917	94.09%	118	\$145,577	43.02%
CD	0-1	1	1	100.00%	\$175,000	\$169,000	96.57%	46	\$0	0.00%
CD	2	51	28	54.90%	\$141,164	\$132,799	94.07%	112	\$147,389	43.14%
CD	3	34	15	44.12%	\$132,993	\$124,866	93.89%	134	\$146,395	41.18%
CD	4+	0	0	0.00%	\$0	\$0	0.00%	0	\$84,900	0.00%

East Madison Condo MLS Sales Oct 1 – Nov 1, 2012 (Under 700 Sq ft), Under \$200K

- 5 Sales this time period
- Average Sales Price - \$95,940
- 13 Currently on the Market
- Average list price – \$59,115

**Market Statistics All MLS**

*Statistics for: Class=CD AND Price=-200000 AND Date Range=01/01/2012-11/30/2012 AND Area=E01, E02, E03, E04, E05, E06, E07, E08, E09, E10, E11, E12, E13, E14, E15, E16 AND FinSqFt<700 AND Filter Actives=NO AND Zero Volume=NO); As Of: 11/1/2012*

Class	Bedrooms	Current Active	Avg List Price	Avg DOM
All	All	13	\$59,115	285
CD	All	13	\$59,115	285
CD	0-1	7	\$72,500	260
CD	2	6	\$43,500	314
CD	3	0	\$0	0
CD	4+	0	\$0	0

Class	Bedrooms	Total Listed	Num Sold	Pct Sold	Avg List Price Sold	Avg Sale Price Sold	Sale Price/List Price Ratio	Avg DOM Sold	Avg List Price Unsold	Pct Expired
All	All	16	5	31.25%	\$101,560	\$95,940	94.47%	77	\$127,181	62.50%
CD	All	16	5	31.25%	\$101,560	\$95,940	94.47%	77	\$127,181	62.50%
CD	0-1	15	5	33.33%	\$101,560	\$95,940	94.47%	77	\$127,181	66.67%
CD	2	1	0	0.00%	\$0	\$0	0.00%	0	\$0	0.00%
CD	3	0	0	0.00%	\$0	\$0	0.00%	0	\$0	0.00%
CD	4+	0	0	0.00%	\$0	\$0	0.00%	0	\$0	0.00%



**Monthly Owner's Report for the Month of October, 2012**  
*The New Monona Shores Apartment Homes*

***Operations and Marketing:***

**Occupancy:**

The property closed out at 92% occupancy. There were 96 occupied and 8 vacant units (8 affordable units). 3 of these apartments have approved applicants and all 3 will be moving in November. There is also 3 other pending applications that all look like they'll be approved, which will leave us with 5 apartments to lease, including 2 notices to vacate.

During the month of October, 4 households were denied housing, bringing the year to date total to 31. 3 of the 4 were denied based on credit and poor housing history and 1 couldn't acquire a qualified co-signer.

**Resident Functions:**

The Community Center continues to offer great programs for all ages. A monthly calendar of events is posted at the property each month.

The Fresh Mobile is now making 2 stops per week at the Center and many residents take advantage of the service.

**New Resident Services:**

The Referral Reward Program continues to work well as a lead source. There was 1 resident referral during the month of October.

Residents were provided with Halloween safety tips and also a fire safety flyer during the month.

**Cost/Time Savings Ideas:**

Bulk pricing on ice melt for the season.

**Street Rent Changes:**

No changes.

**Capital Improvements:**

During the month of October, we replaced 3 water heaters and 3 carpets.

**Security/Crime Incidents:**

Our local contact at the MPD plans to begin providing written reports to us in mid November.

## **Marketing:**

We are focusing our efforts in leasing a few remaining 3 vacant and on-notice units with primarily web based advertising because it's very effective.

The office continues to be open with regular office hours Mon. through Fri. and staff is also available during weekend hours by appointment.

Both the administrative and maintenance staff completes marketing and outreach calls to businesses and agencies in the areas.

We continue to make contact with past "model" residents, who might consider moving back.

Staff continues to regularly check Craig's List and follow up on people who list their needs when searching for housing. This generates some traffic for the site. Despite the junk mail, it's worth the time and effort.

We're still offering flexible leases with new move-ins and renewals, as long as they expire during the rental season, primarily, April through August.

## **Local Market Conditions:**

Overall occupancy in the area has decreased, however, the two large neighboring properties are reporting more vacancies than in past months.

## **Local Development:**

A neighboring site (approximately 1.5 miles from the property) that is currently in foreclosure may be redeveloped. This could present a problem if their rents are near or at the rates we charge.

## **60 day Objectives**

- The main focus for the staff remains obtaining qualified rentals and maintaining occupancy 95% or higher. Including notices to vacate, and providing pending applications work out, we currently have 5 units to lease.
- Staff has revisited and revised both the Retention and Marketing Plans.
- Staff will be concentrating their efforts in finishing the majority of recertifications and/or renewals in the coming months. They will also spend a lot of energy working on accounts receivable.

- The 2012 budget is pending city staff approval. We hope to have a final approval soon. Work has commenced on the 2013 budget.
- Plans are in place to meet with the MRCDC in November.
- We 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. At the same time, the same is true for any landlord tenant laws that may change from time to time.

**Maintenance:**

- Resident work orders continue to be completed within 24 hours, unless of course there is an emergency situation or a part that needs to be ordered.
- Fall preventive maintenance has been completed.
- Staff will begin bidding out several capital projects in the coming months.
- We plan to hire a sign company to refurbish all of the property signs.
- Snow removal contract was signed.

**Personnel:**

Staff has been doing a stupendous job in maintaining excellence in the day-to-day operations of a very management intensive property.

**Other Misc. Administration:** Nothing new to report.

**HOUSING REHABILITATION LOAN  
STATUS FOR THE MONTH OF  
OCTOBER, 2012**

<u>Program:</u>	<u>No:</u>	<u>Unit:</u>
<b>New Applications</b>		
Deferred Payment/HOME	1	1
<b>TOTALS:</b>	1	1
<b>Applications in Initial Processing</b>		
Deferred Payment/HOME	4	4
Installment Loan (City)	2	3
<b>TOTALS:</b>	6	7
<b>Applications in Bidding Stage</b>		
Deferred Payment/HOME	5	5
Installment Loan (City)	5	6
<b>TOTALS:</b>	10	11
<b>Projects Approved But Not Closed</b>		
Installment Loan (City)	1	1
<b>TOTALS:</b>	1	1
<b>Projects Under Construction</b>		
Deferred Payment/HOME	8	7
Homebuyers Assistance Loan	5	5
Installment Loan (City)	6	7
<b>TOTALS:</b>	19	19
<b>Projects Completed this Year</b>		
Deferred Payment/HOME	7	7
Homebuyers Assistance Loan	3	3
Installment Loan (City)	7	6
<b>TOTALS:</b>	17	16

**STATUS REPORT FOR THE MONTH OF OCTOBER 2012  
HOUSING REHABILITATION LOANS**

PROGRAM	FUNDS AVAILABLE BEGINNING IN 2012	SOURCE OF REMAINING FUNDS AVAILABLE		ADJUSTED TOTAL FUNDS FOR 2012	LOANS CLOSED THIS MONTH		LOANS CLOSED YEAR TO DATE		REMAINING 2012 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)sr-56	\$711,289		-\$238,000	\$473,289	1/1	\$19,000	10/10	\$161,800	\$311,489			\$311,489	5/6	\$98,000	\$213,489		
Deferred (City)																	
Deferred (CDBG)	\$55,000			\$55,000					\$55,000			\$55,000			\$55,000		
Deferred (HOME)	\$411,750			\$411,750	1/1	\$19,000	10/10	\$159,300	\$252,450	1/1	\$25,000	\$227,450	5/5	\$95,000	\$132,450		
Homebuyer (HBA)sr-61	\$174,944			\$174,944			6/6	\$210,000	\$-35,056			\$-35,056			\$-35,056		
TOTAL	\$1,352,983			\$1,114,983	2/2	\$38,000	26/26	\$531,100	\$583,883	1/1	\$25,000	\$558,883	10/11	\$193,000	\$365,883		

**DOWN PAYMENT ASSISTANCE LOANS**

PROGRAM	BEGINNING FUNDS AVAILABLE IN 2012	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		
					Number	\$ Amount	Number	\$ Amount		Number	\$ Amount		Number
Home-Buy	Home-Buy												
	\$60,647	\$241,100	+\$10,000	\$311,747	2	\$10,000	41	\$252,000	\$59,747	2	\$10,000	\$49,747	
				\$311,747	2	\$10,000	41	\$252,000	\$59,747	2	\$10,000	\$49,747	

### CDA Loan and Grant Losses Report for the Month of October 2012

Loan & Grant Programs	In Default			Delinquent			Judgement			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		\$18,000	4	0.01	\$100,800	1		\$15,400		
Down Payment Assistance												1		\$5,000	2	0.01	\$10,000					
Capital Revolving Fund																						
Façade Improvement																						
<b>TOTAL</b>							0		\$0	0		\$0	2		\$23,000	6	0.01	\$110,800	1		\$15,400	