

**CITY OF MADISON  
INTERDEPARTMENTAL CORRESPONDENCE**

**TO:** Community Development Authority  
**FROM:** Percy Brown, CDA Deputy Executive Director  
**DATE:** November 30, 2011  
**SUBJECT:** Economic Development Status Report for the month of  
November 2011

**WEST BROADWAY REDEVELOPMENT AREA**

Lake Point Condominium Project: On Monday, November 28, I visited the Lake Point Condominiums to meet with Diane Hutson, of Sage Management Services and Steve Looft Looft to review the progress on maintenance and warranty issues. The site looked great and meeting went well as they were on top of all the maintenance and warranty issues. Attached please find real estate marketing and monthly project report.

**RESERVOIR AND DUPLEXES**

The Reservoir and Duplex are fully occupied.

**MONONA SHORES**

The November 14, 2011 MRCDC Board meeting went well. A second Board meeting has been scheduled for Monday, December 12 to continue the discussion regarding the Monona Shores Apartments. The meeting will be posted to go into closed session. Please see attached Monthly Owner's Report for vacancy status and other details.

**REVIVAL RIDGE APARTMENTS**

Revival Ridge is 100% occupied.

**LOAN STATUS REPORT**

**See attached.**

**LOAN AND GRANT LOSSES REPORT**

**See attached.**

**CAPITAL REVOLVING FUND (CRF) REVIEW**

I have had a couple of meetings with Dan Guerra, who has taken it upon himself to survey a large number of small businesses to assess their views toward the CRF program. I plan to have him to share his report and findings with the Review Team, which will be comprised of myself, Natalie, Aaron Olver, Director of the Economic Division, where the CRF is housed, Joe Gromacki, Bill Clingan, Dan Guerra, representing

the CDA and a representative from the Economic Development Commission(EDC). An initial meeting with City staff was held on November 14. The discussion went fine. A subsequent meeting of the full Review Team to hear Dan's presentation will be scheduled as soon as I receive the name of the representative of the EDC.

**Percy Brown, Manager**  
**Office of Economic Revitalization**

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# PROJECT REPORT

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Prepared for: Community Development Authority of Madison, WI

Prepared by: SPL Beverly, LLC

Date: December 1, 2011

Report #:



# December 1, 2011-Lake Point Condominiums Monthly Report

## Inventory

6 Townhomes  
5 Conversion Unit Apartments

## Contracts

2 Conversion unit prospects

## PROJECT OVERVIEW

### Site Work

CDA representatives and I toured the site and inventory last week. The project looks very good. The gutter and downspout systems on the older Garden view buildings were cleaned. Cleaning of the gutter systems has been inserted into the annual operating budget. In addition, cleaning of the insect webs on the building walls that collect a variety of debris will be pressured washed on an annual basis. The foregoing must be coordinated with the pest control group's treatment for the insects that leave the webs. Tree trimming and general landscape look good..

### Conversion Units

The inventory is in sound shape and shows very well. The basement is making progress and some window replacement is scheduled.

### Marketing

Showings are down, as they have historically been during November, December and January. One recent showing for the townhomes was nice to see, but the stairs discouraged the prospect. Too much vertical travel for their taste.

We are progressing with marketing via social media and viral tactics. My hope is more specific, direct campaigns will produce prospects likely to purchase at Lake Point.

Our prospect buyer for the conversion unit is working diligently to correct her credit score and progress is being made. She has elevated her score 50 pts to 588 (in 3 weeks) and with another increase to 622 will be eligible for bank financing.

## Inventory

Window replacement is under way.

The Lake Point Home Owners Association Annual Meeting took place this week. Overall operating budget for the year 2011 should produce savings, as a surplus exists through October 31. The main concern of the Board is the need to replace the roof on the Garden View Buildings in the next few years.

**Monthly Owner's Report for the Month of November, 2011**  
*The New Monona Shores Apartment Homes*

*Operations and Marketing:*

**Occupancy:**

Occupancy increased in November to 88%. We closed out with 13 vacancies and 91 occupied apartments, of which 3 were market rate and 10 were affordable units. There is currently one pending move-in.

During the month of November, there were 5 applicants who were rejected, bringing the total for the year to 57.

There are no move-outs scheduled.

**Resident Functions:**

The Bridge Lake Point Community Center continues to serve our residents with new and on-going programs.

**New Resident Services:**

The Referral Reward Program hasn't changed and we plan to run the below incentives through the end of the year.

First Referral:	\$200	Second Referral:	\$300
Third Referral:	\$400	Fourth Referral:	Flat screen TV

We've already had 4 referrals since implementing the new program.

**Cost/Time Savings Ideas:**

The staff is always looking for new ways to be more efficient by saving money in operating costs, but at the same time, maintaining the property. For example, staff frequently bids out goods and services, finding vendors willing to reduce or keep costs the same.

On a regular basis, residents are provided with energy saving ideas and they are also given information on the Energy Assistance program for which many utilize.

**Street Rent Changes:**

Applicants who lease are being given a \$500 rent credit to be used anytime throughout their tenancy. This equates to an approximate savings of \$42/month on a 12 month lease. This deal is scheduled to expire 12/31/11.

**Capital Improvements:**

Replaced three carpets.

**Security/Crime Incidents:**

The MPD is reviving the Lake Point area property owner's group and the first meeting was scheduled in November. The MPD reports a steady decline in service calls throughout the neighborhood over the last several years. They further noted that the decline speaks well of the good management they're seeing on Lake Point.

**Marketing:**

Mailings continue to go out to new Chamber of Commerce members. The property is a member of both Monona and Madison Chamber of Commerce.

Staff is in the process of conducting a phone call blitz to past "model" residents, who might consider moving back.

Staff has also been working closely with the Road Home, formerly Interfaith Hospitality Network, to house families that are participating in one of their many programs offered to homeless families. The key factor in the success has been the case management. Because of these outreach efforts, one unit was leased during the month.

The Monona Senior Center Director has been invited to take a tour of the property.

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.

Staff is still offering flexible leases with new move-ins and renewals.

**Local Market Conditions:**

The uncertainty of job stability, less income and/or benefits and other economic factors have had a negative impact on the mid to low income ranges and type C properties.

The market has tightened up considerably in higher income and type A and B grade properties.

**Local Development:**

Two near by properties have completed their rehabs and have reopened, offering brand new interiors and a great deal of

common area improvements. They continue to be fierce competitors.

### **60 day Objectives**

- The main focus for the staff remains obtaining rentals and increasing occupancy with qualified individuals. The goal for the remainder of the year continues to be 95%. With fewer leases coming up, the staff should be able to gain some momentum and increase occupancy considerably. The month of November was unseasonably busy and resulted in a 8% increase in occupancy.
- The 2012 budget was reviewed and is pending staff approval.
- \* Excluding several month to month tenancies, there are scheduled move outs. All leases that were expiring 12/31/11 renewed.
- 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.
- The new Madison ordinance requiring all landlords to provide the city with emergency contacts by 1/1/11 will be completed through their new on-line system in early December.
- The annual auditor will remain the same this year and the audit is scheduled tentatively for 3/1/12.
- Preparations are being made for the triennial WHEDA audit. The date is set for mid December. As with past audits, we expect a good outcome.

### **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.
- Vacant units are in rent ready condition.
- Fall preventive maintenance is complete and the winter schedule is underway.
- Maintenance has also been busy cleaning dryer vents in all of the buildings. This has saved the property a great deal of money.

### **Personnel:**

A part-time office person is now in the office 25 hours weekly

### **Other Misc. Administration:**

Natalie Erdman and Percy Brown visited the site in November. We toured the grounds, several vacancies and had a good discussion regarding overall operations. The MRCDC also met in November.



**HOUSING REHABILITATION LOAN  
STATUS FOR THE MONTH OF  
NOVEMBER, 2011**

<u>Program:</u>	<u>No:</u>	<u>Unit:</u>
<b>New Applications</b>		
Deferred Payment/HOME	3	2
TOTALS:	3	2
<b>Applications in Initial Processing</b>		
Deferred Payment/HOME	4	3
Installment Loan (City)	1	1
TOTALS:	5	4
<b>Applications in Bidding Stage</b>		
Deferred Payment/HOME	2	2
Installment Loan (City)	3	4
TOTALS:	5	6
<b>Projects Approved But Not Closed</b>		
Installment Loan (City)	1	1
TOTALS:	1	1
<b>Projects Under Construction</b>		
Deferred Payment/HOME	7	7
Homebuyers Assistance Loan	3	4
Installment Loan (City)	4	5
TOTALS:	14	16
<b>Projects Completed this Year</b>		
Deferred Payment/HOME	14	12
Homebuyers Assistance Loan	3	4
Installment Loan (City)	7	7
TOTALS:	24	23

**STATUS REPORT FOR THE MONTH OF NOVEMBER 2011  
HOUSING REHABILITATION LOANS**

PROGRAM	FUNDS AVAILABLE BEGINNING IN 2011	SOURCE OF REMAINING FUNDS AVAILABLE		ADJUSTED TOTAL FUNDS FOR 2011	LOANS CLOSED THIS MONTH		LOANS CLOSED YEAR TO DATE		REMAINING 2011 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	
Installment (City)	\$583,790	(\$34,760)	\$34,760	\$549,000			8/9	\$126,600	\$422,400			\$422,400	3/4	\$60,000	\$362,400
Deferred (City)															
Deferred (CDBG)	\$20,000			\$20,000					\$20,000			\$20,000			\$20,000
Deferred (HOME)	\$575,000			\$575,000			13/13	\$238,700	\$336,300	1/1	\$19,000	\$317,300	3/3	\$57,000	\$260,300
Homebuyer (HBA)	\$337,290	(\$9,500)	\$9,500	\$327,800			4/5	\$170,000	\$157,800						\$157,800
<b>TOTAL</b>	<b>\$1,516,080</b>			<b>\$1,471,800</b>			<b>25/27</b>	<b>\$535,300</b>	<b>\$936,500</b>	<b>1/1</b>	<b>\$19,000</b>	<b>\$917,500</b>	<b>6/7</b>	<b>\$117,000</b>	<b>\$800,500</b>

**DOWN PAYMENT ASSISTANCE LOANS**

PROGRAM	BEGINNING FUNDS AVAILABLE IN 2011	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	Home-Buy		\$10,000									
		\$173,900			Number	\$ Amount	Number	\$ Amount		Number	\$ Amount	
	(\$85,000)	\$100,000		\$237,356	1	\$5,000	33	\$190,000	\$47,356	0	0	\$47,356
		\$29,000	\$9456									
					Number	\$ Amount	Number	\$ Amount		Number	\$ Amount	
	(\$85,000)	\$302,900	\$19,456	\$237,356	1	\$5,000	33	\$190,000	\$47,356	0	0	\$47,356