

**CITY OF MADISON
INTERDEPARTMENTAL CORRESPONDENCE**

TO: Community Development Authority
FROM: Percy Brown, CDA Deputy Executive Director
DATE: June 3, 2010
SUBJECT: Economic Development Status Report for the month of
May 2010

WEST BROADWAY REDEVELOPMENT AREA

Lake Point Condominium Project: Please see attached monthly report.

RESERVOIR AND DUPLEXES

The Reservoir has two vacant units: one is leased in the near future and the other is receiving many showings. It is an accessible unit, and efforts are being made to find someone/family who would benefit from those features. The Duplex is fully occupied.

MONONA SHORES APARTMENTS

The occupancy at Monona Shores is continuing to increase. 92 of the 104 units at Monona Shores are currently occupied (89.5%), an increase of two units over the last month. Of the 12 vacant units, 5 units are affordable and 7 units are market rate. The MRCD Board will be meeting at Monona Shores on Monday, June 21, at 12:00 p.m. Please see attached monthly report for further details.

REVIVAL RIDGE APARTMENTS

The Revival Ridge Apartments are 100% occupied.

LOAN STATUS REPORT

See Attached.

LOAN AND GRANT LOSSES REPORT

See attached.

Percy Brown, Manager
Office of Economic Revitalization

June 4, 2010 Update for Lake Point Condominiums

Overall status: **Average**

Market Status: **Poor**

Inventory

12 Conversion units and 7 Townhomes (31 units sold)

No New Contracts or Offers

0 New Offers, 1 Contract -One Townhome,

1 conversion closing

Schedule item	Item Owner	Plan date	Actual or scheduled	Comments
Conversion Roof issues	Receiver		3/15/10	The roof is being reviewed by three separate contractors and the board will devise a strategy by which to move forward
Siding Issues	Receiver		6/15/10	Review existing issues on 1805 and 1807

Detail

The overall performance of the project vs. the estimated operating pro forma has been on target, however sales activity slowing is reason for concern. The market has slowed considerably. Foot traffic at the scheduled open houses has been minimal. Keller Williams direct report is attached. We will begin meeting regularly to contemplate events, special marketing efforts to generate buyer traffic. The primary focus of the team remains for the team to generate traffic. First time home buyer credit has expired and the effect on buyer traffic is noticeable.

There are currently some issues revisiting the project, graffiti and police appearances at the rental units across the street from the development. Vandals have appeared and are defacing the property. The Association Board is working diligently to prevent the vandals and unfortunately spending time cleaning their tags. We will begin expenditures for security patrols at Lake Point. The rental properties on Lake Point have always inferred an air of concern in the area, but when squad cars arrive, weapons drawn, the concerns of some buyers are confirmed. It's a situation with great complication and certainly not an easy fix, but it needs to be noted for informational purposes.

The day to day management of the Lake Point Condominium Association has been a fine change as the Board of Directors, comprised of unit owners, has outsourced the accounting functions to Carryl Management. The attention to site detail has vastly improved via owner participation and cost savings in the Operating Expenses have been a derivative of the transition.

WEB and Pro-forma Update

The Lake Point website has been up and links will be transferred to Keller (<http://lakepointcondos.com>). This site is owned and controlled by the development.

Keller Williams' -LAKE POINT MARKETING REPORT MAY 2010

Closings

5325 Garden View Court

Offer(s)

1815 Conservation Place – Buyer closing 6/24/10. Property appraised at offer price!

5349 Garden View – Buyer closing 6/30/10 if her condo sells (offer is subject to sale).

1817 Conservation Place – an offer was written but didn't get accepted.

5343 Garden View – Offer was written but Buyer couldn't get financing.

Showings

5/28 Conservation Place – Buyer didn't want to enter property after driving through the area

Open Houses

Attendance has been fairly low at open houses.

Market Snapshot

- There have been 8 condos sold in the MLS' geo code of E15, E16, W15 (general Lake Point area) since 1/1/10: 2 of the sales are in Lake Point at 5325 Garden View and 1809 Conservation Place.
- 5 of the condos that are in pending or sold in this area are on Sunnyvale – these condos offer a great value and are typically 1000+ sf, 2 bedroom, 2 bath townhomes....some have underground parking, others have outside spaces.
- There are 43 condos for sale in this geo code – nearly half are in Lake Point.

CMA Summary Report										
<i>Condo - Pending</i>										
ADDRESS	Beds	CDOM	FinExpSqFt	Full Baths	FinSqFt	DOM	LP	\$/FinSqFt	SP	\$/FinSqFt
<input type="checkbox"/> 1022 S Sunnyvale Ln	2	31	1025	2	1025	31	\$71,900	\$70.15		
<input type="checkbox"/> 1007 Sunnyvale Ln	2	146	1060	2	1060	146	\$81,900	\$77.26		
Total Listings	2					Avg	Avg	Avg	Avg	Avg
						88	\$76,900	\$73		
<i>Condo - Sold</i>										
ADDRESS	Beds	CDOM	FinExpSqFt	Full Baths	FinSqFt	DOM	LP	\$/FinSqFt	SP	\$/FinSqFt
<input type="checkbox"/> 5325 Garden View Ct	2	616	665	1	665	224	\$49,900	\$75.04	\$49,900	\$75.04
<input type="checkbox"/> 1023 S Sunnyvale Ln	2	306	1000	2	1000	306	\$80,000	\$80.00	\$72,500	\$72.50
<input type="checkbox"/> 1032 S Sunnyvale Ln	2	29	1075	2	1075	29	\$84,935	\$79.01	\$80,000	\$74.42
<input type="checkbox"/> 1021 S Sunnyvale Ln	2	173	920	1	920	173	\$99,900	\$108.59	\$82,900	\$90.11
<input type="checkbox"/> 123 Ski Ct	2	28	1128	2	1128	28	\$94,900	\$84.13	\$90,000	\$79.79
<input type="checkbox"/> 6401 BRIDGE RD	2	321	1136	2	1136	194	\$117,500	\$103.43	\$109,000	\$95.95
<input type="checkbox"/> 1809 Conservation Pl	3	1225	1610	1	1610	136	\$149,900	\$93.11	\$145,020	\$90.07
<input type="checkbox"/> 6409 Bridge Rd	3	17	1390	2	1390	17	\$149,900	\$107.84	\$152,000	\$109.35
Total Listings	8					Avg	Avg	Avg	Avg	Avg
						138	\$103,366	\$91	\$97,665	\$85

\$0-\$175,000 Condo Activity

Dane County 1/1/10-YTD

- 943 on the market – down 7% from April
- Average list price \$129,466 – no material change since April
- 805 listed so far in 2010 – up 10% since April
- 346 243 sales ytd with an average sale price of \$124,400 (no material change since April)
Sales up 42% from April which should be expected with the closings that took place in May due to tax credit .

Market Statistics All MLS

Statistics for: Class=SF, CD, MF, LA, BU, RT AND Price=0000-175000 AND Date Range=01/01/2010-06/30/2010 AND Area=D09, D11, D20, D26, D30, D45, D46, D53, D54, D03, D04, D05, D16, D17, D18, D19, D27, D28, D31, D40, D43, D47, D50, D51, D52, D01, D06, D12, D13, D14, D15, D21, D22, D23, D24, D29, D37, D39, D41, D44, D245, D02, D07, D08, D10, D32, D33, D34, D35, D36, D38, D42, D48, D49, E01, E02, E03, E04, E05, E06, E07, E08, E09, E10, E11, E12, E13, E14, E15, E16, W01, W02, W03, W04, W05, W06, W07, W08, W09, W10, W11, W12, W13, W14, W15, W16, W17, W18, W19 AND Board=-1; As Of: 6/3/2010

Class	Bedrooms	Current Active	Avg List Price	Avg DOM
All	All	943	\$129,466	213
CD	All	943	\$129,466	213
CD	0-2	755	\$127,288	227
CD	3	184	\$137,842	157
CD	4+	4	\$155,150	151

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	805	346	42.98%	\$129,482	\$124,400	96.08%	152	\$124,534	46.96%
CD	All	805	346	42.98%	\$129,482	\$124,400	96.08%	152	\$124,534	46.96%
CD	0-2	635	266	41.89%	\$127,702	\$122,682	96.07%	157	\$121,116	48.19%
CD	3	167	79	47.31%	\$135,270	\$130,001	96.10%	137	\$139,916	41.92%
CD	4+	3	1	33.33%	\$145,900	\$139,000	95.27%	55	\$117,600	66.67%

\$0-\$75,000 Condo Activity

East Madison 1/1/10 YTD

- 27 Active on the market – 3% less than April
- Average list price \$65,185 – 2% higher than April
- 17 have been listed so far this year – 20% increase from April
- 7 sold ytd with an average sale price of \$68,857 – a 4% decrease in sale price from April ;
14% increase in sales from April (this represents one sale)

Market Statistics All MLS

Statistics for: Class=SF, CD, MF, LA, BU, RT AND Price=0000-75000 AND Date Range=01/01/2010-06/30/2010 AND Area=E01, E02, E03, E04, E05, E06, E07, E08, E09, E10, E11, E12, E13, E14, E15, E16 AND Board=-1; As Of: 6/3/2010

Class	Bedrooms	Current Active	Avg List Price	Avg DOM
All	All	27	\$65,185	197
CD	All	27	\$65,185	197
CD	0-2	27	\$65,185	197
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	17	7	41.18%	\$72,385	\$68,857	95.13%	115	\$68,301	17.65%
CD	All	17	7	41.18%	\$72,385	\$68,857	95.13%	115	\$68,301	17.65%
CD	0-2	15	6	40.00%	\$71,966	\$67,850	94.28%	131	\$68,595	20.00%
CD	3	2	1	50.00%	\$74,900	\$74,900	100.00%	25	\$67,125	0
CD	4+	0	0	0.00%	\$0	\$0	0.00%	0	\$0	0.00%

\$125,000-\$175,000

East Madison 1/1/10 YTD

- 88 active on the market – a 7% decrease from April in active listings
- Average list price \$150,625 - a 1% increase in average list price over April
- 79 listed ytd – a 2% increase from April
- 46 sold ytd with an average sale price of \$147,010 – no material change from April avg sale price. Number of sales shows a 27% increase in sales from April

Market Statistics All MLS

Statistics for: Class=SF, CD, MF, LA, BU, RT AND Price=125000-175000 AND Date Range=01/01/2010-06/30/2010 AND Area=E01, E02, E03, E04, E05, E06, E07, E08, E09, E10, E11, E12, E13, E14, E15, E16 AND Board=-1; As Of: 6/3/2010

Class	Bedrooms	Current Active	Avg List Price	Avg DOM
All	All	88	\$150,625	179
CD	All	88	\$150,625	179
CD	0-2	56	\$148,491	173
CD	3	32	\$154,359	191
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	79	46	58.23%	\$150,414	\$147,010	97.74%	197	\$152,107	54.43%
CD	All	79	46	58.23%	\$150,414	\$147,010	97.74%	197	\$152,107	54.43%
CD	0-2	59	37	62.71%	\$151,752	\$148,239	97.69%	183	\$149,236	50.85%
CD	3	20	9	45.00%	\$144,911	\$141,956	97.96%	255	\$159,000	65.00%
CD	4+	0	0	0.00%	\$0	\$0	0.00%	0	\$0	0.00%

Monthly Owner's Report for the Month of May, 2010
The New Monona Shores Apartment Homes

Operations and Marketing:

Occupancy:

The property closed out the month of April at 89% occupancy. There were 12 vacancies and 92 occupied apartments, of which 5 are affordable and 7 are market rate. There are also 4 pending applications, 4 approved applications (all transfers on-site) slated to move in between 7/1 – 8/15/10 and 15 pending move-outs between now and the end of August 1st. Turnover will slow down tremendously after August.

There were 2 rejections during the month.

Resident Functions:

The property continues to get positive comments from Resident Appreciation Week that was held the last week of April.

A “Back to School” party is being planned for August. Staff will make contact with the Waunona Woods Condominium Association for a combined get-together.

Site staff is making preparations for the rush of kids to be out and about on the property when school gets out in June. They'll work closely with the Neighborhood Center and hopefully more kids will be able to get in this year.

Resident Services:

Since many of our residents have experienced loss of employment, the office is serving as a source for valuable job search and credit counseling agency referral information.

The staff continues to work as a liaison between the residents and various outreach agencies in the area. The office has also been especially busy with completing Homestead Credit forms for those that qualify.

Staff is making contact with a local credit union that sponsors free seminars on budgeting and credit. We hope to hold a seminar for our residents this summer at a local dining establishment.

We also offer a free Roommate Assistance program, where we refer people who are looking to share an apartment or someone who can't afford to live on their own, with another individual to share the cost.

Cost/Time Savings Ideas:

Continued monitoring of expenditures, services, performance and plans. Whenever possible, complete projects using on-site staff, rather than contract labor.

The property saved a lot of money this year by hiring laborers to refresh the mulch beds and playground areas. The terrific curb appeal is well received by our residents and potential clients.

Rent Changes:

The new rent and income limits have been published and there was no increase in the maximum income ranges.

Street rents have increased slightly on the 3-bdrm floor plans.

Capital Improvements:

Many building components are reaching their useful life, such as water heaters, appliances and carpeting to name a few. Replacements are done on an as needed basis. During the month of May, no major items were replaced.

Personnel Changes:

None.

Security/Crime Incidents:

Nothing to report.

Marketing:

A heavy emphasis is being placed on outreach to reach potential residents whose income falls below the AHTC guidelines. At the same time, we do a lot of marketing to reach those that may qualify for any available market rate units. During the month of May, staff reached out and completed marketing visits to 21 different agencies and companies in the market area. Web sites, referrals, print ads, signage and flyers are also used to promote the property.

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

Staff is concentrating efforts to lease 1 & 2-bdrms. Our model unit was moved to a 2-bdrm vacancy and we also have a 1-bdrm accessorized as a "mini model."

Staff stays in touch with other management company's site staff and refers clients back and forth. The Revival Ridge staff in particular has been exceeding great in sharing their waiting list. Unfortunately, the majority are looking for project based assistance.

Local Market Conditions:

Due to the overabundance of condominiums in the area, a number of developments have begun leasing, which adds to the rental stock.

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

Local Development:

Nothing new to report other than several competitors are selling their properties. Depending on new ownership, this may or not have an impact on our marketing strategies.

60 day Objectives
Operations:

- The annual investor audit is in full swing. A sampling of files has been sent and we're awaiting their response. We anticipate great results as we have had in past years.
- 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 leases are coming due within the next 90 days. So far, retention ratios have been good. Maintenance staff prepares vacancies within a reasonable time frame to show to potential clients. During the month of June, we'll transfer 4 households to larger apartments to better meet their housing needs.

Maintenance:

- Finish up spring seasonal preventive maintenance, obtain bids for parking lot resurfacing, cabinet replacements and tree trimming.
- The mulch beds and playground areas were replenished during the month of May.
- The Waunona Woods Condominium Association members take care of the planting and the upkeep of the front entry of the property. MSA provides the water supply.
- The landscape maintenance company continues to do a great job with grounds upkeep.

Personnel:

The site is currently seeking a part-time leasing consultant. Locating someone who is bi-lingual would be a plus! Outreach efforts are underway and we hope to have someone in place mid June.

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

<u>Program:</u>	<u>No:</u>	<u>Unit:</u>
New Applications		
Deferred Payment Loan (CDBG)	1	1
Deferred Payment/HOME	2	19001
Installment Loan (City)	2	3
TOTALS:	5	19005
Applications in Initial Processing		
Deferred Payment/HOME	1	19000
Installment Loan (City)	3	5
TOTALS:	4	19005
Applications in Bidding Stage		
Deferred Payment Loan (CDBG)	1	1
Deferred Payment/HOME	5	5
Installment Loan (City)	4	4
TOTALS:	10	10
Projects Approved But Not Closed		
Installment Loan (City)	1	1
TOTALS:	1	1
Projects Under Construction		
Deferred Payment Loan (CDBG)	1	1
Deferred Payment/HOME	12	12
Homebuyers Assistance Loan	1	1
Installment Loan (City)	2	2
TOTALS:	16	16
Projects Completed this Year		
Deferred Payment/HOME	7	7
Homebuyers Assistance Loan	3	3
Installment Loan (City)	4	4
TOTALS:	14	14

**STATUS REPORT FOR THE MONTH OF MAY 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	
Installment (City)	\$752,213			\$752,213	1/1	\$19,000	2/2	\$38,000	\$714,213	2/3	\$33,800	\$680,413	4/4	\$76,000	\$604,413
Deferred (City)	\$75,000			\$75,000					\$75,000			\$75,000			\$75,000
Deferred (CDBG)	\$20,000			\$20,000					\$20,000				1/1	\$19,000	\$1,000
Deferred (HOME)	\$581,000			\$581,000			3/3	\$45,400	\$535,600			\$535,600	5/5	\$95,000	\$440,600
Homebuyer (HBA)	\$425,374	-\$75,000		\$350,374					\$350,374			\$350,374			\$350,374
TOTAL	\$1,853,587			\$1,778,587	1/1	\$19,000	5/5	\$83,400	\$1,695,187	2/3	\$33,800	\$1,661,387	10/10	\$190,000	\$1,471,387

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			\$157,494	10	\$48,000	23	\$110,000	\$47,494	8	\$40,000	\$7,494		
	HBA - Match				HBA - Match		HBA - Match		HBA - Match	HBA - Match		HBA - Match		
	-\$5,000		+\$75,000	\$70,000	Number	\$ Amount	Number	\$ Amount		Number	\$ Amount			
					1	\$5,000	1	\$5,000	\$65,000	0	0	\$65,000		
	Total				Total		Total		Total	Total		Total		
					Number	\$ Amount	Number	\$ Amount		Number	\$ Amount			
			\$75,000	\$227,494	10	\$53,000	23	\$115,000	\$112,492	8	\$40,000	\$72,494		

CDA Loan and Grant Losses Report for the Month of May 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	2	0.01	\$11,200	1	0.01	\$5,000	In processing
Capital Revolving Fund																						
Façade Improvement																						
TOTAL	0		\$0	0		\$0	0		\$0	0		\$0	1		\$3,100	3		\$29,200	1		\$5,000	