

**CITY OF MADISON  
INTERDEPARTMENTAL CORRESPONDENCE**

**TO:** Community Development Authority  
**FROM:** Percy Brown, CDA Deputy Executive Director  
**DATE:** February 3, 2011  
**SUBJECT:** Economic Development Status Report for the month of  
January 2011

**WEST BROADWAY REDEVELOPMENT AREA**

Lake Point Condominium Project: Please see attached monthly report.

**RESERVOIR AND DUPLEXES**

The Reservoir and Duplex are fully occupied.

**MONONA SHORES**

Occupancy at Monona Shores continued to rise in January. 90 of the 104 units at Monona Shores are currently occupied (87%), up five from last month. Of the 14 vacant units, 7 units are affordable and 7 units are market rate. Please see attached Monthly Owner's Report for more details.

**REVIVAL RIDGE APARTMENTS**

Revival Ridge is 100% occupied.

**LOAN STATUS REPORT**

**See Attached.**

**LOAN AND GRANT LOSSES REPORT**

**See attached.**

Percy Brown, Manager  
Office of Economic Revitalization

## February 6, 2010 Update for Lake Point Condominiums

Overall status: **Average**

Market Status: **Average**

### Inventory

10 Conversion units and 6 Townhomes (34 units sold)

2 new prospects-1 offer to purchase

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. Storm damage to the roof is a factor
Windows	Receiver		3/15/11	There are a few questions relating to the performance of a few of the windows.

## Detail

With the Super Bowl completed and the trophy back in Green Bay, hopefully that will bring the open house traffic back to Lake Point this winter.

My apologies for the delay in the report, weather issues forced an unexpected travel.

Marketing programs and efforts ahead of the anticipated Spring buyers will be the focus for February. I will be meeting with Keller Williams to develop this plan.

Financing options will be the key to completing sales this quarter. Viable mortgage options for potential Lake Point buyers must be a priority. As evidenced by recent experience, a strong percentage of Lake Point conversion buyers seem to have some element of financing shortcoming. Once over the 70% sold plateau, I believe heading back out to the lenders in the market to educate their officers on Lake Point's status and investigate loan options they may offer will be beneficial.

### Warranty Work

Failed CertainTeed siding work is complete,

Some minor plumbing and electrical work is being looked at while the trades are on site completing unit construction,

Sub-standard garage doors are being replaced when needed,

Drainage will be an on-going minor condition at Lake Point requiring some review during the Spring and a maintenance plan.

## MARKETING

Open houses are back in play.

# Monthly Owner's Report for the Month of January, 2011

## The New Monona Shores Apartment Homes

### *Operations and Marketing:*

#### **Occupancy:**

Occupancy at Monona Shores rose to 87% in January. There were 14 vacancies and 90 occupied apartments, of which 7 are affordable and 7 are market rate. There are 3 approved applications, slated to move in before the end of February and there is also another pending application, also slated for move-in sometime in February, providing they qualify. So far, there are no scheduled move-outs.

During the month of January, there were 4 rejected applications and 2 cancelled applications. One cancelled because there was a neighborhood problem the same day they applied, where the police had the street blocked off. It turned out to be a non-issue, but nevertheless, the applicants refused to reconsider living in the neighborhood. The other cancelled due to a reduction of work hours.

#### **Resident Functions:**

We continue to work with the Neighborhood Center to help promote their daily activities, which our residents participate in regularly. The Neighborhood Center has referred potential prospects to the property. During the month of January, many of our residents took advantage of the monthly food pantry and 50+ luncheon and elementary, young women and teen after school programs.

The free Martin Luther King Jr. luncheon on January 14<sup>th</sup> was well attended.

The Center is now offering jewelry workshops for adults. In addition, Edgewood College's Office of Science Outreach is sponsoring "The Rose Project" for parents of children 12 and under. The parents learn easy science activities to help their children become interested in science.

#### **Resident Services:**

Because storage seemed to be an overwhelming feature residents talked about in the October satisfaction survey, the staff will be spending some time investigating the possibility of building storage in each building.

We've received two bids and will be working with the CDA to address the funding of the project. We may try one building initially, and then evaluate the marketing benefits and satisfaction of our residents before going further.

Staff is initiating another resident service whereby residents can check-out games, books, CDs and DVDs. Donations are now being accepted.

**Cost/Time Savings Ideas:**

The property gets to take advantage of group discount pricing and staff regularly adds vendors to our group pricing list. During the month of January, we added another finish carpenter.

Whenever possible, complete projects using on-site staff, rather than contract labor, unless the cost is prohibitive. During the month of January, staff completed most of the day-to-day maintenance in house, including, but not limited to a high number of appliance repairs.

**Rent Changes:**

Staff has increased rents slightly on several floor plans. In an effort to lease to as many low to moderate income individuals and families, we hope to get maximum rents allowable from the CDA.

**Capital Improvements:**

Three carpets were replaced during the month of January. On-site staff tore out two of the three units, saving the property a significant amount of money.

**Security/Crime Incidents:**

Some activity in the middle and far end of Lake Point Dr., near Hoboken.

**Marketing:**

The Marketing Plan is updated frequently and alterations are made as needed. The latest update was completed in December.

The majority of leads are derived from Craig's list, Apartment Showcase, Rent.Com, Madison Art Institute, vendor, agency and resident referrals. We continue to offer referral rewards. We've altered the referral promotion. Instead, we're offering an additional reward on 3/31/11 to the person who refers the most qualified clients to the property.

We regularly check various web sites like Craig's List and make contact with people who have posted their housing needs.

Staff also stays in touch with our other sites, as well as other management companies and refers clients back and forth. One of our properties referred a qualified renter in November, who was able to finally move-in the first week of January.

The site staff has done a tremendous job in January leasing all types of floor plans. An increase in traffic and staff follow through and sales skills have led to more rentals and higher occupancy. There are currently (3) 1-bdrms, (3) 2-bdrms and (6) 3-bdrms left to lease.

The free roommate service remains in place, although we didn't match anyone up during the month of January.

Several new 3-bdrms have opened up as a result of people losing their jobs and moving out of state or the country. Our main focus in February is to concentrate heavily on the 3-bdrm floor plans.

Special promotions are still being offered on several floor plans and a decreased deposit remains in place for qualified prospects.

Outreach is still a major component in getting the word out to prospective customers.

**Local Market Conditions:**

Competitors continue to offer large concessions, some as much as two months in free rent. We have also seen some recent competitors decrease rental rates.

**Local Development:**

Nothing new to report.

**60 day Objectives**

- The main focus for all staff is obtaining rentals and increasing occupancy with qualified individuals. The target for the month of February is 6 qualified renters.
- Year end compliance, general accounting and audit work is in full swing. The same accounting firm will be completing the year end audit, scheduled in early March.
- 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.

- We also provide training and applicable procedures to stay in compliance with all local, state and federal housing regulations, both administrative and maintenance. Just recently, several additional protected classes were added to the Madison ordinance. Staff has been provided with updates and is quizzed periodically.

- The majority of turn-over for the season is complete; therefore, operating expenses will decrease to some extent. We will begin placing more money in the reserve account for future capital replacements as we are able.

### **Maintenance:**

-Common area halls have all been prepped and are now in the process of being painted. One wall in each entry will be painted with an accent color to further improve first impressions. Half of the property is completed. The remaining half will be completed in February.

- Model and vacancies are in rent ready condition. The model may be moved to a 3-bdrm in February.

-The snow removal company is doing an adequate job, considering the number of cars in the lots. Staff touches up icy sidewalks on an as-needed basis.

- Resident work orders continue to be completed within 24 hours, unless of course there is an emergency situation or a part needs to be ordered.

-Corporate staff is working with Project Home in a two fold project; one is to get as many residents qualified as possible for energy assistance and the second is to add wherever possible, additional energy saving measures in the buildings.

### **Personnel:**

We are currently seeking a part-time leasing agent.

The employees are getting acclimated to our new health insurance plan with Dean. No problems to report.

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

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



**STATUS REPORT FOR THE MONTH OF JANUARY 2011  
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) sr-56	\$583,790			\$583,790					\$583,790			\$583,790	2/2	\$38,000	\$545,790
Deferred (City)															
Deferred (CDBG)	\$20,000			\$20,000					\$20,000			\$20,000	1/1	\$19,000	\$1,000
Deferred (HOME)	\$575,000			\$575,000	1/1	\$16,500	1/1	\$16,500	\$558,500	1/1	\$13,700	\$544,800	1/1	\$19,000	\$535,000
Homebuyer (HBA)sr-61	\$337,290			\$337,290					\$337,290			\$337,290			\$337,290
<b>TOTAL</b>	<b>\$1,516,080</b>			<b>\$1,516,080</b>	<b>1/1</b>	<b>\$16,500</b>	<b>1/1</b>	<b>\$16,500</b>	<b>\$1,499,580</b>	<b>1/1</b>	<b>\$13,700</b>	<b>\$1,485,880</b>	<b>4/4</b>	<b>\$76,000</b>	<b>\$1,409,880</b>

**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	Home-Buy											
					Number	\$ Amount	Number	\$ Amount		Number	\$ Amount	
	\$(63,586)			\$(63,586)	2	\$10,000	2	\$10,000	\$(73,586)	0	0	\$(73,586)
	HBA - Match				HBA - Match		HBA - Match		HBA - Match	HBA - Match		HBA - Match
	0			0	Number	\$ Amount	Number	\$ Amount		Number	\$ Amount	
									0			0
	Total				Total		Total		Total	Total		Total
					Number	\$ Amount	Number	\$ Amount		Number	\$ Amount	
	\$(63,586)			\$(63,586)	2	\$10,000	2	\$10,000	\$(73,586)	0	0	\$(73,586)

### CDA Loan and Grant Losses Report for the Month of January 2011

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	
Down Payment Assistance																8	0.01	\$32,175				
Capital Revolving Fund																						
Façade Improvement																						
<b>TOTAL</b>	<b>0</b>		<b>\$0</b>	<b>0</b>		<b>\$0</b>	<b>0</b>		<b>\$0</b>	<b>0</b>		<b>\$0</b>	<b>0</b>		<b>\$0</b>	<b>8</b>	<b>0.01</b>	<b>\$32,175</b>	<b>1</b>	<b>0.01</b>	<b>\$18,000</b>	