

**CITY OF MADISON
INTERDEPARTMENTAL CORRESPONDENCE**

TO: Community Development Authority
FROM: Percy Brown, CDA Deputy Executive Director
DATE: May 6, 2010
SUBJECT: Economic Development Status Report for the month of
April 2010

WEST BROADWAY REDEVELOPMENT AREA

Lake Point Condominium Project: Please see attached monthly report.

RESERVOIR AND DUPLEXES

The Reservoir has one vacancy and the Duplex is fully occupied.

MONONA SHORES APARTMENTS

90 of the 104 units at Monona Shores are currently occupied (87%), an increase of four over last month. Of the 14 vacant units, 8 units are affordable and 6 units are market rate. 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.

HOME BUYERS FAIR

The Home Buyers Fair was a huge success, attracting over 450 attendees. A detail report on the outcome of the Fair is forthcoming.

Percy Brown, Manager
Office of Economic Revitalization

May 6, 2010 Update for Lake Point Condominiums

Overall status: **Good**

Market Status: **Poor**

Inventory

13 Conversion units and 6 Townhomes (31 units sold)

New Contracts or Offers

5 New Offers, 3 Contracts -One Townhome, two conversion units

1 townhome closing

Schedule item	Item Owner	Plan date	Actual or scheduled	Comments
Inventory Completion	Receiver		3/15/10	One Garden View unit and a townhouse are completed. Two other units are being prepared to complete as soon as new contracts are executed

Detail

The overall performance of the project vs. the estimated operating pro forma has been solid and on target. Costs have been controlled and sales, though seemingly slow, have been a little ahead of the original estimate. I anticipate a slowing in the market due to weather and the tight credit markets. That being said, we have fought hard to close sales with the limited buyers we've been fortunate enough to bring to the site. Attached for informational purposes is the Estimate pro forma detailing the actual 1st Quarter vs. the budget.

The primary focus of the team this quarter is in generating traffic. First time home buyer credit has expired and the effect on traffic is visible. The Keller Williams Team has seen a decline in foot traffic, as well as other brokers in the area bringing buyers through the model. This is hopefully a momentary lag after the 1st time buyer tax credit. Several promotions and events are being considered. A specific marketing report is attached for informational purposes. The number one objective is to generate potential buyer traffic.

The lending environment remains a challenge. Anchor Bank has remained helpful. That being said, we are continuing to present the project to different lenders to broaden the mortgage options for potential buyers. FHA and VA loans do not qualify currently at the Lake Point project. We have the information necessary to proceed on the FHA application; the cost may be worth the process.

The day to day management of the Lake Point Condominium Association has been turned over to a Board of Directors comprised of unit owners and the accounting functions to Carrlyl 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.

Lake Point Condominiums Estimated Pro Forma and Operating Budget 2010

LPC Assoc. Operating Expenses	January	February	March	1st qtr	April	May	June	July	August	September	October	November	December	Total
Building Maint & Repair	470	470	470	2,218	470	470	470	470	470	470	470	470	470	7,858
Admin. & Legal Fees	50	50	50	198	50	50	50	50	50	50	50	50	50	798
Supplies	100	49	49	207	49	49	49	49	49	49	49	49	49	846
Property Mgmt Fee	510	510	510	1,685	510	510	510	510	580	580	580	620	620	8,235
Lawn and Grounds						900	900	900	900	900	900			5,400
Snow Removal	3,810	2,650		5,925								1,500	1,500	15,385
Trash Refuse	230	230	230	930	230	230	230	230	230	230	230	230	230	3,690
Postage	11	11	11	7	11	11	11	11	11	11	11	11	11	139
Insurance	2,400		2,400	4,267	2,400			2,400			2,400			16,267
Utilities-Gas/Elect	2,200	2,200	2,200	2,372	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	28,772
Utilities-Sewer/water	355	355	355	769	355	355	355	355	355	355	355	355	355	5,029
Income Tax Return						110								110
Revenue-Assoc. Dues	3,625	3,625	3,625	10,875	3,825	3,825	4,400	4,400	4,400	4,400	4,650	5,100	4,650	61,400
Non-Reimbursable Expenses														
Utilities-Gas/Elec	1,350	1,350	1,100	2,756	1,100	1,000	1,000	1,000	1,000	1,000	1,100	1,250	1,350	
Utilities-Sewer/water							750			750			750	
Real Estate Taxes		22,000		36,105				20,000						
Association Dues (shortfall)	1,650	1,650	1,650	5,000	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	
LPC Development Expenses														
Payment of Non-Reimb (above)	3,000	25,000	2,750		2,750	2,650	3,400	22,650	2,650	3,400	2,750	2,900	3,750	77,650
Complete Const. of Units	59,000	-		32,040	59,000	-		59,000		26,000		21,000		256,040
Capital Costs-Repairs	2,400			1,140	-	1,850	-	2,100	-	-		-	1,200	8,690
Soft Costs/Advertising/Fees	4,500	5,500			4,500	5,500	4,270	5,500	4,270	5,500	4,270	4,270	4,250	52,330
Debt Service*														
\$ 1,399,000.00	13,990	-			-	14,528	-	-	14,528	-	-	-	14,528	57,574
LPC Development Costs	82,890	30,500		33,180	66,250	24,528	7,670	89,250	21,448	34,900	7,020	28,170	23,728	452,284
Net Revenue-Unit Sales														
Duplex								-						
Conversion Units					45,000	92,000		45,000		90,000		45,000		317,000
Townhomes				138,000	125,000	125,000			125,000		125,000	125,000	-	763,000
Income/Revenue	-	-		138,000	170,000	217,000	-	45,000	125,000	90,000	125,000	170,000	-	

LAKE POINT MARKETING REPORT APRIL 2010

Offer(s)

- 5325 Garden View – Buyer closing 5/10
- 1815 Conservation Place – Buyer closing 6/24/10
- 5343 Garden View – Buyer closing 5/27 or as soon as loan is approved (Dan Neuman)
- 5349 Garden View – Buyer closing 6/30/10 if her condo sells (offer is subject to sale)

Showings

- 4/4 Conservation – Barrett Karabis: buyer didn't like floor plan
- 4/20 Garden View – Matt Costello; buyer wrote an offer but rescinded it that night-cold feet and didn't think she could afford it even with downpayment assistance
- 4/22 Garden View – Pam Venenga; buyer didn't like area and wrote an offer on a D'Onofrio Drive condo for \$53,000 and discovered Wednesday he couldn't get financing
- 4/26 Garden View – Devery Cash; buyer is meeting with a lender to see if he can get a loan – didn't qualify for downpayment assistance or the first time tax credit
- 5/2 Conservation – Realtor took buyer to look at condo and buyer refused to get out of the car to look at the condo – didn't like area
- 5/3 Garden View – Devery Cash; buyer said he liked unit and would meet with a lender; since then he has not returned Devery's calls or emails.

Open Houses

Attendance has been fairly low at open houses. We had our best attendance on 4/25 with 6 groups and are working those leads.

Market Snapshot

\$0-\$175,000 Condo Activity

Dane County 1/1/10-YTD

- 1014 on the market
- Average list price \$129,619
- 729 listed so far in 2010
- 243 sales ytd with an average sale price of \$123,925

Market Statistics All MLS										
<i>Statistics for: Class=SF, CD, MF, LA, BU, RT AND Price=0000-175000 AND Date Range=01/01/2010-05/31/2010 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: 5/6/2010</i>										
Class	Bedrooms	Current Active		Avg List Price		Avg DOM				
All	All	1,014		\$129,619		195				
CD	All	1,014		\$129,619		195				
CD	0-2	819		\$127,736		207				
CD	3	191		\$137,138		144				
CD	4+	4		\$156,150		139				
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	729	243	33.33%	\$129,250	\$123,925	95.88%	148	\$123,896	44.03%
CD	All	729	243	33.33%	\$129,250	\$123,925	95.88%	148	\$123,896	44.03%
CD	0-2	578	181	31.31%	\$127,957	\$122,562	95.78%	151	\$121,117	45.50%
CD	3	149	61	40.94%	\$132,814	\$127,722	96.17%	140	\$137,044	38.26%
CD	4+	2	1	50.00%	\$145,900	\$139,000	95.27%	55	\$91,450	50.00%

**\$0-\$75,000 Condo Activity
East Madison 1/1/10 YTD**

- 28 Active on the market
- Average list price \$63,850
- 14 have been listed so far this year
- 6 sold ytd with an average sale price of \$72,016

Market Statistics All MLS											
Statistics for: Class=SF, CD, MF, LA, BU, RT AND Price=-75000 AND Date Range=01/01/2010-05/31/2010 AND Area=E01, E02, E03, E04, E05, E06, E07, E08, E09, E10, E11, E12, E13, E14, E15, E16 AND Board=-1; As Of: 5/6/2010											
Class	Bedrooms		Current Active		Avg List Price		Avg DOM				
All	All		28		\$63,850		169				
CD	All		28		\$63,850		169				
CD	0-2		27		\$63,832		172				
CD	3		1		\$64,350		98				
CD	4+		0		\$0		0				
Active Condos East Madison \$0-\$75,000											
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	14	6	42.86%	\$76,133	\$72,016	94.59%	97	\$69,016	21.43%	
CD	All	14	6	42.86%	\$76,133	\$72,016	94.59%	97	\$69,016	21.43%	
CD	0-2	13	5	38.46%	\$76,380	\$71,440	93.53%	112	\$69,016	23.08%	
CD	3	1	1	100.00%	\$74,900	\$74,900	100.00%	25	\$0	0.00%	
CD	4+	0	0	0.00%	\$0	\$0	0.00%	0	\$0	0.00%	
Sold Condos East Madison 1/1/10 ytd \$0-\$75,000											

**\$125,000-\$175,000
East Madison 1/1/10 YTD**

- 95 active on the market
- Average list price \$149,137
- 77 listed ytd
- 36 sold ytd with an average sale price of \$146,504

Market Statistics All MLS											
Statistics for: Class=SF, CD, MF, LA, BU, RT AND Price=125000-175000 AND Date Range=01/01/2010-05/31/2010 AND Area=E01, E02, E03, E04, E05, E06, E07, E08, E09, E10, E11, E12, E13, E14, E15, E16 AND Board=-1; As Of: 5/6/2010											
Class	Bedrooms		Current Active		Avg List Price		Avg DOM				
All	All		95		\$149,137		159				
CD	All		95		\$149,137		159				
CD	0-2		64		\$147,062		145				
CD	3		31		\$153,422		188				
CD	4+		0		\$0		0				
Active Condos East Madison \$125,000-\$175,000											
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	77	36	46.75%	\$150,320	\$146,504	97.46%	176	\$152,488	48.05%	
CD	All	77	36	46.75%	\$150,320	\$146,504	97.46%	176	\$152,488	48.05%	
CD	0-2	60	28	46.67%	\$151,866	\$147,841	97.35%	151	\$150,034	43.33%	
CD	3	17	8	47.06%	\$144,912	\$141,826	97.87%	263	\$159,150	64.71%	
CD	4+	0	0	0.00%	\$0	\$0	0.00%	0	\$0	0.00%	
Sold Condos 1/1/10 ytd East Madison \$125,000-\$175,000											

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

Operations and Marketing:

Occupancy:

The property closed out the month of April at 87% occupancy. There were 14 vacancies and 90 occupied apartments, of which 8 are affordable and 6 are market rate. There are also 2 approved (leased) units and 2 pending applications.

There were 3 rejections during the month.

Resident Functions:

Resident Appreciation Week was held the last week of April. The property was decorated with signs and banners and looked very festive. Each day, the residents had a surprise, which exemplified how much we appreciate their business. From serving a continental breakfast to drawings for prizes, (many of which were donated by our vendors) to free daily newspapers, games for the children and a cook-out, everyone had a great time!

Resident Services:

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.

Cost/Time Savings Ideas:

Continued monitoring of expenditures, services, performance and plans.

We were able to secure and save approximately 35% on a new insurance plan, which will commence May 1, 2010. The new company is rated A++ and we are thrilled to have saved the property so much money. Even with no claims in the past year, the prior company increased premiums by 28%. The deductible will also decrease from \$5,000 to \$2,500.

Rent Changes:

We expect the new income and rent limits to be published sometime in May. Staff also continually monitors market conditions and makes adjustments as warranted.

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 April, one water heater and one carpet was replaced.

Personnel Changes:

None.

Security/Crime Incidents:

Nothing to report. The office now has a monitored security system.

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. 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 that have posted their housing needs.

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.

Local Development:

Nothing new to report.

60 day Objectives

Operations:

- 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.
- Continue to stay in compliance with new City of Madison housing regulations, both administrative and maintenance.
- The majority of leases are coming due within the next 90 days. Continue to maintain excellent retention ratios and at the same time, prepare any vacancies with expediency so they are of "show" quality.

Maintenance:

- Perform all duties listed in the spring seasonal preventive maintenance schedule, obtain bids for parking lot resurfacing, cabinet replacements and tree trimming.
- The mulch beds are being replenished the first week of May and flowers are being planted at building entrances and the office. The Waunona Woods Condominium Association members take care of the planting and upkeep of the front entry of the property.
- We expect to replace 4 additional water heaters in the coming month.
- The property is in compliance with the new Carbon Monoxide Detector law that went into effect 4/1/10.

Personnel:

- Ongoing training. The manager has recently signed up to attend a webinar for further compliance training.

**STATUS REPORT FOR THE MONTH OF APRIL 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	\$733,213	1/1	\$19,000	\$714,213	5/6	\$98,000	\$616,213
Deferred (City)	\$75,000			\$75,000					\$75,000			\$75,000			\$75,000
Deferred (CDBG)	\$20,000			\$20,000					\$20,000						\$20,000
Deferred (HOME)	\$581,000			\$581,000	2/2	\$27,400	3/3	\$45,400	\$535,600			\$535,600	3/3	\$57,000	\$478,600
Homebuyer (HBA)	\$425,374	-\$75,000		\$350,374					\$350,374			\$350,374			\$350,374
TOTAL	\$1,853,587			\$1,778,587	2/2	\$27,400	4/4	\$64,400	\$1,741,187	1/1	\$19,000	\$1,695,187	8/9	\$155,000	\$1,540,187

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	7	\$33,000	13	\$62,000	\$95,494			\$95,494		
	HBA – Match				HBA – Match		HBA – Match		HBA – Match	HBA – Match		HBA – Match		
	-\$5,000		+\$75,000	\$70,000	Number	\$ Amount	Number	\$ Amount		Number	\$ Amount			
									\$70,000			\$70,000		
	Total				Total		Total		Total	Total		Total		
					Number	\$ Amount	Number	\$ Amount		Number	\$ Amount			
			\$75,000	\$227,494	7	\$33,000	13	\$62,000	\$165,494			\$165,494		

CDA Loan and Grant Losses Report for the Month of April 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	