

**CITY OF MADISON
INTERDEPARTMENTAL CORRESPONDENCE**

TO: Community Development Authority
FROM: Percy Brown, CDA Deputy Executive Director
DATE: July 7, 2011
SUBJECT: Economic Development Status Report for the month of
June 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 remained at 91.3%. 95 of the 104 units at Monona Shores are currently occupied. Of the 9 vacant units, 6 units are affordable and 3 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

PROJECT REPORT

Prepared for: Community Development Authority of Madison, WI

Prepared by: SPL Beverly, LLC

Date: July 7, 2011

Proposal #:



July 7, 2011-Lake Point Condominiums Monthly Report

Inventory

6 Townhomes
7 Conversion Unit Apartments

Contracts

3 Conversion units-One closing set for the 22nd of July

Current Projects

Siding Review

The Certain Teed siding at Lake Point appears to be detaching or “loose” in several scenarios throughout the project. As mentioned in previous reports, it may be a substrate issue, or potentially that the nail/screws were simply too short for certain applications, or both. The foregoing conditions are being reviewed and corrections estimated by a few local siding professionals. Upon review of their individual submittals, we will proceed with correcting the aforementioned issues. The general performance of the siding has been okay in most instances.

Conversion Units

We have had some success controlling the basement water leaks, however total victory is not yet upon us. Two areas appear to be leaking water around former window wells and one wall may be seeping a bit at the floor joint. That being said, the contractor we hired will continue to monitor their previous work, along with offering potential solutions for lingering problems. As the foundation is 60-ish years old, there will always be some expected shortcomings. We'll make this condition right to ensure the Association is not burdened with a potentially reserve crippling structural issue.

The remaining unfinished conversion units will be completed this month.

Townhomes

The market in which the Lake Point townhomes compete is becoming quite aggressive. Product exists on the west side with greater square footage, two garage spaces and other amenities selling for less than 130k. This is interesting in that we

sold several during the two previous years at relatively close to our asking price. CDA representatives and the marketing team will be meeting next week to review the competition and determine if price reductions are appropriate at this juncture as recommended by Keller Williams.

Four units remain unfinished.

The lending arena has improved and we are working through the FHA qualification requirements.

Site

A flooding issue remains for a few garages at Lake Point. Asphalt has been manipulated to direct water away from the garages, but this has proven to be only somewhat effective. I am evaluating several other drainage options and their respective costs in an effort to rid the site of this condition.

The Garden View roof shall be a long-term capital consideration for Lake Point and the LP Condo Owners Association.

A couple of owners are in arrears on payment of their association dues, but not a critical issue at this point in time. Budget and operation of the site has been quite effective under the new Board. The management company transition was completed in June.

Minor vandalism remains a bit of a problem, but graffiti doesn't last long and the broken windows are becoming less frequent.

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

Operations and Marketing:

Occupancy:

Even with some turn-over, occupancy at Monona Shores stayed at 91.35% in June. We closed out with 9 vacancies and 95 occupied apartments, of which 6 were affordable and 3 were market rate. There are currently 2 additional approved applications, including 1 transfer on-site and 6 pending applications.

During the month of June, there were an astounding 12 rejected applications, bringing the total for the year to 30. We're hopeful the applications awaiting approval will be approved.

Resident Functions:

Nothing new to report.

New Resident Services:

The Referral Reward Program with a referral bonus of a gas card was still offered during the month of June and will continue next month.

Cost/Time Savings Ideas:

Nothing new to report.

Street Rent Changes:

One bedroom rates increased slightly during the month. All one bedroom units are leased with the exception of one sub-let.

Capital Improvements:

Five air conditioner wall units, one refrigerator, one dishwasher, and one carpet were replaced during the month.

The storage unit project in the first building (#10) was completed and it has been well received by the residents! We plan to begin another building as funds will allow.

Security/Crime Incidents:

No significant issues. Staff keeps in close contact with neighboring property owners and the Madison Police regarding neighborhood crime.

Marketing:

The leads continue to be generated from various web sites and referrals. Outreach to people whose incomes fall at or below the AHTCP guidelines continues to be a major focus.

The entire site staff, including maintenance, is doing a great job in marketing the property to low and moderate income people. An increase in traffic and staff follow through and sales skills have led to more rentals and higher occupancy.

Traffic has picked up and additional applications are anticipated. The number of denied applications continues to be a large hurdle. Unfortunately, during the month of June, there was a large surge in rejected applications.

Local Market Conditions:

The uncertainty of job stability, less income and/or benefits and other economic factors have had an impact on the rental market. Traffic has picked up considerably and the market is tightening up.

Local Development:

Nothing new to report.

60 day Objectives

- The main focus for the staff is to obtain rentals and increase occupancy with qualified individuals. The goal for the month of June and July is to generate enough qualified traffic to stay at 95% occupancy or better.
- 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 rent and income limits are now out and WHEDA will publish them in June.
- Preparations are being made for the triennial WHEDA audit. We do not have a date at this time.
- The annual partnership file audit is underway. The physical audit is schedule for early July.
- Because the majority of leases expire during the rental season, staff is very busy completing recertifications on the affordable apartment homes and renewal leases on the market rate homes. So far this year there has been minimal turn-over. Thanks to the staff for the efforts they put into retention.
- As noted earlier, a number of residents whose housing needs have changed are transferring on-site, typically to larger apartments.
- The reserve account deposits have increased.

Maintenance:

- Staff has been busy prepping vacancies, and completing summer preventive maintenance. The model and vacancies are in rent ready condition, with most of the work being done by in-house staff.
- We've attempted to make contact with the Waunona Woods Condominium Association to coordinate efforts to reseal the parking lots and main drive this year. All bids are in and we plan to move forward with our lots in the next 30 days.
- 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.

Personnel:

A part time leasing agent began work in June. As a result, we increased office hours and we're open till 7:00 p.m. three days/week. Training is in full swing. Also, she has already attended a WHEDA training event for the AHTC program.

The full time painter who was hired last month is working out great.

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

<u>Program:</u>	<u>No:</u>	<u>Unit:</u>
New Applications		
Deferred Payment/HOME	1	1
Homebuyers Assistance Loan	2	2
TOTALS:	3	3
Applications in Initial Processing		
Deferred Payment/HOME	1	1
Homebuyers Assistance Loan	1	1
TOTALS:	2	2
Applications in Bidding Stage		
Deferred Payment/HOME	6	6
Installment Loan (City)	4	6
TOTALS:	10	12
Projects Approved But Not Closed		
Installment Loan (City)	1	1
TOTALS:	1	1
Projects Under Construction		
Deferred Payment/HOME	10	8
Homebuyers Assistance Loan	4	4
Installment Loan (City)	3	3
TOTALS:	17	15
Projects Completed this Year		
Deferred Payment/HOME	6	6
Installment Loan (City)	6	6
TOTALS:	12	12

**STATUS REPORT FOR THE MONTH OF JUNE 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			4/4	\$49,100	\$499,900			\$499,900	4/4	\$76,000	\$423,900
Deferred (City)															
Deferred (CDBG)	\$20,000			\$20,000					\$20,000			\$20,000			\$20,000
Deferred (HOME)	\$575,000			\$575,000	1/1	\$19,000	6/6	\$108,700	\$466,300			\$466,300	7/7	\$133,000	\$333,300
Homebuyer (HBA)	\$337,290	(\$9,500)	\$9,500	\$327,800	1/1	\$40,000	1/1	\$40,000	\$287,800			\$287,800			\$287,800
TOTAL	\$1,516,080			\$1,471,800	2/2	\$59,000	11/11	\$197,800	\$1,274,000			\$1,274,000	11/11	\$209,000	\$1,065,000

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	
					Number	\$ Amount	Number	\$ Amount		Number	\$ Amount		Number	\$ Amount
Home-Buy	Home-Buy													
	(\$85,000)	\$100,000	\$173,900	\$217,910	5	\$25,000	17	\$95,000	\$122,900	3	\$20,000	\$102,900		
		\$29,000												
	(\$85,000)	\$129,000	\$173,900	\$217,910	5	\$25,000	17	\$95,000	\$122,900	3	\$20,000	\$102,900		

CDA Loan and Grant Losses Report for the Month of June 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																2	0.01	\$29,650				
Down Payment Assistance																8	0.01	\$30,175				
Capital Revolving Fund																						
Façade Improvement																						
TOTAL	0		\$0	0		\$0	0		\$0	0		\$0	0		\$0	10	0.01	\$59,825	0	0	\$0	