

**CITY OF MADISON
INTERDEPARTMENTAL CORRESPONDENCE**

TO: Community Development Authority
FROM: Percy Brown, CDA Deputy Executive Director
DATE: June 7, 2012
SUBJECT: Economic Development Status Report for the month of
May 2012

WEST BROADWAY REDEVELOPMENT AREA

Lake Point Condominium Project: Attached please find the real estate marketing and monthly project report.

RESERVOIR AND DUPLEXES

The Reservoir and Duplex are fully occupied.

MONONA SHORES

The occupancy at Monona Shores increased to a record high of 99% in May. Please see attached Monthly Owner's Report for more details.

REVIVAL RIDGE APARTMENTS

As of June 1, Revival Ridge is fully 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: June 5 2012

Report #:



June 5, 2012-Lake Point Condominiums Monthly Report

Inventory

6 Townhomes
5 Conversion Unit Apartments

Contracts

2 townhomes under contract
2 solid prospects

PROJECT OVERVIEW

As a general overview, the project is doing well. There are no pressing issues at the site. Several of Lake Point's conditions, we are dealing with as discussed in previous reports. Showings are consistent and our new pricing structure is in place.

Site Work

1) Epoxy injections for the Garden View basement cracks appear to be working, however contrary to my last report, there are a few spots that leaked (see below) during the two days of very heavy rains in May. Three new cracks have been identified and we'll observe them over the next rain storms and proceed based on frequency of water flow during the rainy days, (if any). Photo A is a location we had not seen leaks prior to the aforementioned heavy rain days. It is the location of the main power feed.

A



B



- 2) The stairway deck entrance platform to unit 5326 that is failing is slated for repair that will commence this month.
- 3) The drainage issue on Garden View court will be reviewed in at the end of July.
- 4) The electrical circuits in the Garden View basement do not possess enough capacity to power the 20 washers and dryers currently operating in the basement. Blown breakers have been a problem.

Conversion Units

The inventory is in sound shape. Three units remain unfinished.

Townhomes

The inventory is in sound shape. Four units remain unfinished.

Marketing

The buyer for 1813 received approval for a 30 year fixed mortgage. That approval will certainly benefit the marketing effort at Lake Point. It can be discouraging for a buyer to tour a potential home knowing 3.8% 30 year money exists for the purchase of said home, however finding out that level of permanent financing will not be approved at the project is a true negative. With 1813's approval, we have another tool with which to sell.

Keller Williams is seeing a steady traffic for showings and activity on the website has increased.

Several viral advertising efforts are underway and additional campaigns will commence this month.

Monthly Owner's Report for the Month of May, 2012
The New Monona Shores Apartment Homes

Operations and Marketing:

Occupancy:

Month end occupancy increased to 99% in May. There was 1 vacancy, an affordable 3-bedroom unit, which is leased. The resident had planned to move-in at the end of May, but her Section 8 worker would not allow her to move until 7/1/12. We're still working on this and hope to get her into her new home sometime in early June.

There are also 3 apartments on notice to vacate.

During the month of May, 3 households were denied housing, bringing the year to date total to 18. 3 other households canceled; 2 moved out of state and one couldn't get out of their current lease.

Resident Functions:

Nothing new to report in April.

New Resident Services:

A newly revised Referral Reward Program began in April, where anyone who refers a qualified resident who moves into the property can receive a \$200 gift card. There was one referral in May.

Staff disseminates useful information each month on bulletin boards. For example, residents were reminded to vote and registration and polling place information was also provided. One of our contractors even volunteered to provide rides to those that didn't have transportation.

Residents were also provided with a new deadline for getting placed on the no call list as well as information about a free wishing weekend in early June.

A new non-profit, Freshmobile, is getting off the ground, whereby they'll be bringing fresh produce with a "market on wheels" to neighborhoods in Madison. Bridge-Lakepoint will apparently be one of their stops. We're waiting to hear when they plan to begin and we'll get the word out to our residents.

Cost/Time Savings Ideas: The Resident Retention Plan has reduced turn-over, thus lowering the overall maintenance expenses at the property.

Street Rent Changes: Rents were increased slightly in May. After the last 3-bdrm was leased, we no longer are offering any concessions.

Capital Improvements: During the month of May, we replaced 1 washer and dryer, 2 carpets and 1 refrigerator.

Security/Crime Incidents: Nothing serious to report other than a few noise complaints.

Marketing: Web site advertising continues to be the number one source of traffic. Following in a close second is drive by traffic. The property consistently has great curb appeal. The office continues to be open with regular office hours Mon. – Fri. and staff is also available during weekend hours by appointment.

The Wisconsin Front Door Housing web site shut down operations on April 1, 2012.

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

We continue to make contact with past “model” residents, who might consider moving back.

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. Despite the junk mail, it’s worth the time and effort.

Staff is still offering flexible leases with new move-ins and renewals, as long as they expire during the rental season, primarily, April through August.

Local Market Conditions: A competitor off Stoughton Road is rehabbing their units and raising rents significantly. We have leased to 2 residents from that property.

Another competitor, Pheasant Ridge Apartments, located in the central Beltline corridor, has also been renovating blighted buildings. The \$4.9 million project is slated to be completed in November, 2012. The first of three buildings will open in July.

Local Development:

Most of the new multi-family development has been far west side and downtown Madison.

60 day Objectives

- The main focus for the staff remains obtaining qualified rentals and maintaining occupancy 95% or higher.
- Staff will be concentrating their efforts in finishing the majority of recertifications and/or renewals in the coming months. They will also spend a lot of energy working on accounts receivable.
- The 2012 budget is pending city staff approval. We hope to have a final approval soon.
- 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. At the same time, the same is true for any landlord tenant laws that may change from time to time. Noteworthy were the changes made last December and also those made 3/31/12.

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.
- Spring preventive maintenance has been completed.
- Summer preventive maintenance will commence soon.
- Staff will begin bidding out several capital projects in the coming months.

Personnel:

The maintenance and office staff is working very well as a team. It has been extremely helpful to have 2 full time staff members in the office. In particular, their combined efforts have led the property to much long awaited success with high occupancy.

Other Misc. Administration:

The property insurance policy renewed and our agent was able to get a \$1,800 reduction to offset the increase in premium this year.

HOUSING REHABILITATION LOAN STATUS FOR THE MONTH OF MAY, 2012

<u>Program:</u>	<u>No:</u>	<u>Unit:</u>
New Applications		
Deferred Payment/HOME	2	2
Installment Loan (City)	3	3
TOTALS:	5	5
Applications in Initial Processing		
Deferred Payment/HOME	5	4
Installment Loan (City)	3	3
TOTALS:	8	7
Applications in Bidding Stage		
Deferred Payment/HOME	3	3
Installment Loan (City)	5	6
TOTALS:	8	9
Projects Approved But Not Closed		
Installment Loan (City)	1	1
TOTALS:	1	1
Projects Under Construction		
Deferred Payment/HOME	8	8
Homebuyers Assistance Loan	3	4
Installment Loan (City)	6	7
TOTALS:	17	19
Projects Completed this Year		
Deferred Payment/HOME	2	2
Installment Loan (City)	3	3
TOTALS:	5	5

**STATUS REPORT FOR THE MONTH OF MAY 2012
HOUSING REHABILITATION LOANS**

PROGRAM	FUNDS AVAILABLE BEGINNING IN 2012	SOURCE OF REMAINING FUNDS AVAILABLE		ADJUSTED TOTAL FUNDS FOR 2012	LOANS CLOSED THIS MONTH		LOANS CLOSED YEAR TO DATE		REMAINING 2012 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	\$711,289		-\$238,000	\$473,289			4/4	\$61,800	\$411,489	1/1	\$17,000	\$394,489	5/6	\$97,500	\$296,989
Deferred (City)															
Deferred (CDBG)	\$55,000			\$55,000					\$55,000			\$55,000			\$55,000
Deferred (HOME)	\$411,750			\$411,750	2/2	\$31,200	4/4	\$58,000	\$353,750			\$353,750	4/4	\$76,000	\$277,750
Homebuyer (HBA)sr-61	\$174,944			\$174,944			1/1	\$40,000	\$134,944			\$134,944			\$134,944
TOTAL	\$1,352,983			\$1,114,983	2/2	\$31,200	9/9	\$159,800	\$955,183	1/1	\$17,000	\$938,183	9/10	\$173,500	\$764,683

DOWN PAYMENT ASSISTANCE LOANS

PROGRAM	BEGINNING FUNDS AVAILABLE IN 2012	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
Home-Buy	Home-Buy												
	\$60,647	\$3,100	+\$238,000	\$301,747	4	\$20,000	18	\$100,000	\$201,747	4	\$35,000	\$166,747	
				\$301,747	4	\$20,000	18	\$100,000	\$201,747	4	\$35,000	\$166,747	

CDA Loan and Grant Losses Report for the Month of May 2012

Loan & Grant Programs	In Default			Delinquent			Judgement			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	\$48,400	2	0.01	\$54,150									4	0.01	\$63,850					
Down Payment Assistance	1	0.01	\$6,200												3	0.01	\$12,500					
Capital Revolving Fund																						
Façade Improvement																						
TOTAL	3	0.01	\$54,600	2	0.01	\$54,150	0		\$0	0		\$0	0		7	0.01	\$76,350					