

**LRB – RESEARCH AND ANALYSIS SECTION ANALYSIS**

**JANUARY 3, 2007 AGENDA  
PUBLIC WORKS COMMITTEE**

**ITEM 27, FILE 061127  
Emma J. Stamps**

File No. 061127 is a resolution declaring city-owned vacant lots in the vicinity of 25th, 26th and Center Streets surplus to municipal needs and authorizing their sale to United Baptist Church, Inc. for housing development, in the 7th Aldermanic District.

**Background and Discussion**

1. The Common Council declares city-owned properties surplus to municipal needs and authorizes sale as a special use pursuant to Section 304-49-2, Milwaukee Code of Ordinances. Section 304-49-17 allows the City to accept unsolicited Offers to Purchase when the City receives fair compensation, whether monetary or non-monetary.
2. DCD recommends acceptance of a United Baptist Church, Inc., a non-profit organization, option to purchase the following city owned properties for \$35,000 (\$10,000 for Phase I and \$25,000 for Phase II) each to assemble with the developer's adjacent properties to build affordable housing:
  - 2500-04 W. Center St.
  - 2702-04 N. 26<sup>th</sup> St.
  - 2728-20 N. 26<sup>th</sup> St.
  - 2724 N. 26<sup>th</sup> St.
  - 2728 N. 26<sup>th</sup> St.
  - 2754 N. 26<sup>th</sup> St.
3. The Center Street property will facilitate Phase I and all others will facilitate Phase II developments.
  - Phase I: mixed use structure containing community and offices on 1<sup>st</sup> floor and 24 efficiency apartments on the 2<sup>nd</sup> and 3<sup>rd</sup> floors of a 3-story structure
  - Phase II: 6 duplexes containing 2 to 4 3-bedroom units (most renting to low-moderate income eligible and 2 renting at market rates); minimum total housing units equal 12; maximum total housing units equal 24
  - Development costs for Phase I estimated at \$4.14 million; for Phase II estimated at \$4.4 million
  - EBE participation commitment (not quantified)
  - Applying for WHEDA tax credits in January 2007
  - Financing mix includes conventional loans
  - 2 year option period (DCD Commissioner can extend it through 2008)
  - Closing no later than December 2007

4. Adopting File 061127 declares the properties listed above surplus to municipal needs and authorizes their sale to United Methodist Children's Services of Wisconsin, Inc. for \$35,000 to build affordable and market rate housing, community and office space.

### **Fiscal Impact**

The fiscal impact – deposit to the Reserve for Tax Deficit Fund – is contingent upon the net sale proceeds, \$25,000, less an undetermined amount in sales expenses and less a 25% RACM administrative charge.

This amount may further decreased if, at closing, the Commissioner grants the applicant a financial feasibility credit based on demonstrated hardship.

The options listed on fiscal note (\$1 each) and Land Disposition Report (\$10,000 for Phase I and \$25,000 for Phase II)) differ and should be updated. DCD should confirm.