

LRB – RESEARCH AND ANALYSIS SECTION ANALYSIS

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

**ITEM 26, FILE 061103
Emma J. Stamps**

File No. 061103 is a resolution declaring the city-owned vacant lots at 1929-41 North 39th Street surplus to municipal needs and authorizing sale to United Methodist Children's Services of Wisconsin, Inc. for housing development, in the 15th 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 United Methodist Children's Services of Wisconsin, Inc.'s, a non-profit organization, \$1 offer to purchase and assemble 4 city-owned vacant lots located at 1929-31, 1935, 1937-39 and 1941-43 N. 39th Street to facilitate a \$988,000 residential development of 3 affordable side-by-side duplexes – a complement to its neighboring \$4.7 million mixed use expansion:
 - 3 bedroom units with garage renting for \$550 - \$650 per month (renters may opt to purchase)
 - EBE participation commitment (not quantified)
 - Applying for first of WHEDA tax credits by February 15, 2007
 - Financing mix includes conventional loans
 - 2 year option period (DCD Commissioner can extend it through 2008)
 - Closing may extend beyond December 31, 2007
3. Adopting File 061103 declares the properties listed above surplus to municipal needs and authorizes their sale to United Methodist Children's Services of Wisconsin, Inc. for \$20,000 to build 3 side-by-side duplexes as affordable rental units.

Fiscal Impact

The fiscal impact – deposit to the Reserve for Tax Deficit Fund – is contingent upon the net sale proceeds, \$20,000, 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 (\$20,000) differ and should be updated. DCD should confirm.

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January 2, 2007