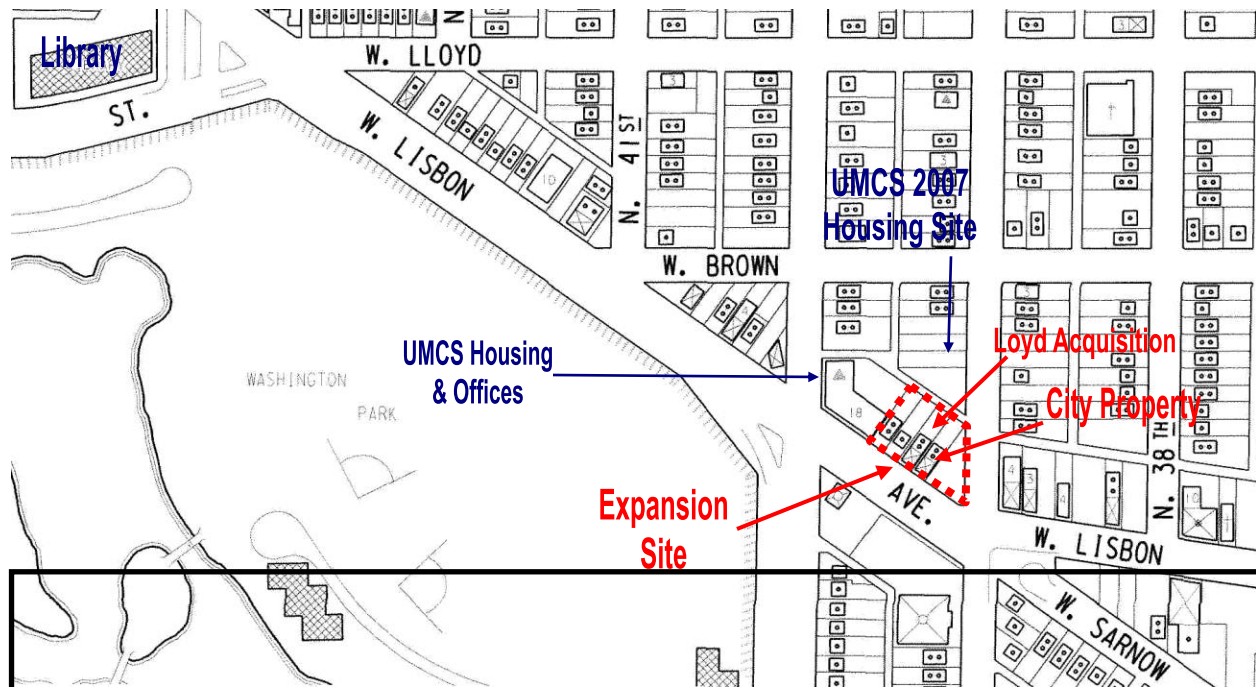


**BLIGHT DESIGNATION SUMMARY AND
LAND DISPOSITION REPORT
39TH & LISBON**

DATE
November 15, 2007

RESPONSIBLE STAFF
Dwayne Edwards, Neighborhood Development Team (286-5735)

PROPOSED ACTIVITY
Declare one privately owned and one City-owned property "blighted" for acquisition by the Redevelopment Authority and allow subsequent conveyance to United Methodist Children's Services of Wisconsin, Inc. ("UMCS"), or its assigns. A catalytic project by UMCS at this location was identified in the Washington Park neighborhood plan, which was adopted as an element of the City's comprehensive plan in June 2006.



PROPERTIES TO BE ACQUIRED



3916 West Lisbon Avenue

| | |
|--------------|--|
| Owner: | Jywanzo Loyd The owner is awaiting trial in Chicago for murder; If acquitted, he will be returned to federal prison until 2014. |
| Property: | A 2,300 SF mixed-use building on a 3,600 SF lot. The first floor has 575 SF of retail space and a one-bedroom apartment. A two-bedroom apartment is on the second floor. |
| Assessment: | \$31,100 |
| Tax Status: | Current |
| Condition: | Fair; partially boarded. |
| Code Status: | No outstanding code violations. |
| Occupancy: | One apartment may be occupied by the owner's brother. |



3910 West Lisbon Avenue

Owner: City of Milwaukee
 Property: A 2,784 SF mixed-use building on a 3,600 SF lot. The building has 648 SF of unheated storage space and a one-bedroom apartment on the first floor and a second-floor apartment.

Assessment: \$54,700
 Tax Status: In-Rem foreclosure in August 2007.
 Condition: Boarded and in poor condition.
 Code Status: Numerous code violations and a raze order was pending when acquired by the City. Demolition by DNS has been requested.

Occupancy: All units vacant

FINDINGS OF BLIGHT

The properties meet the statutory definition of blight by virtue of the vacant or partially vacant status, deterioration of structures and site improvements, small lot size and diversity and absentee nature of ownership, all of which impair and arrest the sound growth of the City and implementation of the Comprehensive Plan.

REDEVELOPER

United Methodist Children's Services of Wisconsin, Inc., is a non-profit corporation created in 1962 to assist pregnant teenagers. The organization has refined its mission over the years and provides a variety of family services. Perry Huyck is the Executive Director.

UMCS operates at 3940 West Lisbon Avenue where it provides 18 units of transitional housing for families headed by single mothers. The facility also operates a children's center and food and clothing banks. In 2007, UMCS was allocated affordable housing tax credits by WHEDA to construct six units of affordable housing in three side-by-side duplexes on 39th Street to the north of its existing facility. Construction is expected to commence in late November.

PROPOSED REDEVELOPMENT

Assemblage of the two acquisitions with three properties UMCS has under contract for construction of a four-story, 43,000 SF building adjacent to UMCS's existing facility. The new building will contain 24 affordable three-bedroom apartments that will be targeted toward long-term housing rather than transitional units in the existing building. The facility also will include 10,000 SF of ground floor community space that will house a multi-purpose community room and fitness room. The Family Resource Center, which includes a pantry and thrift store, will relocate to the new building from the adjacent facility. This expansion was identified as a catalytic project in the Washington Park Plan.



Existing UMCS Building



Proposed Expansion

Total projects costs are approximately \$5.67 million. The project will be financed in part through federal housing tax credits allocated by WHEDA. Additional funding will be provided through

conventional financing. The Redeveloper expects Emerging Business Enterprises to comprise about 20 percent of the project budget.

OPTION TERMS AND CONDITIONS

The purchase price will be \$10,000 for the City lot and reimbursement of the purchase price for the property at 3916 West Lisbon. The Executive Director may grant a credit at closing if the purchase price jeopardizes overall project feasibility. Conveyance will be on an "as is" basis. A financial feasibility credit may be granted by DCD's Commissioner at closing based on demonstrated hardship. A \$250 Option Fee will be required and will be credited toward the purchase price. A \$1,000 performance deposit will be submitted at closing and shall be held until satisfactory completion of the project. Sale proceeds, less sale expenses and a 30% fee to the Redevelopment Authority, will be deposited in the Reserve For Tax Deficit Fund.

The total option period is for two years so as to allow multiple applications for WHEDA tax credits in the event the project does not receive a 2008 allocation. The option periods correspond to WHEDA's tax credit schedule. The base option is until February 15, 2008, to allow the Redeveloper time to submit a tax-credit application to WHEDA. Upon application, the option will be automatically extended four months, or until WHEDA makes its initial allocation of tax credits. Upon award of the tax credit allocation, the option is automatically extended until December 31, 2008. If the Redeveloper requires additional time beyond December 31st to obtain financing or final plans, the Commissioner of DCD may extend the option for a six-month period upon submission of a \$500 non-refundable renewal fee and satisfactory progress report on the project. If the project does not receive a 2008 allocation, DCD's Commissioner may renew the base option until 2009 to allow a second WHEDA application. If the Redeveloper fails to make any required submissions to WHEDA in 2009, the option may be cancelled immediately by DCD's Commissioner.

PAST ACTIONS

On November 15, 2007, the Redevelopment Authority held a Public Hearing on the blight designation after which it conditionally approved the blight designation and acquisition. The hearing concurrently addressed the subsequent disposition of the properties pursuant to Wisconsin Statutes.

FUTURE ACTIONS

Upon approval by the Common Council, the Redevelopment Authority will proceed with the acquisition of properties pursuant to Section 32.05, Wisconsin Statutes. Because the properties will be conveyed to a third-party buyer after acquisition, the Authority also will follow the procedures outlined in Wisconsin Act 233 (Wisconsin Statutes 32.02 (1) or (11); that requires providing the owner with the findings of blight and other information. In addition, a Relocation Plan will be prepared and all tenants relocated according to Wisconsin Statutes. The Authority will pay for all acquisition, relocation and demolition expenses from Community Development Block Grant Funds.