

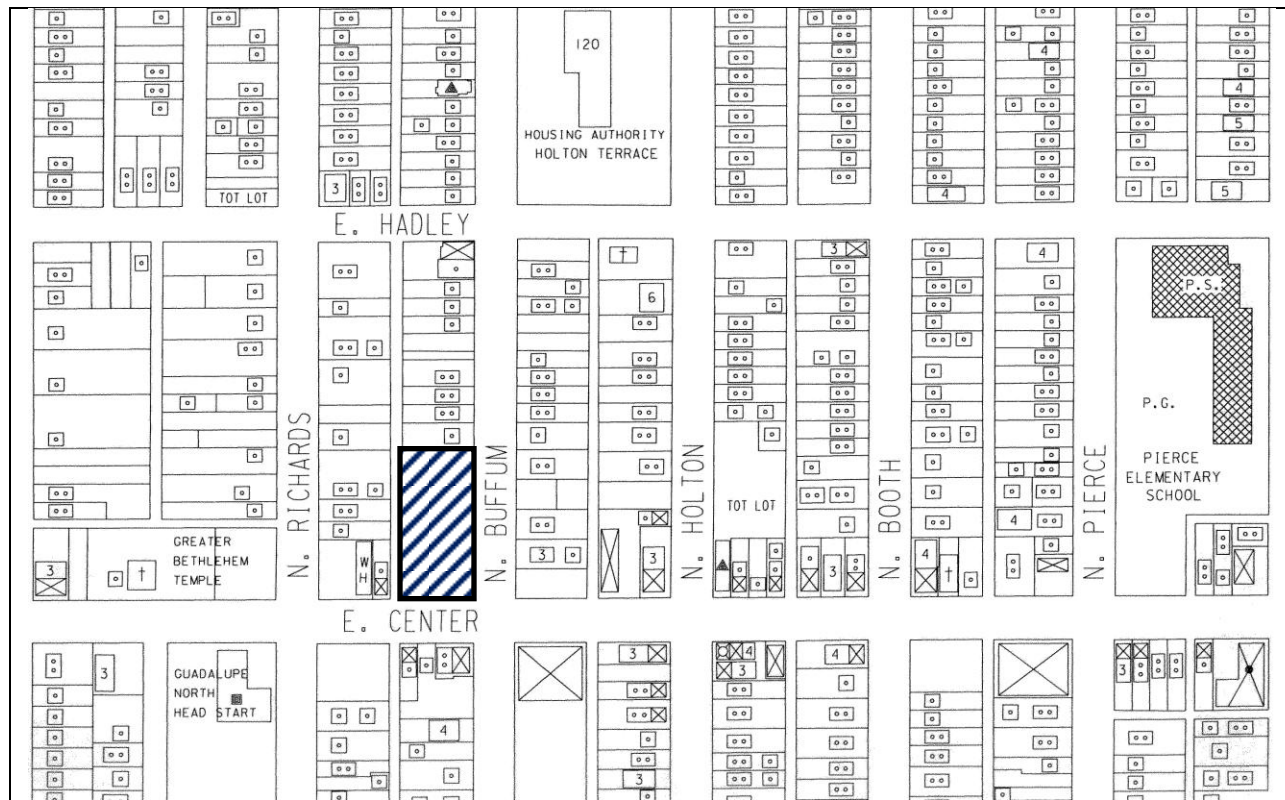
**LAND DISPOSITION REPORT
REDEVELOPMENT AUTHORITY
COMMON COUNCIL OF THE CITY OF MILWAUKEE**

DATE
December 15, 2011

RESPONSIBLE STAFF
Yves LaPierre, Real Estate, 286-5762

REDEVELOPMENT PROJECT AREA

Blight elimination parcels in the vicinity of East Center and North Buffum Streets. The Redevelopment Authority of the City of Milwaukee ("Authority") acquired a blighted residence at 326 East Center Street in 2008, demolished the structure and assembled the site with adjoining City-owned lots for housing development.



RACM Parcel

PARCEL ADDRESSES & DESCRIPTION

320 to 328 East Center Street and 2721 to 2733 North Buffum Street: a 30,000 square-foot vacant parcel with 120 feet of frontage on Center Street and 250 feet fronting on Buffum Street. The site offers excellent proximity to bus lines, educational resources and recreation area.

REDEVELOPER

Heartland Housing, Inc. Heartland is a Chicago-based, non-profit developer of supportive and affordable housing with over 1,600 units in the Chicago and Milwaukee areas. Heartland currently manages over 700 units of housing. In Milwaukee, Heartland's supportive housing efforts include the Prairie Apartments at 1218 West Highland Boulevard, in partnership with Guest House, and the Capuchin Apartments at 2502 West Tamarack Street (at Fond du Lac Avenue), in partnership with the Capuchin religious order. Heartland will be partnering with Community Advocates to provide on-site management. Heartland's Executive Director is Michael Goldberg.

PROJECT DESCRIPTION

Development of a 64,000 square-foot, four-story building with 34 units of supportive housing. Units will contain a mix of two to four-bedroom apartments for formerly homeless families. The project also includes a family supportive community room, business center, daycare and on-site management. The site improvements include 17 parking spaces, landscaped grounds and an outdoor playground. The Redeveloper is seeking a zoning change to LB2 concurrently with the land sale consideration by the Common Council.



Center Street Elevation



Buffum Street Elevation

Estimated project costs are approximately \$10,629,000. Estimated EBE participation is 25%. The project will be financed in part with affordable housing tax credits that are allocated by the Wisconsin Housing and Economic Development Authority (WHEDA).



OPTION TERMS AND CONDITIONS

The purchase price is \$30,000. At closing, the Executive Director is authorized to make a price adjustment based on demonstrated financial infeasibility. A \$1,250 non-refundable Option Fee is required and shall be credited toward the purchase price if the Redeveloper closes during the initial option term. A \$3,000 performance deposit will be submitted at closing and shall be held until satisfactory completion of the project.

The base option period is until December 31, 2012 to allow the Redeveloper time to apply in February 2012 for WHEDA tax credits. The period also will allow time after a WHEDA award is received in April to prepare final construction plans and obtain firm financing and equity. If the Redeveloper requires additional time beyond the base period, the Executive Director may extend the option for three, three-month periods upon submission of a \$500 non-refundable renewal fee and satisfactory progress report on the project. In the event the project does not receive a 2012 tax credit allocation, the Executive Director may extend the base term until December 31, 2013 to allow a 2013 WHEDA tax-credit application. The Executive Director also may grant discretionary extensions due to environmental concerns, title problems or delays caused by the Authority or due to changes by WHEDA for the tax-credit program.

In addition to the foretasted terms, the sale will be further conditioned as required in the Authority's resolution adopted on December 15, 2011 and in the Option to Purchase to be negotiated by the Authority and the Redeveloper.

PAST ACTIONS

The Authority held a public hearing on December 15, 2011 after which it conditionally accepted the Option to Purchase of the named Redeveloper.

FUTURE ACTIONS

Upon the Redeveloper obtaining zoning approval, firm financing and approval of final plans, the Authority will enter into an Agreement for Sale and proceed to close in accordance with the terms and conditions expressed herein and contained in the resolution adopted by the Authority. The net proceeds from the sale shall be returned to the Community Development Grants Administration and the Reserve For Tax Deficit Fund, less all sale and marketing expenses and a 30 percent development fee to be paid to the Authority.