

**BLIGHT DESIGNATION SUMMARY AND
LAND DISPOSITION REPORT
UNITED TOWNHOMES -- 26TH & CENTER**

DATE

January 29, 2009

RESPONSIBLE STAFF

Elaine Miller, Real Estate Manager (286-5732) and Yves LaPierre, Real Estate Analyst (286-5762)

BUYER

United Christian Church, Inc., or assigns. The church, formerly known as United Baptist Church, has been at 2535 West Hadley Street since 1994. Elloyd Jones is the pastor. The church recently worked with Cardinal Capital Management to develop United House, a 24-unit supportive housing initiative at 2500 West Center Street that opened in August 2008.

NEIGHBORHOOD

The 27th-Center-Fond du Lac neighborhood has seen considerable investment in recent years. In addition to United House, development includes the Community Financial Center, the Fond du Lac Center Apartments by Commonwealth Development and the Kilbourn Bank restoration. Area anchors include the Center Street Library and Wisconsin Black Historical Society.



 City Lots

PROPERTY ADDRESSES AND DESCRIPTION

All the properties are City-owned vacant lots that were acquired through tax foreclosure. Only lots needed for each phase will be conveyed at closing. In the event additional lots that are more suitable for the project become City-owned through tax foreclosure or acquisition, the lots may be conveyed to the Buyer upon the recommendation of the Commissioner of the Department of City Development. The preliminary lot list and size is as follows:

2723 North 24 th Street	4,357 SF	2830-30A North 27 th Street	4,064 SF
2727 North 24 th Street	3,112 SF	2834 North 27 th Street	3,810 SF
2847-49 North 24 th Street	3,660 SF	2846 North 27 th Street	3,429 SF
2748-50 North 24 th Place	12,574 SF	2850 North 27 th Street	3,556 SF
2433-34 West Hadley Street	4,218 SF	2805 North 27 th Street	8,250 SF
2732-34 North 25 th Street	4,464 SF	2827-29 North 27 th Street	4,687 SF
2854-56 North 25 th Street	4,270 SF	2849-51 North 27 th Street	3,750 SF
2702-04 North 26 th Street	6,250 SF	2853-55 North 27 th Street	3,750 SF
2718-20 North 26 ^h Street	3,735 SF	2859 North 27 th Street	3,750 SF
2724 North 26 ^h Street	3,984 SF	2863 North 27 th Street	3,750 SF
2728-44 North 26 ^h Street	3,735 SF	2867 North 27 th Street	3,750 SF
2754 North 26 ^h Street	6,847 SF	2744-46 North 28 th Street	3,900 SF
2825-27 North 26 th Street	3,984 SF	2752-54 North 28 th Street	3,600 SF
2829-31 North 26 th Street	3,984 SF	2860-62 North 28 th Street	3,750 SF
2833 North 26 th Street	3,984 SF	2866-66A North 28 th Street	3,750 SF
2839 North 26 th Street	3,984 SF	2833 North 28 th Street	4,750 SF
2744 North 27 th Street	3,750 SF	2877-79 North 28 th Street	8,406 SF
2752-24 North 27 th Street	3,750 SF		

Unused lots may be made available to the Buyer for a second phase of the project upon approval of the Commissioner of DCD.

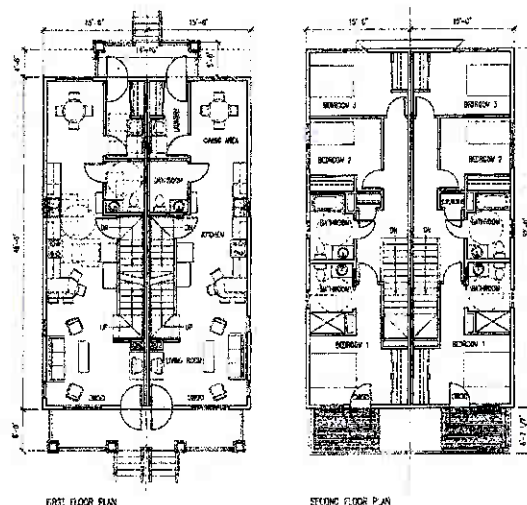
PROPOSED REDEVELOPMENT

United Townhomes, a 24-unit scattered site affordable housing development with potential for a second 24-unit phase. The units will be townhouse style with two units per buildings. The townhomes will be two stories with three bedrooms, 2.5 baths and approximately 1,400 SF.

Total project costs are approximately \$6.05 million. The buyer estimates 27% participation by EBE contractors. The project will be financed in part through federal housing tax credits allocated by WHEDA with additional funding provided by conventional financing and the Housing Trust Fund.



Preliminary Elevation



Preliminary Floor Plans

The tenants will be a mix of families earning in the 50% to 60% of county median income. After the 15-year tax-credit compliance period, the units will be sold at affordable prices to tenants who have built up sufficient equity through the rental payments.

OPTION TERMS AND CONDITIONS

The purchase price will be \$25,000. 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 option terms correspond to WHEDA's Affordable Housing Tax Credit allocation schedule and will allow applications over a two-year period. The initial option shall be until June 30, 2009, to allow for a 2009 WHEDA tax-credit application. Upon an award, the initial term is automatically extended until December 31, 2009, to allow the buyer to obtain final construction plans, sell the tax credits to raise equity and obtain conventional and/or new market financing. A separate option may be executed with Buyer for unused lots for a Phase II application to WHEDA.

If the Buyer does not receive a 2009 allocation, the option shall be extended until June 30, 2010 to permit a 2010 tax credit application. After an award, the term shall be automatically extended until December 30, 2010. If the Buyer additional time past December 31st to sell the tax credits or obtain firm financing or final plans, the DCD Commissioner may renew the option for up to two six-month periods based on demonstrated project progress. Renewals require a \$500 non-refundable renewal fee and a progress report on the efforts to obtain financing and plans. If the Buyer fails to make a 2009 or 2010 tax credit application to WHEDA, the option may be terminated by the Commissioner or DCD. The Commissioner of DCD is authorized to alter the option terms based in changes in the tax credit program by WHEDA.

PAST ACTIONS

United Christian Church previously received an Option to Purchase from the Redevelopment Authority when a private acquisition was needed. That property was subsequently acquired by the City through tax foreclosure. Additional City lots were needed for the revised project and given time constraints, City authorization was recommended rather than the Redevelopment Authority.

FUTURE ACTIONS

Upon approval by the Common Council, the Buyer will apply to WHEDA for affordable housing tax credits. Upon receipt of the credits, sale of the equity, obtaining firm financing and construction plans, the City shall close with the Buyer.

Closing contingencies include DCD approval of final construction plans and financing and execution of Purchase and Sale Agreement that provides for reversion of title in the event of non-performance