

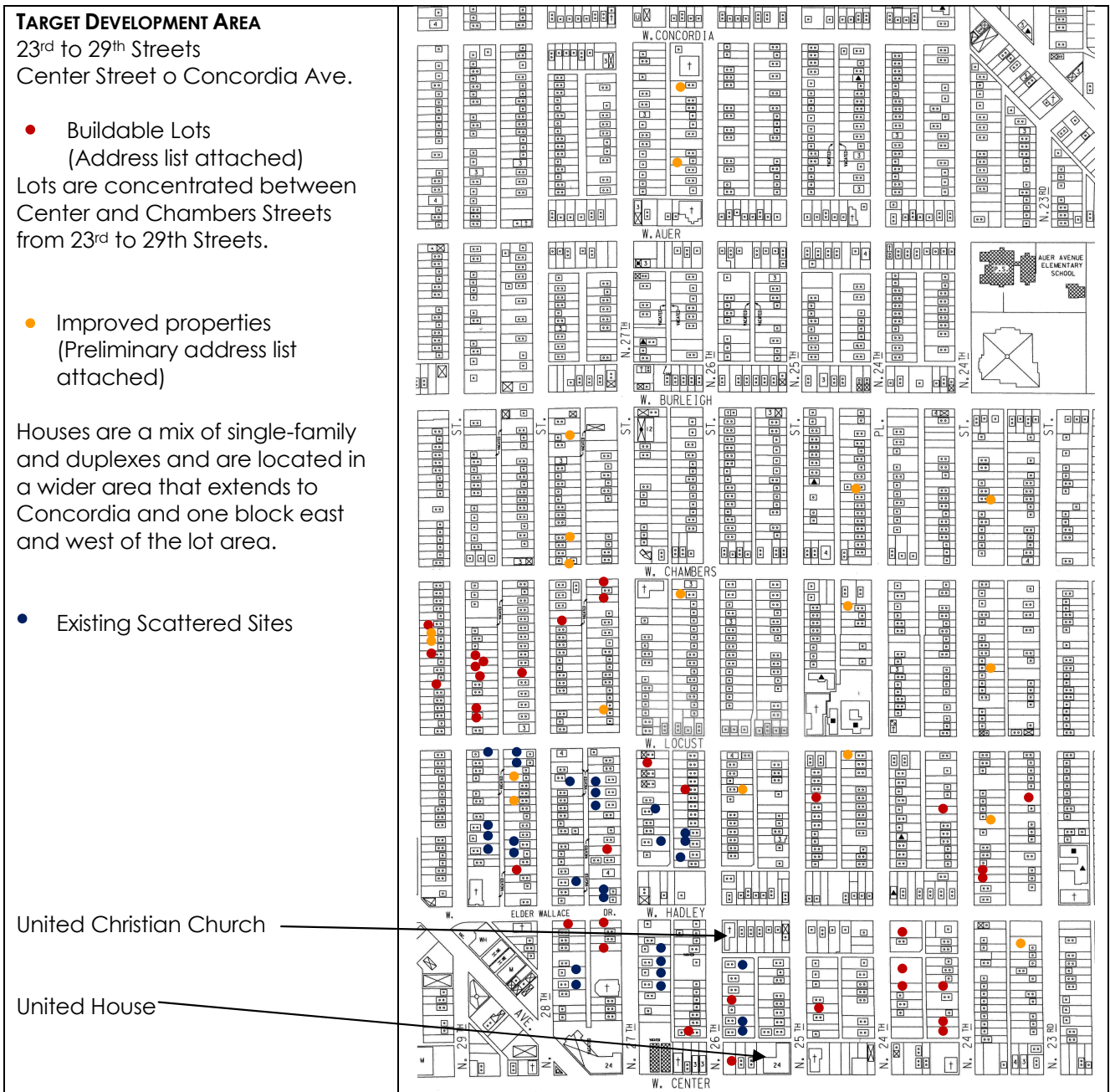
**LAND DISPOSITION REPORT
COMMON COUNCIL OF THE CITY OF MILWAUKEE**

DATE

January 10, 2012

RESPONSIBLE STAFF

Elaine Miller, Real Estate Manager, & Clifton Crump, Program Manager



BUYER

United Christian Church, Inc. The church, located at 2535 West Hadley Street, has been actively developing scattered-site, affordable housing in the neighborhood since 2008. The first project was United House, a 24-unit supportive housing effort at 2500 West Center. Two phases of scattered site housing containing 48 units has been developed in 2010 and 2011. Elloyd Jones is the pastor. The

church partners with Star Development, a minority-based housing developer from Ann Arbor, Michigan. Sam Thomas is the president. The equity investor is expected to be Great Lakes Capital Fund.

PROJECT DESCRIPTION

United Homes Phase III is a mix of scattered-sited affordable housing involving 24 new construction units and 24 units in rehabilitated tax-deed homes. The new construction will involve all single-family units, 13 four bedroom homes with two and a half baths and 11 three bedroom homes with 2 bathrooms. All will have garages. The rehabilitation project will involve a mix of single-family and duplex homes.



Estimated project costs are approximately \$6.4 million for the construction project and \$ 5.7 million for the rehabilitation component. Both projects will be financed primarily through federal affordable housing tax credits allocated by WHEDA. Additional assistance may be provided by Neighborhood Stabilization Funds based on project feasibility.

The co-developers have an outstanding record with Emerging Business Enterprise participation, contractor mentoring and hiring local residents. The last project, United Homes, had over 50% EBE participation. Estimated EBE participation for this project is targeted at 50% of the construction and rehabilitation budgets.

OPTION TERMS AND CONDITIONS

The purchase price will be \$500 per vacant lot and \$5,000 per housing structure. At closing, the DCD Commissioner is authorized to make a price adjustment based on demonstrated financial infeasibility. A \$1,500 non-refundable Option Fee for each project is required within 10 days of approval by the Common Council and shall be credited toward the purchase price if the Buyer closes on or before December 31, 2012. A \$3,000 performance deposit for each project component will be submitted at closing and shall be held until satisfactory completion of the respective projects.

The base option period is until December 31, 2012 to allow the Buyer time to apply in February 2012 to WHEDA tax credits. The period will also allow time after a WHEDA award is received in April to prepare final construction plans and obtain firm financing and equity. If the Buyer requires additional time beyond the base period, the DCD Commissioner 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 DCD Commissioner may extend the base term until December 31, 2013 to allow a 2013 WHEDA tax-credit application. The DCD Commissioner may also grant discretionary extensions due to environmental concerns, title problems or delays caused by the Redevelopment Authority or due to changes by WHEDA for the tax-credit program.

FUTURE ACTIONS

After receipt of a tax credit allocation, the Buyer must obtain a firm commitment from the equity investor, other financing as needed and approval of final construction plans or rehabilitation scopes of work prior to closing for each component. DCD will negotiate and execute an Agreement for Sale for each component with the Buyer to outline the terms and conditions of the development, including reversion of title provisions in the event of non-performance.

PRELIMINARY BUILDING SITE LIST

Site #	House #	Street	Tax Key
1	2732-2734	N 25th St.	3101878000
2	2854-2856	N 25th St.	3102522000
3	2721/23	N 26th	3101931000
4	2861/63	N 26th	3102416000
5	2870-2874	N 27th St	3102425111
6	2827-2829	N 27th St	3090306000
7	2819	N 28th St	3090344000
8	2778	N 28th St	3090428000
9	2736-38	N 26th	3101909000
10	2777	N 27th	3090397000
11	2765	N 27th	3090400000
12	2443	W. Hadley St	3101101000
13	2723	N. 24th St	3109963000
14	2727	N. 24th St	3109962100
15	2745 A	N. 24th St	3101840000
16	2748-50	N. 24th Place	3101849100
17	2744	N. 24th Place	3101848000
18	2812-14	N. 24th Street	3101650000
19	2818	N. 24th Street	3101651000
20 & 24	2859	N 23rd Street	3101367100
21	2862	N. 24th Street	3101377100
22	2847	N. 24th Street	3102532000
23	2702	N. 26th Street	3101904000
25	2904	N. 29th Street	3090236000
26	2912	N. 29th Street	3090238000
27	2927	N. 29th Street	3090212000
28	2928	N. 29th Street	3090242000
29	2932-34	N. 29th Street	3090243000
30	2936	N. 29th Street	3090244000
31	2940	N. 29th Street	3090208000
32	2941-43	N. 29th Street	3090208000
33	2951	N. 29th Street	3090206000
34	2957	N. 29th Street	3090204000
35	2931-33	N. 28th Street	3090229000
36	2956-58	N. 28th Street	3090287000
37	2969	N. 27th Street	3090256000
38	2979	N. 27th Street	3090254000

PRELIMINARY HOUSE LIST

Site #	Address	Key No.
1	2875-77 North 24th Place	3109975000
2	2969 North 24th Place	3100584000
3	2867 North 28th Street	3090333000
4	2855 North 28th Street	3090336000
5	3066 North 28th Street	3090134000
6	3039 North 24th Street	3100511000
7	3233-35 North 26th Street	2850780000
8	2765A North 24th Street	3101104000
9	3034 North 24th Street	3100179000
10	3232-34 North 26th Street	2850770000
11	3273 North 26th Street	2850621100
12	2913 North 27th Street	3090269000
13	3012 North 28th Street	3090121000
14	2955 North 29th Street	3090205000
15	2858-60 North 26th Street	3102411000
16	2951 North 29th Street	3090206000
17	2973 North 27th Street	3090255000
18	2846 North 24th Street	3101373100
19	2749 North 23rd Street	3100208000
20	2925 North 23rd Street	3101014000
21	2759 North 26th Street	3101923100
22	2910 North 27th Street	3109998000
23	3140 North 28th Street	2860213000
24	3165-67 North 28th Street	2860945000
25	3247 North 29th Street	2861053100
26	2975-A North 24th Street	3100597000
27	3256 North 25th Street	2850329000
28	3219 North 26th Street	2850783000
29	2936 North 30th Street	3090658000
30	2759 North 26th Street	3101923100
30	3219 North 26th Street	2850783000
31	2725 North 23rd Street	3100404000
32	2934 North 24th Street	3101006000