

**Memorandum of Understanding
Between
Department of Neighborhood Services (DNS)
Department of City Development (DCD)
Neighborhood Improvement Development Corporation (NIDC)
And
Wisconsin Housing and Economic Development Authority (WHEDA)**

DNS, DCD, NIDC, and WHEDA wish to update and amend the August 22, 1997 cooperative development agreement relating to residential infill development in the City and build upon new construction efforts of the Lindsay Heights Infill Homeownership Initiative and CityHomes Sub-division project.

The intent of this document is to set out clear expectations and mutually agreeable understanding between the parties in regard to the efforts, responsibilities and working relationship of each under the Lindsay Heights new construction initiative.

Communication/Coordination

Each party agrees to keep the other informed of programs, projects, or activities that are relevant to the initiative. Each party shall identify a "project coordinator" to represent their organizations. The project coordinators shall be responsible for facilitating the involvement of their organization in the initiative. Initially, the project coordinator for the Department of City Development shall be Gregory Shelko, the Project Coordinator for DNS shall be Michael D. Morgan, and the project coordinator for WHEDA shall be Connie Pukaite.

Available sites

- The City will make available vacant lots in the area bounded by Walnut Street on the south, Locust Street on the north, 12th Street on the east and 20th Street on the west. The lots will be available on a first-come, first-served basis to interested buyers for the purpose of construction of new homes, with a preference for owner-occupied single family structures. In order to reserve a lot, the buyer must submit the following to DNS:
 - Mortgage Loan pre-qualification from a bona fide lender
 - Name of Builder
 - \$500 good faith deposit, which will be credited at closing

Exception: If buyer provides documentation of a \$500 or more deposit pre-paid to the builder, deposit to the City may be waived. The purchase price of the lot will be paid at closing
- The DNS will report Offers-to-Purchase to the WHEDA Project Coordinator as they are received to maintain up-to-date awareness of new home construction progress.
- The DNS will accept, reject or counter prospective buyer's Offer-to-Purchase within two business days of its receipt.
- Prospective buyers must submit their building plans, pre-approved by the DCD Long-Range Planning Section, to DNS within 90 days of the accepted Offer-to-Purchase. Extensions can be given on a case-by-case basis.
- The DCD Long Range Planning Section will maintain a list of pre-approved building plans and distribute that list to the coordinators. Prospective buyers may request that the DCD Long-Range Planning Section review and approve modifications to pre-approved building plans. The DCD Long-Range Planning Section will complete its review and convey its decision to the prospective buyer in writing within 10 working days of receipt by the Section of building plans that clearly show the proposed modifications.

- Priority for marketing and development will be given to lots located in cluster areas that have been mutually identified by the parties. However, a buyer may select any available vacant lot outside the priority clusters, but buyers should understand that there may be processing delays for such things as; reviews, certification, administrative or council action, surveys and/or other land assembly work. Buyers should also understand that other neighborhood re-development activities are focused in priority cluster areas.

The first two cluster areas that have been identified for the projects are included as "Attachment A." In general, up to three clusters may be marketed at any given time. At the point where more than 50% of the lots in a cluster have been sold and loans have been closed, the parties will identify additional clusters for priority development.

- DCD will provide the coordinators with a list, which shall be updated on a quarterly basis, of all the lots available in the cluster and the acceptable building criteria for each lot (building width, vehicle access, etc.). (Note: Front setback and foundation height requirements are determined by the DCD Development Center when a building permit is applied for.)

Development Funds

NIDC currently has funds originally provided by WHEDA to NIDC for lot identification for the Lindsey Heights Infill Homeownership Initiative. These funds have been and will be used for underground storage tank testing, modified Phase I assessments, Certified Survey Maps, Subdivision Maps and remediation of any environmental hazards or extraordinary soil conditions up to \$2,000 per lot if needed. Also, NIDC will continue to provide \$6,000 per lot for the installation of water and sewer laterals to the property and will prioritize other resources in the identified cluster areas. The maximum funds available for any single lot will be \$8,000 and will be provided on a first-come, first-serve basis as long as the funds are available. Exceptions can be granted on a case-by-case basis. When funds have been exhausted, the parties will work together to identify monies for additional development.

The City will make every possible effort to generate Tax Incremental Financing and/or other traditional resources available for neighborhood housing rehabilitation or home construction within TID area.

Buyers of any lot in the development area using resources supplied by WHEDA for Phase I review, Certified Survey Maps, Subdivision Maps, soil remediation or other development preparation will pay WHEDA a \$1,000 per lot development fee. The fee will be paid at the time of the final closing, and will be used to offset pre-development and marketing costs WHEDA has and will incur to launch and promote the infill initiative.

Financing

WHEDA will make available construction and long term financing at a below market interest rate [not to exceed 5.5%] for new home purchases in the infill initiative area to home buyers who qualify for mortgage loans in accordance with WHEDA underwriting and standard procedures. If any development proposal involves the construction of a significant number of contiguous units, WHEDA's participation may be limited to a percentage of the total contiguous development.

Review Process

The DCD agrees to assist each builder to expedite the review of applications and necessary permits and approvals in order for development of properties to proceed in an expeditious manner

Code Enforcement

DNS agrees to develop a plan, in consultation with DCD, WHEDA, and neighborhood stakeholders to undertake intensive code enforcement of problem properties within cluster areas. Priority attention will be given neighborhoods and properties identified in the September 2000 PDI Study and recommendations completed for NIDC.

Coordinated Development Effort

The parties agree to coordinate development efforts in the area, work to identify additional funds for development activities and to collaborate with other partners in the community to achieve the goals of the infill initiative. DNS and WHEDA further agree to produce and implement a joint marketing plan for the initiative, including development of website access to information about building lots and financing available.

This memorandum of understanding will be in effect until December 31, 2002. At that time, the parties may extend and/or modify the agreement by mutual consent.

Memorandum of understanding agreed to on this ___ day of _____, 2001.

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

By: _____
J. Frederic Ruf, Executive Director

THE CITY OF MILWAUKEE

By: _____
John O. Norquist, Mayor

By: _____
Clerk

By: _____
Comptroller

By: _____
Chair/Executive Director, Redevelopment Authority

By: _____
Commissioner, Department of Neighborhood Services (DNS)

By: _____
Commissioner, Department of City Development (DCD)

By: _____
President, Neighborhood Improvement Development Corp (NIDC)