

ATTACHMENT A

Draft Term Sheet

City of Milwaukee financial assistance to Pastors United to support redevelopment of residential properties in Garden Homes neighborhood

Project

The project shall consist of the acquisition and redevelopment of six City-owned tax foreclosed properties in the Garden Homes neighborhood in the 30th Street Industrial Corridor. Pastors United (“Developer”) will be collaborating with stakeholders in the corridor who have been working together to improve housing and neighborhood conditions around the Garden Homes Park. The properties are part of the original Garden Homes Development, the first municipally sponsored cooperative housing project in the country.

Developer Responsibilities

- Developer will undertake the redevelopment of six properties purchased from the City in the Garden Homes neighborhood target area: 4481 N. 25th St., 4366 N. 26th St., 4401 N. 26th St., 4447 N. 26th St., 4437-41 N. 25th St. and 4369 N. 26th St.
- Developer will provide a detailed scope of work for each property and a budget detailing total project costs.
- Developer will provide evidence of financing commitment to finance the redevelopment of the properties.
- Developer will market the properties for sale to owner-occupants upon completion. Buyers of renovated properties will be required to own and occupy the property for five years from the date of sale.
- Should Developer be unable to sell a property to an owner-occupant within six months of completion of renovation, the property may be rented until it can be sold to an owner-occupant, provided that Developer retains ownership and engages a professional property manager to manage the property.
- Developer must document that RPP-certified workers perform a total of at least 1,800 hours of work related to the project.

City Responsibilities

- City Real Estate will reserve properties within the target area for development team for the initiative and will sell them to Developer for \$1/property, plus listing broker fees (if any).
- The City will provide funds of up to \$240,000 to provide gap financing for the properties that will be redeveloped under the project.
- City funds will be provided as reimbursement to Developer, following completion of property renovation and sale to owner occupant. Documentation of actual renovation expenses and RPP participation will be required prior to reimbursement.

Financial Statements

Developer shall keep accurate, full and complete books and accounts for activity under the program. Developer shall grant to the City or its designees, access to its records pertaining to the project to conduct reviews of activity under the program.

Sale and Development Agreement

This term sheet does not constitute an agreement between the City and the Developer. The terms set forth and any other requirements necessary for a transaction of this sort shall be incorporated in a Sale and Development Agreement to be entered into between the Developer and City.

Contract Term

The Sale and Development Agreement will have a one-year term. Extensions may be granted based on performance.