

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

DATE

January 3, 2020

RESPONSIBLE STAFF

Yves LaPierre, Real Estate Section (286-5762)

BUYER

Milwaukee Habitat for Humanity, Inc. is a local organization that is part of a nationwide effort to build new homes for first-time, low to moderate-income buyers. Volunteer labor, including required sweat equity by future buyers, and homebuyer counseling are key to Habitat's success. Its Executive Director is Brian Sonderman. Since 1984, Habitat has built over 500 homes for Milwaukee families. After several years of concentrating in the Washington Park, Walnut Hill and Midtown neighborhoods, Habitat is committing to a multi-year effort to build new homes and renovate existing homes in the Harambee neighborhood. Over the course of three years, Habitat hopes to construct 19 new homes on City-owned lots.

PROPOSED USE

Construction of single-family, owner-occupied homes beginning in Spring 2020. Three different models will be constructed. Each home will be approximately 1,100-1,400 square feet and will have 3-4 bedrooms and 2 baths. Once completed, the homes will be sold to owner-occupants for approximately \$85,000 to \$90,000. Each owner is required to contribute "sweat equity" to the new home.

OFFER TERMS AND CONDITIONS

The properties will be sold "as is" for \$1 per lot. 2020 closing will occur within six months of Common Council approval, but in advance of construction to allow Habitat to obtain needed certified survey maps to create building sites. Subsequent closings will occur in each year of Habitat's build program for the Midtown neighborhood. Closing is subject to Department of City Development ("DCD") approval of final house designs and site plans. The Purchase and Sale Agreement will include reversion of title provisions for non-performance. No earnest money or performance deposit will be required based on Habitat's past performance.



Sample House Design

PROPERTIES

Nineteen vacant lots for building sites in the Harambee neighborhood. If any lots are determined to be infeasible for construction, as Habitat prepares building plans or certified survey maps or additional lots become City-owned, the Commissioner of DCD may substitute a similar lot in the target area upon approval from the local Common Council Member.

Address Tax Key No.

3459-61 North 3rd Street	282-0431-000
3453 North 3rd Street	282-0433-100
3403-05 North 3rd Street	282-1310-100
3368 North 3rd Street	282-0411-000
3353-55 North 3rd Street	282-1314-000
3350 North 3rd Street	282-1304-000
3406 North 3rd Street	282-0413-000
3475 North 1st Street	282-0102-000
3479 North 1st Street	282-0101-000

Address

3469-71 North 1st Street
114-16 West Randolph Street
120-22 West Randolph Street
3470 North 2nd Street
3466 North 2nd Street
3465 North 2nd Street
3463 North 2nd Street
3460-62 North 2nd Street
3456-58 North 2nd Street
3454 North 2nd Street

Tax Key No.

282-0103-000
282-2116-000
282-2115-000
282-2107-000
282-2108-000
282-2304-000
282-2305-000
282-2109-000
282-2110-000
282-2111-000



Habitat building area in the Harambee neighborhood
 2020-2022 Build

DUE DILIGENCE CHECKLIST – MILWAUKEE HABITAT FOR HUMANITY 2020-2022

Market value of the property.	Vacant lots to be sold for \$1 per lot to create building sites for new home construction and owner-occupancy.
Full description of the development project.	Construction of single-family, owner-occupied homes beginning in Spring 2020. Three different models will be constructed. Each home will be approximately 1,100-1,400 square feet and will have 3-4 bedrooms and 2 baths. Once completed, the homes will be sold to owner-occupants for approximately \$85,000 to \$90,000. Each owner is required to contribute "sweat equity" to the new home.
Complete site, operations and scope of work for development.	Please see the Land Disposition Report for details.
Developer's project history.	Milwaukee Habitat for Humanity has built over 500 homes since 1984 and successfully supported new homeowners and strengthened neighborhoods.
Capital structure of the project, including sources, terms and rights for all project funding.	Habitat will fund the project with its own equity, fundraising and private financing.
Project cash flows for the lease term for leased property.	Not applicable.
List and description of project risk factors.	Department of City Development staff determined that there is very low risk in selling the property to Habitat, based on the Developer's track record developing previous projects in Milwaukee.
Tax consequences of the project for the City.	The deed of conveyance will contain a restriction prohibiting the Developer, its assignee or its successors from applying to the City for tax-exempt property status. Development of City land with new homes will greatly increase taxable value of property.