

Name:

**Narrative Attachment 31:
Capacity – Overall Community
Involvement Documentation**

Name of Lead Applicant:

City of Milwaukee

Name of File:

Att31CapOverallCommInvolvDoc

N/A

Name:

**Narrative Attachment 32:
Capacity – References**

Name of Lead Applicant:

City of Milwaukee

Name of File:

Att32CapacityReferences

ATTACHMENT 32: CAPACITY - REFERENCES

Lead Applicant

Washington Park: Larry Witzling, Ph.D., A.I.A., A.S.L.A., Principal, GRAEF, Professor Emeritus, UWM School of Architecture and Urban Planning, 2131 E. Hartford Avenue, Milwaukee, WI 53211, 414-266-9220, larry.witzling@graef-usa.com

Walker's Point/5th Ward: Julia Taylor, President, Greater Milwaukee Committee, 247 Freshwater Way, Suite 400, Milwaukee, WI 53204, 414-272-0588, jtaylor@gmconline.org

Neighborhood Implementation Entity

Berline B Redevelopment Plan: Peter Park, Peter J. Park, LLC, City Planning and Design, 4111 East 18th Avenue, Denver, CO 80220, 303-378-4810, peter@peterpark-planning.com

Menomonee Valley: David Misky, Assistant Secretary, Redevelopment Authority of the City of Milwaukee, 809 N. Broadway, Milwaukee, WI 53202, 414-286-8682, dmisky@milwaukee.gov

Housing Implementation Entity

Townhomes at Carver Park/Lapham Park: John O. Norquist, Adjunct Professor, DePaul U. Real Estate Program in the Business School John DeGroves Eminent Scholar Florida Atlantic University, 777 Glades Road, Boca Raton, Florida 33431, at 312-451-3204, johnolofnorquist@gmail.com

Westlawn Gardens: Todd Krumwiede, Vice President – Originations, PNC Real Estate - Tax Credit Capital, 1 N. Franklin St., Ste 2500, Chicago, Illinois 60606, (312) 338-8296, todd.krumwiede@pnc.com

People Implementation Entity

Highland Park: N. Lynn Craghead, Senior Vice President, U.S. Bancorp Community Development Corporation, 120 W. 12th Street, Suite 510, Kansas City, MO 64105-1919, (816) 871-2120, lynn.craghead@usbank.com

Name:

**Narrative Attachment 33:
Need – Rehabilitation Cost
Estimate from PNA**

Name of Lead Applicant:

City of Milwaukee

Name of File:

Att33NeedRehabCostEstFromPNA



February 6, 2015

The Honorable Tom Barrett
Mayor, City of Milwaukee
City Hall Room 201
200 East Wells Street
Milwaukee, Wisconsin 53202

RE: Westlawn - Attachment 33
EMG #106751.13R-01A.170

Dear Mayor Barrett:

Please find below a calculation of Current Rehabilitation Costs as percent of TDC based on our opinions of probable rehabilitation cost excerpted from the PNA we conducted for MHA’s Westlawn site in 2015. Please keep in mind the purpose of a PNA is to determine the costs necessary to keep a property in the condition at the time of the inspection. Additional costs may be necessary to improve the marketability/viability of the subject property. Consistent with our findings described within the report, the property has a number of physical needs that could be costly to fix, some of which may require further study to more accurately define the cost to correct including but not limited to the correction of moisture problems in the basements and potable water and sanitary line replacement. For the purposes of this study and considering the time tables required for Planning and Design, the Immediate Needs should be those needs outlined through 2019. The 2015 costs are limited to Code Violations and Life Safety related improvements.

Location	2015	2016	2017	2018	2019	Total Escalated Estimate
Westlawn	\$25,366	\$38,923,802	\$0	\$232,886	\$584,037	\$39,766,091

As described in the PNA table “Replacement Reserves Report”, the total estimated rehabilitation costs through 2019 are \$39,766,091. This amount, divided by 394 existing units yields an estimated rehabilitation cost per unit of \$100,929. Dividing the estimated rehabilitation cost per unit developed in the PNA, by the HUD – provided TDC for two bedroom units of \$221,034 results in an estimated rehabilitation needs as percent of TDC of 45.66 percent.

If you have questions regarding any elements of our response, please feel free to contact me.

Sincerely,

Edward Beeghly
Program Manager
EMG
ebeeghly@emgcorp.com



WESTLAWN APARTMENTS
IMMEDIATE NEEDS - TOTAL ESTIMATED REHABILITATION COSTS

Date:

Onsite: January 26th, 2015
Report: February 9th, 2015

Prepared by EMG:

Ken Kulbeda
Edward Beeghly
Bill Champion, PE

Location	2015	2016	2017	2018	2019	Total Escalated Estimate
Westlawn Apts.	\$25,366	\$38,923,802	\$0	\$232,886	\$584,037	\$39,766,091

Name:

**Narrative Attachment 34:
Need – Structural Deficiencies
Documentation**

Name of Lead Applicant:

City of Milwaukee

Name of File:

Att34NeedStructuralDeficiencDoc



TORTI GALLAS AND PARTNERS

Architects of Sustainable Community

6 February 2015

The Honorable Tom Barrett
Mayor, City of Milwaukee
City Hall Room 201
Milwaukee, WI 53202

Principals

John Francis Torti, FAIA

Thomas M. Gallas, CPA

Robert S. Wallach, AIA

Cheryl A. O'Neill

Charles G. Coleman, III, RA

Daniel Ashtary, AIA

Bruce D. Kennett, AIA

Sherief Elfar, AIA

Robert S. Goodill, AICP

Neal I. Payton, FAIA

Lawrence V. Antoine, AIA, AICP

Thomas E. Danco, AIA

Erik J. Aulestia, AICP

Troy McGhee, AICP

Brian E. O'Looney, AIA

Sarah Alexander, AIA

Andrew P. Czajkowski, AIA

Scott Welch, RA

Emeritus

Tunca Iskir

Sylvia S. Munero

Re: CNI Attachment 34: Need – Structural Deficiencies Documentation

Dear Mayor Barrett,

The Westlawn Housing Development (the Existing Housing Project) has significant deficiencies in structural elements, building systems and on-site infrastructure. I have observed these deficiencies through ongoing visits dating back to 2009, and they have been documented in Physical Needs Assessments (PNA) in 2013, and most recently in the February 4, 2015 PNA by EMG, wherein the assessment's summary describes the project as in "severe distress". The deficiencies include:

Deficiencies in Structural Elements: The Westlawn Housing Project is built of wood framed structural walls with brick veneer exterior cladding, concrete foundations and basement walls, and wood framed roofs. Over the 63 year lifespan of these buildings, poor grading and drainage has contributed to water infiltration, particularly at the basement structural walls, with rain often penetrating through exposed sill plates at the first floor wood framed walls, inundating the brick cladding and foundation wall surfaces with water. Frequent rain events have deteriorated these walls and cladding. The brick cladding was installed with an inadequate, and in some cases non-existent drainage plane, further exacerbating the problems created by trapped moisture. Retrofitting waterproofing in these kinds of conditions necessitates the removal of the brick cladding at a cost prohibitive premium, and in any case would fail to address the persistent grading and drainage issues of the soil characteristics and formation.

Deficiencies in Building Systems: Electrical panels are frequently located in close proximity to the leaking basement foundation walls, a deficiency that creates a significant life safety hazard. Resident supplied air conditioners place a significant electrical load on the system, which was unanticipated at in the initial installation of the electrical system. The existing service and electrical panels do not adequately meet these demands. Plumbing systems are outdated, inefficient and wasteful, with frequently identified leaks and pipe failures, particularly for the sewer system. Gaps between bathroom plumbing fixtures and walls allow water to penetrate into wall cavities. Plumbing service for automatic fire sprinkler systems was not up to code as far back as a 2011 fire marshal inspection, and it has not been upgraded since. Heating is supplied through single zone systems that provide heat with unbalanced, inefficient and wasteful delivery. Residents will often open windows in portions of the house that are over-heated, while other areas of the home remain frigid.

Deficiencies in On-site Infrastructure: Asphalt paving and drive aisles are in poor condition with isolated areas of failure. Heaved sidewalks pose tripping hazards and flaunt conformance with accessibility standards, including 504 and UFAS compliance. Poorly draining soils and poor grading contribute significantly to the water problems associated with the deficiencies identified in both structural systems and building systems outlined above.



Hazardous Conditions: The persistent presence of moisture, which is conducive to mold growth and associated with the water infiltration issues outlined above, has been repeatedly and often identified within the units at Westlawn, particularly in basements. The proximate location of past auto stations and a drycleaner within 1/8th mile of the site suggest the possibility of off-site impacts, particularly in light of poor soil drainage through the site to the Lincoln Creek basin.

HUD approved the demolition of the units that formerly occupied Westlawn Gardens immediately to the east of the Westlawn Housing Development (Existing Housing). The demolished units at Westlawn Gardens were the same design, built at the same time and to the same standards as the subject units of the Westlawn Housing Development. Under the terms of the 2014/15 Choice Neighborhoods NOFA, full Need for Structural Deficiencies is demonstrated through HUD approval for demolition. In my assessment, the HUD approved demolition at Westlawn Gardens should meet that condition by extension.

I, Lawrence Antoine, a registered architect in the Commonwealth of Virginia, attest to the conditions and deficiencies described above.

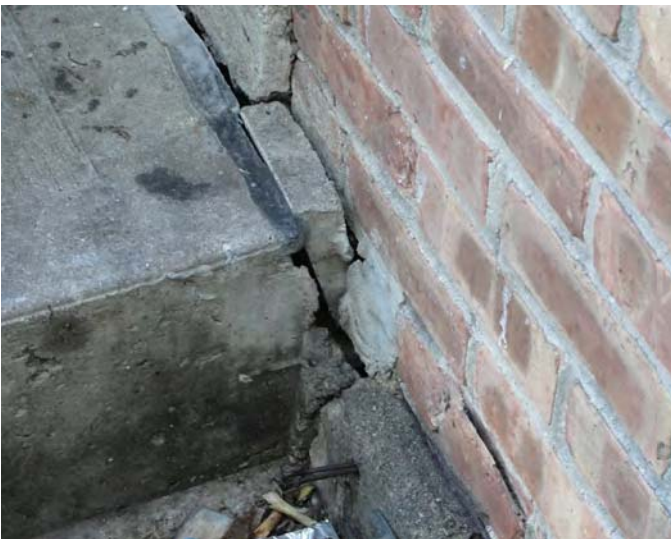
Lawrence V. Antoine, Jr, AIA, AICP, LEED AP (BD+C)
Principal
Virginia Registration # 0401011573



**Structural Deficiencies –
Window AC Units & Service Retrofits**



**Structural Deficiencies –
Outdated and Undersized Systems**



**Structural Deficiencies –
Cracked Foundations, Water and Air Infiltration**



**Structural Deficiencies –
Poor Site Drainage Results in Flooded Basements and Mold**



**Structural Deficiencies –
Ineffective Retrofit Discharge Pipes Create Hazards**



**Structural Deficiencies –
Unsafe and Unsanitary Conditions**

Name:

**Narrative Attachment 35:
Need – Design Deficiencies
Documentation**

Name of Lead Applicant:

City of Milwaukee

Name of File:

Att35NeedDesignDeficienciesDoc

Attachment 35: Need - Design Deficiencies.

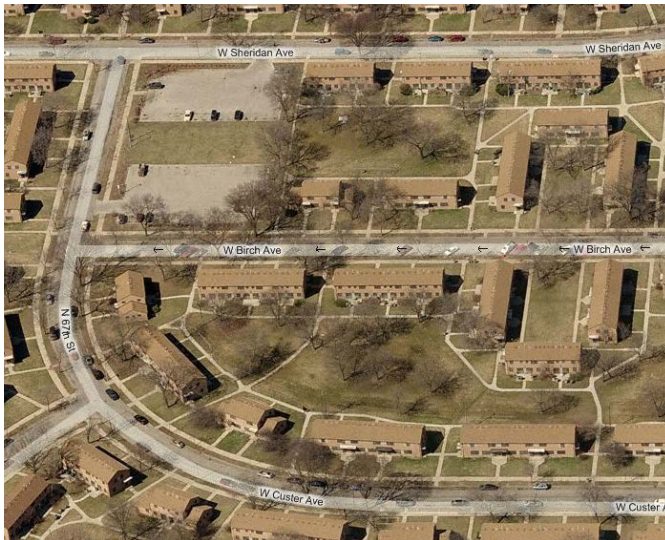
- ***Inappropriate site layout.*** The Westlawn Housing Development's barracks-style buildings and disconnected super-block configuration resemble nothing in the surrounding area. The development is physically and socially isolated from the surrounding community, making it more susceptible to crime and congestion
- ***Inadequate room and unit size.*** The Westlawn Housing Development's units are small and poorly-configured, rendering them inadequate for modern family and individual life. Kitchens, baths, bedrooms and living spaces are poorly arranged and undersized. Room sizes, natural lighting and ventilation are inadequate, and in many cases do not meet current building code standards. Kitchens have almost no usable counter space and little wall length for necessary cabinetry. The location of rear doors and circulation through the kitchens infringe on the already minimal workspace. Many of the kitchen appliances are undersized for the capacity demands of family units. Bathrooms at standard units are smaller than comparable code compliant bathrooms. Resident complaints about inadequate room sizes for bedrooms and living areas, and the lack of storage space are common. Secondary bedrooms of less than 80 square feet fall far short of the 120 square foot minimums used in typical PHA new construction. Linear bedroom dimensions of 9' or less are common at Westlawn; a 10' minimum is standard practice for newly designed bedrooms. There's almost no interior storage space. Clothes closets with 3' of rod and shelf are prevalent, and often the clothes closets are carved out of already inadequate bedroom areas instead of accessed off of a flush bedroom wall. Living Rooms of 11' by 13' do not accommodate the furniture loads of most current Westlawn residents. Interior stairways run parallel to the short length of the units and divide the front and back of the unit, thereby cutting up already small spaces (a more functional approach in small houses is to run the stairs along a perimeter wall with the longest dimension of the unit). Additionally, when measured against building codes for new construction, the hallways and stairs are too narrow in overall width, and too steep at individual stair risers.
- ***Indefensible Space:*** Many deficiencies common to barracks style housing complexes are found at the Westlawn Housing Development. Parking is remote from the units and a source of complaint for residents; the fronts and backs of units are virtually indistinguishable; and the extent and pattern of inner block open space – called the courts at Westlawn – dominates the site plan, with undefined edges and a scale that defies monitoring. All of these elements contribute to the indefensible nature of the property and individual units. The open spaces are at the interior, so there are no “eyes on the street” at the interior, where the majority of the land area is allocated.
- ***Inaccessibility:*** There are no fully 504 compliant units at the Westlawn Housing Development. Accommodating persons with mobility impairments and other physical disabilities is a challenge at individual units at Westlawn. Accessible routes, in the form of ramps, are placed ad hoc, and in a variety of construction materials and techniques, in a limited and scattered pattern across the site. The individual unit constraints -- outlined in the above discussion of room and unit configuration -- place serious restriction on units' capacity to accommodate renovation to any reasonable accessibility standard. Bathrooms in the nominally accessible units are located on the upper floors of the units and are smaller than standard bathroom requirements, much less for persons with mobility impairments. Kitchens and bathrooms at the existing “accessible” units are woefully inadequate and UFAS non-compliant for floor clearances, passageway doors, and the operation of appliances and fixtures. In June 2013, REAC inspections sited obstructed and/or missing accessibility routes were repeatedly identified in Westlawn's PHAS Physical Report.
- ***Significant Utility Expenses:*** The Westlawn Housing Development's lack of insulation, air infiltration at windows, doors and mortar joints contribute to utility expenses that are higher than in new construction. From the REAC inspections, deteriorated glazing compound and caulking was repeatedly identified. Air Infiltration at these building envelope failures certainly contributes to increased utility expense



**Design Deficiencies -
Undersized Rooms Compared to Current Standards**



**Design Deficiencies -
Undersized Kitchens Compared to Current Standards**



**Design Deficiencies -
Large Remote Parking Lots and Overscaled Midblock Spaces**



**Design Deficiencies -
Undefined, Overscaled "Courts" that defy Monitoring**



**Design Deficiencies -
Retrofits to Existing Units to "Accommodate" Accessibility**



**Design Deficiencies -
Non-Compliant, Undersized Bathrooms**

Name:

**Narrative Attachment 36:
Need – Part I Violent Crimes
Documentation**

Name of Lead Applicant:

City of Milwaukee

Name of File:

Att36NeedPartIViolentCrimesDoc

Attachment 36: NEED – Part I Violent Crimes Documentation

The information below is an aggregate of crime comparisons for 2011, 2012 and 2013 for the Milwaukee Police Department’s 4th District in which the Westlawn Housing Development as well as the entire CHOICE neighborhood is located. The comparison (per 1,000 people) is contrasted between the 4th MPD District and the City of Milwaukee. The data is collected by the Milwaukee Police Department and is based on census tract reports. It can be found on the City of Milwaukee website with crime data broken down on a police district or census tract level. Page 66 of the NOFA requires a threshold rate of 18.00 or above, or a crime rate that is at least 1.94 times that of the City as a whole to gain any points.

Year	MPD 4 th District		City of Milwaukee	
	Part I Crime	Per/1000	Part I Crime	Per/1000
2011	882	8.93	6,887	11.54
2012	902	9.56	7,762	13.04
2013	897	9.51	8,149	13.70
		9.33*		12.76*

*Indicates the three year average rate.

Name:

**Narrative Attachment 37:
Market Analysis**

Name of Lead Applicant:

City of Milwaukee

Name of File:

Att37MarketAnalysis



The National Center for
Housing Management

January 31, 2015

Mr. Antonio M. Pérez
Secretary-Executive Director
Housing Authority of the City of Milwaukee
809 North Broadway, 3rd Floor
Milwaukee, WI 53202

**Re: Westlawn Redevelopment
Market Analysis Update Letter**

Dear Mr. Pérez,

At the request of the Housing Authority of the City of Milwaukee (HACM), the National Center for Housing Management, Inc. (NCHM) has updated its analysis of market conditions in connection with the referenced project. NCHM first conducted a detailed market analysis for the redevelopment of the Westlawn public housing complex in April 2012 and updated it in July 2013. Those studies were preceded by similar analyses prepared in 2009 and 2010 by Mr. Paul R. Votto, NCHM's Director of Housing Programs and the author of this update. A brief bio of Mr. Votto is contained in the Addendum attached to this letter. We refer you to the previous studies for additional detail, particularly our 32-page report from 2013.

Since our last update, HACM has razed the old and antiquated buildings on the eastern half of the 75-acre site and began constructing new mixed-income apartments in this area, now referred to as Westlawn Gardens. This update focuses on both the remaining undeveloped land in Westlawn Gardens and on the western half of the site, which is referred to herein as the Westlawn Housing Development area. As of the date of this letter, the Westlawn Housing Development area consists of 394 units of public housing in buildings dating to the early 1950s.

This letter updates our findings with respect to supply and demand data and our recommendations for future unit absorption and characteristics within the overall Westlawn redevelopment area. You will also find certain updated background information including demographic data in the Addendum.

Scope

NCHM was retained to provide an independent, third party assessment of the demand for the proposed affordable and market-rate residential rental housing, homeownership units, retail, and

● 800-368-5625 • www.nchm.org

333 North 1st Street, Suite 305 • Jacksonville Beach, FL 32250
1801 Old Reston Avenue, Suite 203 • Reston, VA 20190

related development activities based on the market and economic conditions of the target area (sub-market) and surrounding community (general market). In addition to assessing changes in market conditions since our 2013 analysis, we also reviewed the HACM's results to date with respect to the Westlawn Gardens portion of the redevelopment and its latest plans for the project, including its 2015 Conceptual Site Plan.

In preparing the previous studies, a variety of market data and related information was collected and analyzed. The information was obtained from fee-based national real estate data providers, public records, and industry groups, and through customized collection. Also, representatives of the local real estate, lending, and business communities were interviewed to further round out the market data. For this update we have relied upon similar source materials.

Findings

Our findings are summarized as follows.

Rental Housing

Generally our analysis found that there is **very strong demand for affordable rental housing at all income levels and a growing demand for market-rate rental housing in the Westlawn submarket.**

The Milwaukee market as a whole has experienced an unprecedented run up in both occupancy levels and rents over the past three years, both in the market-rate and affordable segments. **Occupancy rates topped 96% in 2011, 2012, and 2013**, and although the results are not yet in for the entirety of 2014, we expect that when they are, occupancy rates will once again exceed 95% in the overall market. Thus, the four-year period from 2011 through 2014 will have constituted a rental market stronger than any we have witnessed in at least the past three decades. Additionally, our data indicates that **occupancy rates will stay above 95% at least through 2017**. Looking beyond 2017, we have some concerns regarding occupancy levels in the market-rate segment, owing primarily to increased supply of new units. Beginning in 2010 and accelerating since then, there has been a surge in the construction of new, market-rate rental housing. In our view, much of this new supply can be absorbed by increasing demand and the fact that little new construction of market-rate rental housing occurred in the decade prior to 2010. However, if the pace of construction continues, it could threaten occupancies and rent levels in the market-rate segment.

In the Westlawn submarket, multi-family occupancy rates have also been strong, topping 95% for the past three years. Occupancy is also expected to remain strong through 2017. Looking beyond 2017, we have some concern with the demand for market-rate units primarily as a result of the surge in new construction previously cited, although we would point out that, except for within Westlawn itself, little if any of this construction has occurred in the Westlawn submarket and little, if any is planned. At the same time, however, it is reasonable to expect that increased competition from outside the sub-market but still in the general area, will have some negative

impact on both absorption and rent levels of market-rate units within the Westlawn neighborhood.

We have fewer concerns with the long-term prospects for affordable rental housing within the submarket, believing that the demand for new, high quality housing at all qualified income levels will stay strong for the foreseeable future.

The Milwaukee market, which typically sees little in the way of net rent growth, experienced real growth above 2.7% for the each of the years from 2011 to 2013 and likely ended 2014 with rent growth above 3%. The Westlawn submarket has nearly matched these past results and is actually forecast to outperform the broader market over the next few years. We expect the pace of rent increases to slow beginning in 2015 as the number of new units coming on-line increases. Based on past experience, we would expect the slow down in effective rent increases to be seen first at the higher rent levels and then eventually trickling down to the lower levels. At this point, however, we do not see the prospect for widespread retrenchment of rents in the foreseeable future although we do expect to see an increase in the use of leasing incentives.

In summary, there is reason to be optimistic with respect to the demand for both affordable housing, including affordable housing at the upper bands of eligible incomes, and market-rate rental units in the Westlawn redevelopment area and our recommendations later in this update reflect that optimism.

For Sale Housing

With respect to for-sale new construction housing, our assessment of the market has improved since we last reported. The 2009 and 2010 studies concluded that there was not a substantial market for new construction for-sale homes in the sub-market and that the situation would continue for at least one to three years. We concurred with this assessment in 2012 and, in fact, extended our generally negative view for a return of substantial demand for newly constructed homes through 2013. As a result, in 2012 we said this: "While there are good reasons to set aside some land areas for new construction ownership units in the future, now is not the time to actualize those plans without a commitment of substantial subsidy. The right strategy...is to concentrate on the stabilization of the existing housing market...and let the transformation of Westlawn's rental component become apparent. Then at that point it is likely a new construction for-sale market will develop." HACM heeded that advice and as a result we concluded in 2013 that HACM could consider introducing additional market-rate rental units in 2014 and, if it desired, a limited amount of for-sale housing, with shallow or no subsidies. HACM proceeded more cautiously than our 2013 study suggested was supportable, introducing a limited number of market-rate rental units (20) and no for sale housing.

Since our 2013 update, the local for-sale housing market has improved. While sales of existing homes in the Metro market declined slightly from 2013 to 2014, December 2014 was very strong and the prospects for additional sales growth in 2015 are good. Also median sales prices

increased significantly from 2013 to 2014 and the rate of foreclosures are down, paving the way for additional gains in 2015. (*See attached Addendum for details*). We expect this trend to continue for the next several years, absent an unexpected reversal of the economy. At the same time however, the sale of newly constructed homes at price points necessary to recover costs but still attract buyers, remains unproven in the Westlawn sub-market. Having said that, we remain convinced that the time is ripe to test the waters with a new construction product within Westlawn with the goal of eventually constructing up to fifty units. We continue to recommend that HACM consider primarily three-bedroom homes along with some four-bedroom units and while we would still like to see single-family structures in the mix that may not be feasible given construction costs, density, and other factors.

Retail/Commercial

HACM has modified its plans for commercial development within the overall Westlawn boundaries since our 2013 study. At that time the plan called for first floor retail space in mixed-used buildings fronting on Silver Spring Drive near the northeast corner of the site and the set-aside of a vacant parcel at the corner of Silver Spring Drive and 60th Street for a possible stand-alone user. The vacant parcel is still in the plan but the retail rental space was not included in the buildings that were ultimately constructed. The current plan calls for 7,200 square feet of retail space in a future building to be constructed fronting N. 60th Street directly south of the available vacant commercial parcel and up to 24,000 square feet in five mixed-use buildings in the Westlawn Housing Development area fronting Silver Spring Drive between N. 64th Street and approximately N. 67th Street. As we understand it, the space in all of the buildings is intended to be flexible, small shop space accommodating retail users between approximately 800 and 2,400 square feet each.

The proposed small shop retail space directly south of the commercial parcel is a better location than what was proposed in 2013 as it will create more of a retail node on the important corner of 60th Street and Silver Spring Drive and take advantage of the traffic counts on N. 60th. We also believe the addition of potential retail further west (at 64th and N. Silver Spring) is an important enhancement. Our previous studies pointed to the need for more and higher quality retail in the neighborhood to help attract a better mix of incomes to the project. The revised plan creates more opportunities for such retail users and puts HACM in greater control of the user types.

Our 2013 study projected absorption of 30,000 square feet of retail, not including any that might be developed on the stand alone vacant parcel. The new plan includes up to 31,200, which is not materially different and is a reasonable target given the improvement in the overall retail real estate market in the Metro area. Additionally, the new plan spreads the retail out over six buildings, which will make absorption easier and give the Housing Authority more flexibility to adjust the plan based on actual leasing experience. Consequently, we have adjusted our projections accordingly.

In 2013 we expected lease rates for new retail space within the Westlawn redevelopment to be in the range of \$12.00 to \$16.00 per square foot, triple net. Since then, the general market for retail in the Milwaukee Metro area has improved, however we would caution against projecting rates much above those anticipated in 2013 simply because the local sub-market has not yet proven that higher rates can be achieved. Absorption, however, should be better given that a significant part of the residential redevelopment of the eastern part of the project has now occurred and given the improvement in the retail sector in general.

Recommended Type, Volume, and Timing of Development

Table 1 below outlines the number and type of units developed to date and that can be supported by the market in future years. The 2009 and 2010 market studies assumed a ten-year redevelopment program. In 2013, the program was shorted to eight years and our projections were given in two four-year increments, assuming first occupancy in 2012. For this update, we are reporting the actual results for 2012-2014 and our projections of market demand are for the next five years, broken down into two phases, 2015-2017 and 2018-2019. HACM may elect a different build-out schedule based on funding availability. Our projections are based on what we believe the market can absorb. As in past studies, we have divided our projections into three income categories as shown below, however, in this up-date we have increased the top end of the "High Moderate" range from 130% to 140%.

- Low Income – 50% or less of median household income
- Low Moderate – 51 - 80% of median household income
- High Moderate – 81 - 140% of median household income

Table 1. Projection of Rental and For-Sale Housing by Income Levels and Commercial (Full Build-out)

	2012-14*	2015-17	2018-19	Total
Rental Housing (in units)				
Low Income	100	120	80	300**
Low Moderate Income	100	140	70	310
High Moderate Income***	50	140	100	290
Sub-total Rental	250	400	250	900
For-Sale Housing (in units)				
High Moderate Income***	0	20	30	50
Total Residential Units	250	420	280	950
Commercial (in sq. ft.)****	0	15,000	17,000	32,000

(See asterisked notes on next page)

**The allocation of units by income level for the 250 units constructed and leased at Westlawn Gardens during the 2012 to 2104 period is an estimate based on a cursory review of a recent rent roll.*

***The number of units at the low-income level may be exceeded as the demand for better quality housing at these income levels is great. It is purely a function of HACM's goals for the redevelopment and available funding. The projected number in the Table is the default number assuming HACM maximizes high-moderate/market mix.*

****The units in the high/moderate income range include both affordable and market-rate, with market-rate accounting for 60% of the rental units and 100% of the for-sale units.*

*****Does not include square footage of any retail that may be constructed on the vacant commercial parcel for sale or lease at the northeast corner of the site.*

Table 2 further breakdowns the rental housing projections for *future years* by characteristic.

Table 2. Future Rental Units by Household Type and Income (2015-2019)

	2015-17	2018-19	Total
Low Income – Family	95	60	155
Low Income – Senior	25	20	45
Low Moderate – Family	110	55	165
Low Moderate – Senior	30	15	45
High Moderate – Family	115	80	195
High Moderate – Senior	25	20	45
Total Units	400	250	650

Table 3 on the following page breaks down the future year projections by bedroom size.

Table 3. Future Rental Units by Household Type, Income, and Bedroom Size (2015-2019)

	2015-2017		2018-2019		Total	
	Family	Senior*	Family	Senior	Family	Senior
Low Income						
1 BR	20	25	10	20	30	45
2 BR	25		15		40	
3 BR	30		25		55	
4 BR	20		10		30	
Low Mod Income						
1 BR	25	25	10	15	35	40
2 BR	40	5	20		60	5
3 BR	40		20		60	
4 BR	5		5		10	
High Mod Income						
1 BR	40	20	25	20	65	40
2 BR	45	5	30		75	5
3 BR	30		25		55	
Total Units	320	80	195	55	515	135
*Includes special needs						

It is important to note that the above projections are intended as a guideline only. They need to be evaluated against a backdrop of other factors including funding availability, community preferences, regulatory requirements, site limitations, and continued market feedback.

With respect to achievable market rents, we would suggest the following upper limits as a general guideline, subject to factors such as amenity level, unit size, and the like: 1-BR - \$900/month; 2-BR - \$1,050/month; and 3-BR - \$1,225 per month (assuming 2015 rents).

Summary Recommendations

In addition to the projection of product types presented above, NCHM offers the following conclusions and recommendations:

- The initial 2009 market study concluded that in order for the "new" Westlawn to attract a mix of incomes it would need to be transformed into something "truly different and special". In our view, HACM has done an excellent job in this

regard by incorporating into Westlawn Gardens a number of unique features such as green building technology, the Growing Power community gardens, and mixed use buildings, and by designing and constructing buildings with aesthetically pleasing architecture and thoughtful land planning. The plan for the Westlawn Housing Development area builds on and refines this transformation.

- The strengthening of the local rental housing market has come at an opportune time for Westlawn. Westlawn Gardens started bringing new units on line in 2012 just as the market was in the early stages of an unprecedented run up in occupancy levels and rents. With demand and rents expected to stay strong at least through 2017, in our view it is time to stay aggressive with the implementation of the agency's development plans.
- It is our opinion that the market can support up to 650 additional rental units over the next five years. We are further of the opinion that 145 of these units can be absorbed at the market rents projected herein and an additional 50 for-sale units can be absorbed making the total market-rate component 195 units.
- In 2012, we cautioned that it would take some time for Westlawn to establish itself as a viable homeownership alternative and we were concerned about the weakness in the home buying market in general. Consequently, we recommended that the total number of planned for-sale units should not exceed fifty, with the initial units delayed until 2013 or 2014. Ultimately, HACM decided to set aside land for homeownership units but to delay construction even beyond 2014.

Our concerns with respect to the for-sale market in general have lessened considerably since 2013. Our concern with the viability of the Westlawn area as a for-sale market remains. This concern is driven primarily by the fact that, while improving, the median sale price for existing homes in the area remains significantly below the cost to put new units in place. On the flipside, the demand for new construction is increasing as evidenced by the increase in new starts in other parts of the Southeast Wisconsin market. Additionally, the new Westlawn Gardens is attracting higher income renters, some with earnings that would qualify them for home loans. Finally, mortgage rates remain near all time lows but may begin to rise in the near future. In our view, these factors combine to suggest that, subject to available funding, now would be the time to introduce a limited number of for-sale homes (which may include single-family and two to four unit attached plans).

- The revised plans with respect to retail space are an improvement over previous planning and are an important element in support of the residential plan.

Mr. Antonio M. Pérez

January 31, 2015

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- The continued redevelopment of Westlawn is crucial to further stabilize and revitalize the neighborhood. At seventy-five acres the "old Westlawn" was a dominant influencer, often for the negative, on the entire neighborhood for blocks in every direction. The new Westlawn Gardens is beginning to have an effect as well -- this time for the positive. However, if the job is perceived as "half-done", the gains made in the neighborhood could be lost or seriously eroded.

Conclusion

In conclusion, we have reviewed HACM's plans with respect to the market-rate and affordable rental housing, for-sale housing, and retail space and find the plans consistent with the results of our market assessment. It is our opinion that the market can support the property types and volumes contained in the agency's plans.

Sincerely,



Paul R. Votto

Director, Housing Programs

Addendum Attached

Bio of the Author
Paul R. Votto

Paul R. Votto is Director of Housing Programs for the National Center for Housing Management, Inc. (NCHM), based in Reston, Virginia. In this capacity, he heads up the organization's national consulting services and performance based educational programs.

Mr. Votto has been affiliated with NCHM since 1981, serving as its Executive Vice President from 1981 to 1987 and then in a variety of capacities throughout his subsequent private sector career, including on its Board of Directors and as a consultant and educator. He rejoined the staff on a full-time basis in January 2013.

Mr. Votto has more than thirty-five years experience in property management and real estate development. He has operated two large Milwaukee-headquartered portfolios of 4,000 and 8,000 units, respectively, and a commercial portfolio of 500,000 square feet and he has developed more than \$450 million in multi-family and commercial real estate assets. On the multi-family front, Mr. Votto has overseen portfolios containing virtually every type of property including public housing, Section 8, Section 202, Section 42 Low Income Housing Tax Credit, conventional market-rate, senior housing and assisted living.

Over the span of thirty-five years, Mr. Votto has developed or consulted on more than fifty multi-family projects consisting of more than 5,000 units as well as more than 500,000 square feet of commercial development, most of which have been in the Southeastern Wisconsin market area. Recently, he oversaw the development from market feasibility through rent-up of the highly successful Latitude Apartments on Milwaukee's east side. Latitude consisted of 90 rental units plus first floor retail. Mr. Votto followed that up with market feasibility and program development for Avante Apartments, also located in Milwaukee. Currently, he is providing market feasibility assistance on Hidden Lake Preserve, a 113-unit luxury community in the planning stages in Brookfield, Wisconsin. He is the former president of the Wisconsin chapter of the National Association of Office and Industrial Properties (NAIOP). Mr. Votto has been a licensed real estate broker in the state of Wisconsin for nearly twenty-five years and is a long-time member of the National Association of Realtors.

Mr. Votto teaches and consults on a variety of subjects related to both real estate development and property management.

Name:

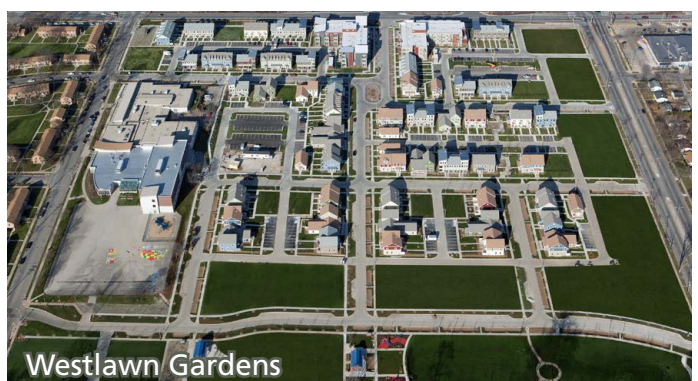
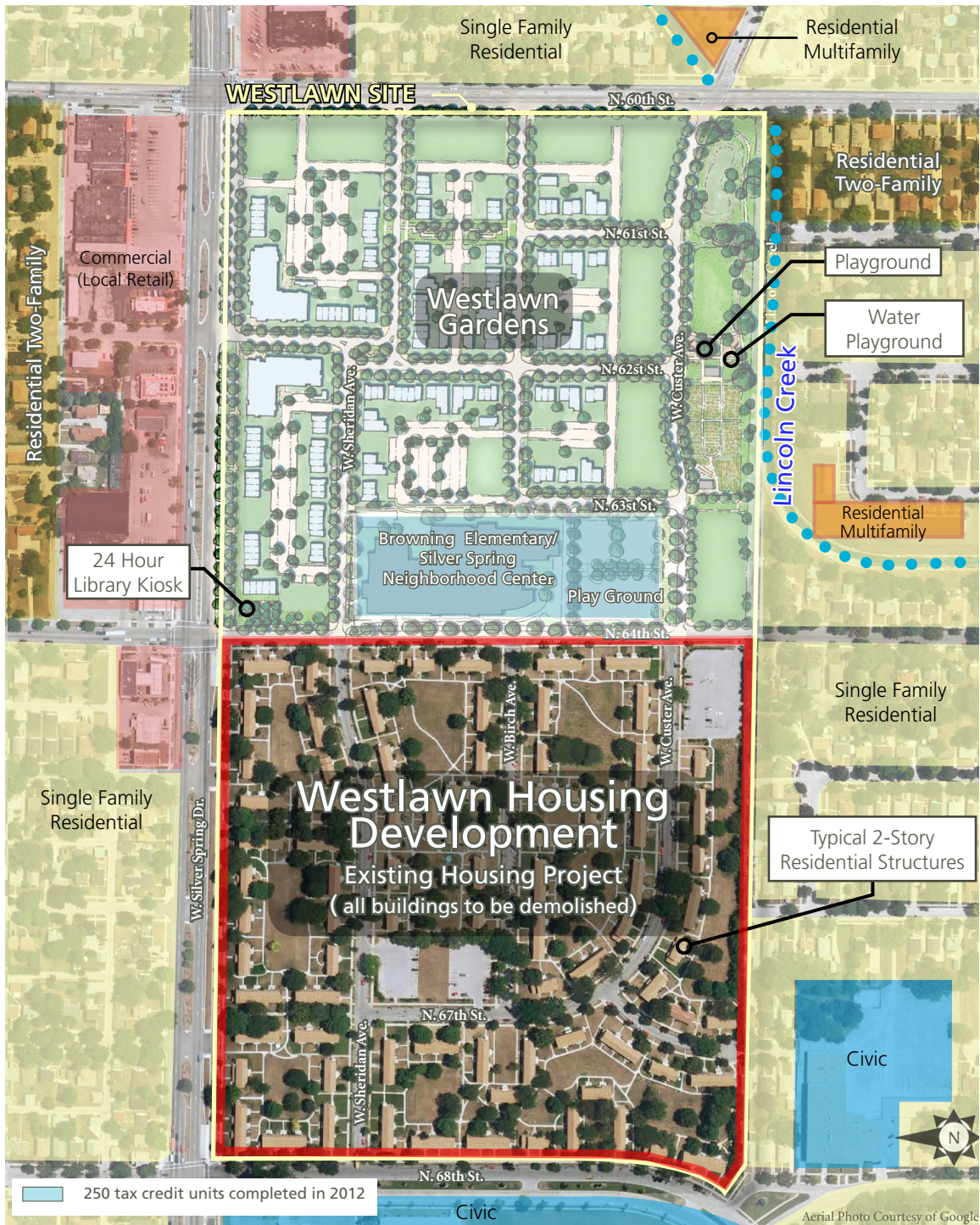
**Narrative Attachment 38:
Current Site Plan**

Name of Lead Applicant:

City of Milwaukee

Name of File:

Att38CurrentSitePlan



Name:

**Narrative Attachment 39:
Conceptual Site Plan Design**

Name of Lead Applicant:



City of Milwaukee

Name of File:

Att39ConceptualSitePlanDesign



Market Rate Units

	Home Ownership	50 du
	Rental Apartment	42 du
	Rental Townhomes	99 du
	Total Market Rate:	191 du
	Ground Floor Retail	

Affordable

	Non-Market Rate/ Non-Assisted	123 du
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Public Housing Replacement

	1 Bedrooms	112 du
	2 Bedrooms	148 du
	3 Bedrooms	96 du
	4 Bedrooms	36 du
	(173 Apartments + 219 Town Homes)	
	2-bedroom Acquisition Rehab	2 du
	Total Replacement:	394 du

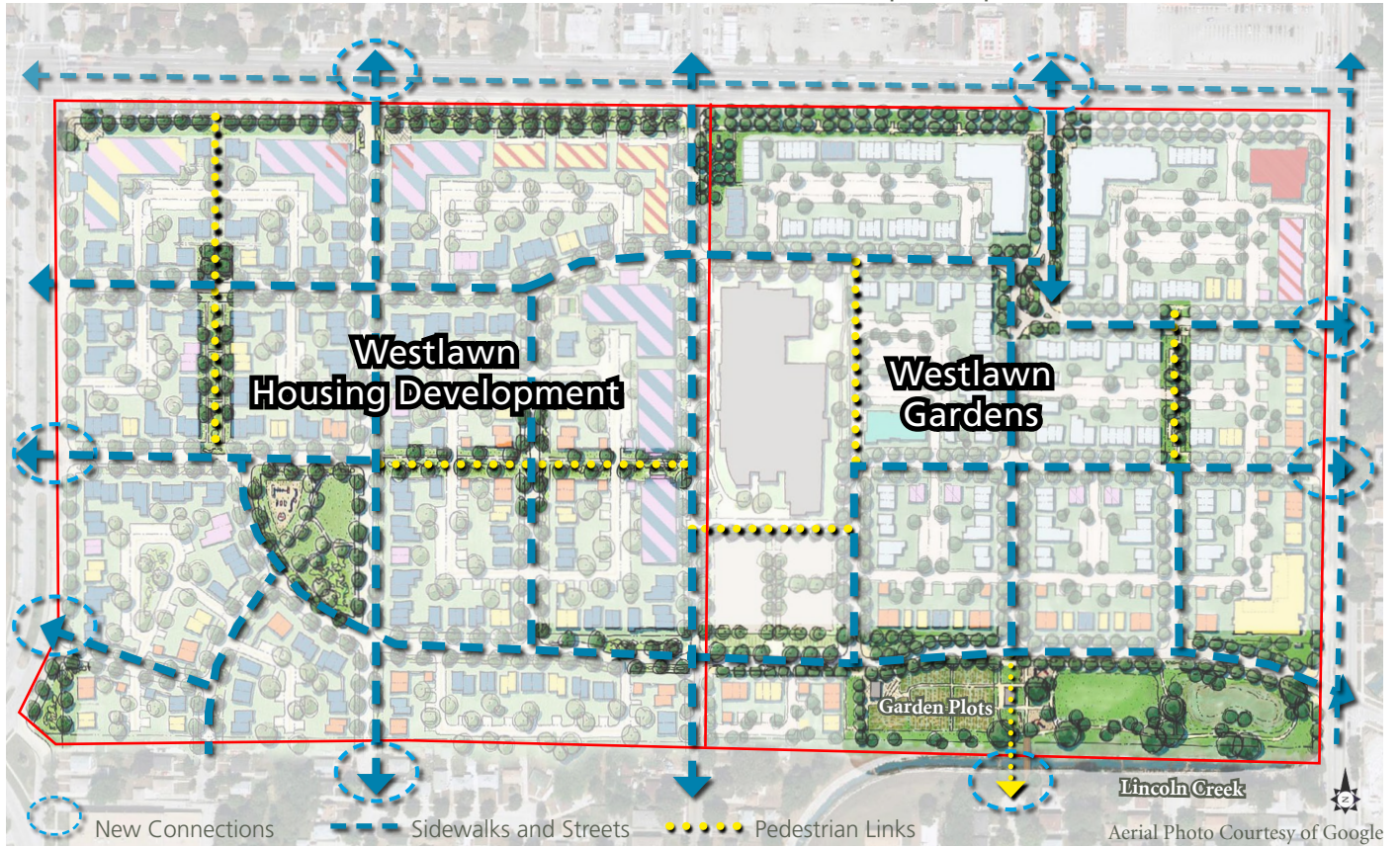
Total CNI Program

708 du

Westlawn Gardens

 **Completed**
(250 tax credit units:
166 project based,
64 Public Housing,
20 unsubsidized)

Interconnected Network of Streets, Sidewalks and Open Spaces



Pedestrian oriented streetscapes, bio-swale rain-gardens, and "Defensible Space" strategies implemented in Westlawn Gardens will also be utilized in the Westlawn Housing Development.

Phasing Diagram



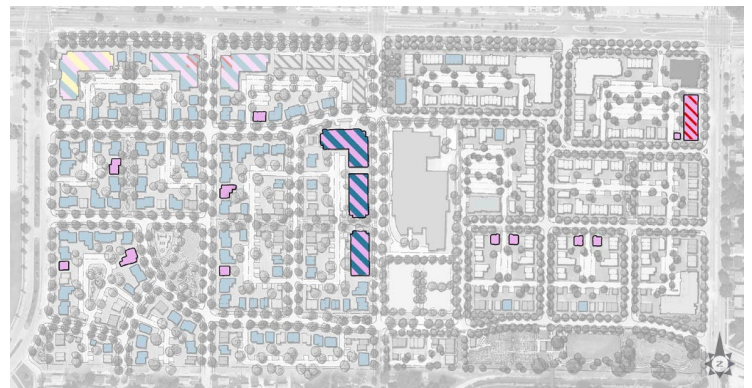
Phase 1: 10 Replacement Units (5 3-bed., 3 4-bed., 2 2-bed. Acquisition Rehab of City Foreclosed Properties), and Management / Maintenance Facility



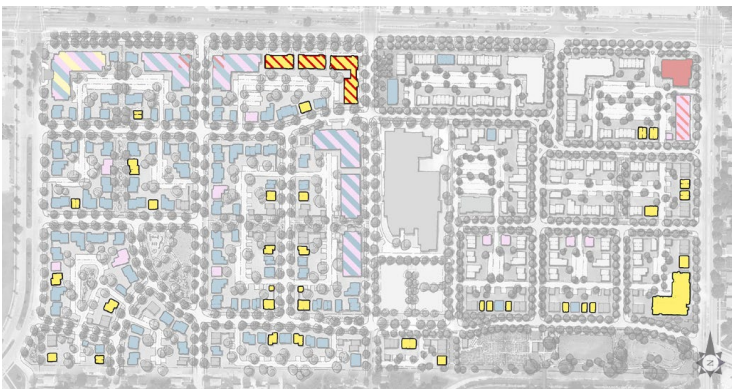
Phase 2: 162 du Total: 136 Replacement Units (87 1-bed, 41 2-bed, 3 3-bed, 5 4-bed), 20 Affordable (1-1bed, 6 Market Rental (1-bed))



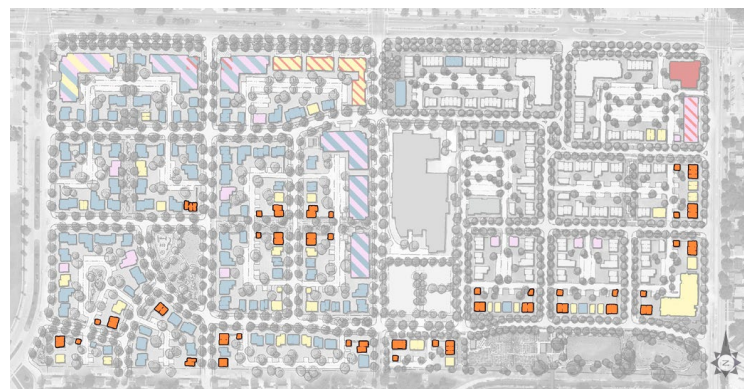
Phase 3: 203 Replacement Units (87 2-bed., 88 3-bed., 28 4-bed.) and Corner Retail



Phase 4: 148 du Total: 45 Replacement Units (25 1-bed., 20 2-bed.), 103 Affordable (77 1-bed., 12 2-bed., 9 3-bed., 5 4-bed.), and Ground FI Retail



Phase 5: 135 Market Rate Rental (28 1-bed, 50 2-bed, 57 3-bed)



Phase 6: 50 Market Home Ownership Units (40 3-bed., 10 4-bed.)



Final Site Plan

Market Rate Units		Public Housing Replacement	
	Home Ownership 50 du		1 Bedrooms 112 du
	Rental Apartment 42 du		2 Bedrooms 148 du
	Rental Townhomes 99 du		3 Bedrooms 96 du
	Total Market Rate: 191 du		4 Bedrooms 36 du
	Ground Floor Retail		(173 Apartments + 219 Town Homes)
			2-bedroom Acquisition Rehab of City Foreclosed Properties) 2 du
			Total Replacement: 394 du
	Non-Market Rate/ Non-Assisted 123 du	Total CNI Program 708 du	
	Westlawn Gardens, Completed (250 tax credit units: 166 project based, 64 Public Housing, 20 unsubsidized)		

Legend

Name:

**Narrative Attachment 40:
Building Elevations**

Name of Lead Applicant:

City of Milwaukee

Name of File:

Att40BldgElevations

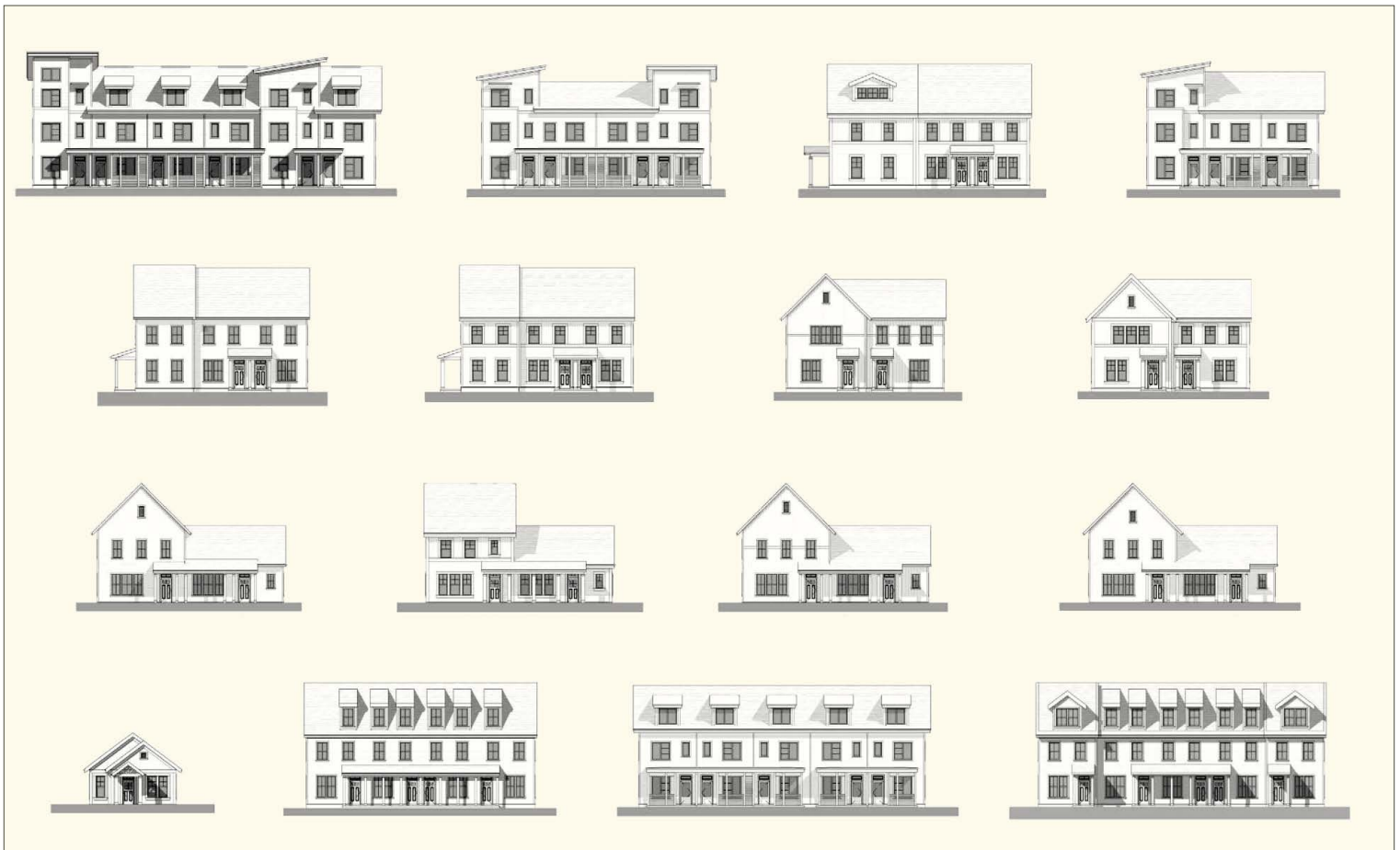
Building Elevations



Mixed Use Apartment Building



Mixed Use Apartment Building



Townhouses and Single Family

Housing for Westlawn Housing Development will be built to the same standards and designs as the completed housing in Westlawn Gardens.

