

Narrative Exhibit A: Summary Information

Milwaukee, WI

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A.1 Executive Summary

The Housing Authority of the City of Milwaukee (HACM), the residents of HACM's Scattered Sites, and the many dedicated stakeholders in the surrounding Near North community are pleased to submit this application for \$6.7 million in HOPE VI funds, which has the unanimous support of residents and community alike. These funds are desperately needed to help replace the 24 distressed Scattered Sites public housing units that are targeted in this proposal with 100 units of new mixed-income housing, as the critical next step in the ongoing process of comprehensive community revitalization in the north side of Milwaukee.

This proposal builds on all of HACM's prior HOPE VI work, including its most recent Scattered Sites grant, in effect stretching the boundaries of the revitalization area 15 blocks north and 10 blocks east to include the 24 Scattered Sites units and their surrounding blocks. The neighborhood surrounding the Scattered Sites is anchored by all five of HACM's previous HOPE VI sites and its recently-completed Convent Hill project, representing a total investment of over \$180 million during the past 14 years. HUD has invested at a significant level in the area too, with over \$300 million of additional funding for projects in Milwaukee's Renewal/Enterprise Community. The larger area is beginning to see significant redevelopment activity, with recent or proposed public and private investments of over \$900 million for housing, entertainment, educational facilities, infrastructure, and retail, including major catalytic projects such as the 30th Street Industrial Corridor, which includes the 148-acre Tower Automotive site, the Park East redevelopment, Marquette University, Menomonee Valley (site of the new Harley Davidson museum), and the \$250 million Pabst Brewery multiple-use redevelopment. Now is the time to capitalize on the synergy created by all this activity, by broadening the revitalization area to include all of the final distressed public housing sites in this neighborhood.

The 24 targeted Scattered Sites units are severely distressed. Poorly designed and poorly situated on their lots, with unusually deep setbacks as well as clustering and architectural design that doesn't match anything in the surrounding neighborhood, the units have helped exacerbate the isolation of their low-income occupants for years. The units are small, densely configured, and completely inaccessible to the disabled. Lack of adequate drainage systems combined with the sites' sloped topography has resulted in extensive leaks, water damage, and mold/mildew throughout the units. Building components and mechanical and structural systems are outdated, and inadequate or failing. The sites' private infrastructure system is outdated and requires constant repair. Of the 24 units, 10 are currently occupied, and the existing residents unanimously support HACM's plans and wish to move into the revitalized Scattered Sites.

HACM proposes to demolish 18 of the 24 units, rebuilding 32 new single-family homes in scattered locations on sites owned by HACM or the City. Initially, 29 of these units will be affordable (ACC) rentals and 3 will be affordable homeownership units, but all could be converted to Section 32 homeownership in the future. Of the 29 affordable rental units, 7 will be rebuilt on the existing site, to maintain a presence in the neighborhood while reducing the density of low-income public housing households. Another 19 units will be built in the surrounding area, within a 3-mile radius of the existing sites. And 6 units (the remaining 3 rentals and the 3 homeownership units) will be built in census tract 206, a non-impacted area on the south side of Milwaukee. The remaining 6 of the existing 24 Scattered Sites units will be acquired by the Dominican Center for Women, and renovated under their sweat-equity model to create very affordable homeownership opportunities for low-income families in the neighborhood. Finally, HACM proposes to build 62 moderately-priced, market-rate condos on the nearby site of the former Convent Hill public housing high-rise. In all, HACM's revitalization proposal comprises

100 new or renovated units, with a mix of locations, targeted income levels, and types of tenure – new, critically-needed housing which is much more closely integrated with its surroundings and takes advantage of the neighborhood’s strategic location.

The physical improvements to the Scattered Sites will be supplemented by a \$2.6 million comprehensive community and supportive services (CSS) program, providing a continuum of services that will help elevate families out of poverty, provide able-bodied adults with the resources to obtain and sustain employment, help disenfranchised youth and adults restore their place in the community through reliable employment, and break the cycle of intergenerational poverty by ensuring school-age children are in school, each day, ready to learn. HACM is committed to collaborating with residents to help them achieve their goals, including purchasing a home, gaining financial security, and building a hopeful future for their children.

HACM has an exceptionally strong development track record, and will coordinate the redevelopment of the Scattered Sites, a role it has played at its five other successful HOPE VI sites, three of which are fully complete (the other two are well underway, on schedule and on budget). HACM will act as developer of the HOPE VI-funded portion of the project, bringing on a co-developer for the 62 market-rate condos. HACM will supplement its in-house team with the same outside property manager it has used at its other HOPE VI projects, and is also working with an outside design team. HACM is proposing an aggressive but achievable schedule, with all of the HUD-funded construction to be completed by December 31, 2010.

The total budget for the proposed revitalization is \$67 million. HACM is requesting \$6.7 million of this in HOPE VI funds. The remaining \$60 million will come from a variety of public and private sources, including the City of Milwaukee, the Dominican Center for Women, WE Energies, Fannie Mae, private mortgages and HACM’s general fund.

A.2 Physical Plan

HACM proposes to continue the transformation of its Scattered Sites housing and the surrounding neighborhood, begun several years ago with its 2003 HOPE VI Scattered Sites grant, which funded the demolition of 81 distressed scattered site units and their replacement with 105 new units. Under this proposal, HACM is targeting an additional 24 severely distressed scattered site units, located on the north side of Milwaukee, adjacent to Milwaukee's downtown in an area which overlaps the northern boundary of the one-mile radius of those sites included in the 2003 HOPE VI grant. (Note: None of these 24 units were included in the previous Scattered Sites HOPE VI project.) Redeveloping these remaining sites will allow HACM to make critical progress in its ongoing work to create a vibrant, new, mixed-income community that incorporates the revitalized HOPE VI sites at Hillside Terrace, Townhomes at Carver Park, Highland Gardens, and Cherry Court, as well as the recently completed 120-unit Convent Hill high-rise.

After considering various alternatives, HACM decided that the most feasible and appropriate plan was to demolish 18 of the targeted 24 units, and construct a total of 32 single-family homes on the cleared land (7 units) as well as on other nearby parcels that HACM owns (25 units). The 32 new homes will be a mix of rental housing (29 units of ACC/LIHTC housing) and for-sale homes through HACM's approved Section 32 homeownership program (3 units). HACM is also working with the Dominican Center for Women, Inc., which will rehab the remaining 6 of the 24 units into for-sale homes for low-income buyers. Finally, HACM will build 62 market-rate condominiums on the former site of the nearby Convent Hill public housing high-rise, now vacant and slated for demolition. Thus, in total, HACM is proposing to create 100 units of housing: 29 public housing replacement rental, 9 affordable for-sale (6 rehabbed units

and 3 new), and 62 market-rate condos on the former Convent Hill site. Of the new units, 3 ACC rental units and 3 ACC homeownership units are in census tract 206, a non-impacted area on the south side of Milwaukee; the remaining 32 homes and 62 market-rate condominiums are within a 3-mile radius of the targeted Scattered Sites.

Rehabilitation of Severely Distressed Public Housing

As noted above, 6 of the 24 targeted Scattered Sites units are proposed for rehabilitation. HACM will dispose of these 6 properties to the Dominican Center for Women, Inc., who will help public housing or public housing eligible families to purchase and rehab these homes through HACM's approved Section 32 homeownership program. The Dominican Center uses a "Habitat" model, in which low-income buyers provide sweat equity that is combined with donated materials, and volunteer services of professional tradespeople who assist with the rehab.

Development of Public Housing Replacement Rental Housing

HACM will develop 29 new units of scattered-site rental housing under this proposal, 7 of them on-site, on land where some of the 18 Scattered Sites units to be demolished are now located, and 22 of them on other parcels that HACM owns in the surrounding area. All 29 units will be ACC public housing units financed with HOPE VI and/or low income housing tax credits. All 29 will be single family homes of modular construction, customized by the design team to fit seamlessly into the architectural vernacular of the neighborhood.

The 18 existing Scattered Sites units to be demolished are located on 16 distinct sites. The resulting land will be subdivided into buildable house lots that reflect the size and proportions of the surrounding neighborhood's existing plat mapping. After subdividing the existing land, HACM will build 7 new single-family homes to be offered as rental housing units, with no more than three such new units per city block. The balance of the existing sites will be

used in the future for a combination of affordable homeownership and market-rate homeownership units.

In addition to the 7 on-site units, HACM proposes to build 22 new single-family rental units off-site, on other HACM parcels, to meet the need for additional affordable housing in the neighborhood, to broaden the array of housing options for its residents, and to further its goals of economic and racial integration.

Path Technologies and Energy Star

All new buildings will incorporate universal design principles, utilize PATH technologies, meet or exceed Energy Star standards, and mirror the surrounding neighborhood's architecture. Razing the existing structures will allow the construction of new neighborhood elements which reflect New Urbanist design principles.

HACM will use PATH technologies to reduce costs, improve durability, increase energy efficiency, improve disaster resistance and reduce environmental impact. In the proposed single-family construction, HACM will reach these goals by building certified Wisconsin Energy Star Homes. The process includes job review and inspection by an Energy Star building professional to ensure that the components of the home are installed properly to achieve maximum efficiency and eliminate future performance problems and callbacks. When completed, every home will be tested using blower doors, duct blasters and balometers for individual room pressure balancing. HACM will use universal design principles and will exceed the latest HUD-adopted Model Energy Code by building all single-family homes as certified Wisconsin Energy Star Homes. All lighting and supplied appliances will be Energy Star certified. Several houses could be used as technology sites, with some funding from the Wisconsin Focus on Energy, using technologies such as solar water heating and geothermal heat pumps. Every unit will have its own specific

heating and cooling controls. Smart ventilation practices will be incorporated that include constant volume ventilation to insure indoor air quality.

Market-Rate Housing Units

As noted above, HACM plans to develop 62 market-rate condo units as part of this revitalization proposal, on the footprint of the former Convent Hill public housing high-rise. These condos, 6 one-bedroom units and 56 two-bedrooms, will be targeted to persons with incomes between 100% and 200% of AMI, and will be pre-sold.

Low Income Housing Tax Credit Units

All 29 of the proposed rental units described above will be financed in part by low income housing tax credit proceeds.

Homeownership Units

Of the 100 total proposed units, 71 will be for-sale, including the 6 renovated Scattered Sites units which will be transferred to the Dominican Center for Women and the 62 condo units at the Convent Hill site, both of which have been described earlier. In addition, HACM proposes to build 3 new ACC homeownership units in census tract 206, a non-impacted area on the south side of Milwaukee. These homes will be sold through HACM's approved Section 32 program. HACM will work with any existing residents who are interested in homeownership as described further in Exhibit H.

Community Facilities

HACM does not plan to rehab or build any community facilities under this proposal. Residents will instead be encouraged to use existing nearby community facilities, including the Neighborhood Network Centers at Hillside Terrace, Townhomes at Carver Park, Cherry Court, Highland Park, and Convent Hill. All of these are within 1.3 miles of the targeted Scattered Sites.

Zoning, Land Acquisition, and Infrastructure/Site Improvements

HACM has site control of all sites proposed for redevelopment, and all zoning is in place. For infrastructure and site improvements, see A.6. HACM has an Option to Purchase for one city-owned vacant lot that will be used for replacement housing.

A.3 Hazard Reduction

HACM has no known underground storage tanks (USTs) at the existing sites. Testing for asbestos-containing materials and lead-based paint has been completed for the units scheduled for demolition. Abatement has been completed at the Convent Hill highrise. At least 7 of the Scattered Sites units contain lead-based paint, and a majority of the units have some asbestos containing materials. Abatement of these materials has been included in the demolition budget.

A.4 Demolition

As described above, HACM intends to demolish 18 of the 24 targeted Scattered Sites units. The purpose of the demolition is to clear the poorly-designed sites, reduce density, and reconstruct the sites to blend in with other well-functioning neighborhoods in Milwaukee, such as HACM's other HOPE VI sites, Hillside Terrace, Parklawn, Townhomes at Carver Park and Highland Park. A demolition application will be submitted to HUD within 30 days of a signed grant agreement. HACM has HUD approval for demolition of the former Convent Hill highrise, which is the site for the 62 market-rate condos, and demolition will be done by September 2008.

All demolition will be done using sustainable demolition practices. Site concrete will be recycled for fill and footing material for the new replacement units. Metal columns and beams will be recycled, and all suitable demolition material will be sorted and sent for reprocessing. These items include any brick veneer, copper pipe, aluminum from window frames and light poles, and any existing suitable building components such as HVAC materials that could be

reused in other developments.

A.5 Disposition

As noted above, HACM proposes the disposition of 9 homeownership units (6 units to the Dominican Center for Women for rehabilitation and sale to public housing eligible families and 3 new homes to public housing families) through HACM's approved Section 32 homeownership program. The 6 units proposed for rehab are in the Dominican Center's target area for affordable homeownership. It would be cost prohibitive for HACM to remodel these units, and the Dominican Center's "Habitat" model provides a cost-effective model for housing preservation and affordable homeownership. HACM will submit a disposition application for the tax credit units by September 30, 2008 and for the Convent Hill site by September 30, 2009.

A.6 Site Improvements

The sites will be redesigned using universal design and New Urbanist principles with shallow street setbacks and pedestrian friendly facades. After demolition, any surplus fill will be removed from the site as well as berms and other impediments to accessibility. New sewers, water laterals and site electrical distribution systems will be installed where required. New sidewalks and carriage walks will be installed, as well as new curb, gutter and pavement to access existing alleys. New access walks to garages and the public sidewalk will be constructed. Where required, sites will be reconfigured to match existing city trees, lawn, and/or public infrastructure. The new single-family homes will share a street setback consistent with other houses on the same block face. Generous porches will frame traditionally designed homes that knit back the fabric of the neighborhood. Additional trees and decorative lighting, as well as extensive landscaping, will be incorporated into the design. The result will be a compact, pedestrian-friendly, traditional neighborhood block that adds to the architectural integrity of the

existing development. Sources of funding for the site improvements include We Energies, tax credits, Hope VI, and the City of Milwaukee.

A.7 Site Conditions

There are no known sources of potential contamination or danger within one mile of these sites, including commercial and industrial facilities, brownfields and other sites with contaminated soil, commercial airports or military airfields, that might be hazardous or cause discomfort to residents, HACM personnel or construction workers.

A.8 Separability

This application includes all of the distressed Scattered Sites within the hard edges of the neighborhood bordered by State Highway 190 (Capitol Drive) on the north, Interstate 43 on the east, State Highway 145 on the south and west, and railroad tracks on the west, in the Scattered Sites Project numbers WI39P002010, WI39P002026, WI39P002030, WI39P002035, WI39P002041, WI39P002043, WI39P002044 and WI39P002045. The Scattered Sites area selected for this grant overlaps the one-mile radius of the previous Scattered Sites HOPE VI grant, made in FY 2003. This continued transformation of HACM's Scattered Sites capitalizes on the synergy created by HUD's HOPE VI investments in Milwaukee by pushing the HOPE VI boundaries 15 blocks north and 10 blocks east to complement other public and private sector investments in this neighborhood. All of HACM's remaining Scattered Sites units in this area are viable and will not have a negative influence on the revitalized units either physically or socially, but rather will contribute to the revitalization of this neighborhood.

A.9 Proximity

As described above and as noted in the maps in Attachment 11, all 24 targeted Scattered Sites units are within the hard boundaries of the north side neighborhood.