

**2017 STAFF REVIEW OF PROPOSALS FOR
COMMUNITY/NEIGHBORHOOD DEVELOPMENT RESERVE FUNDS**
(Housing Development Funds, Affordable Housing Trust Funds, Facility Acquisition/Rehab Funds, Futures Funds)

1. **Project Name/Title:** Wil-Mar Land Acquisition
2. **Agency Name:** Wil-Mar Neighborhood Center, Inc.
3. **Requested Amount:** \$500,000.00
4. **Project Type:** New Continuing
Framework Plan Objective Most Directly Addressed by Proposed Activity: Create and/or improve safe, accessible, energy efficient and well-maintained community and neighborhood facilities.
- 5.

The CDBG National Objective is Benefit to Low and Moderate Income (LMI) Persons.

6. **Product/Service Description:** Purchase of a parcel currently leased by Wil-Mar that contains the playground for their licensed daycare, public playground, basketball courts, public event space and parking for the center participants.
7. **Anticipated Accomplishments (Numbers/Type/Outcome):** 800 individuals per week

8. Staff Review:

Currently, the Wil-Mar Neighborhood Center leases a property from a local church that is adjacent to their center. This property is critical to the support of Wil-Mar's center programs. Wil-Mar also allows the neighborhood to access their playground and basketball courts on this property and provides space for neighborhood events.

The church is selling this property and has offered it to Wil-Mar to purchase prior to putting it on the market. The loss of this property to Wil-Mar and to the community would be great. The total cost of the land purchase is \$621,000. This is valuable property and if not purchased by Wil-Mar it would easily sell for private development.

The selling of this parcel coincides with Wil-Mar's plans to complete much needed repair of their center in 2018-19. Wil-Mar plans to conduct a \$1.75 million capital campaign to support the land acquisition and the center rehab. They have had a fundraising feasibility study done to determine the viability of securing this amount. They have already secured a lead gift of \$500,000 leaving a balance of \$1.25 million.

Currently, Wil-Mar is one of the neighborhood centers that receives operating/program support from the City. 70% of the center participants are low-moderate income persons including almost 40% with incomes less than 30% of the area median income. Almost one-quarter of the participants are people of color.

The alder and the neighborhood association is in support of the Wil-Mar purchase and have submitted letters of support.

CDBG would require an appraisal of the property. The CDBG framework limits capital improvements to \$150,000 per property. A waiver of these limits is frequently granted in the case of neighborhood center facilities.

The allocation to this project should be balanced with the opportunity that is currently presented and the allocation of resources to centers across the City.

Funds would be provided as a long-term deferred payment loan, payable upon sale, transfer or change in use of the property and repaid based on the percentage of CDBG funds into the total project.

Total Cost/Total Beneficiaries Equals: \$620,773/4,000 households = \$155 per household

CD Office Funds/CD-Eligible Beneficiaries Equals: \$300,000/4,000 households = \$75 per household

CD Office Funds as Percentage of Total Budget: \$300,000/\$620,773 = 48%

9. **Staff recommendation:** Fund in the amount of \$300,000 with a waiver to exceed the \$150,000 per property limit.