

**2013 STAFF REVIEW OF PROPOSALS FOR  
COMMUNITY/NEIGHBORHOOD DEVELOPMENT RESERVE FUNDS**  
(Housing Development Funds, Affordable Housing Trust Funds, Facility Acquisition/Rehab Funds, Futures Funds)

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23 /jan/2013

1. **Project Name/Title:** Resolution to exercise the option to purchase....duplex at 1409-1411 Theresa Terrace for potential use as a neighborhood center
2. **Agency Name:** City of Madison
3. **Requested Amount:** \$153,000 in City funds approved as part of the 2013 Capital Budget for neighborhood centers
4. **Project Type:** ☒ New ☐ Continuing
5. **CDD Objective Most Directly Addressed by Proposed Activity:**  
CDBG Goal and Objective: Establishment of the center would address CDBG goal 3; strengthening Madison's neighborhoods, objective G: Create, enhance, or sustain the operation of neighborhood centers or other focal points that bring people of diverse background together, serve as neighborhood focal points, or provide residents with skills or opportunities that will lead to stronger neighborhoods.....
6. **Product/Service Description:**  
Council adoption of the Resolution authorizes the City to purchase a duplex for possible use as a neighborhood center for the Theresa Terrace-Jacob's Way neighborhood on the City's southwest side.  
The duplex is about 1500 square feet in size and would need some renovation to accommodate a neighborhood center use. Estimates for renovation range from \$60,000 to \$150,000, but are based on other sites and experiences and may not reflect the actual needs, costs, or savings in this particular duplex.
7. **Anticipated Accomplishments (Numbers/Type/Outcome):**  
The City would control the site while it reviews the overall policy and City goals concerning neighborhood centers, without concern about losing the possible use of this building due to owner sale for continued residential use.  
Background: An active group of residents has worked with the alder to sponsor activities during the summer of 2012 for children, using a closed street for programming.  
Establishment of the duplex as a center would enable programming year round, and would hopefully lead to greater diversity of programming cross a broader range of seasons, hours and ages.
8. **Staff Review:**  
The advantages of this resolution and action are the following:
  - a. It represents a tactical move by the City to keep its options open for a small neighborhood center to serve this neighborhood, while discussing the larger system and vision issues for neighborhood centers. If the resolution were not adopted, the City may lose this opportunity to help establish a center in this neighborhood.
  - b. If the City were to purchase this duplex, and decide to proceed with a center, the duplex could serve as a stand-alone center or as a satellite for a larger center serving the SW area, such as Meadowood or a center along McKenna Boulevard.
  - c. Some neighborhood residents have worked together to discuss their goals, work with other community groups and have drafted a plan of operations using an experienced neighborhood center organization. Support of this resolution with fuller City debate on the direction for a system of neighborhood centers would support this effort.
  - d. If the City decided not to proceed with a center at this site, the City could resell the duplex for moderately priced housing.  
The disadvantages of the proposed action:
  - a) The end goals and costs are uncertain and the site may be inadequate to the desired goals arising from the discussion of a neighborhood center system. Purchasing a property without an identified clear use may be perceived as devoting limited staff time and resources inefficiently, especially if the property does not get used as a center and the City would have to dispose of the property.
  - b) One could argue that City efforts spent on this purchase may hamper the development of other centers that could better serve the southwest side or other needier areas of the City.
  - c) Generally duplexes and apartment units are costly to adapt and soon outgrow their utility as neighborhood centers; the City could focus its efforts on expanding the programming of the nearby Falk school and the nearby Meadowood center and library to better connect with and better serve this small neighborhood, rather than creating a new center.
  - d) Purchase and use of this property as a center takes 2 units of affordable housing out of use, at a time when the need for rental housing units is rising, with a vacancy rate of less than 2%.

<b>Total Cost/Total Beneficiaries Equals:</b>	<b>\$152,000</b> /200 households = approximately \$760
<b>CD Office Funds/CD-Eligible Beneficiaries Equals:</b>	<b>\$760</b>
<b>CD Office Funds as Percentage of Total Budget:</b>	<b>100% of acquisition and holding costs</b>