

OWL CREEK ASSESSMENT AND STRATEGIC PLAN



PREPARED BY: MATT WACHTER, CITY OF MADISON COMMUNITY DEVELOPMENT AUTHORITY

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PURPOSE

Owl Creek is a residential subdivision on Madison's southeast side composed of single-family homes, duplexes, four-plexes, and vacant lots. The subdivision was created at the peak of the housing bubble and development stalled when the housing market crashed. As a result, the development languished for years leading to foreclosure on the undeveloped parcels. While the subdivision was originally envisioned as primarily an auto-oriented single-family ownership development, a number of the units in the subdivision have since been rented to low-income households with limited access to automobiles and a need for social services. The challenges that have arisen have led the City to create a Neighborhood Resource Team, add bus routes, and create a neighborhood park in an attempt to connect the residents to resources. Eventually, the City purchased the undeveloped lots in order to further guide development of the subdivision.

The purpose of this plan for Owl Creek is to: assess the existing assets and challenges, examine market trends and development models in order to chart a course for a healthy neighborhood that creates new housing options, improves connections to the surrounding community, and returns the City's capital investment.

GOALS

Based on the broad goals of the NRT, input from stakeholders, and the 2013 resolution directing staff to research housing and neighborhood conditions, the following goals have been identified to guide the creation of this report:

- Improve the lives and wellbeing of current residents
- Complete build out of the neighborhood in accordance with the approved plan
- Integrate subdivision into the broader South East Planning Area
 - Physical Access
 - Culture and Community
- Create a mixed income neighborhood with a variety of housing options

ASSESSMENT

In order to analyze the area demographics to identify the housing needs and neighborhood conditions, it is important to separate the characteristics of the people who currently or potentially will live at Owl Creek from the natural, built, and economic characteristics of the site itself.

PEOPLE

In analyzing current population and the population of potential homebuyers for the homes yet to be developed, it is important to put the neighborhood in the context of the broader community. Four levels of comparison were selected:

- Owl Creek
- South East Madison Planning Area – Owl Creek and the surrounding neighborhoods bounded by Highway 51, Highway 12/18, I 90/94, and McFarland
- Sprecher Planning Area – A collection of far East side neighborhoods developed at a similar time to the South East Planning area bounded by I 90, I 94, Cottage Grove Road, and the eastern edge of the City
- City of Madison

	Owl Creek	South East Madison Planning Area	Sprecher Planning Area	City of Madison
Average Household Income	-	\$82,635	\$71,934	\$53,933
Families w/ Children	73%	47%	28%	21%
% of Population under Age 17	54%	33%	22%	18%
% White	26%	70%	84%	76%
% Owner Occupied	13%	84%	68%	49%
Households w/ Vehicle	-	95%	94%	87%

CURRENT RESIDENTS

It is clear from the data that the residents of Owl Creek are significantly different from that of the surrounding neighborhoods. While household income data for Owl Creek is suppressed for privacy reasons, we know anecdotally that a large percentage of the residents, particularly the renters, are low-income families. The population of Owl Creek is different from its surrounding area, having:

- Lower Incomes
- Much higher ratio of families and children
- Much lower homeownership rates

The data and outreach efforts to the neighborhood show that the current residents of the neighborhood, particularly the renters, face a number of largely financial challenges that make it difficult to live in a neighborhood as isolated as Owl Creek. These challenges also make it difficult for households to transition out of rental housing and into homeownership.

Based on interviews with Owl Creek renters, there is a relatively strong desire to stay in the Owl Creek neighborhood and work to address their financial challenges with the hope of potentially purchasing a home in Owl Creek.

POTENTIAL BUYERS

In contrast to Owl Creek, the broader South East Planning Area (of which Owl Creek is a part) is very similar to the comparable Sprecher Planning Area with:

- Higher than City average incomes
- Moderate to low ratios of families and children
- Higher than City average homeownership rates
- High levels of vehicle ownership

The implication of these trends is that the single-family home areas of Owl Creek should naturally attract a buyer that is similar to residents of the surrounding and comparable neighborhoods. Based on conversations with realtors active in the South East side there are potential challenges to attracting this type of buyer based on a negative image of the neighborhood driven by:

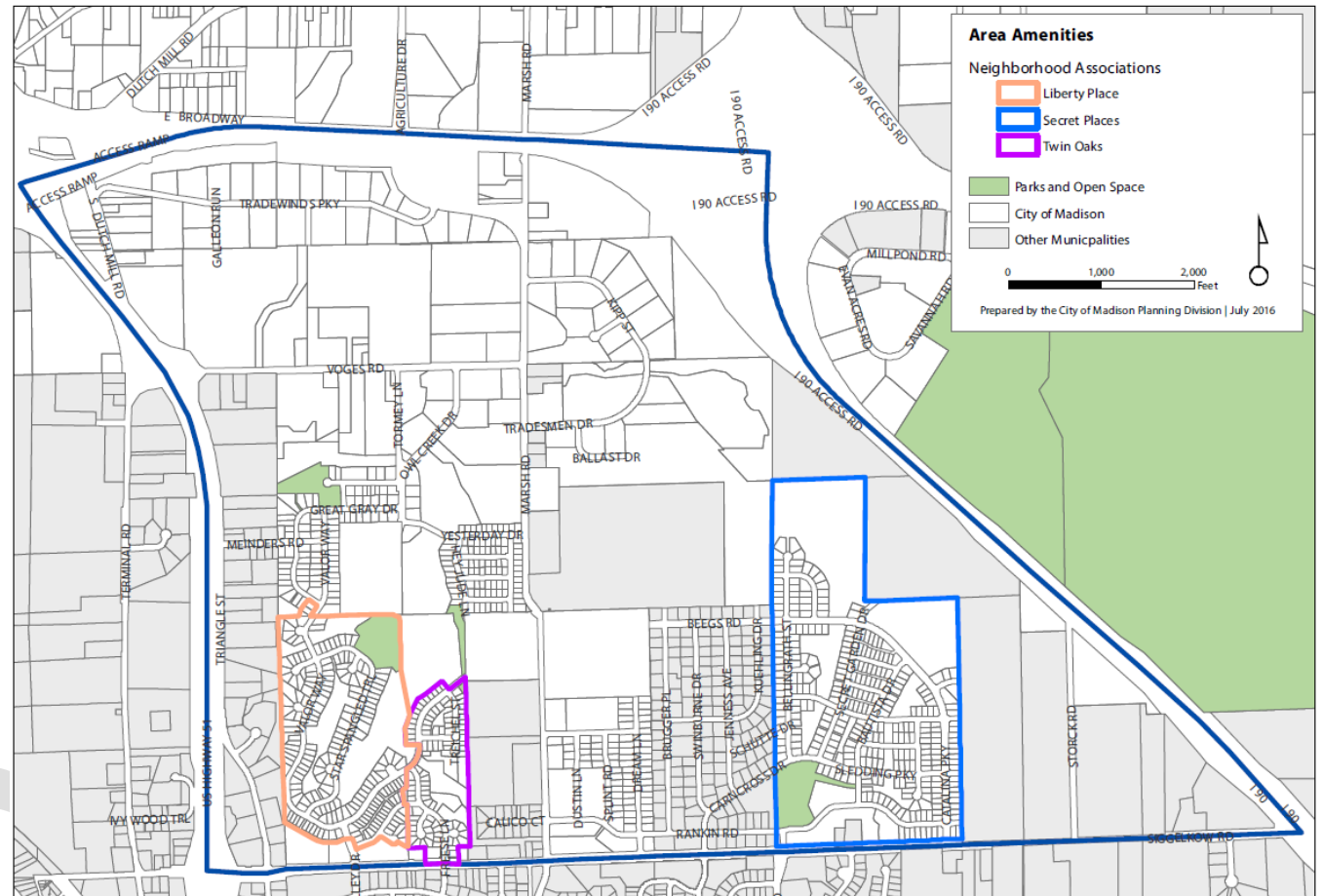
- Negative news coverage of the neighborhood
- Awkward and limited access to the neighborhood that requires passing a large concentration of unattractive duplex housing
- Perceived lower quality housing stock compared to surrounding neighborhoods

SITE

In analyzing current site and its potential limitations to development, it is important to put the neighborhood in the context of the City and the broader South East side.

The Owl Creek subdivision consists of roughly 10 acres of land on the South East side of Madison bounded by the Liberty Place Neighborhood Association to the south, light industrial areas to the north and west, and wetlands to the east.

The site as well as the majority of the South East Madison Planning District is very isolated, as illustrated by its extremely low Walkscore. Walkscore is a measure of the amenities (schools, grocery, pharmacy) within easy walking distance. Additionally, the area has relatively light transit service compared to the City as a whole, which is not uncommon for low-density areas on the edge of the City. These factors make it particularly difficult and inconvenient for residents without access to vehicles to live in the area.



	Owl Creek	South East Madison Planning Area	Sprecher Planning Area	City of Madison
Walkscore	9	1	21	48
Transit Score	17	20	16	38

LAND USE

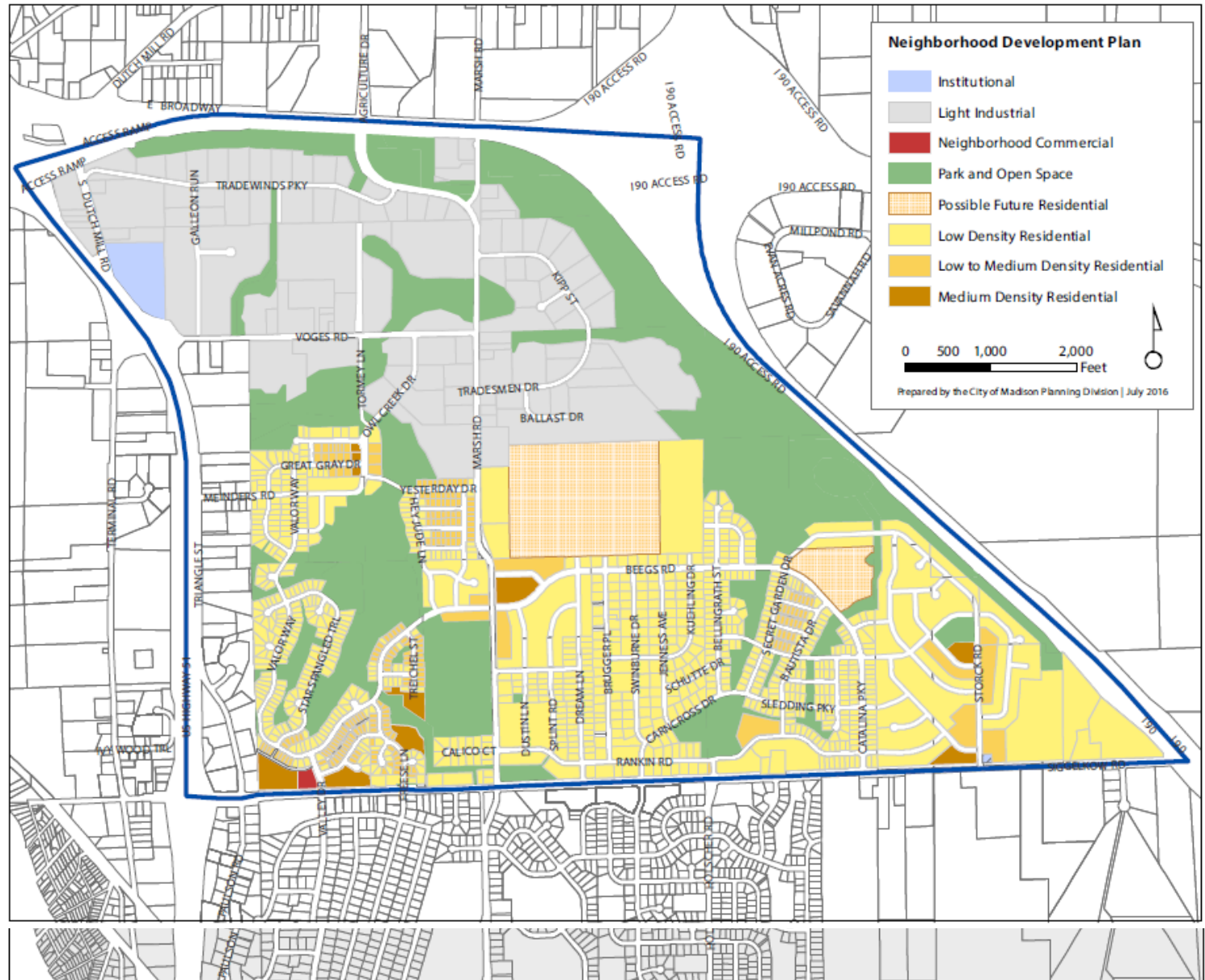
Owl Creek, as well as the majority of the South East Planning Area is planned for low density residential uses.

Future development expansion around Owl Creek is limited by:

- Existing development to the west and south
- Existing 15 acre farm/home to the east
- Wetlands to the north and the southeast

The 15-acre farm in the middle of the site is for sale for approximately \$1 million. The site is planned for additional build out as single-family homes and represents the only opportunity to expand the development.

The wetland to the north and east limit the ability to expand road connections to the adjacent neighborhoods.



Lots in Owl Creek are divided into three zoning designations.

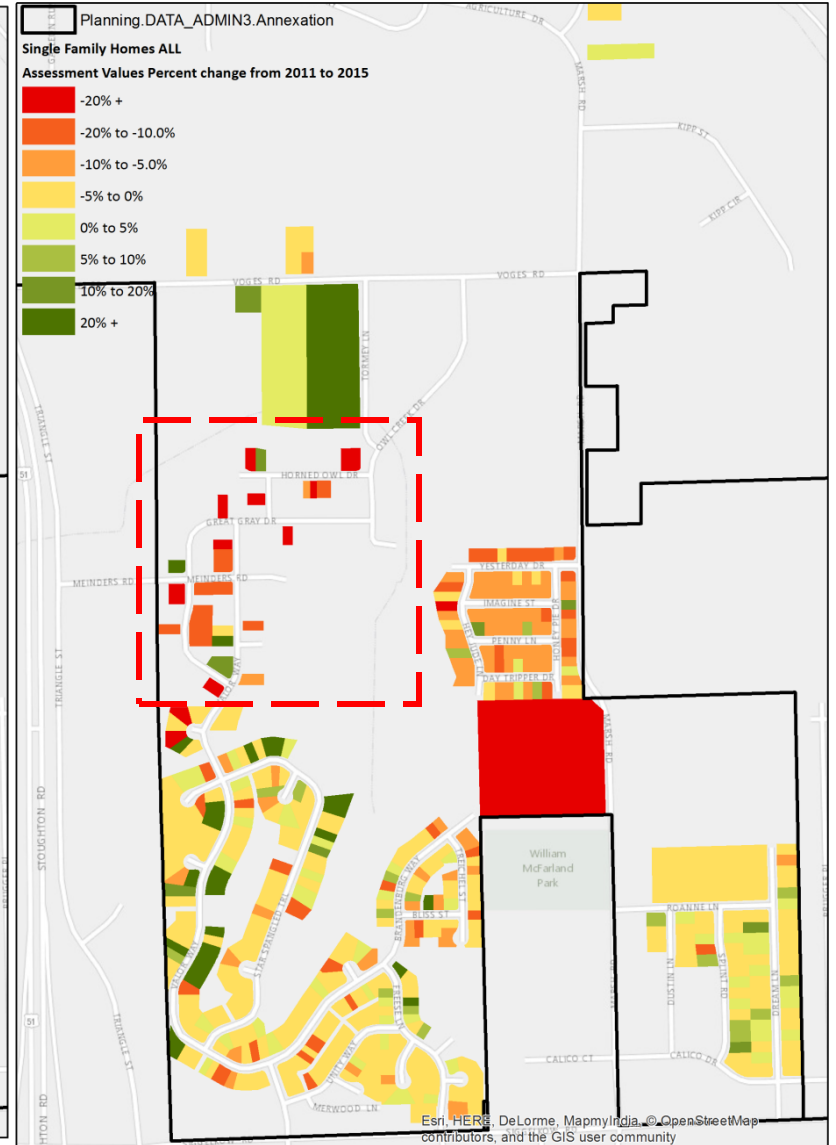
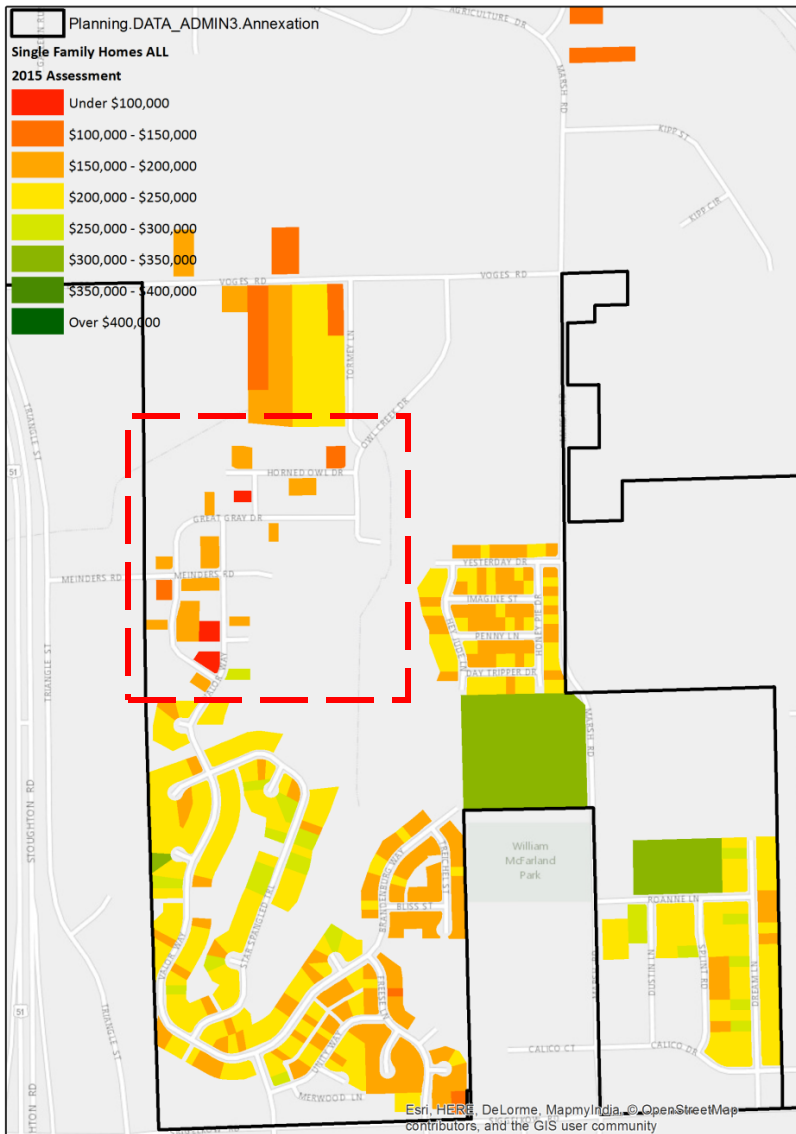
- TR-C3
 - Single Family only
 - Majority of lots
 - West and South sides of Owl Creek
 - Common in South East Planning District
- SR-C3
 - Allows Duplex
 - North side of Owl Creek
 - Small pockets in South East Planning District
- SR-V1
 - Allows Fourplex
 - Northeast corner of Owl Creek
 - Uncommon in South East Planning District

DRAFT

HOME VALUES

The single-family lots at Owl Creek are very similar in size, density, and zoning to those in the Liberty Place subdivision down the street, but homes in Owl Creek are valued significantly lower and their values have been slower to recover since the recession.

The measures indicate that some other factor is holding back the value of homes at Owl Creek, which is most likely the negative perception of the neighborhood in the market.



RECOMMENDATIONS – APPROACHES

In creating recommendations to achieve the goals of this plan, it is useful to see them as existing on a spectrum of intensity of the scale of intervention.

LIGHTER, FASTER, INEXPENSIVE

- Raise the threshold for quality
 - Brand the neighborhood
 - Design Guidelines
 - Homeowners Association
 - Downzone multifamily lots
- Broaden Housing Options for Current Residents
 - Homeownership/Financial Literacy Class
 - Housing Choice Voucher Homeownership Program
 - Proactively market new affordable rental housing opportunities to current neighborhood residents
- Improve Physical Layout
 - Walking/Bike trails
 - Complete the neighborhood development plan
 - Connect to surrounding neighborhoods
- Reconfigure existing multifamily
 - Add higher quality townhomes to cap the block
 - Actively pursue purchase of rental properties

HEAVIER, SLOWER, EXPENSIVE

RAISE THE THRESHOLD FOR QUALITY

The goal of this strategy is to raise the floor for the quality of the housing stock and reframe the image of the subdivision based on quality rather than low cost

- Brand the neighborhood
 - Given the current negative perception of the neighborhood in the market, efforts could be made to brand the neighborhood based on its strengths Ex. Nearby marshes
 - Rename neighborhood and/or streets
 - Professional marketing materials
- Homeowners Association and Design Guidelines
 - Create a Homeowners Association and Design Guidelines dictating housing styles, materials, and maintenance
 - Ensure high quality, durable, and attractive housing stock
 - Reinforces marketing based on quality rather than price
- Downzone multifamily lots
 - Undeveloped lots that are zoned multifamily can be down zoned to only allow single family homes
 - Limits the creation of additional multifamily

BROADEN HOUSING OPTIONS FOR CURRENT RESIDENTS

The goal of this strategy is to provide a variety of tools to allow current renters to improve their transportation and housing situation

- Homeownership/Financial Literacy Class
 - Current neighborhood residents could be offered a financial literacy class to improve their financial situation
 - Located in/near the neighborhood
 - Offered for free/reduced cost
 - Tailored towards improving credit to allow them to purchase vehicles or homes in the neighborhood
 - Modeled on similar program on Allied Drive
- Housing Choice Voucher Homeownership Program
 - For renters that are recipients of the Housing Choice Voucher Program (Section 8), CDA staff can explore the possibility of applying the voucher towards homeownership
- Proactively market new affordable rental housing opportunities to current neighborhood residents
 - For renters that are interested in leaving Owl Creek and are not ready to pursue homeownership, information provide information on other rental housing options
 - Hundreds of new construction Section 42 rental developments on the East side with robust transportation access

IMPROVE PHYSICAL LAYOUT

The goal of this strategy is to make the area more attractive to potential buyers by improving linkages as well as “completing” the neighborhood

- Walking/Bike trails
 - Create trails or parkways connecting open spaces
 - Connect Owl Creek Park to Veteran’s Memorial Park
 - Connect to natural/marsh areas
 - Amenity to attract buyers
- Plat Additional Lots
 - Purchase the adjacent 15 acre farm to complete the recommendations of the neighborhood development plan
 - Converts the subdivision from a few blocks to a “neighborhood”
 - Add streets through farm to complete street grid and offer multiple routes through neighborhood
 - Create additional lots to further broaden the housing mix
- Connection to surrounding neighborhoods
 - Extend streets and walking trails to adjacent neighborhoods
 - Improves connectivity and offers a wider variety of transportation options
 - Builds a social connections between neighborhoods



RECONFIGURE EXISTING MULTIFAMILY

The goal of this strategy is to improve the physical configuration and management of the multifamily housing on the north end of the subdivision

- Add higher quality townhomes to cap the block
 - Provide a wider variety of housing options
 - Lower cost/entry level homeownership opportunity
 - Lower maintenance option for owners with physical limitations
 - Create an attractive gateway to the neighborhood
 - First impression along the approach from the north
 - Breaks up the monotony of duplexes on the block
- Actively pursue acquisition of rental properties through purchase right of first refusal
 - Replace management with expert in serving low income populations
 - Ensure quality management and maintenance
 - Familiarity with subsidy programs for low income renters
 - Convert to ownership
 - Diversify housing options
 - Lower cost/entry level homeownership opportunity
 - Selective demolition of rental housing
 - Replace with single family homes
 - Breaks up the monotony of duplexes on the block
 - Allow for additional/connected greenspace

NEXT STEPS

OUTREACH TO STAKEHOLDERS

Q3 2017

Data and recommendations of the plan will be shared with stakeholders to solicit feedback to guide implementation

- Residents
- NRT
- Mayor
- City Committees
 - CDBG
 - CDA
 - Housing Strategy
- Common Council

OUTREACH TO POTENTIAL PARTNERS

Q3/4 2017

Potential developers will be identified to explore the scope work and options for the structure of the land sale

- Homebuilders
- Realtor follow-up

DRAFT AND ISSUE RFP

Q4 2017

Staff will create a request for proposals that integrates the recommendation into the scope and terms of sale

- Structure of sale
- HOA/Design Guidelines
- Undeveloped multifamily lots

SELECT DEVELOPER

Q1 2018

Final terms of sale will be solidified in a resolution for approval by the Common Council

- Approval of sale terms