

**2015 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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1. **Project Name/Title:** Growing Through Literacy

2. **Agency Name:** Literacy Network

3. **Requested Amount:** \$150,000

4. **Project Type:**  New  Continuing

5. **Framework Plan Objective Most Directly Addressed by Proposed Activity:**

Objective 3.2: Capital Improvements for Community Organizations- Create or improve safe, accessible, energy efficient and well-maintained community and neighborhood facilities.

6. **Product/Service Description:**

Literacy Network is requesting CDBG funds to purchase the former south Madison Wingra Clinic property at 701 Dane Street. The organization proposes to move there from the 4,500 square feet of space it currently rents on South Park Street. Once renovated, the 14,777 square foot building will serve as home to Literacy Network's many programs, greatly enlarging its available space thus allowing the organization to improve and expand its services targeting low literate adult learners. The organization anticipates utilizing 9,000 square feet of the new building for its own purposes and renting out the remainder to other nonprofit organizations.

7. **Anticipated Accomplishments (Numbers/Type/Outcome):**

The additional programming space gained through the proposed property acquisition will allow Literacy Network to nearly double its service capacity from 1,100 to 2,000 adult learners. It will also allow the organization to provide much needed childcare space so that it can better serve an expected 1,500 households with young children.

Literacy Network students are between 18 - 86 years old; 60% are women with school-aged children, 90% identify as persons of color and 90% have incomes below the federal poverty line. Low adult literacy affects individuals and communities in many ways. The ability of Literacy Network to double its impact means significantly more Madison residents will have better opportunities for employment, education, and health.

8. **Staff Review:**

*Need*

Literacy Network has been serving Madison and Dane County for over 40 years. The organization is currently renting 4,500 square feet of space on South Park Street and cannot adequately serve its target population because of space constraints. In twelve years at this location, the organization's number of student hours has increased tenfold and staff has grown 300%. In 2008 volunteer hours totaled 11,809. By 2012 volunteer hours had nearly tripled, to 32,335. The proposed property purchase and rehabilitation will allow Literacy Network to expand its program offerings while remaining in the heart of South Madison, the area of the Madison with greatest poverty and greatest need for reading, writing and language services. The location is on a bus line and across the street from the new Access Community Health Center building, Urban League headquarters, and the Goodman South Madison Library.

Literacy Network provides programs specifically tailored to the individual needs, goals, and different learning styles of its adult learners. The organization uses a combination of full-time and part-time employees, contract teachers, interns, and more than 500 volunteer tutors to provide, one-to-one tutoring for ESL and basic literacy, small ESL classes, community literacy, family literacy and English in the schools, integrated English and civics education and workplace literacy.

Literacy Network is also the agency contracted to provide English language training to all refugees resettled in Madison. Many refugees are placed in the South Madison neighborhood, helping to making this area the most diverse in Madison. The *South Madison Neighborhood Plan (2005)* notes, "It is important to understand the character of a neighborhood when determining what to preserve, enhance, and change to make the neighborhood livable today and for future generations." Enhancing literacy services in this area would no doubt add to the character of the neighborhood.

The City Community Development Division currently partners with Literacy Network in two programs that provide literacy services to families and support employment opportunities. Funding for these programs totals \$47,657. Literacy Network currently serves 1,100 adult learners annually, with two classrooms, two private tutoring spaces, no dedicated childcare space, and no dedicated lending library. Relocation to the new space will allow the

organization to serve 2,000 adult learners annually with three classrooms, four private tutoring spaces, dedicated childcare space, and a dedicated lending library.

*Readiness*

Literacy Network has secured an intent to purchase agreement with Saint Mary’s Hospital for the subject property for \$300,000 and plans to complete \$570,000 in renovations. The property was appraised at \$818,000 in August of 2013 by Opitz Realty, Inc. Construction is estimated to begin in July of 2015 with completion in November of 2015. A City CDD contribution of \$125,000 to the project would constitute 11% over overall project costs.

Literacy Network has initiated a \$3 million capital campaign to support its move to the new location. The campaign has been endorsed by the Capital Fund Raising Committee (CFRC) which reviews proposed capital campaigns of nonprofit organizations seeking support from the local business community. The CFRC review process provides a way to bring order to the large number of planned Madison area capital campaigns. Organizations that contact businesses without having being vetted and endorsed by the CFRC are typically referred back through the CFRC process before a request will be considered.

Literacy Network states that as of January 9, 2015, they had raised \$330,248 towards their \$3 million capital campaign goal. Agency representatives state they are confident in their ability to secure additional funds, but that if the campaign goes slower than expected they have a lease at their present location until August of 2015 and the ability to renew for another year if needed.

*Alder Support*

When contacted about the proposal, area Alder John Strasser stated “It’s a perfect fit.”

*Summary*Literacy Network is requesting \$150,000 in CDD funds. There are sufficient funds in the CDD Acquisition/Rehab Reserves to fund this project.

**Total Acquisition Cost/Total Beneficiaries Equals: \$300,000/2,000=\$150 per beneficiary**  
**CD Office Funds/CD-Eligible Beneficiaries Equals: \$125,000/2,000=\$62.50 per beneficiary**  
**CD Office Funds as Percentage of Total Project Budget: \$1,111,600/125,000= 11%**

**9 Staff recommendation:**

Provide \$125,000 in CDBG funds. Funding will be for the acquisition of new property.

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<b>Technical and Regulatory Issues</b>	<b>Project information</b>
Within unit, capital, mortgage limits	yes
Within Subsidy layering limits/ analysis	n/a
Environmental Review issues	no
Eligible project	yes
Conflict of interest	no
Church/State issues	no
Accessibility of program	yes
Accessibility of structure	yes
Lead-based paint inspection required	no
Relocation/displacement	no
Zoning restrictions	no
Fair Labor Standards	no
Vulnerable populations	yes
Matching Requirement	yes
Period of Affordability for HOME funds	n/a
Site and Neighborhood Standards	no

<b>Technical and Regulatory Issues</b>	<b>Project information</b>
Within unit, capital, mortgage limits	yes
Within Subsidy layering limits/ analysis	n/a
Environmental Review issues	no
Concerns	
Supplanting issues	no
Living wage required	no
M/W/DBE goal required	no
Aldermanic/neighborhood communication	yes
Section 3 covered assistance project	no
Developer Capacity	good
Market conditions acceptable	yes
CHDO certification	n/a
Management issues:	no