

**2020 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:** Reach Dane 3201 Latham Dr Acq & Expnsn

2. **Agency Name:** Dane County Parent Council, Inc. DBA Reach Dane

3. **Requested Amount:** \$300,000

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:**

The Dane County Parent Council, Inc (Reach Dane) proposes to use CDBG funds, in part, to acquire and renovate an existing building to relocate their Head Start, 4K and child care service facility for approximately 150 low income children. The site is located at 3201 Latham Drive on the City's South side.

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

Reach Dane's South Madison program on Park Street serves children ages 0-5 and their families. The demographics of these households are diverse with approximately 90% of beneficiaries being Persons of Color, speaking at least six native languages, including Spanish, English, Hmong, Russian, Arabic and Nepali. In addition to early childhood programming, Reach Dane also provides enrolled families comprehensive health, dental, mental health, nutrition transportation, and ongoing family support services. All households currently enrolled in the program have incomes at or below 30% of the Dane County Median Income. Reach Dane anticipates that approximately 150 children from 125 unduplicated households will be served by this project.

8. **Staff Review:**

The Community Development Authority (CDA) owns Reach Dane's existing Park Street facility where the organization's programs currently operate. CDA has determined the suite occupied by Reach Dane is no longer feasible to maintain and will require significant rehabilitation for continued use. Reach Dane has been searching for a different facility of sufficient size which meets licensing, city accreditation, and Head Start Program Performance Standards. The property at 3201 Latham Drive, with some improvements, can meet those requirements and provide ample space for play spaces and parking for staff. The project contemplates rehabilitating the interior and exterior of the building, the creation of two outdoor play areas and resurfacing the parking lot. The completed building will include seven classrooms and two rooms serving infants and toddlers. The new location is served by Madison Metro and is close enough to Reach Dane's current location, which will allow the agency to continue to serve families within the same geographic area.

The total cost of the acquisition and renovation project is projected to be \$4,849,500. In 2019, Reach Dane received \$3,650,000 funding from the Office of Head Start to purchase and renovate the Latham Drive site. However, this funding does not cover the full cost of the project. Reach Dane has committed \$899,500 in cash reserves to the project, with a remaining gap of approximately \$300,000.

Davis-Bacon labor standards will apply to the project due to the use of federal CDBG and Head Start funds as part of the renovation.

Reach Dane completed a Phase I Environmental Site Assessment of the property, and the Community Development Division has started the Environmental Review process that must be completed prior to Reach Dane closing on the property. As of the date of this staff review, Reach Dane does not have a date for closing on the property.

As 100% of the households participating in the Reach Dane South Madison Program are low- or moderate-income (LMI) individuals, the project will meet the LMI national objective. Additionally, quality, affordable

childcare is an ongoing concern for Madison families, especially for Madison's low-income families, and most of the families benefitting from this program are low-income Persons of Color. Approval of this project will ensure that Reach Dane's South Madison Program can continue to operate.

Total Cost/Total Beneficiaries Equals:

$\$4,849,500/150 = \$32,330$ per beneficiary

CD Office Funds/CD-Eligible Beneficiaries Equals:

$\$300,000/150 = \$2,000$ per beneficiary

CD Office Funds as Percentage of Total Budget:

$\$300,000/\$4,849,500 = 6\%$

9. Staff Recommendation:

Staff recommendation is to provide up to \$300,000 in federal CDBG funds to the Dane County Parent Council, Inc. dba Reach Dane for the acquisition and renovation for a childcare facility under the terms of the existing CDD Goals and Objectives. Funds will be contingent on Reach Dane closing on the property after the Environmental Review is complete, a commitment of sufficient permanent financing to complete the project, and related due diligence documentation.