



Legislation Text

File #: 59741, **Version:** 1

Fiscal Note

The proposed resolution authorizes a \$300,000 long-term deferred loan to Dane County Parent Council, Inc. to acquire and rehabilitate a site for childcare services. The proposed loan will be funded by CDD's Community Development Block Grant (CDBG) Acquisition and Rehabilitation funds. The 2020 Adopted Operating Budget includes \$3.4 million of CDBG funding. No additional City appropriation is required for the proposed use of CDBG funds.

Title

Authorizing an allocation of up to \$300,000 in Federal Community Development Block Grant Program funds to acquire and rehabilitate a site for childcare services by the Dane County Parent Council, Inc.

Body

BACKGROUND

The Dane County Parent Council, Inc., dba Reach Dane, is a local non-profit childcare service provider. In addition to early childhood programming, Reach Dane also provides enrolled families comprehensive health, dental, mental health, nutrition transportation, and ongoing family support services. Reach Dane proposes to acquire and renovate an existing facility at 3201 Latham Drive on the City's South side to accommodate the services currently offered at its existing site on Park Street. This site offers Head Start, 4K and childcare services for approximately 150 low-income children ages 0-5 and their families. Reach Dane currently leases space in the Village on Park, owned by the Community Development Authority (CDA). 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 secured other funding to make this \$4,849,500 project feasible, but still has a gap of approximately \$300,000 to complete the project.

All households currently enrolled in Reach Dane's program have incomes at or below 30% of the Dane County Median Income. 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. 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 funding for this project will ensure that Reach Dane's South Madison Program can continue to operate.

ACTION

WHEREAS, the Dane County Parent Council Inc., a local non-profit organization, has submitted a request to the Community Development Division (CDD) seeking a \$300,000 loan to support a proposed \$4,849,5000 project to acquire and rehabilitate a new property from which to provide childcare services to low-income households; and,

WHEREAS, CDD staff and the CDBG Committee have reviewed the Dane County Parent Council, Inc.'s proposal and find that it furthers the Neighborhood Asset Building goals expressed in the 2020-2024 City of Madison Consolidated Plan; and,

WHEREAS, the Dane County Parent Council has demonstrated the need for \$300,000 of funding

support to acquire and rehabilitate the site to serve 150 low-income beneficiaries; and,

WHEREAS, sufficient funds exist within the Community Development Division's CDBG Acquisition and Rehabilitation Reserve Fund to provide the requested support.

NOW, THEREFORE, BE IT RESOLVED, that the Common Council hereby approves awarding up to \$300,000 in CDBG Program funds to the Dane County Parent Council, Inc. for the purpose of acquiring and rehabilitating the property at 3201 Lathan Drive, from which it will provide childcare services, contingent upon the Dane County Parent Council, Inc. securing the additional financing needed to complete the project; and

BE IT FURTHER RESOLVED, that the City will provide the funds in the form of a long-term deferred loan, re-payable upon sale, transfer or change in use of the property; that the loan will be secured by a mortgage and a promissory note; and that the promissory note will require repayment of either a percentage of the appraised value after-construction, based on the amount of CDBG funds invested in the property, or a percentage of the net proceeds, whichever is less; and

BE IT FINALLY RESOLVED, that the Mayor and the City Clerk are hereby authorized to execute a contract and related loan documents with the Dane County Parent Council, Inc. to accomplish the intent of this Resolution.