



## Legislation Text

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**File #:** 11499, **Version:** 1

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### **Fiscal Note**

The Resolution proposes an allocation of an additional \$150,000 in CDBG- administered funds to support the Urban League project. The proposed total City funding commitment for the project is \$1,000,000, with \$450,000 derived from Federal monies as administered by CDBG, and the remaining \$550,000 from City general obligation debt. The Council has previously approved \$300,000 in Federal/CDBG monies for the project and \$150,000 of general obligation debt funding is authorized in the 2008 PCED Adopted Capital budget (Project No. 39, "Urban League Economic Development Center," Account No. 810597). An additional \$400,000 in general obligation debt funding is included in the 2009 PCED requested capital budget.

### **Title**

Authorizing the provision of an additional \$150,000 in CDBG funds to assist the Urban League of Greater Madison to acquire property and construct a building to develop a Center for Economic Development at The Villager in ways that address City, Community and Neighborhood Development Objectives, and authorizing the Mayor and City Clerk to enter into contractual agreements as appropriate.

### **Body**

The Urban League of Greater Madison (ULGM) is the local affiliate of the National Urban League. The local organization has sponsored several programs intended to strengthen the job skills or job readiness of many lower-income people and people of various racial and ethnic backgrounds, as well as provide youth mentoring, and business development services.

Over the last several years, ULGM has explored ways to leverage the sale of its current headquarters on Gorham Street and find a site that would be more accessible to its client base, provide space for its programs, and permit it to partner or grow its program in the business support area. ULGM has entered into an agreement to purchase land from the Community Development Authority at The Villager where the ULGM will construct a 36,000 square foot facility. Approximately 14,000 square feet will house the Urban League Center for Economic Development and the Urban League administrative offices; 12,000 square feet is slated to be sold to the South Madison Public Library; and 10,000 square feet is expected to be leased to Planned Parenthood of Wisconsin.

In 2007, the CDBG Commission recommended and the Council approved resolutions to provide \$300,000 in CDBG funds to help leverage private funds toward the development of the building. The adopted 2008 Capital Budget includes \$150,000 in general obligation debt to provide additional support to the project. The 2009 requested Capital Budget of the Planning, Community and Economic Development Department includes a request for an additional \$400,000 in general obligation debt for the project. Therefore, the total City funding commitment for the Urban League project is \$1,000,000, with \$450,000 in funding from CDBG resources and the remaining \$550,000 to be derived from City general obligation debt. Construction is scheduled to begin in the fall of 2008 with completion by the end of 2009.

### **Actions:**

WHEREAS, the CDBG program, as amended, and its implementing regulations located at 24 CFR part 42, permit the City of Madison to help community agendas that serve lower-income people;

WHEREAS, CD staff and the CDBG Commission have reviewed this proposal and find that it furthers the goals expressed in the Five-Year Community and Neighborhood Development Plan; and

WHEREAS, the Council has previously approved \$300,000 in CDBG funding for the Urban League project (Leg. #05716,

approved 3/20/07 provided \$150,000 and Leg. #06938, approved 8/7/07 provided an additional \$150,000), and

WHEREAS, the adopted 2008 PCED Capital Budget authorizes an additional \$150,000 in general obligation debt to support acquisition, construction, or related costs for this project, and

WHEREAS, the requested 2009 PCED Capital Budget includes authorization for an additional \$400,000 in general obligation borrowing for the project.

NOW, THEREFORE, BE IT RESOLVED, that the Common Council approves the provision of an additional \$150,000 in CDBG funds for the following project, and authorizes the Mayor and City Clerk to enter into an agreement with:

The Urban League of Greater Madison, Inc., or a related affiliate for up to an additional \$150,000 in CDBG funds and \$150,000 in general obligation funds toward the acquisition of land, and construction, and/or related development costs of a building on The Villager property to house the Urban League and its Center for Economic Development.

BE IT FURTHER RESOLVED that all CDBG and general obligation funds for this project are made available until December 31, 2009.

BE IT FURTHER RESOLVED that the assistance be offered on terms adopted in the 2007-2008 Framework for Community and Neighborhood Development and 2008 Capital Budget, such that the funds be offered in the form of a deferred payment loan payable upon change of use or sale, with repayment equal to the greater amount of the amount of CDBG or general obligation funds invested in the property or the percent of appraised value that the funds represent in the value of the property.

NOTE: The Proposal describing the above project and the CD staff and CDBG Commission recommendation are available on file in the Council Office and in the CD Office.