



Legislation Text

File #: 37034, **Version:** 1

Fiscal Note

Sufficient Federal CDBG funds of \$125,000 are available for this project within the Community Development Division's Acquisition/Rehab Reserve Fund, which was authorized as part of the Division's 2015 adopted operating budget. The use of CDBG funds will have no impact on the local levy.

Title

Authorizing up to \$125,000 of CDBG funds to support Literacy Network's acquisition of the former south Madison Wingra Clinic property located at 701 Dane Street to expand literacy services to Madison area adults.

Body

Literacy Network proposes to purchase and renovate a property at 701 Dane St. in South Madison to provide for a significant expansion of its services. Literacy Network provides one-to-one tutoring for English as a second language (ESL), basic literacy, community literacy, family literacy and English in the schools, integrated English and civics education, and workplace literacy. The organization's programs are specifically tailored to the needs, goals, and different learning styles of its individual adult learners. Ninety percent of the organization's participants are low-income and 90% are persons of color.

Literacy Network currently leases space. Due to the rise in demand for its services, the space is no longer adequate. The organization proposes to purchase a property on the south side of Madison that will allow it to double its service capacity. It will also allow the organization to provide on-site space for childcare for households with young children who need care while parents are receiving literacy services.

Action

WHEREAS, the nonprofit organization Literacy Network is a primary provider of adult literacy services in the Dane County area, and

WHEREAS, there is a pressing and increasing demand for adult literacy services in the Dane County area, and

WHEREAS, Literacy Network cannot accommodate the increasing demand for adult literacy services at its current south Madison location because of space constraints, and

WHEREAS the 701 Dane Street property Literacy Network proposes to acquire is close to Literacy Network's current site, close to much of the population it serves, and

WHEREAS the acquisition will afford an opportunity for a portion of the facility to be leased to other nonprofit agencies serving a Neighborhood Resource Team area, and

WHEREAS, CDBG staff and the CDBG Committee have reviewed the proposal and find that the Literacy Network project furthers the goals expressed in the Common Council approved 2015-2019 *Consolidated Plan* and *2015 Action Plan*; and

WHEREAS, this project is eligible for funding based on the Community Development Division's approved *2015-2016 Community Development Program Goals and Objectives*, and

WHEREAS, the total cost to acquire the property is \$300,000 and the total project cost, including property rehabilitation is \$1,111,600.

NOW, THEREFORE, BE IT RESOLVED, that the Common Council approves up to \$125,000 in CDBG funds for Literacy Network's acquisition of the property located at 701 Dane Street to expand its service capacity, and provide leased space to other nonprofit organizations.

BE IT FURTHER RESOLVED, that the assistance will be provided as a long-term deferred loan payable upon sale, transfer, or change of use in the property and that the loan will be secured by a mortgage and a promissory note. The promissory note will require repayment of a percent of the appraised value of the property based on the amount of the CDD funds invested in the property or net proceeds, whichever is less.

BE IT FURTHER RESOLVED, that if Literacy Network fails to complete acquisition of the 701 Dane Street property by July 1, 2015, it will repay the CDBG funds to the City Community Development Division no later than October 1, 2015. If Literacy Network fails to complete rehabilitation of the proposed property by December 31, 2016, it will repay the CDBG funds to the City Community Development Division no later than March 31, 2017.

BE IT FURTHER RESOLVED, that the Mayor and City Clerk are hereby authorized to execute a contract and related loan documents with the Literacy Network to accomplish the purpose of this resolution.

BE IT FINALLY RESOLVED THAT the Mayor and City Clerk are hereby authorized to execute, deliver, publish, file, and record such other documents, instruments, notes and records and take such other actions as shall be necessary or desirable to accomplish the purpose of this Resolution and to comply with and perform the obligations of the City hereunder.