



Legislation Text

File #: 76394, **Version:** 1

Fiscal Note

The proposed resolution would authorize a \$68,000 loan to Literacy Center, Inc. from the Community Facilities Loan (CFL) Program. The CFL program was established in the Community Development Division's (CDD) 2022 Capital Budget, which allocated \$1 million in GO Borrowing to support smaller capital projects proposed by non-profit partners to meet facility needs. No funds were expended in 2022, and the unused appropriation was reauthorized in the 2023 budget.

Since the program was established, CDD has developed CFL program guidelines and an application process. The program guidelines set a maximum loan amount of the lesser of \$400,000 or 20% of total eligible project costs, in the form of a zero percent long-term deferred loan. As of March 1, 2023, one CFL loan for \$400,000 has been approved by the Common Council (RES-23-00125, File 75563). If this resolution is adopted, there would be \$532,000 remaining in the CFL program budget to support requests from other applicants. No additional City appropriation would be required.

Title

Approving a loan of up to \$68,000 to Literacy Network, Inc. from the Community Facilities Loan Program to help finance the expansion of programming space at 701 Dane Street, and authorizing the Mayor and City Clerk to sign an agreement for that purpose.

Body

WHEREAS, the City of Madison's Community Facilities Loan (CFL) Program provides low-cost financing to support non-residential development projects undertaken by non-profit organizations in the City of Madison that involve the acquisition of property or substantial expansion, redevelopment, improvement or rehabilitation of property the organizations currently own or lease; and,

WHEREAS, the City's objective through the CFL Program is to create or improve safe, accessible, energy efficient and well-maintained community and neighborhood facilities; and,

WHEREAS, Literacy Network, Inc. has applied to the CFL Program for assistance to help finance expansion of programming space at 701 Dane Street to increase its capacity to provide services to its constituents in Dane County; and,

WHEREAS, per the CFL Program guidelines, Literacy Network, Inc intends to provide programming and support at the community facility primarily to low and moderate income households, and meets all other eligibility requirements of the CFL Program; and,

WHEREAS, Literacy Network, Inc presents a total project budget of approximately \$135,580 and the CFL Program guidelines limit offers of financial assistance for improvements to not more than the lesser of \$300,000 or 50% of total eligible project costs; and,

WHEREAS, funds under the CFL Program are offered to awardees in the form of a zero percent long-term deferred loan, repayable upon the sale or change of use of the property.

NOW, THEREFORE, BE IT RESOLVED, that the Common Council approves a \$67,790 loan from the

Community Facilities Loan Program to Literacy Network, Inc. for its use for improvements at 701 Dane Street, Madison; and,

BE IT FURTHER RESOLVED that, that the Council authorizes the Mayor and City Clerk to execute, deliver, publish, file and record such other documents, instruments, notices and records, and take such other actions as shall be deemed necessary or desirable to accomplish the purpose of this Resolution, and to comply with and perform the obligations of the City.