



Legislation Text

File #: 82907, **Version:** 1

Fiscal Note

The proposed resolution authorizes a loan of up to \$170,000 to Literacy Network, Inc. for capital improvements at 701 Dane St. The loan is part of the Community Facilities Loan Program (Munis project 13672). CFL program guidelines for acquisition and construction loans 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. The Community Facilities Loan Program has been authorized to loan up to \$1,455,000 using a mixture of General Fund GO Borrowing and Community Development Block Grant funds. Funding was authorized in the Community Development Division's 2024 Adopted Capital Budget (\$1.0 million in General Fund-supported GO Borrowing). No additional City appropriation required.

Title

Authorizing a loan of \$170,000 from the Community Facilities Loan Program to Literacy Network, Inc., to support facility improvements at 701 Dane Street, and authorizing the Mayor and City Clerk to enter into an agreement for that purpose. (District 14)

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

WHEREAS, the Common Council previously authorized a \$68,000 CFL loan to Literacy Network, Inc. for its use to finance improvements at 701 Dane Street on (File #76394/RES-23-00191); and,

WHEREAS, Literacy Network, Inc. now seeks CFL Program funding to help finance additional improvements, including an expansion of classroom space to serve more students, exterior architectural work, new siding, and landscaping; and,

WHEREAS, per the CFL Program guidelines, Literacy Network, Inc. intends to use the added space to provide programming and support primarily to low- and moderate-income households, and meets all other eligibility requirements of the CFL Program; and,

WHEREAS, under CFL Program guidelines, Literacy Network, Inc.'s combined project budgets, which total nearly \$340,000, would qualify for Program support equal to the lesser of \$300,000 or 50% of total eligible project costs; and,

WHEREAS, under the recommended award, Literacy Network, Inc. would receive an additional \$102,000 of CFL funds, to be combined with Literacy Network's existing \$68,000 CFL loan and refinanced in the amount

of \$170,000; and,

WHEREAS, the combined loan would be offered under the CFL Program guidelines 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 authorizes an additional \$102,000 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.