

2010 STAFF REVIEW OF REQUEST for CONTRACT CHANGE

1. **Project Name/Title:** Housing Rehabilitation / Employment Training

2. **Agency Name:** Operation Fresh Start

3. **Requested Amount:** \$ 0

4. **Project Type:** New or Continuing

5. **Framework Plan Objective Most Directly Addressed by Proposed Activity:**

Goal 1, Objective B: Increase opportunities for homeownership for low- and moderate-income households

6. **Product/Service Description:**

OFS is requesting that we amend the terms of their 2010 contract to allow them to use a portion of their 2010 HOME contract funds for work on up to 4 rental or owner occupied units for other non-profit agencies working within the City of Madison. The HOME funds would be protected with promissory notes, LURA's and mortgages in the same way that their HOME contract currently requires except these documents would be provided by the agency that OFS is collaborating with on the property.

7. **Anticipated Accomplishments (Numbers/Type/Outcome):**

OFS will be able to provide job training sites for 4 housing units as required by their contract.

8. **Staff Review:**

This request allows OFS to continue to work on the development of affordable housing but allows them the flexibility to work on either owner or rental units for 4 of the 7 units in their contract.

Our recommendation is reflective of the desire to assist OFS in meeting their immediate needs of producing affordable housing, keeping their crews active on job sites, reducing the number of housing units they are obligated to sell and enabling them to work collaboratively with other non-profits trying to produce affordable housing in a difficult housing market.

9. **Staff recommendation:**

Approval of the request to amend the contract to allow OFS to use their 2010 HOME funds to work on up to 4 rental or owner occupied properties that will, after construction, be owned and managed by another non-profit agency. Require as part of the approval that the assisted non-profit agency provide the land use restriction, promissory note and mortgage on the assisted unit for the \$22,950 of funds that would in the OFS contract have been passed on to the LMI buyer as a long term deferred second mortgage loan.

Require that OFS get CDBG staff approval for each site/unit that will not be developed and sold by them as an LMI owner occupied unit.

Technical and Regulatory Issues	Project information
Within unit, capital, mortgage limits	yes
Within Subsidy layering limits	yes
Environmental Review issues	yes
Eligible project	Eligible
Conflict of interest	None reported
Church/State issues	Not applicable
Accessibility of program	OK
Accessibility of structure	NA
Lead-based paint issues	NA
Relocation/displacement	NA
Zoning restrictions	NA
Fair Labor Standards	NA
Vulnerable populations	NA
Matching Requirement	NA
Period of Affordability for HOME/HOME Match funds	Will meet applicable requirement.
Supplanting issues	None
Living wage issues	Will need to comply
B.A.D. building process	NA
MBE goal	NA
Aldermanic/neighborhood communication	NA
Management issues:	None