

**2010 STAFF REVIEW OF REQUEST for CONTRACT CHANGE**

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1. **Project Name/Title:** Housing Rehabilitation / Employment Training
2. **Agency Name:** Operation Fresh Start
3. **Requested Amount:** \$ 0
4. **Project Type:**                      New      or      X      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 their 2010 contract be amended to allow them to use their remaining 2010 HOME contract funds to perform work on 2 single family units owned by 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 the final housing units as required by their contract.

**8. Staff Review:**

The City's standard Employment and Training agreement with OFS requires that they construct or rehab. property that they own and sell it to a low-income homebuyer. Over the last couple of years it has become more difficult for OFS to sell the properties and they have accumulated an inventory of unsold houses. In March 2010 the CDBG Committee approved an amendment to the OFS contract to allow them to perform work on up to 4 units of housing owned by other non-profit housing agencies. This arrangement has worked well and has so far allowed OFS to provide 3 work projects to their students without adding to their housing inventory.

OFS recently received a request from Madison Area Community Land Trust to construct two new houses on vacant in-fill lots. The buyers have already been identified. While there are funds in the 2010 OFS Employment and Training agreement for two more units, they only have permission to work on one more unit owned by another non-profit agency. So, OFS can only agree to work on these two houses if their contract is amended again to allow for a 5<sup>th</sup> unit. This would close out the 2010 agreement.

**9. Staff recommendation:**

Approval of the request to amend the contract to allow OFS to use their remaining 2010 HOME funds to work on an additional owner occupied property that is owned and managed by another non-profit agency. The funds will be provided as a long-term deferred loan secured by the owner agency.

<b>Technical and Regulatory Issues</b>	<b>Project information</b>
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