

**PROPOSAL REVIEW: Individual Staff Review for 2011-2012
For Community Resources Proposals to be Submitted to the
CDBG Committee**

1. **Program Name:** Affordable Homeownership/Employment & Training

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

3. **Requested Amounts:** 2011: \$214,200
 2012: \$214,200 **Prior Year Level:** \$378,000

4. **Project Type:** New Continuing

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

- | | |
|---|---|
| <input type="checkbox"/> A. Housing – Owner – occupied housing | <input type="checkbox"/> J. Improvement of services to homeless and special populations |
| <input checked="" type="checkbox"/> B. Housing – Housing for homebuyers | <input type="checkbox"/> X. Access to Resources |
| <input type="checkbox"/> D. Housing – Rental housing | <input type="checkbox"/> K. Physical improvement of community service facilities |
| <input type="checkbox"/> E. Business development and job creation | |
| <input type="checkbox"/> F. Economic development of small businesses | |
| <input type="checkbox"/> L. Revitalization of strategic areas | |

6. **Anticipated Accomplishments (Proposed Service Goals)**

- 1- Construct 4 single family homes for sale to low or moderate income families
- 2- Provide job training, employment and educational services to 82 at risk youth ages 16-24

7. **To what extent does the proposal meet the Objectives of the Community Development Program Goals and Priorities for 2011-2012?**

Staff Comments: Goal B is to provide homeownership opportunities for low-moderate income households. This proposal meets that goal by creating 4 units of affordable owner occupied housing.

8. **To what extent is the proposed program design and work plan sufficiently detailed to demonstrate the ability to result in a positive impact on the need or problem identified?**

Staff Comments: OFS has documented that the cost of housing in Dane County is higher than Wisconsin in general (\$218,200 vs \$158,000) while the median income is only slightly higher (\$53,340 vs \$52,249). OFS helps to resolve this problem by building or renovating homes and passing along some of the CDBG Office funds to the buyer as a deferred payment loan. The construction activities are provided by at-risk youth from troubled neighborhoods who will be trained and employed by OFS. This is a successful model used by OFS since the late 1970's.

9. **To what extent does the proposal include objectives that are realistic and measurable and are likely to be achieved within the proposed timeline?**

Staff Comments: OFS has reduced the number of houses to be constructed from 7 in 2010 to 4 in 2011 and 2012. The housing market and limited availability of financing have made it more difficult than in the past for OFS to sell new homes. Reducing the number of units they produce will help limit the inventory. They will continue to provide training and employment opportunities for the youth by collaborating with other agencies for construction and rehabilitation services.

10. **To what extent do the agency, staff and/or Board experience, qualifications, past performance and capacity indicate probable success of the proposal?**

Staff Comments: OFS has constructed or renovated 210 homes and employed and trained 7,000 young people. The board is composed of professionals from a diverse array of housing, youth service and financial fields including real estate, accounting and finance and public safety. The OFS staff team is stable and has many years of experience with the program. The agency has received many national and local awards for program excellence and achievement.

11. **To what extent is the agency's proposed budget reasonable and realistic, able to leverage additional resources, and demonstrate sound fiscal planning and management?**

Staff Comments: The application does not identify the other sources of funding for this specific program. The agency expects to receive more than \$3.6M in revenue from various government and private sources in 2011 some of which will be used for the services and materials dedicated to this program.

12. **To what extent does the agency's proposal demonstrate efforts and success at securing a diverse array of support, including volunteers, in-kind support and securing partnerships with agencies and community groups?**

Staff Comments: OFS receives revenue from 8 government agencies including the City of Madison as well as the United Way and various private loans. Volunteers assist with housing construction and with educating and tutoring

participants. In 2009, 94 volunteers provided 1600 hours of service. In recent years, OFS has collaborated with other non-profit housing agencies and with environmental groups to provide training opportunities for their participants.

13. To what extent does the applicant propose services that are accessible and appropriate to the needs of low income individuals, culturally diverse populations and/or populations with specific language barriers and/or physical or mental disabilities?

Staff Comments: All houses are marketed and sold to people with low or moderate incomes and will be modified to meet the needs of identified buyers with physical disabilities. All participants are low-income, at-risk young people many from Madison's challenged neighborhoods. Participants are very diverse and OFS has a Spanish speaker on staff, teachers, specifically, trained to assist students with learning disabilities, and provides counseling and other services as needed.

14. To what extent does the proposal meet the technical and regulatory requirements and unit cost limits as applicable? To what extent is there clear and precise proposal information to determine eligibility?

Staff Comments: The proposal asks for \$214,200 to produce 4 homes which is \$53,550 per unit. This is less than the CDBG Office per unit amount of \$54,000.

15. To what extent is the site identified for the proposed project appropriate in terms of minimizing negative environmental issues, relocation and neighborhood or public concerns?

Staff Comments: Sites have not been identified but will be scattered throughout Madison as the market allows.

16. Other comments:

There is a typographical error in the salary detail of the Agency Overview #10. The total personnel costs should be \$1,035,842 instead of \$2,015,537.

Questions:

17. Staff Recommendation

Not recommended for consideration

Recommend for consideration

Recommend with Qualifications

Suggested Qualifications:

1. What other sources of funds will be used for this program? The program description section of the application only lists funds from Madison-CDBG.
2. How did they determine that 4 would be the optimal number of units to construct in 2011? How many unsold homes are in their inventory at this time?
3. How is OFS addressing their recent cash flow issues?