

Memorandum

To: CDBG Committee
From: CDBG Staff
Date: 7/29/2009
Re: CDBG – R Funds: Recommendation for Housing Rehabilitation and Preservation Services

We have just received confirmation from HUD in Washington that a change to the Recovery Act will allow CDBG-R funds to be used for rehabilitation projects using the standard CDBG Fair Labor Standard/Davis Bacon provision, meaning that FLS/DBA will not apply to rehab or 7 or fewer units on a site, or contiguous sites. This means that OFS could hire and employ the 5 Graduate crew members for the new jobs to be created by the CDBG-R funds.

Therefore ;

Staff Recommendation:

Staff recommends that the CDBG Committee approve a substitute resolution for the Common Council meeting on August 4, 2009 re agenda item # 15276 and provide \$269,184 in CDBG-R funds for Operation Fresh Start for this proposal as submitted. OFS will create a new graduate crew of 5 persons who will provide rehabilitation for up to 27 housing units for LMI persons; and the housing rehabilitation will be tied to the energy efficiency goals of the City CDBG-R Housing Rehabilitation and Preservation Services RFP.

OFS and the City will work to assure that the materials costs for units assisted will be paid for by the owners of the units in as much as possible, thereby enabling OFS to meet the budget restriction of this RFP.