



Operation Fresh Start, Inc.

Member YouthBuild Affiliated Network

People & Houses

1925 Winnebago Street
Madison, WI 53704
www.operationfreshstart.org

Phone: 608-244-4721
Fax: 608-244-8162
TTY: 608-245-3305

February 10, 2010

Bill Clingan, Community Development Division Director
City of Madison CDBG Office
Rm. 280, Madison Municipal Building
215 Martin Luther King, Jr. Blvd.
Madison, WI 53701-2985

Dear Mr. Clingan:

I am writing to request the addition of an item to the March, 2010 CDBG Committee meeting agenda. Operation Fresh Start is requesting consideration of a modification to our current CDBG contract that would allow OFS to use its CDBG/HOME funds to construct and/or rehabilitate up to four housing units owned by other qualified non-profit housing organizations.

Due to the continuing downturn of the housing market, and despite the fact that OFS sold 12 houses in 2009, we currently have an inventory of nine (9) completed houses that remain unsold. In addition, we have eight (8) houses now under construction or rehabilitation that will be completed within the next six (6) months. While our operating budget remains strong, the carrying costs for this large number of unsold houses has put occasional and reoccurring strain on our cash flow. Therefore, in order to allow OFS to continue providing employment training opportunities to at-risk young adults in our community through the construction and/or rehabilitation of affordable housing, we propose the following one-time change in our contract:

OFS would be allowed to collaborate with other non-profit housing providers to construct and/or rehabilitate up to four (4) housing units owned by the other non-profits, with the units being either ownership or rental housing opportunities, depending upon the needs of that non-profit. Further, that City of Madison CDBG staff have final decision making authority in approving each proposed collaborative project.

OFS believes that this one-time reduction in the number of houses we have to sell will allow us to further reduce our unsold housing inventory and better position us to continue providing affordable ownership housing opportunities in the future.

I appreciate your consideration of this request.

Sincerely,

George Riggin
Deputy Director for Housing



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