

**COMMUNICATION FILE: 060708**

Communication from Community Development Grants Administration transmitting a report relative to Audit recommendations.



Department of Administration  
Community Development Grants Administration

Tom Barrett  
Mayor

Sharon Robinson  
Director of Administration

Steven L. Mahan  
Community Block Grant Director

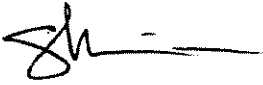
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## MEMORANDUM

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**TO:** Mr. Martin Collins, DNS  
**FROM:** Steven L. Mahan, CDGA   
**SUBJECT:** Proposed Scope of Services for CDGA Housing Production Program  
**DATE:** March 7, 2006

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The Community Development Grants Administration (CDGA) wishes to secure the services of the Department of Neighborhood Services to perform field monitoring of the City's Housing Production Program. This Program is administered by CDGA utilizing CDBG and HOME funds and consists of both new construction and gut-rehabilitation activities performed by non-profit organizations in the City of Milwaukee.

The services requested are strictly limited to providing onsite building inspections and general project oversight that is described as follows:

1. Scope Review and Preparation: For rehabilitation projects DNS staff would review the scopes of work provided by non-profit organizations for completeness and accuracy. Staff would ensure that the scope of work includes all items necessary to bring the building into code-compliance and that the proposed materials to be used are of a reasonable quality and price. It is expected that this will require an onsite inspection by DNS staff to confirm the information contained in the scope provided. DNS staff would not review plans and budgets for new construction projects.
2. Interim Site Inspections: DNS staff would inspect housing production projects to determine whether the amount of compensation being requested is justified, given the work actually completed. Inspections would verify that the work performed conforms with applicable codes and has been completed in a workmanlike manner. The DNS inspector would also verify that required permits have been obtained and are properly posted onsite.

Upon completion of the site inspection, DNS staff would certify to Chicago Title Company (via fax) that the work is satisfactory and that payment to the contractor can be made. It is anticipated that an appropriate document will be created and provided to the inspector by Chicago Title. This form will identify the work to be inspected and contain a signature line for the inspector to sign and fax back to Chicago Title. Once approved, Chicago Title will be responsible to disburse funds, obtain lien waivers, W-9 forms, and other pertinent documentation.

3. Final Site Inspections: DNS staff would inspect projects to determine whether the work items identified in the original scope of work have been completed and that any subsequent change orders are accounted for. The Inspector would verify that all work has been done in conformance with applicable codes and has been completed in a workmanlike manner. Inspector to also verify permit sign-off and that lead clearance has been provided by MHD. Finally, the DNS Inspector will issue a Certificate of Code Compliance (rehabilitation projects) or Occupancy Certificate (new construction) for the unit to the agency and CDGA.

Estimated number of projects by activity and required building inspections.

	<b>Housing Rehabilitation</b>	<b>New Construction</b>	<b>Tax Credit (Multi-Family Projects)</b>
Annual # Units (estimated)	20	30	10
Scope Review	Yes	No	No (unless rehab)
Interim Site Inspections	Yes	Yes	Yes
Final Inspection and issuance of Certificate of Code Compliance	Yes	Yes	Yes

Thank you for your consideration of this matter. If you have any questions or concerns regarding this matter, please do not hesitate to contact me at (414) 286-3843.

**Memorandum of Agreement  
between the  
City of Milwaukee Community Development Grants Administration  
and  
City of Milwaukee Department of Neighborhood Services**

**Whereas**, the City of Milwaukee Community Development Grants Administration (herein referred to as "CDGA") provides funding, through a Federal Grant, for the City's Housing Production Program; and

**Whereas**, the CDGA is charged with the responsibility of assuring compliance with all Federal Home Investment Partnerships (HOME) and Community Development Block Grant (CDBG) regulations; and

**Whereas**, the City of Milwaukee Department of Neighborhood Services (herein referred to as "DNS") is already charged with the responsibility of assuring compliance with these aforementioned regulations for the City of Milwaukee's Neighborhood Improvement Project (NIP) program; and

**Whereas**, CDGA is willing to enter into an agreement with DNS to provide similar oversight for the Housing Production Program as outlined in the attached CDGA Memorandum dated March 7, 2006, incorporated as part of this agreement; and

**Whereas**, CDGA understands that DNS will begin providing oversight for Housing Production projects set-up after the execution date of this agreement; and

**Whereas**, CDGA is willing to continue to provide DNS with funding for the Grant Monitor (one FTE management position) and provide additional CDBG funding for one Housing Rehabilitation Inspector (FTE); and

**Whereas**, DNS in exchange for the above consideration, will provide CDGA and its funded Housing Production Agencies the following services; review and approval of project scopes of work, in-progress and final inspections, assurance of compliance with building codes and construction specifications, authorization of change orders, approval of payment requests, and issuance of Certificates of Code Compliance and/or Occupancy Permits; and

**Whereas**, DNS will provide CDGA with all required documentation and reports necessary to confirm compliance with the federal regulations on all Housing Production projects approved by DNS, now, therefore, the parties hereto

**Agree**, to commence with the provisions of this agreement as of \_\_\_\_\_ and continue the provisions under this agreement until the parties (both) mutually agree to discontinue or modify this agreement, or Federal HOME and/or CDBG funds are no longer available for the Housing Production Program.

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Steven L. Mahan, Director  
Community Development Grants Administration

\_\_\_\_\_  
Martin G. Collins, Commissioner  
Department of Neighborhood Services

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date