



Request for City Council Committee Action from the Department of Community Planning and Economic Development

Date: January 8, 2013
To: Council Member Lisa Goodman, Chair, Community Development Committee
Subject: 2012 Emergency Solutions Grant Funding Recommendations

Recommendation: Approve up to \$475,722 of Fiscal Year 2012 Emergency Solutions Grant (ESG) funds for the following projects:

- a) Up to \$193,700 for Harbor Light Center located at 1xxx Currie Avenue North by Salvation Army or an affiliated entity; and
- b) Up to \$80,890 for Families Moving Forward Day Center located at 18xx Emerson Avenue North by Portico Interfaith Housing Collaborative or an affiliated entity;
- c) Up to \$120,000 for St. Anne's Place located at 26xx Russell Avenue North by Ascension Place or an affiliated entity; and
- d) Up to \$81,132 for Passage Community located at 1x East 24th Street by Simpson Housing Services or an affiliated entity.

Previous Directives:

1. Harbor Light Center: On February 25, 2011, the Minneapolis City Council approved up to \$82,180 in ESG funds for rehabilitation work at the Harbor Light Center.
2. Passage Community: In August 1986, the MCDA Board of Commissioners approved up to \$425,730 in ESG funds for rehabilitation work at the Passage Community Project. On January 3, 2003, the Minneapolis City Council approved up to \$329,000 (\$300k in CDBG and \$29k in Non Profit Admin funds) for the Passage Community Project for the purposes of rehabilitation of the property. Rehab included replacement of exterior doors, repairs to exterior brick surface and chimney, installation of a security system, replacement of a water heater, kitchen appliances and new flooring in kitchens and bathrooms. On October 21, 2011 the Minneapolis City Council approved up to \$320,000 in ESG funds for rehabilitation work at Passage Community.
3. Families Moving Forward: On October 21, 2011, the Minneapolis City Council approved up to \$25,000 in ESG funds for exterior rehabilitation work at the Families Moving Forward Day Center.
4. St. Anne's Place: On December 18, 2009, the Minneapolis City Council approved up to \$95,000 in ESG funds for rehabilitation work at St. Anne's Place.

Department Information

Prepared by:	Tiffany Glasper, Senior Project Coordinator, 612-673-5221	
Approved by:	Thomas A. Streit, Director, Housing Policy & Development	_____
	Charles T. Lutz, Deputy Executive Director	_____
Presenters in Committee:	Tiffany Glasper	

Financial Impact

- No financial impact

Community Impact

- Neighborhood Notification: Each proposal has been or will be reviewed by the official neighborhood group of the neighborhood in which it is located.
- City Goals: In five years all Minneapolis residents will have a better quality of life and access to housing and services.
- Sustainability Targets: Special Needs Housing - Rehabilitation
- Comprehensive Plan: 4.10 – Minneapolis will increase its housing that is affordable to low and moderate income households.
- Zoning Code: Each project complies or will comply with the zoning code prior to the funds being provided.

Supporting Information

The federal Emergency Solutions Grant (ESG) Program provides funds that may be used for a variety of purposes including the major rehabilitation or renovation of emergency shelter facilities for persons experiencing homelessness. HUD has released to the City \$1,042,870 of Fiscal Year 2012 ESG funds. Seven and one-half percent of the amount (\$78,215) will be used for City staff administrative costs and \$475,722 of the hold harmless amount will be used for eligible emergency shelter rehabilitation activities.

RFPs for the 2012 ESG funds were issued three times between May and August 2012 and staff received four viable proposals:

1. Up to \$193,700 for Harbor Light Center (formerly Boxleitner) located at 1xxx Currie Avenue North by Salvation Army or an affiliated entity; and
2. Up to \$80,890 for Families Moving Forward Day Center located at 18xx Emerson Avenue North by Portico Interfaith Housing Collaborative or an affiliated entity; and
3. Up to \$120,000 for St. Anne's Place located at 26xx Russell Avenue North by Ascension Place or an affiliated entity; and
4. Up to \$81,132 for Passage Community located at 1x East 24th Street by Simpson Housing Services or an affiliated entity.

The review of these proposals included the following elements:

1. Conduct a property inspection to determine whether the proposed work is needed and realistic; whether there is additional and/or more urgent work needing to be done; and assessment of the cost reasonableness.
2. Determination of project eligibility under the federal ESG program rules.
3. Consideration of an applicant's proposal to provide leverage/matching funds.
4. Review of the organization's long-term operating capacity and financial status.
5. Readiness of project to close and start the construction in a timely manner and to spend the 2012 ESG money by 5/31/14.
6. Recipients of ESG funds are required by law to provide for the participation of at least one homeless for formerly homeless person(s) in a policy-making function in the organization.

7. Recipient of ESG funds are required to participate in a Homeless Management Information System (HMIS) and will be required to collect data on all universal elements as defined in HMIS.

Staff is recommending that all four of the 2012 ESG applications be funded. Staff is further recommending that the CPED policy on using ESG funds for furnishings and equipment be waived for the 2012 RFP only. CPED historically caps the usage of ESG funding for furnishings and equipment at \$5,000 and further allows for this expenditure in new construction projects only. We are recommending this policy be waived due to the extenuating circumstances surrounding this year's RFP and our need to expend all of our ESG allocation. Attached are the Project Data Worksheets providing detailed information about the projects including development sources and uses.

A general overview of each proposal is provided below:

1. Harbor Light Center (Salvation Army): The current request for \$193,700 in ESG funds is for the purposes of repairing/renovation the center's elevator system.

The CPED Construction Specialist indicates that costs for the elevators are reasonable.

Harbor Light Center provides more than 300 units of permanent, emergency and transitional housing.

2. Families Moving Forward (Portico Interfaith Housing Collaborative): The \$80,890 of ESG funds will be used to address multiple equipment and furnishing needs, including but not limited to new refrigerators and associated electrical work, new lockers for day center users, new washers and dryers and new shelving units for the donations room.

The CPED Construction Specialist has indicated that the equipment requests are necessary and that the costs are reasonable.

The Families Moving Forward Day Center provides a variety of daily needs services to homeless families and individuals.

3. St. Anne's Place (Ascension Place): The current ESG request for \$120,000 is proposed to be used for the repair or replacement of the boiler system, installation of individual A/C units or ceiling fans, security system, security lighting.

The CPED Construction Specialist indicates that the proposed work is necessary and that the costs are reasonable.

St. Anne's Place provides 16 units of emergency shelter housing to homeless women and children.

4. Passage Community (Simpson Housing Services): The current ESG request for \$81,132 would be used to upgrade and renovate the accessibility features of the project, address lead based paint, replace the boiler, upgrade security system and exterior lighting, painting of common areas and replacement of common area carpeting.

The CPED Construction Specialist indicates that the repairs are necessary and that the costs are reasonable.

Passage Community is operated by Simpson Housing Services and provides 17 units of housing to homeless or formerly homeless individuals.

If these projects are approved, ESG rules require that the expenditure of the 2012 ESG monies be completed by May 31, 2014.