



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

Date: October 9, 2013
To: Council Member Lisa Goodman, Chair, Community Development Committee
Subject: 2013 Emergency Solutions Grant Funding Recommendations

Recommendation: Approve up to \$408,377 of Fiscal Year 2013 Emergency Solutions Grant (ESG) funds for the following projects:

- a) Up to \$140,000 for Harbor Light Center located at 1xxx Currie Avenue North by Salvation Army or an affiliated entity; and
- b) Up to \$133,377 for Our Saviour's Outreach Ministries located at 2xxx Chicago Avenue South Out Saviour's Outreach Ministries or an affiliated entity; and
- c) Up to \$135,000 for The Bridge, located at 2xxx Emerson Avenue South by The Bridge for Youth 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. On January 18, 2013, the Minneapolis City Council approved up to \$193,700 for rehabilitation activities at the Harbor Light Center.
2. Our Saviour's: On February 25, 2011, the Minneapolis City Council approved up to \$320,000 for rehabilitation activities at the Our Saviour's Transitional Housing facility.
3. The Bridge: On November 18, 2005, the Minneapolis City Council approved up to \$376,823 in ESG funds for rehabilitation work at The Bridge for Youth facility. On September 26, 2006, the Minneapolis City Council approved up to \$439,253 in ESG funds for rehabilitation work at The Bridge for Youth facility. On February 1, 2008, the Minneapolis City Council approved up to \$234,073 in ESG funds for rehabilitation work at The Bridge for Youth facility.

Department Information

Prepared by:	Tiffany Glasper, Senior Project Coordinator, 612-673-5221	
Approved by:	Thomas A. Streitzi, 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 \$778,222 of Fiscal Year 2013 ESG funds. Seven and one-half percent of the amount (\$58,366) will be used for City staff administrative costs and \$408,377 of the hold harmless amount will be used for eligible emergency shelter rehabilitation activities.

The RFP for the 2013 ESG funds was issued in May 2013 and staff received three viable proposals, totaling \$777,998 in funding requests:

1. Salvation Army requested \$391,123 in ESG funding for exterior stucco and masonry repairs to the Harbor Light Center at 1xxx Currie Avenue; and
2. The Bridge for Youth requested \$137,500 in ESG funding for various repairs and renovation activities at their administration facility and their housing facility located at 1xxx West 22nd Street; and
3. Our Saviour's Community Services requested \$249,375 in ESG funding for various repairs and renovation activities at their emergency shelter facility located at 2xxx Chicago Avenue South.

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 2013 ESG money by 5/31/15.
6. Recipients of ESG funds are required by law to provide for the participation of at least one homeless or 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 three of the 2013 ESG applications be funded. Because the funding requests are in excess of available funds, none of the applicants will receive 100% of their original funding request. 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 \$391,123 in 2013 ESG funds is for the purposes of repairing/renovation the building's exterior stucco and masonry.

During the inspection, CPED Construction Specialists were alerted to a life/safety issue with the building's exterior stucco and masonry. The building's "beacon" is in serious disrepair such that falling bricks or other materials could injure pedestrians on the sidewalk below.

Harbor Light Center was approved for ESG funds in 2012 to repair their elevator system. In order to address the beacon emergency as expeditiously as possible, CPED staff authorized the use of the 2012 award to address the beacon situation. The elevator work that was proposed to be done with the previous award will be completed with these 2013 ESG funds.

This ensures that both scopes of work are addressed and that the emergency situation gets addressed first.

Salvation Army requested \$391,123 in 2013 ESG funds. Staff is recommending an ESG funding award of \$140,000. The CPED Construction Specialist indicates that the requested repairs/renovations are needed and the associated costs are reasonable.

2. The Bridge for Youth (The Bridge): The current request for \$137,500 in ESG funds will be used to address multiple repair and renovation needs, including reconfiguring space to allow for more beds, updating the security system, purchasing new equipment and furniture, etc.

The Bridge requested \$137,500 in ESG funds. Staff is recommending an ESG funding award of \$135,000. The CPED Construction Specialist indicates that the requested repairs/renovations are needed and the costs are reasonable.

3. Our Saviour's Community Services (Our Saviour's): The current ESG request for \$249,375 in ESG funds will be used to address multiple repair and renovation needs, including window replacement, asbestos abatement, bathroom upgrades, accessibility upgrades and repairs, etc.

Our Saviour's requested \$249,375 in ESG funds. Staff is recommending an ESG funding award of \$133,377. The CPED Construction Specialist indicates that the proposed repairs/renovations are necessary and the costs are reasonable.

Further, more detailed information about each of these projects is provided on the attached project data worksheets.