



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

Date: August 19, 2014

To: Council Member Lisa Goodman, Chair, Community Development & Regulatory Services Committee

Subject: 2014 Emergency Solutions Grant Funding Recommendations

Recommendation: Approve up to \$408,377 of Fiscal Year 2014 Emergency Solutions Grant (ESG) funds for the following capital projects:

- a) Up to \$227,377 for Harbor Light Center located on Currie Avenue North by Salvation Army or an affiliated entity; and
- b) Up to \$181,000 for Our Saviour’s Outreach Ministries located on Chicago Avenue South by Our Saviour’s Outreach Ministries 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. On October 18, 2013, the Minneapolis City Council approved up to \$140,000 in ESG funds for rehabilitation work 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. On October 18, 2013 the Minneapolis City Council approved up to \$133,377 for rehabilitation work at the Our Saviour’s emergency shelter facility.

Department Information

Prepared by:	Tiffany Glasper, Senior Project Coordinator, 612-673-5221	
Approved by:	Cathy Polasky, Director, Economic 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 reviewed by the official neighborhood group of the neighborhood in which the project 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 \$897,425 of Fiscal Year 2014 ESG funds. Seven and one-half percent of the amount (\$67,306) 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 2014 ESG funds was issued in April 2014 and staff received two viable proposals, totaling \$489,879 in funding requests:

1. Salvation Army requested \$304,475 in ESG funding for exterior stucco and masonry repairs to the Harbor Light Center on Currie Avenue; and
2. Our Saviour's requested \$185,404 in ESG funding for various repairs and renovation activities at their shelter facility located on 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 2014 ESG money by May 31, 2016.
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 both applications be funded. Because the funding requests are in excess of available funds, neither 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 \$304,475 in 2014 ESG funds is for the purposes of repairing/renovation the building's exterior stucco and masonry.

CPED Construction Specialists conducted a thorough inspection of the property and determined that the repairs are necessary and the costs are reasonable.

Salvation Army requested \$304,475 in 2014 ESG funds. Based on the available funding, staff is recommending an ESG funding award of \$227,377.

2. Our Saviour's Community Services (Our Saviour's): The current ESG request for \$185,404 in ESG funds will be used to address multiple repair and renovation needs, including bathroom upgrades, accessibility upgrades and repairs, flooring replacement, etc. CPED Construction Specialists conducted a thorough inspection of the property and determined that the repairs are necessary and the costs are reasonable.

Our Saviour's requested \$185,404 in ESG funds. Based on the available funding, staff is recommending an ESG funding award of \$181,000.

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