

City of Minneapolis
Request for Committee Action

To: Community Development & Regulatory Services
Date: 9/15/2014
From: Community Planning & Economic Development
Prepared by: Tiffany Glasper
Presented by: Tiffany Glasper
File type: Action
Subcategory: Grant

Subject:
2015 ESG Capital Funding Recommendations

Description:
Approve up to \$423,463 of Fiscal Year 2015 Emergency Solutions Grant funds for the following capital projects:

Up to \$200,000 for The Bridge Center for Youth located on West 22nd Street by The Bridge or an affiliated entity; and
Up to \$124,900 for First Covenant Church located on Seventh Street South by First Covenant Church or an affiliated entity; and
Up to \$98,563 for Harriet Tubman Center located on First Avenue South by Tubman, Inc. or an affiliated entity

Previous Actions:
Approve up to \$423,463 of Fiscal Year 2015 Emergency Solutions Grant funds for the following capital projects:

Up to \$200,000 for The Bridge Center for Youth located on West 22nd Street by The Bridge or an affiliated entity; and
Up to \$124,900 for First Covenant Church located on Seventh Street South by First Covenant Church or an affiliated entity; and
Up to \$98,563 for Harriet Tubman Center located on First Avenue South by Tubman, Inc. or an affiliated entity

Ward/Neighborhood/Address:

Select a ward.
Ward 6, Elliot Park Neighborhood – 8xx South Seventh Street
Ward 7, East Isles Neighborhood – 1xxx West 22nd Street
Ward 8, Lyndale Neighborhood – 3xxx First Avenue South

Background/Analysis:

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 \$955,772 of Fiscal Year 2015 ESG funds. Seven and one-half percent of the amount (\$71,682) will be used for City staff administrative costs and \$423,463 of the hold harmless amount will be used for eligible emergency shelter rehabilitation activities.

The RFP for the 2015 ESG capital funds was issued in April 2015 and staff received three viable proposals, totaling \$599,900 in funding requests:

1. Harriett Tubman Center requested \$75,000 in ESG funding for various interior repairs and upgrades to the shelter facility located on First Avenue South; and
2. The Bridge for Youth requested \$400,000 in ESG funding for various interior repairs and upgrades to the shelter facility located on West 22nd Street; and
3. First Covenant Church requested \$124,900 for various interior repairs and upgrades and for equipment purchases at the shelter facility located on South Seventh Street.

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 2015 ESG money by May 31, 2017.
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 three applications be funded. Staff's funding recommendations are below and the Project Data Worksheets for each project is attached providing detailed information about development sources and uses.

A general overview of each proposal is provided below:

1. Harriett Tubman Center (Tubman, Inc.): The current request for \$75,000 in 2015 ESG funds will be used to replace flooring, perform security system repairs/upgrades, bathroom remodeling and miscellaneous associated electrical and mechanical repair/upgrade work.

CPED Construction Specialists conducted a thorough inspection of the property and determined that the repairs are necessary and the costs are reasonable. However, it was also determined that there may be significant structural issues with the building that need to be addressed.

Tubman Center staff has requested a full engineering report that will help determine the extent of the structural issues and whether or not they can be repaired.

Based on the available funding and the potential for additional necessary work, staff is recommending an ESG funding award of \$98,563.

2. First Covenant Church (First Covenant Church): The current ESG request for \$124,900 will be used to upgrade plumbing and mechanicals to accommodate additional showers and laundry facilities, replace flooring, purchase and install permanent lockers and upgrade the existing security system. This shelter facility currently accommodates up to fifty individuals. Part of their proposal is to change their focus to homeless women and these upgrades are intended to assist in serving that population better. CPED Construction Specialists conducted a thorough

inspection of the property and determined that the repairs and upgrades are necessary and the costs are reasonable.

Based on the available funding, staff is recommending an ESG funding award of \$124,900.

3. The Bridge for Youth (Bridge for Youth): The current ESG request for \$400,000 will be used to replace windows, perform exterior tuck pointing repairs, replace flooring and replace HVAC system. CPED Construction Specialists conducted a thorough inspection of the facility and determined that the majority of the repairs are necessary and the costs are reasonable.

Based on the available funding, staff is recommending an ESG funding award of \$200,000, which is less than the original funding request. CPED Construction Management staff will work with The Bridge to help them determine the best way to prioritize the work scope to insure that the most critical items get addressed first.

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

The decision to fund The Bridge for Youth at an amount less than they requested is due primarily to our analysis of the scope and the determination that some of the items in the submitted scope are not urgent, nor are they life-safety repairs/renovations. There are elements of the scope that staff felt could wait for future funding rounds. Additionally, their request of \$400,000 represents more than 94% of the total available funding.

The decision to fund the Tubman Center at an amount higher than they requested is due to CPED Construction Management's property inspection and the determination that structural/engineering issues are likely present. CPED staff feel it is likely that the costs associated with the Tubman Center scope will increase beyond what they have requested.

Financial Review:

No additional appropriation required, amount included in current budget.

- Future budget impact anticipated.**
- Approved by the Permanent Review Committee.**
- Meets Small and Underutilized Business Program goals.**

Attachments:

1. The Bridge for Youth Project Data Worksheet
2. Tubman Center Project Data Worksheet
3. First Covenant Church Project Data Worksheet