

City of Minneapolis Request for Committee Action

To: Community Development & Regulatory Services
Date: 9/27/2016
Referral: N/A
From: Community Planning & Economic Development
Lead Staff: Tiffany Glasper, Sr. Project Coordinator - CPED
Presented by: Tiffany Glasper, Sr. Project Coordinator – CPED
File Type: Action
Subcategory: Grant

Subject:

2016 Emergency Solutions Grant – Capital Funding Recommendations

Description:

Approving up to \$414,579 of Fiscal Year 2016 Emergency Solutions Grant funds for the following capital projects:

- Up to \$31,400 for Higher Ground located on Glenwood Avenue by Catholic Charities or an affiliate; and
- Up to \$255,000 for Harbor Light located on Currie Avenue by The Salvation Army or an Affiliate, contingent upon a satisfactory inspection to confirm compliance with the current land use approvals; and
- Up to \$128,179 for House Of Peace by Asian Women United Minnesota or an affiliate

Previous Actions:

Higher Ground

On October 21, 2011, the Minneapolis City Council approved Emergency Solutions Grant funds in the amount of \$210,759 for rehabilitation work at the facility.

On January 23, 2009, the Minneapolis City Council approved the sale of 1xx Glenwood Avenue to Community Housing Development Corporation for the new construction project, J. Jerome Boxleitner Place, now known as Higher Ground.

Harbor Light

On August 29, 2014, the Minneapolis City Council approved Emergency Solutions Grant funds in the amount of \$227,377 for rehabilitation work at the facility.

On October 18, 2013, the Minneapolis City Council approved Emergency Solutions Grant funds in the amount of \$140,000 for rehabilitation work at the facility.

On January 18, 2013, the Minneapolis City Council approved Emergency Solutions Grant funds in the amount of \$193,700 for rehabilitation activities at the facility.

On February 25, 2011, the Minneapolis City Council approved Emergency Solutions Grant funds in the amount of \$82,180 for rehabilitation work at the facility.

House of Peace

On February 25, 2011, the Minneapolis City Council approved Emergency Solutions Grant funds in the amount of \$25,000 for rehabilitation work at the facility.

Ward/Address:

Not Applicable

House of Peace – Ward 9 (Standish Neighborhood), Harbor Light – Ward 5 (Downtown West Neighborhood), Higher Ground – Ward 5 (North Loop Neighborhood)

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 \$940,966 of Fiscal Year 2016 ESG funds. Seven and one-half percent of the amount (\$70,572) will be used for City staff administrative costs and \$414,579 of the hold harmless amount will be used for eligible emergency shelter rehabilitation activities.

The RFP for the 2016 ESG capital funds was issued in April 2016 and staff received four proposals, totaling \$718,660 in funding requests:

1. Higher Ground requested \$31,158 in ESG funding for various interior repairs and upgrades to the shelter facility located on Glenwood Avenue; and
2. Harbor Light Center requested \$253,862 in ESG funding for various interior repairs and upgrades to the shelter facility located on Currie Avenue; and
3. House of Peace requested \$8,640 for equipment purchases at the shelter facility located on East 38th Street; and
4. Harriet Tubman Center submitted a non-specific request for various structural repairs to the shelter facility located on First 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 2016 ESG money by May 31, 2018.
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 three of the applications received 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.

The application submitted by Harriet Tubman Center was not chosen for funding due primarily to the large scope of work. Upon inspection last year, CPED's Construction Management Specialist identified significant structural issues affecting the building. CPED staff worked closely with staff at Tubman Center to determine the extent of the issues. The bottom line is that the building is in need of significant capital, totaling just under \$1 million. It was determined that Emergency Solutions Grant funds cannot be brought to bear on this project until the project can

be phased in a way that any ESG funds awarded to the project can be spent down within the allotted time frame.

A general overview of each proposal being recommended for funding is provided below:

1. Higher Ground (Catholic Charities): The current ESG request for \$31,158 will be used to purchase and install an electronic checkpoint security system, including a walk-through metal detector and X-ray screening system for packages, backpacks and luggage. CPED Construction Specialists conducted a thorough inspection of the property and determined that the upgrade to this electronic system is necessary and the costs are reasonable. Upgrading to an electronic system will provide increased security for staff and visitors and also provide a less intrusive and more dignified method of screening belongings and persons.

Based on the available funding, staff is recommending an ESG funding award of \$31,400. The additional funds will be used to cover any unforeseen electrical upgrades.

2. Harbor Light Center (Salvation Army): The current ESG request for \$255,000 will be used to purchase and install a commercial-grade dishwasher and associated equipment. CPED Construction Specialists conducted a thorough inspection of the facility and determined that the purchase is necessary and the costs are reasonable.

Harbor Light originally requested \$253,862. The additional funds will be used to cover any unforeseen plumbing costs. This award is contingent upon a satisfactory inspection to confirm compliance with the current land use approvals.

3. Asian Women House of Peace (Asian Women United Minnesota): The current request for \$128,179 in 2015 ESG funds will be used for roof repair/replacement, HVAC system upgrades, kitchen plumbing upgrades and the purchase of new mattresses.

House of Peace originally requested \$8,640 for the purchase of new mattresses. However, CPED Construction Specialists conducted a thorough inspection of the property and discovered additional necessary repairs related to the HVAC system, the kitchen plumbing and the roof, which is nearing the end of its useful life.

Based on the available funding and the additional necessary work, staff is recommending an ESG funding award of \$128,179.

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

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. Project Data Worksheet – House of Peace
2. Project Data Worksheet – Higher Ground
3. Project Data Worksheet – Harbor Light