

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

Date: February 15, 2011
To: Council Member Lisa Goodman, Chair, Community Development Committee
Subject: 2010 Emergency Shelter Grant Funding Recommendations

Recommendation: Approve up to \$465,365 of Fiscal Year 2010 Emergency Shelter Grant (ESG) funds for the following projects:

- a) Up to \$38,185 for Avenues for Homeless Youth located at 1xxx Oak Park Avenue North by Avenues for Homeless Youth or an affiliated entity;
- b) Up to \$25,000 for Asian Women United of Minnesota's House of Peace located at 2xxx East 37th Street by Asian Women United of Minnesota or an affiliated entity;
- c) Up to \$82,180 for Salvation Army's Harbor Light Housing Project located at 1xxx Currie Avenue by Salvation Army or an affiliated entity; and
- d) Up to \$320,000 for Our Saviour's Outreach Ministries Transitional Housing located at 2xxx Chicago Avenue South by Our Saviour's Outreach Ministries or an affiliated entity.

Previous Directives:

1. Avenues for Homeless Youth: On August 6, 2010, the City Council awarded up to \$33,821 for chimney replacement and installation of window flashing at the third floor dormer windows. On December 8, 2009, the City Council awarded up to \$116,179 for replacement of the roof and outdated, unsafe electrical panel, replacement of an inoperable and unserviceable security system and redesign of the third floor to expand the capacity from 16 to 21. On August 6, 2004, the City Council awarded up to \$165,000 of 2004 ESG funds for the addition of a fire sprinkling system, plumbing repairs, interior painting, handicapped accessibility compliance, and environmental tests and remediation. On December 29, 2003, the City Council approved up to \$65,000 of 2003 ESG funds for installation of smoke and CO detectors, to patch and paint water damaged ceilings, and upgrade the electrical system.
2. Asian Women United of Minnesota: In August 2000, the MCDA Board approved up to \$149,173 of ESG funds for appliances, a security system, equipment and furnishings.
3. Harbor Light: On October 16, 2009, the City Council approved the possible transfer of up to \$21,510 from the \$81,510 of 2008 ESG funds awarded to The Salvation Army for Harbor Light located at 1xxx Currie Avenue to Simpson Housing or an affiliate if the money is not needed by the Salvation Army for window refurbishing. On January 23, 2009, the City Council approved up to \$81,510 of 2008 ESG funds for Harbor Light by The Salvation Army. On August 9, 2002, the City Council awarded up to \$199,077 of 2002 ESG funds for Harbor Light by The Salvation Army.
4. Our Saviour's: None.

Department Information

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

Financial Impact

- No financial impact

Community Impact

- Neighborhood Notification: Each proposal has been 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 to the zoning code prior to the funds being provided.

Supporting Information

The federal Emergency Shelter Grant (ESG) Program provides funds that may be used for a variety of purposes including the major rehabilitation or renovation of emergency shelters or transitional housing facilities for persons experiencing homelessness. The City was awarded \$587,765 of Fiscal Year 2010 ESG funds. Five percent of the amount (\$29,388) will be used for City staff administrative costs and the balance of \$558,377 will be used for project activities.

An RFP for the 2010 ESG funds was issued in May 2010 and the following two projects were awarded a total of \$93,012 of 2010 ESG monies by the City Council on August 6, 2010:

1. Up to \$33,821 for Avenue for Homeless Youth at 1xxx Oak Park Avenue North, and;
2. Up to \$59,191 for A Place of Hope (People Serving People) at 6xx Third Street South.

A second RFP for the remaining \$465,365 was issued in October 2010 and resulted in six proposals for capital improvements.

The funding request for the J. Jerome Boxleitner project was withdrawn from consideration by the applicant. The developer intends to apply again in the summer of 2011 during our annual RFP process.

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 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 2010 ESG money by 5/31/12.
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.

Staff is recommending that four of the six 2010 ESG applications be funded. 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. Avenues for Homeless Youth: In 2009 and 2010, the City Council awarded a total of up to \$150,000 to this project for roof replacement, replacement of an outdated and unsafe electrical panel, replacement of an inoperable and unserviceable security system, chimney replacement or repair, and window flashing around the third floor dormer windows adjacent to the new roof. The 2009 monies were also to be used for the redesign of the third floor to increase the project's capacity from 16 to 21. However, the operation funds for these additional clients were not awarded and this portion of the project scope was eliminated.

Avenues worked closely with SHPO to determine the type of roof to replace the original 1934 roof on this property, eligible for listing in the National Register of Historic Places. The project was bid twice and, despite the second attempt, the bids for the roof replacement came in approximately \$35,000 higher than originally estimated. Therefore, CPED staff is recommending an additional \$38,185 of 2010 ESG funds in order for Avenues to do as much of the original work scope as possible.

Avenues provide emergency shelter and transitional housing for youth between the ages of 16 and 21 years old experiencing homelessness. The program provides them with basic needs services and intensive case management support.

The CPED Construction Specialist indicates that the electrical, chimney and security repair requests are needed to make this building safe and habitable.

2. House of Peace: The \$25,000 of ESG funds will be used to address water infiltration problems affecting the basement level of the structure. There are problems with standing water in the corners of the basement level and problems with proper drainage at exterior locations of the building.

The CPED Construction Specialist indicates that the waterproofing and drainage repair requests are needed to make the building habitable and to avoid more serious damage to the structure or the development of mold.

House of Peace provides emergency shelter to battered women.

3. Harbor Light: The \$82,180 ESG funds will be used for repair or replacement of the aging roof. Harbor Light provides 391 shelter units for homeless individuals.

The CPED Construction Specialist has indicated that the requested repairs and updates are needed and the costs are reasonable.

4. Our Saviour's Outreach Ministries: The \$320,000 ESG funds will be used to upgrade and repair the kitchens and bathrooms, replace several interior doors, repair exterior stucco, abate asbestos floor tile and pipe wrap, install exterior storm doors, cover exterior soffit, fascia and trim with aluminum and possible roof repairs. Our Saviour's has four separate facilities that provide transitional and supportive housing. This location provides transitional supportive housing for six women.

The CPED Construction Specialist has indicated that the requested repairs are needed to make the building safe and habitable and added some items to the originally submitted scope of work.

If these projects are approved, ESG rules require that the expenditure of the 2010 ESG monies be completed by May 31, 2012.