



**Request for City Council Committee Action
From the Department of Community Planning & Economic Development**

Date: July 27, 2004

To: Council Member Lisa Goodman, Community Development Cmte

Prepared by: Donna Wiemann, Senior Housing Project Coordinator, 673-5257

**Presenter in
Committee:** Donna Wiemann

Approved by: Chuck Lutz, Deputy CPED Director _____

Subject: Emergency Shelter Grant Program Funding Recommendation

RECOMMENDATION: Approve up to \$100,000 of 2004 Emergency Shelter Grant (ESG) funds for Project Foundation's Home Away Center North property at 1XXX Oak Park Avenue and approve using the \$130,500 of 2003 ESG funds approved by the City Council on December 29, 2003 for Project Foundation's North property (1XXX Oak Park Avenue) only.

Previous Directives: On December 29, 2003, the City Council approved up to \$130,500 of 2003 ESG funds for Project Foundation's Home Away Centers at 1XXX Oak Park Avenue (North property) and 2XXX Pleasant Avenue South (South property).

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget.
(If checked, go directly to next box)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):
- Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (Summarize below)

Ward: 5

Neighborhood Notification: In January, 2004, the North Side Residents Redevelopment Council reviewed and supported.

City Goals: Foster the development and preservation of a mix of quality housing types that are available, affordable, meet current needs, and promote future growth.

Comprehensive Plan: Sections 4.9 and 4.10: Minneapolis will grow by increasing its supply of housing and Minneapolis will increase its housing that is affordable to low and moderate income households.

Zoning Code: Project will comply.

Living Wage/Job Linkage: Not applicable.

Background/Supporting Information

The federal Emergency Shelter Grant (ESG) program is used by the City of Minneapolis for the conversion, major rehabilitation, and renovation of existing buildings for either emergency shelters or transitional housing facilities serving people who are experiencing homelessness. The City advertises the availability of these funds by a semi-annual Request for Proposals (RFP).

The first 2004 ESG RFP was advertised in early January, 2004. At that time, the City advertised the availability of \$100,000 of the total \$571,000 ESG available for program activities in 2004. NOTE: The second 2004 ESG RFP was advertised in June, 2004 and the applications are due by August 6, 2004.

The City received one ESG proposal in response to the first 2004 ESG funding round from Project Foundation. Project Foundation requests \$100,000 for necessary rehabilitation work at 1XXX Oak Park Avenue, their North property. Project Foundation provides transitional housing and support services at this site to youth between the ages of 15 and 20 who are experiencing homelessness.

The property has a significant amount of capital needs. The proposed rehabilitation scope includes code compliance items, installation of a fire sprinkler system, interior painting, repair of water damage in kitchen, replacement of damaged ceiling tiles, replacement of closet doors, handicap accessibility requirements, replace damaged storm windows and screens, fence repair, and new furniture (mattresses, dressers, and window shades).

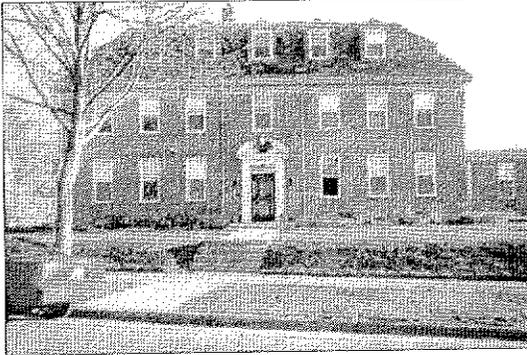
The total development cost is estimated to be \$235,500. The City Council approved up to \$130,500 of 2003 ESG funds in December, 2003. Approximately \$40,000 was

anticipated to be used for rehabilitation of Project Foundation's North property and \$91,500 was anticipated to be used for rehabilitation of their South property. Since the scope of work at the North property has increased significantly, Project Foundation requests that all of the \$130,500 of the approved 2003 ESG funds be used for the North property. The combination of the \$130,500 approved 2003 ESG funds, the \$100,000 requested 2004 ESG funds, and the \$5,000 from Open Your Heart will accomplish the proposed and needed rehabilitation scope of work at the North property.

At this time, the South property is vacant. Similar to the North property, it was determined after the City Council approval of the \$130,500 2003 ESG funds that additional work over and above the original scope is needed. Project Foundation is working to secure funding sources for the South property but their emphasis now is securing and closing on all of the funding needed for the North property.

Attached is a Project Data Worksheet which provides additional project details. The specific project address is not provided in the report to protect the security of persons experiencing homelessness due to many reasons, including domestic violence.

CPED MULTIFAMILY HOUSING DEPARTMENT
Affordable Housing Inventory Project Data Worksheet



Project Status
 Proposed: 9/25/2003
 Approved:
 Closed:
 Complete:

Impaction
 Non-Impacted
 Impacted

Occupancy
 Rental
 Ownership

Project Name: Home Away Center - North
 Main Address: 1XXX Oak Park Ave N
 Project Aliases:
 Additional Addresses:
 Ward: 5 Neighborhood: Near North

Housing Production and Affordability

UNIT COMPOSITION	UNIT	QTY	UNIT AFFORDABILITY	UNIT	<30%	<50%	<60%	<80%	MKT
	0BR	20		0BR	20	0	0	0	0
1BR	0	1BR	0	0	0	0	0	0	
2BR	0	2BR	0	0	0	0	0	0	
3BR	0	3BR	0	0	0	0	0	0	
4+BR	0	4+BR	0	0	0	0	0	0	
TOT	20	TOT	20	0	0	0	0	0	

Project Activity
 New Construction
 Rehabilitation
 Stabilization
 Preservation
 Year Built: _____

Development
 Apartment/Condo
 Townhome
 Coop
 Shelter
 Transitional
 Scattered Site/Other

Household
 General
 Family w/Children
 Senior
 Single
 Special Needs
 Homeless

Shelter Units: _____ + Conversion Units: _____
 Section 8: _____

GENERAL INFORMATION

Rehab of a building that provides supervised emergency shelter and transitional housing for up to 20 homeless youth. The property is located at Oak Park Ave in Near North neighborhood. Proposed rehab work includes replace fire extinguishers, smoke and CO detectors; add a fire sprinkling system, repair plumbing, patch and paint water damaged ceilings, handicap accessibility, environmental testing and remediation, upgrade storm windows, repair doors, and fence repair.

Partnership:

Developer:
 Karmit Bulman
 Project Foundation
 1708 Oak Park Ave N
 Minneapolis, MN 55411-
 Phone: (612) 522-1690 ext-
 Fax: (612) 522-1633
 kbulman@mn.rr.com

Owner:
 Karmit Bulman
 Project Foundation
 1708 Oak Park Ave N
 Minneapolis, MN 55411-
 Phone: (612) 522-1690 ext-
 Fax: (612) 522-1633
 kbulman@mn.rr.com

Contact Information:

Consultant:
 Phone: _____ ext-
 Fax: _____

Contractor:

Michael J. Crowe
 Michael J. Crowe, Inc. Construction Managem
 23 S.E. 4th St Suite 211
 Minneapolis, MN 55414-1090
 Phone: (612) 362-8894 ext-
 Fax:
 crowemj@cs.com

Architect:
 Adsit Architecture & Planning
 3101 Franklin Ave E
 Minneapolis, MN 55406-
 Phone: (612) 343-8013 ext-
 Fax:

Property Manager:

Support Services:

CPED Coordinator:

Donna Wiemann
 CPED
 105 5th Ave S Suite 200
 Minneapolis, MN 55401-
 Phone: (612) 673-5257 ext-
 Fax: (612) 673-5259
 donna.wiemann@ci.minneapolis.mn.us

CPED Legal:
 Ruben Acosta
 Phone: (612) 673-5052 ext-
 Fax: (612) 673-5112

CPED Support Coordinator

CPED Rehab:

Dalene Lenneman
 Phone: (612) 673-5254 ext-
 Fax: (612) 673-5207
MPLS Affirmative Action

CPED MULTIFAMILY HOUSING DEPARTMENT
Affordable Housing Inventory Project Data Worksheet



Project Status
 Proposed: 9/25/2003
 Approved:
 Closed:
 Complete:

Impaction
 Non-Impacted
 Impacted

Occupancy
 Rental
 Ownership

Project Name: Home Away Center - North
 Main Address: 1XXX Oak Park Ave N
 Project Aliases:
 Additional Addresses:
 Ward: 5 Neighborhood: Near North

Housing Production and Affordability

UNIT COMPOSITION	UNIT	QTY	UNIT AFFORDABILITY					
			UNIT	<30%	<50%	<60%	<80%	MKT
0BR	20	0BR	20	0	0	0	0	0
1BR	0	1BR	0	0	0	0	0	0
2BR	0	2BR	0	0	0	0	0	0
3BR	0	3BR	0	0	0	0	0	0
4+BR	0	4+BR	0	0	0	0	0	0
TOT	20	TOT	20	0	0	0	0	0

Project Activity
 New Construction
 Rehabilitation
 Stabilization
 Preservation
 Year Built: _____

Development
 Apartment/Condo
 Townhome
 Coop
 Shelter
 Transitional
 Scattered Site/Other

Household
 General
 Family w/Children
 Senior
 Single
 Special Needs
 Homeless

Shelter Units: _____ + Conversion Units: _____
 Section 8: _____

USES AND SOURCES

Project Uses:

Land:	\$0.00
Construction:	\$201,590.00
Construction Contingency:	\$16,955.00
Construction Interest:	\$0.00
Relocation:	\$0.00
Developer Fee:	\$0.00
Legal Fees:	\$0.00
Architect Fees:	\$8,477.50
Other Costs:	\$8,477.50
Reserves:	\$0.00
Non-Housing:	\$0.00
TDC:	\$235,500.00
TDC/Unit:	

Project Sources:

Source / Program	Amount	%	Term	Committed
Open Your Heart	\$5,000.00		Grant	12/1/2003
CPED ESG	\$115,000.00		Grant	12/1/2003 HD00000494
FHF	\$15,500.00		Grant	12/1/2003
CPED ESG	\$100,000.00		Grant	
TDC:	\$235,500.00			

Financing Notes: