



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

**Date:** November 7, 2005

**To:** Council Member Lisa Goodman, Community Development Cmte

**Prepared by:** Donna Wiemann, Principal Project Coordinator, 612-673-5257

**Presenter in Committee:** Donna Wiemann

**Approved by:** Elizabeth J. Ryan, Director, Housing Policy & Development \_\_\_\_\_

**Subject:** 2005 Emergency Shelter Grant Program Funding Recommendations

**RECOMMENDATION:** Approve up to \$566,823 of 2005 Emergency Shelter Grant (ESG) funds to three projects:

1. Up to \$20,000 for Simpson Housing Services at 2XXX First Avenue South and 1xxx – 11<sup>th</sup> Avenue South by Simpson Housing Services;
2. Up to \$170,000 for St. Anne's Place at 2XXX Russell Avenue North by Ascension Place, Inc.; and
3. Up to \$376,823 for Bridge Center for Youth at 2XXX Emerson Avenue South by The Bridge for Runaway Youth, Inc.

**Previous Directives:** In December, 2004, the Council approved up to \$46,000 of ESG funds for Simpson Housing Services at 2XXX First Avenue South. On November 4, 2005, the Council approved up to \$523,177 Affordable Housing Trust Fund and \$29,000 Non-Profit Admin Assistance Fund for the new construction of the Bridge Center for Youth's transitional housing facility for 18 youth.

**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:** The projects are located in Wards 4, 6 and 7.

**Neighborhood Notification:** Whittier Alliance was notified about the Simpson Housing Services proposal on October 11, 2004; East Isles Neighborhood Association was notified about the Bridge Center for Youth on September 21, 2004; and the Jordan Area Community Council was notified about the St. Anne's Place proposal on July 11, 2005.

**City Goals:** Foster the development and preservation of a mix of quality housing types that are affordable and meet current needs.

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

**Zoning Code:** The projects are in conformance with the zoning code.

**Living Wage/Job Linkage:** NA

**Background/Supporting Information**

The Emergency Shelter Grant (ESG) Program provides federal funds that may be used for the conversion, major rehabilitation, or renovation of existing buildings for either emergency shelters or transitional housing for homeless people. The total amount in the 2005 ESG budget is \$596,655 for the federal funding year from June 1, 2005 to May 31, 2006. Five percent (\$29,832) of the total budget is deducted for the City's administrative costs, and the balance, \$566,823, is used for program activities, specifically, capital improvements to the projects. ESG funds are one component of the City's Affordable Housing Trust Fund (AHTF).

Staff issued a Request for Proposal (RFP) for the 2005 ESG funds in June 2005 and received three funding applications. The applications are as follows and a Project Data Worksheet (PDW) providing details about each proposal is attached. Project addresses are not provided in this report or in the attached PDWs in order to protect the security of persons experiencing homelessness due to many reasons, including domestic violence.

1. \$20,000 for Simpson Housing Services (Attachment #1) - On December 23, 2004, the Council awarded \$46,000 of 2004 ESG to the project, however, testing of the shelter area's existing flooring materials revealed that asbestos is present in the floor tiles. Solicited bids estimate that the cost to clean up the asbestos exceeds the initial estimated cost by an additional \$20,000 leading to this additional ESG request.
2. \$170,000 for St. Anne's Place (Attachment #2)
3. \$376,823 for Bridge Center for Youth (Attachment #3)

Staff's review of the applications for capital funding included conducting a property inspection and evaluating the proposal based on the following considerations: 1) determination of project eligibility and adherence to federal rules; 2) project feasibility, need, and readiness; 3) organization's long-term operating capacity; 4) project leverage and matching funds; and 5) organization's ability to be under contract with the City by mid December, 2005, and ability to complete the work and expend the ESG funds by 5/15/07. Project leverage and matching funds is an important component of an ESG application since the federal ESG program requires the need for the City to provide 1 to 1 match through other funding resources and this is achieved through the other funding resources that the projects secure for their proposed project. Staff also notified MHFA, the Family Housing Fund, and Hennepin County of the three proposals and solicited their review and feedback.