



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

Date: October 11, 2011
 To: Council Member Lisa Goodman, Chair, Community Development Committee
 Subject: 2011 Emergency Solutions Grant Funding Recommendations

Recommendation: Approve up to \$555,759 of Fiscal Year 2011 Emergency Solutions Grant (ESG) funds for the following projects:

- a) Up to \$210,759 for Higher Ground (formerly Boxleitner) located at 1xx Glenwood Avenue North by Catholic Charities or an affiliated entity;
- b) Up to \$320,000 for Passage Community located at 1x East 24th Street by Simpson Housing Services or an affiliated entity; and
- c) Up to \$25,000 for Families Moving Forward located at 1xxx Emerson Avenue by Plymouth Church Neighborhood Foundation or an affiliated entity.

Previous Directives:

1. Higher Ground (formerly Boxleitner): On January 23, 2009, the Minneapolis City Council approved the sale of 165 Glenwood Avenue to Community Housing Development Corporation in the amount of \$835,000 for the new construction project J. Jerome Boxleitner Place.
2. Passage Community: In August 1986, the MCDA Board of Commissioners approved up to \$425,730 in ESG funds for rehabilitation work at the Passage Community Project. On January 3, 2003, the Minneapolis City Council approved up to \$329,000 (\$300k in CDBG and \$29k in Non Profit Admin funds) for the Passage Community Project for the purposes of rehabilitation of the property. Rehab included replacement of exterior doors, repairs to exterior brick surface and chimney, installation of a security system, replacement of a water heater, kitchen appliances and new flooring in kitchens and bathrooms.
3. Families Moving Forward: 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	_____
Presenters in Committee:	Tiffany Glasper	

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 Solutions 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. HUD has released to the City \$585,009 of Fiscal Year 2011 ESG funds out of an FY11 grant of \$812,813. Five percent of the amount (\$29,250) will be used for City staff administrative costs and the balance of \$555,759 will be used for eligible project activities under current ESG rules.

An RFP for the 2011 ESG funds was issued in May 2011 and staff received three viable proposals:

1. Up to \$210,759 for Higher Ground (formerly Boxleitner) located at 1xx Glenwood Avenue North by Catholic Charities or an affiliated entity;
2. Up to \$320,000 for Passage Community located at 1x East 24th Street by Simpson Housing Services or an affiliated entity; and
3. Up to \$25,000 for Families Moving Forward located at 1xxx Emerson Avenue by Plymouth Church Neighborhood Foundation or an affiliated entity.

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 2011 ESG money by 5/31/13.
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 all of the three 2011 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. Higher Ground (formerly J. Jerome Boxleitner): On January 23, 2009, the Minneapolis City Council approved the sale of 165 Glenwood Avenue to Community Housing Development Corporation in the amount of \$835,000 for the new construction project J. Jerome Boxleitner Place. This new construction project, scheduled to be complete and occupied by June 2012, was fully funded without City assistance. The project is a transitional housing and shelter facility owned and operated by Catholic Charities. The new facility provides multiple housing options in one location in order to ease the transition from

homelessness to permanent housing. The current request for \$210,759 in ESG funds is to cover the costs associated with furnishings, equipment and a security system for the transitional housing portion of the project.

The CPED Construction Specialist indicates that costs for the security system are reasonable. The costs for furnishings and equipment will be determined through a cost comparison analysis.

2. Passage Community: The \$320,000 of ESG funds will be used to address multiple exterior rehabilitation needs including water infiltration issues, window repair/replacement, foundation repairs and tuck pointing.

The CPED Construction Specialist indicates that the repairs are necessary and that the costs are reasonable.

Passage Community is operated by Simpson Housing Services and provides 17 units of transitional housing to homeless or formerly homeless individuals.

3. Families Moving Forward: The \$25,000 ESG funds will be used to replace a damaged water main line to the Day Center building, which has needed constant attention and repairs over the last few years. Plymouth Church Neighborhood Foundation owns and operates the day center, which acts as a transportation hub where buses take older children to school and younger children to day care. The day center provides showers, laundry facilities, computer access, space for education activities, personal storage space and an open kitchen.

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

If these projects are approved, ESG rules require that the expenditure of the 2011 ESG monies be completed by May 31, 2013.