

August 2012

**2012 EMERGENCY SOLUTIONS GRANT PROGRAM
(formerly Emergency Shelter Grant)
REQUEST FOR PROPOSALS**

The City of Minneapolis Community Planning and Economic Development (CPED) Department is advertising the availability of approximately \$415,722 of 2012 federal Emergency Solutions Grant Program (ESG) funds.

The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act) amended the McKinney-Vento Homeless Assistance Act, including major revisions to the Emergency Shelter Grant Program, now the Emergency Solutions Grant Program and a new definition of “Homeless.”

HUD’s prior definition of “Homeless” included people living in places not meant for human habitation (the streets, abandoned buildings, etc), living in an emergency shelter or transitional housing facility, and although it is not specifically described in the McKinney-Vento statute – facing the loss of housing within the next seven days with no other place to go and no resources or support networks to obtain housing. The HEARTH Act adds to this definition situations where a person is at imminent risk of homelessness or where a family or unaccompanied youth is living unstably. Imminent risk includes situations where a person must leave his or her current housing within the next 14 days with no other place to go and no resources or support networks to obtain housing. Instability includes families with children and unaccompanied youth who: 1) are defined as homeless under other federal programs (such as the Department of Education’s Education for Homeless Children and Youth program), 2) have lived for a long period without living independently in permanent housing, 3) have moved frequently, and 4) will continue to experience instability because of disability, history of domestic violence or abuse, or multiple barriers to employment.

The ESG Program funds may be used to renovate or rehabilitate emergency shelters for people experiencing homelessness and to convert buildings for use as emergency shelters. The properties must be located either in the City of Minneapolis or in Hennepin County.

An advisory committee, including representatives from Minnesota Housing Finance Agency, Hennepin County, Family Housing Fund, and CPED will review the applications and may conduct interviews with the applicants. In addition, CPED staff will conduct a physical inspection of the property. Staff will make recommendations to the City Council for their funding decisions.

Basic ESG Program information is as follows, with updated/new requirements highlighted in blue text:

- Applicant must be eligible to apply for ESG funding.
- Applicant must provide evidence that the property is properly zoned with necessary conditional-use permits in place. The form of evidence is a letter from City Zoning/Development Services. If a zoning change or a conditional-use permit is needed, obtain a letter from CPED Planning describing what must be done and the timetable for obtaining the approvals and submit with the funding application.
- **Projects assisted with ESG funds cannot require occupants to enter into lease or occupancy agreements of any kind unless it is a project that was funded with FY 2010 ESG funds.**
- Applicant must demonstrate sufficient knowledge, experience and capacity to undertake and complete the development project.
- Applicant must demonstrate the ability to enter the ESG contracts with the City of Minneapolis within sixty days of City Council approval.
- The ESG work must be done and funds spent no later than May 31, 2014.
- The building must be maintained as a shelter for homeless people for a period of 3 to 10 years.
- **Recipients of ESG funds must participate in a Homeless Management Information System (HMIS) and will be required to collect data on all universal elements as defined in HMIS. .**
- Applicant must provide the organization's most recent audited financial statements.
- Applicant must provide evidence of sufficient amount of revenue/income to operate the project.
- **All projects must meet HUD's minimum habitability standards as well as state and local government safety and sanitation standards, as applicable, including the requirements for lead-based paint and energy-efficient appliances.**
- Public bidding must occur.
- All development funding sources, in addition to the ESG funds, must be secured before a closing can occur.
- Environmental testing, including lead-based paint risk assessment and remediation, will be required, in most projects funded with ESG.
- Federal relocation regulations or local relocation rules apply to all projects funded through the Affordable Housing Trust Fund and the ESG Program. This is true for both residential and commercial properties. Funding applications must include all of the following materials:
 1. Detailed scope of work, sources and uses budget, and project schedule.
 2. Occupancy information/rent rolls as of the date of site control e.g. the signing of the purchase agreement; the signing of the option to purchase; and so forth.

3. Occupancy information/rental rolls as of the date that the AHTF and/or ESG Program application was submitted to CPED.
4. Draft relocation plan for temporary relocation (on site and off site), permanent relocation, and a combination of temporary and permanent relocation.
5. Inclusion of the relocation budget estimate in the development proforma and information detailing the calculation of the relocation budget estimate.
6. Applicant must provide a statement regarding their experience with HMIS.

During CPED's application review period, staff may request additional information to insure compliance with the federal relocation regulations and the local relocation rules.

IMPORTANT: Contact Kaye Anderson, CPED relocation specialist, about the relocation regulations as they apply to the projects requesting funds. Her phone number is 612-673-5051 and her e-mail address is Kaye.Anderson@ci.minneapolis.mn.us.

The following types of proposals will receive priority consideration for ESG support:

- Requests with a realistic, detailed scope of work.
- The applicant can demonstrate the ability to enter the ESG contracts with the City of Minneapolis within sixty days of Council approval and the project can start shortly thereafter.
- Projects that leverage other funding sources to help cover the estimated development costs.
- Projects incorporating green/sustainable elements consistent with the "Minnesota Overlay to the Green Communities Criteria" and/or National Green Communities Criteria.
- The applicant can demonstrate a realistic time frame for completing the ESG work and spending the ESG funds by May 31, 2014.

The following web page through HUD's web site contains detailed information about the rules of the ESG program: <http://www.hudhre.info/index.cfm>

As of the date of publication of this RFP, HUD has not released information about data collection and reporting requirements.

For information and questions related to the HMIS requirements, please contact Laura McLain at laura.mclain@wilder.org or (651) 280-2671.

Two important ESG requirements are as follows:

1. The official neighborhood group must review the ESG funding proposal request. It is the applicant's responsibility to obtain this review and submit documentation to the City of Minneapolis by October 26, 2012.
2. Recipients of ESG funds are required by law to provide for the participation of at least one homeless or formerly homeless person(s) in a *policy-making function* within the organization. This might include, for example, involvement of a homeless or formerly homeless person on the Board of Directors or similar entity that considers and sets policy or makes decisions for the recipient agency.

New construction is not an eligible ESG activity. ESG Program funds may be used, however, for furniture, security systems, and equipment (up to \$5,000 maximum amount) in a new construction project.

If there are any questions about the ESG Program RFP, contact Tiffany Glasper at 612-673-5221 or Tiffany.Glasper@ci.minneapolis.mn.us.

EQUAL HOUSING AND OPPORTUNITY