

## Request for City Council Committee Action from the Department of

**Date:** October 6, 2009

**To:** Council Member Lisa Goodman, Chair, Community Development Committee

**Subject:** Emergency Shelter Grant Funds for Simpson Housing Services

**Recommendation:** Approve up to \$171,021 of 2009 Emergency Shelter Grant funds for Simpson Housing at 2xxx First Avenue South by Simpson Housing Services or an affiliate. Approve the possible transfer of up to \$21,510 from the \$81,510 of 2008 ESG funds awarded to The Salvation Army for Harbor Light to Simpson Housing or an affiliate if the money is not needed by The Salvation Army for window refurbishing.

**Previous Directives:** On January 23, 2009, the City Council approved up to \$62,000 of 2008 ESG funds for the project. In December 2004, the City Council approved up to \$46,000 of 2004 ESG funds and in November 2005, approved up to \$20,000 of 2005 ESG funds. The 2004 and 2005 ESG funds were used for installation of security lighting, handicapped accessible updates, asbestos removal, new flooring among other things.

On January 23, 2009, the City Council approved up to \$81,510 of 2008 ESG funds for The Salvation Army for Harbor Light located at 1xxx Currie Avenue.

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

Approved by: Thomas A. Streitz, Director, Housing Policy & Development\_\_\_\_  
Charles T. Lutz, Deputy Director \_\_\_\_\_

Presented in Committee: Donna Wiemann

### Financial Impact

- No financial impact.

### Community Impact

- Neighborhood Notification: Whittier Alliance reviewed the ESG proposal in June, 2008 and in September, 2009.
- 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: The proposed project is in compliance with the zoning code.

## **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.

In January 2009, the City Council approved up to \$62,000 of 2008 ESG funds for Simpson Housing. The funds were to be used for improving its emergency shelter for men by adapting space, adding an additional bathroom with showers, and creating additional sleeping areas for up to eleven (11) people. The improvements would allow for expanding the shelter to include its use by single adult women who are experiencing homelessness. Specific work would include asbestos testing and removal, ventilation work, a new bathroom, a new laundry room, new sleeping areas, new lockers and relocating the food shelf and office computer station to adapt the space for the adaptation to add sleeping area.

Because of the high competition for the 2008 ESG funds, staff was only able to recommend a partial amount (\$62,000) of their actual request (\$210,253). It was anticipated that additional funds would be requested from 2009 ESG allocation to complete the proposed rehabilitation.

In August 2009, Simpson Housing was one of six applications submitted in response to the 2009 ESG RFP. Simpson Housing was able to better refine the costs associated with its proposal and changed the proposal to shelter 20 women. The scope of work now includes the addition of two bathrooms and two showers, an alarm system and additional overnight storage space for the belongings of 20 women. Simpson Housing obtained a Conditional Use Permit from the City in May 2009 to expand the number of people served at the shelter.

Simpson is requesting \$171,021 of 2009 ESG funds for the overall project. This amount added to the previously approved \$62,000 totals \$233,021. With this approval, the project is ready to start. CPED staff is moving forward with this 2009 ESG request before a decision is made about the other five 2009 ESG applications because Simpson Housing must close on the 2008 ESG funds as soon as possible for the ESG work to be done and the 2008 ESG funds spent by May 31, 2010. This is a federal expenditure deadline.

Harbor Light by The Salvation Army at 1xxx Currie Avenue was another project awarded 2008 ESG funds. The Salvation Army requested \$285,000

to replace windows and, due to funding competition and additional time needed to examine whether replacement or refurbishing was more appropriate, the City Council approved \$81,510 only. Since this approval, an energy audit and an assessment of the most cost effective approach were completed; it concluded that the existing windows could be refurbished rather than replaced. The updated cost estimate of window renovation and associated soft costs is approximately \$60,000 which is \$21,510 less than the 2008 ESG funds awarded. Therefore, staff request approval to possibly transfer of up to \$21,510 of 2008 ESG funds awarded to Harbor Light to Simpson Housing if the entire amount of the \$81,510 awarded to Harbor Light is not needed. If the transfer of some or all of the \$21,510 occurs, the amount of 2009 ESG funds approved for Simpson Housing will be reduced by the same amount.

The approval of the 2009 ESG funds to Simpson Housing will leave a 2009 ESG fund balance of \$389,000. The remaining 2009 ESG funding requests total \$309,440 and, as a result, there is more than what is needed to fund the remaining 2009 ESG projects. Staff anticipates that the balance of the 2009 funding recommendations report will be presented to the City Council in December 2009.