

CD Program FY 2017 Application Review	ESG	Staff Contact: Suzanne Kelley
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Summary of ESG Regulations

ESG is the Emergency Solutions Grant program that became effective on December 11, 2011 and this program’s focus is to assist people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. This program replaced the Emergency Shelter Grant program which focused on addressing the needs of homeless people in emergency shelters or transitional shelters.

Important programmatic changes included:

- Focusing on preventing homeless from occurring – Prevention
- Focusing on placing people into permanent housing as quickly as possible- Rapid Rehousing
- Amending the Emergency Shelter definition
 - As per HUD, Emergency Shelters are defined as, “Any facility, the primary purpose of which is to provide a temporary shelter for the homeless in general or for specific populations of the homeless, and which does not require occupants to sign leases or occupancy agreements.”
 - Under the previous program, the Emergency Shelter Grant program, transitional housing was an eligible activity for funding. HUD defines Transitional housing as, “project that is designed to provide housing and appropriate supportive services to homeless persons to facilitate movement to independent living within 24 months”
 - Nationally there has been confusion if Transitional Housing is classified as an Emergency Shelter under the current ESG program.
 - The City of Duluth has funded Transitional Housing programs as Emergency Shelters.
 - On June 3, 2015, HUD issued a Solicitation of Comments on Specific Issues relating to the ESG program. One of the focuses of this Solicitation was to “Establish a clearer distinction between emergency shelter and transitional housing, including removing “leases or occupancy agreements” from the definition. The Solicitation specifically stated, “The current language was intended to continue funding of “transitional shelters” which were included in the definition of “emergency shelters” under the Emergency Shelter Grants Program. HUD is considering whether to remove, alter, or maintain this clause in the definition...” This Solicitation also stated that HUD recognized that removing transitional housing from the Emergency Shelter definition could affect the community and HUD wanted input on what that affect would be and how it could be addressed.
 - The comment period for the Solicitation ended on August 3, 2015. As of the date of this report, September 28, 2016, there has been no further guidance.
 - Staff is recommending to treat Transitional Housing programs as Emergency Shelters until HUD provides clarification. Staff is recommending the agencies that receive funding for Transitional Housing provide plan on how they will fund their Transitional Housing programs if HUD does not allow Transitional Housing as an eligible item in the ESG program.

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Summary of ESG Applications

- 8 ESG applications were submitted. 6 applications are for shelter operations, and the corresponding agencies received similar amounts in previous years for similar work. There are two new applications, both for Street Outreach, one from CHUM and one from Life House.
- The amount of ESG funds the City of Duluth received for the 2016 program year was \$198,305, however there is a \$120,000 hold harmless amount in which the ESG shelter and street outreach activities cannot exceed.
- There was no application for HMIS Administration/Reporting, which is a HUD requirement. Currently the St. Louis County Continuum of Care (COC), along with the other Minnesota State COC providers are in the processes of changing the HMIS administration. In previous years, \$4000 has been allocated to this activity. As per HUD regulations, the \$4000 for HMIS is not included in the \$120,000 hold harmless amount.
- As per HUD regulations the difference between the full ESG allocation (\$198,305 was allocated for the 2016 program) and the \$120,000 hold harmless amount must be used for Prevention and Rapid Re-housing activities and staff administration of the program (which is capped at 5%). Last year \$70,000 was programmed for Prevention and Rapid Re-housing activities and \$14,873 was for staff administration.
- There was no coordinated entry application, HUD is requiring COC's to have coordinated entry. Last year \$12,000 in CDBG funds was allocated to coordinated entry.
- In previous years, ESG funds were used to track participants 6 months after they received assistance, this was the Benchmark contract. Last year \$48,432 was allocated to the benchmark activity. The benchmark funding would have to be included in the \$120,000 hold harmless limitation amount. There was no application for benchmark funding.

Approach to Application Review

- Applications were reviewed based the needs, strategies and goals listed in the 2015 Consolidated Plan.

Applications Received

Code	Proposal Name	Organization	Amount
2017-25	AICHO Shelter Operations	AICHO	\$10,000
2017-15	Center City Family Supportive Housing	Center City	\$30,000
2017-03	CHUM Emergency Shelter Operations	CHUM	\$20,000
2017-05	CHUM Street Outreach	CHUM	\$15,000
2017-18	Life House Street Outreach	Life House	\$25,000
2017-17	MACV Shelter Operation	MACV	\$3,150
2017-04	Safe Haven Shelter for Battered Women	Safe Haven	\$7,800
2017-08	Salvation Army Family Housing	Salvation Army	\$5,250

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Total: \$116,200

Consolidated Plan Goals

Consolidated Plan Goal #9: Homelessness

- Support the implementation and operation of coordinate access entry sites for families, youth, and singles.
- Support housing stabilization initiatives for homeless populations with special needs.
- Support the operation of emergency shelter facilities that help homeless families, youth, and individuals rapidly access housing and becoming stably housed.
- Provide shelter and stabilization services for women and children experiencing domestic violence and/or sex trafficking.
- Create additional permanent supportive housing units for chronically homeless people or for persons with special needs.
- Support the creation or renovation of shelter facility for homeless youth.

APPLICATION #2017-25: Dabinoo'Igan Shelter Operating

Brief Description of Application (including activities and target clientele):

- The application is for domestic violence shelter operations.
- The service goal is listed as “beds” creating confusion about who the target clientele are and what this funding request is for.

Application goals/outcomes and relation to Consolidated Plan:

- Goal 9: Homelessness:
 - Support housing stabilization initiatives for homeless populations with special needs.
 - Support the operation of emergency shelter facilities that help homeless families, youth, and individuals rapidly access housing and becoming stably housed.

Budget and Project Readiness:

- The applicant left the “Program Uses” and “Funding Need” sections of the application blank. It is unclear what the ESG funds will be used for. The narrative states that the ESG funds will be used to pay utilities, then later states they will be used to add 14 new beds, then later states they will be used to add 15 new beds.
- Adding beds is not an eligible expense for ESG Shelter Operations.
- \$581,532 has been secured and \$10,000 is anticipated for a >3:1 funding leverage ratio.

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Applicant:

- AICHO, American Indian Community Housing Organization, is located at 202 West 2nd Street, Duluth MN 55802, provides culturally specific programming for the American Indian community. AICHO has administered federal funds, including CDGB and ESG.

Staff Recommendation:

- Staff recommends funding if the applicant clarifies that the ESG funds will be used for shelter utilities because the shelter activity is listed in the 2015 Consolidated Plan.

APPLICATION #2017-15: Center City Family Supportive Housing

Brief Description of Application (including activities and target clientele):

- Funds will be used by Center City to provide supportive housing to homeless families and individuals. ESG funds will be used for utilities, maintenance, insurance, and property management.

Application goals/outcomes and relation to Consolidated Plan:

- Center City has a goal of serving 91 people with Transitional Housing services.
- This activity would meet the activity listed in in the 2015 Consolidate Plan Homeless Goal 9 “Support housing stabilization initiatives for homeless populations with special needs.”
- This is a listed goal in the 2015 Consolidate Plan, #9: Homelessness “Support the operation of emergency shelter facilities that help homeless families, youth, and individuals rapidly access housing and becoming stably housed.”

Budget and Project Readiness:

- Center City is requesting \$30,000 in ESG funds. A majority of the funding has been secured. Center City has a leverage rate of >3:1 ratio.

Applicant – Center City Housing

- Center City is located at 105 ½ West 1st Street, Duluth MN 55802. Center City has a history of positivity administering CDBG, ESG, and other federal funds.

Staff Recommendation:

- Staff recommends funding the application because the activity is listed in the 2015 Consolidated Plan.

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APPLICATION #2017-03: CHUM Emergency Shelter Operations

Brief Description of Application (including activities and target clientele):

- Funds will be used to provide Emergency Shelter and Stabilization Services to at least 950 unduplicated individuals, including at least 50 families with children. ESG funds will be used for shelter operations, including overnight security and maintenance staff. The target clientele are people who are currently experience homelessness.

Application goals/outcomes and relation to Consolidated Plan:

- This is a listed goal in the 2015 Consolidate Plan, #9: Homelessness “Support the operation of emergency shelter facilities that help homeless families, youth, and individuals rapidly access housing and becoming stably housed.”
- The application states this project would serve 950 unduplicated individuals who are experiencing homelessness.

Budget and Project Readiness:

- Since this will be a continuance of an existing service, CHUM will be able to provide this service at the beginning of the 2017 program year.
- \$240,165 funds have been secured, \$261,250 are anticipated, for a funding leverage 2-1:1 ratio and a total budget of \$501,415.
- At the full budget, the per capita cost is \$527.81 per person.
- CHUM’s budget and project readiness appears appropriate.

Applicant:

- CHUM (Churches Unity in Ministry) located at 102 W. Second Street, Duluth MN 55802. CHUM is a nonprofit agency that has provided shelter services in Duluth for many years. CHUM also has received federal funds in the past. CHUM is active with the COC.

Staff Recommendation:

- Staff recommends funding the application because the activity is listed in the 2015 Consolidated Plan.

APPLICATION #2017-05: CHUM Street Outreach

Brief Description of Application (including activities and target clientele):

- Provide support to the existing CHUM’s Street Outreach Program to serve people who are experiencing chronic homelessness to meet their basic needs, help them stabilize their housing, reduce their contact with police, and advocate for them with law enforcement and health care.

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Application goals/outcomes and relation to Consolidated Plan:

- This activity would meet the activity listed in in the 2015 Consolidate Plan Homeless Goal 9 “Support housing stabilization initiatives for homeless populations with special needs.”
- The proposed service goal is 500 people.
- This is a new funding activity for the City of Duluth.

Budget and Requested amount:

- Total budget: \$105,000; Secured: \$10,000; Leverage ratio: 1:1.3
- The project is ready to start on time and work is expected to be completed by Sept. 30, 2018
- The amount requested (\$15,000) represents 14% of the overall Street Outreach budget.

Applicant

- CHUM (Churches Unity in Ministry) located at 102 W. Second Street, Duluth MN 55802. CHUM is a nonprofit agency that has provided shelter services in Duluth for many years. CHUM also has received federal funds in the past. CHUM is active with the COC.

Staff Recommendation:

- Staff recommends funding the application because the activity is listed in the 2015 Consolidated Plan.

APPLICATION #2017-18: LifeHouse Street Outreach

Brief Description of Application (including activities and target clientele):

- This project will fund Life House staff to conduct street outreach to identify, build relationships with, and assist 625 youth (ages 14-24) experiencing homelessness to address basic needs and access crisis services, emergency shelter, and stable housing.

Application goals/outcomes and relation to Consolidated Plan:

- Goal 9: Homelessness: Support housing stabilization initiatives for homeless populations with special needs.

Budget and Project Readiness:

- The budget appears reasonable and the requested ESG money will fund staff time.
- Life House youth services are already in operation and street outreach can start promptly if funded.
- \$126,000 has been secured and \$117,225 is anticipated for a 2-1:1 funding leverage ratio.

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Applicant:

- Life House is located at 102 W 1 Street, Duluth MN 5802 and has a history of administering CDBG, ESG, and other federal funds.

Staff Recommendation:

- Staff recommends funding the application because the activity is listed in the 2015 Consolidated Plan.

APPLICATION #2017-17: MACV Shelter Operations

Brief Description of Application (including activities and target clientele):

- Public service funds will be used to pay for the shelters utilities
- The target clientele is homeless veterans.

Application goals/outcomes and relation to Consolidated Plan:

- MACV has a goal of serving 15 clients with emergency shelter.
- This activity would meet the activity listed in in the 2015 Consolidate Plan Homeless Goal 9 “Support housing stabilization initiatives for homeless populations with special needs.”
- This is a listed goal in the 2015 Consolidate Plan, #9: Homelessness “Support the operation of emergency shelter facilities that help homeless families, youth, and individuals rapidly access housing and becoming stably housed.”

Budget and Project Readiness:

- MACV has secured over \$140,000 from public and private funding sources for their budget of \$150,000. Majority of the funding has been secured. The leverage rate is >3:1 ratio.

Applicant

- Minnesota Assistance Council for Veterans, (MACV) located at 360 Robert Street N. Suite 306 St. Paul, MN is a nonprofit agency that has provided shelter services in Duluth for many years. MACV also has received federal funds in the past. MACV is active with the COC. MACV is an office in Duluth located at 5209 Ramsey St, Duluth, MN 55807.

Staff Recommendation:

- Staff recommends funding the application because the activity is listed in the 2015 Consolidated Plan

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APPLICATION #2017-04: Safe Haven Shelter for Battered Women

Brief Description of Application (including activities and target clientele):

- Safe Haven serves domestic violence victims and their families in Duluth.
- Their application is for utility costs at their emergency shelter.

Application goals/outcomes and relation to Consolidated Plan:

- Safe Haven has a goal of serving 500 individuals as a part of this program.
- This activity would meet the activity listed in in the 2015 Consolidate Plan Homeless Goal 9 “Support housing stabilization initiatives for homeless populations with special needs.”
- This is a listed goal in the 2015 Consolidate Plan, #9: Homelessness “Support the operation of emergency shelter facilities that help homeless families, youth, and individuals rapidly access housing and becoming stably housed.”

Budget and Project Readiness:

- The ESG request is for \$7,800 with the exception of the CDBG funds, the remaining funding has been secured. The leverage ratio is >3:1 ratio.

Applicant

- Safe Haven is a Shelter for Battered Women and is located in Duluth. Safe Haven also has received federal funds in the past. Safe Haven is active with the COC

Staff Recommendation:

- Staff recommends funding the application because the activity is listed in the 2015 Consolidated Plan

APPLICATION #2017-08: Salvation Army Family Housing

Brief Description of Application (including activities and target clientele):

- Salvation Army provides support services, emergency shelter, and transitional housing to homeless individuals and families in Duluth.
- This application would pay for the utilities at their emergency shelter facility.

Application goals/outcomes and relation to Consolidated Plan:

- Salvation Army has a goal of serving 100 individuals as a part of this program.
- This activity would meet the activity listed in in the 2015 Consolidate Plan Homeless Goal 9 “Support housing stabilization initiatives for homeless populations with special needs.”

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- This is a listed goal in the 2015 Consolidate Plan, #9: Homelessness “Support the operation of emergency shelter facilities that help homeless families, youth, and individuals rapidly access housing and becoming stably housed.”

Budget and Project Readiness:

- Of the \$202,302 budget, Salvation Army has secured over \$191,000 from federal and private funding.
- The ESG request is for \$5,250 with the exception of the CDBG funds, the remaining funding has been secured. The leverage ratio is >3:1 ratio.

Applicant

- Salvation Army is located 215 South 27th Ave West, Duluth MN. Salvation Army also has received federal funds in the past. Salvation Army is active with the COC

Staff Recommendation:

- Staff recommends funding the application because the activity is listed in the 2015 Consolidated Plan.