FY 27 AHSP Application Staff Summary

Safe Shelter: Shelter Expansion – Construction Grant

15	$11,140	$1.00:$1.11	≤80%	10%
Shelter Bed Expansion	AHSP Request Per Shelter Bed	Leverage Ratio AHSP $: Other Non-County $	AMI Target	% Admin Cost

Project Description: Safe Shelter submitted a **Construction Grant** application requesting grant funds in the amount of **$167,100** to expand emergency shelter capacity by 15 beds.

AHSP Goal: Support activities that achieve functional zero Homelessness

Summary: Safe Shelter's request ($167,100) is intended to fund the installation of a sprinkler system at the applicant's West Asheville shelter and increase the allowable overnight occupancy from 20 to 35 and the possibility of utilizing more space for additional programs. The target population at the emergency shelter is individuals and families experiencing unsheltered homelessness. The request will support an overall project budget of $352,100.

Shelter guests are selected through a referral-based process in partnership with homelessness and housing service providers as well as other community partners. Prospective guests may also self-refer for assistance. Applicants are assessed using a vulnerability index that considers experience of homelessness and other barriers. Criminal history, prior evictions, and credit history do not automatically exclude participation. All Safe Shelter guests are assumed to be below 80% AMI, and most guests are assumed to be at or below 30% AMI.

Costs for the project include fire sprinkler system design, installation, permits and project coordination.

The financial statements indicate shelter expenses exceeded revenues. The Continuum of Care Funding Committee has independently reported the organization is facing a material budget shortfall beginning in May/June 2026 that could disrupt normal shelter operations. Safe Shelter indicates the organization is actively seeking funding sources to close the operational funding gap.

Safe Shelter has submitted a separate, concurrent request for Administrative Support, which proposes an additional $12,000 in administrative costs for this project.

Finance Department Assessment of Audits and Financial Position: Safe Shelter provided a packet of information that included an independent auditor letter, statements of activity, and bank balances. Based on what was provided, there is insufficient information to determine financial health.

Recommendation: Community Development Division staff reviewed the project. For an award to be considered the applicant will: (1) be required to begin documenting income eligibility of guests at or below 80% AMI; (2) will need to become a 501(c)(3) non-profit as required by the AHSP Guidelines (application is in process); (3) need to provide information or documentation ensuring its financial health beyond May 2026. Assuming these considerations are met, the project generally adheres to the requirements of the FY27 AHSP, and would be eligible for funding. The project generally appears ready for implementation July 1, 2026 if the applicant were still solvent. A full or partial award may be considered, if all other considerations are met.

PROJECT SUMMARY SHEET	Y/N
Project Description/Narrative	
Clearly affordable housing focused	Y
Aligns with all components of the application	Y
Aligns with all guidelines of the AHSP program	Y
Aligns with the selected strategic goal	Y
Aims to impact at least one Social Determinate of Health	Y
Designed to Serve Households with AMI	
<80%	Y
<50%	Y
<30%	Y
Designed to Serve	
Income qualified general populous eligible for the program	N
Individuals who are age 55 or older	Y
Individuals with a disability	Y
Individuals who are hard to house	Y
Individuals who are homeless or at risk of homelessness	Y
Individuals who are BIPOC	Y
Individuals who are justice involved	Y
Individuals who have vouchers	N
Individuals who have been affected by Helene	Y
Project Expenses	
Complete	Y
Reasonable	Y
Project Uses	
Complete	Y
Reasonable	Y
Includes leveraging additional investment (non-AHSP funds)	Y
Project Team	
Relevant experience and qualifications to complete the project	Y
Project History	
Indicates success in completing projects in the program category	Y
Applicant	
Has timely audits free of qualifications and findings which would adversely indicate ability to manage an AHSP allocation	N
Shows a healthy financial position	N
Is a non-profit applicant	Y