

# **Exhibit 14**



APR 26 2004

Rockville MD 20857

Reverend Lawrence W. Rice, Jr., President  
New Life Evangelistic Center, Inc.  
1411 Locust St.  
St. Louis, Missouri 63103

Re: L. Douglas Abram Federal Building  
1520 Market St.  
St. Louis, Missouri  
GSA No.: 7-G-MO-0636

Dear Reverend Rice:

This is to respond to your application from New Life Evangelistic Center, Inc. (New Life), applicant, to acquire the above-referenced property for homeless use. Based upon the reasons set forth below, we have determined that the application is not approvable.

As stated in the application packet and in the regulations, all applications are evaluated based on the following five elements: services offered; need; implementation time; experience; and financial ability. See 45 C.F.R. Part 12a, section 12a.9(e). New Life's application fails to support assertions that there exists a requisite need for the purposed program of use, and that New Life has the necessary experience and financial ability to implement the proposed program of use in the Abram Federal Building.

The application does not establish that a need exists for additional shelter beds and support services for the homeless in the City of St. Louis, Missouri. Instead, the application was nonsystematic in presenting data on need, tending to cite data that did not have a direct bearing on the programs to be developed. As an example, the application describes 350 shelter beds currently available in the city, with residency or gender restrictions. However, the application did not report on the services that may be associated with these beds, simply stating that even with the provision of these services a tremendous need still exists.

Our review identifies various discrepancies between statements by New Life and information received from local outside sources. As an example, according to New Life, the 921 beds operated by other shelters, usually shut down in the early spring, creating a huge influx of new homeless clients seeking help at New Life's facility. The City, on the other hand, asserts that this is in fact false. According to the City, there are 1,006 temporary beds in the City of St. Louis, all operating 365 days per year. Another discrepancy is that New Life suggests that there were not enough emergency beds to accommodate the homeless this past winter. According to the Salvation Army, Midland Divisional Headquarters, as many as 850 emergency shelter and transitional housing beds for homeless men, women and families are available in the City of St. Louis. Additionally, the Human Development Corporation (HDC), a local community action agency, informs this office that extra room was available, on any given night, for the acceptance of additional homeless individuals.

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As I'm sure you are aware, St. Patrick Center, Missouri's largest homeless service provider, is providing many homeless programs within the City, just blocks away from your 1411 Locust Street facility. St. Patrick Center, partnering with other agencies, provides 19-plus homeless programs on three floors of its five story building, with two floors remaining vacant. We have learned that St. Patrick Center is not facing overflow conditions and is ready to assume the burden of expanding its homeless services. As an example, partnering with five additional agencies, St. Patrick's plans to utilize the remaining 40,000 square feet of space in its building over the next two years. This will allow for expansion of healthcare, vocational training and disaster relief services. These are all programs New Life proposes to offer at the Abram Federal Building. Additionally, St. Patrick Center is investing 1.5 million dollars into an Assertive Community Treatment program that will permanently house and provide supportive services to over 150 chronically homeless individuals over the next three years. This effort, important in and of itself, will also free up a substantial number of shelter beds in the City.

New Life's application cites U.S. Department of Housing and Urban Development (HUD) data to support the need of the homeless. This data, however, is presented on a global basis but does not take into account the number of homeless currently being serviced by existing facilities in the area. The City of St. Louis' regional 10-year "Plan to End Chronic Homelessness," (plan) closely follows the U.S. Department of Housing and Urban Development's paradigm. This plan is supported by virtually every agency that provides shelter and supportive services to the homeless. Currently, 35 different social service agencies are united in the City's Continuum of Care network, providing a range of services including shelters, employment services and healthcare. Many of these agencies are located within walking distance of the Abram Federal Building. Through collaboration of these agencies it is anticipated that hundreds of shelter beds will be made available over the next two years. In addition, it is estimated that 300 chronically homeless individuals and families will be in permanent supportive housing by 2006.

It is our understanding that the above-referenced property will be available for occupancy in the year 2006. The current need claimed for shelter and support services expressed by New Life will no longer be valid.

Our evaluation of the application concludes that New Life's estimate to finance the operation and maintenance of the facility is inadequate. As an example, New Life estimates that the annual cost to operate and maintain the facility is approximately 1.3 million dollars. This estimate excludes renovation expenses. On the other hand, St. Patrick Center which runs 19 various homeless programs in a building one-sixth the size of the Abram Federal Building, has an annual budget of \$7.4 million. Additionally, the Salvation Army, which was once interested in acquiring the Abram Federal Building to expand its homeless programs, advised HHS that it "would end up spending far more money to produce a far less suitable facility than if we built a new facility somewhere else." Based on HHS' evaluation, the cost to operate and maintain the Abram Federal Building facility will far exceed New Life's estimate. Although the applicant showed initiative to secure funds, the funding sources presented in the application are deemed insufficient for both the financing and operation of the building and proposed program of use.

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While New Life has past experience in providing shelter and supportive services to the homeless, the application does not provide sufficient evidence to demonstrate that New Life has experience in operating and maintaining a housing and support facility of this magnitude. A comprehensive support service center for the homeless is both cost and labor intensive; labor in the form of volunteers and highly trained and qualified professionals. It is without question that New Life has willing volunteers. New Life does describe the administrators who are supervising various programs throughout a four-state area, but we question their involvement in the Abram Federal Building project without taking away from New Life's existing programs. Therefore, New Life's proposal does not demonstrate that sufficient experienced, qualified professionals will be available to provide the proposed services at this facility.

Therefore, we regret that we are unable to approve your application. We wish you success in your future endeavors.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'H. Ransom', written over a circular stamp or mark.

Heather M. Ransom

Director

Division of Property Management