



Grand Rapids/Wyoming/Kent County CoC – MI 506

Request for Proposals – MSHDA HOME-ARP Non-Congregate Shelter Acquisition and Development

INTRODUCTION:

The Michigan State Housing Development Authority (MSHDA) HOME-ARP Non-Congregate Shelter Acquisition and Rehabilitation Program (referred to as NCS throughout this document) is accepting funding submissions from eligible organizations to construct, rehabilitate, and/or acquire structures for the purposes of providing non-congregate shelter to households experiencing homelessness. This opportunity is to promote an expansion of homeless services in a non-congregate setting. Through a competitive funding round, MSHDA's division of Rental Assistance and Homeless Services will award up to \$6 million to fund up to eight (8) projects, with **no more than one project per Continuum of Care (CoC)** and with a maximum award of no more than \$1.5 million per project. Funds must be spent within three (3) years of the effective grant date.

As such, the Grand Rapids/Wyoming/Kent County CoC seeks funding proposals for up to \$1.5 million to construct, rehabilitate, and/or acquire structures for the purposes of providing non-congregate shelter to households experiencing homelessness. The CoC will select one (1) proposal to receive a letter of support for submission to MSHDA.

Please review the documents on the [MSHDA HOME-ARP webpage](#) including their [Non-Congregate Shelter Acquisition and Development Request for Proposals](#) for a more comprehensive overview of the program.

LOCAL FUNDING PROCESS:

The Funding Review Committee of the CoC is responsible for reviewing responses to this Request for Proposals and recommending one project to receive a Letter of Support on behalf of the CoC. Funding Review Committee recommendations will be reviewed and approved by the CoC's Steering Council.

ELIGIBLE APPLICANTS:

Lead Applicants for this RFP must demonstrate the following:

- 501(c)3 nonprofit status or identification as a local unit of government (LUG) that operates its principal place of business in the State of Michigan (a CoC/LPB, if incorporated as a 501(c)3 entity, is eligible).
- Active involvement in the CoC/LPB planning process.
- Effective experience in homeless service provision.
- Does not require program participants to complete any prerequisites to receive services (i.e., religious activities, sobriety treatment, etc.).
- Uses HMIS to produce quarterly reports (Domestic violence service agencies must use a comparable database).

- Participates in a Qualified Service Organization Business Associate Agreement (QSOBAA) to allow sharing within HMIS.
- Exhibits the financial capacity to administer funds as demonstrated through an audited federal financial statement.
- Has financial management systems in place such as cash receipts and disbursement logs, invoices, and cancelled check registers, etc.
- Employs staff who possess bachelor's degree in accounting or possess experience in accounting along with college accounting credits or a bookkeeper whose work is overseen by an accounting firm.
- Demonstrates effective community relationships, with the ability to collaborate, coordinate, and partner with other local organizations.
- Must agree to emergency shelter policies and practices as defined by MSHDA for the use of these funds:
 - Minimum habitability standards.
 - HUD's Equal Access Rule.
 - Avoidance of involuntary family separation.
 - Safe practices to reduce infectious disease transmission.
- Work in tandem with the Infection [Prevention Resource and Assessment Team \(IPRAT\)](#). This is a free, consultive, and non-regulatory program to help ensure effective infection prevention strategies in a variety of congregate settings.
- Demonstrates the ability to support the project as a **COST REIMBURSEMENT GRANT**.

Additional requirements and expectations are outlined below for any agencies that are party to or Lead Applicant for the project:

- Homeless Service Providers:
 - Experienced in providing assessments, referrals, and case management services specifically targeted to people who are homeless.
 - Experienced with successful HMIS data collection.
 - Ability to complete standardized assessments to help ensure that the right individual/family is getting to the right program to end their homelessness.
- Tribal Communities and Tribal Councils:
 - Per [24 CFR part 92](#) Final Rule for HOME, Tribal Communities or Tribal Councils may apply for HOME-ARP funds and be a subgrantee of MSHDA.
- Developers and Construction Companies:
 - Licensed in LARA; bonded and insured.
 - Has established a partnership with a CoC, LPB, local unit of government, homeless service provider, or Tribal Community or Tribal Council to facilitate operations.

ELIGIBLE COSTS:

Per the HOME-ARP [NOTICE](#) (page 57), the following costs are identified as eligible:

- Acquisition Costs: Costs to acquire improved or unimproved real property.
- Demolition Costs: Costs of demolishing existing structures for the purpose of developing NCS.
- Development Hard Costs: Costs identified in [24 CFR 92.206\(a\)](#) to rehabilitate or construct NCS units,

except costs must be for meeting the physical standards established in Section VI.E.7 of the [NOTICE](#) (page 55).

- **Site Improvements:** Costs to make improvements to the project site, including installation of utilities or utility connections, and the construction or rehabilitation of laundry, community facilities, on-site management, or supportive service offices.
- **Related Soft Costs:** Reasonable and necessary costs incurred by the purchaser and owner associated with the financing, acquisition, and development of NCS projects, including costs identified in [24 CFR 92.206\(d\)](#) with the following exceptions:
 - Costs to provide information services such as affirmative marketing to prospective homeowners and tenants are not eligible.
 - Costs of funding an initial operating deficit reserve are not eligible.
 - Costs of project-specific assistance to community housing development organizations, including technical assistance and site control loans or seed money loans as specified in [24 CFR 92.301](#) are not eligible.
- **Replacement Reserve: (No more than 10% of the total grant request)** Costs to capitalize a replacement reserve to pay the reasonable and necessary costs of replacing major systems and their components whose useful life will end during the restricted use period. Major systems include structural support, roofing, cladding, and weatherproofing, plumbing, electrical and HVAC. The costs of replacing major systems must be determined through a Capital Needs Assessment or documented in writing after an inspection by MSHDA or a MSHDA-selected contractor to assess the remaining useful life of major systems expected upon completion of the NCS project. The costs of a replacement reserve must be included in the project budget in the written agreement along with a list of major systems to be replaced with the reserve and projected replacement schedule during the restricted use period (i.e., reserve for replacement analysis).

INELIGIBLE COSTS

Per the HOME-ARP [NOTICE](#) (page 57), the following costs are identified as ineligible and must be supported in other ways within the Lead Applicant's operating budget.

- Non-congregate shelter operations and supportive services are not eligible expenses within NCS funding. Other funding sources must be documented in the Lead Applicant's operating budget to support NCS operations and supportive services funding for all proposed NCS units.
- Costs to convert NCS units following the minimum use period. Other funding sources must be documented in the Lead Applicant's operating budget to support the cost of conversion.

DESIGN OPTIONS

NCS project proposals must be based on one of the three options noted below. Every option must focus on creation of new NCS spaces, increasing the availability of NCS for the CoC:

- **Rehabilitation and/or Construction Only** – A project proposal that outlines costs related to rehabilitation of an existing structure owned by the applicant; and/or building on a vacant property; and/or expanding an existing structure. A project proposal under this definition would not be utilizing any funds for acquisition.

- Acquisition Only – A project proposal that outlines costs related to purchasing vacant land or structures for the purposes of NCS. This option does not include any costs for rehabilitation or construction.
- Acquisition with Rehabilitation and/or Construction – A project proposal that outlines costs related to both the purchase and rehabilitation and/or construction of vacant land or improved parcels (properties with existing structure(s) and/or utilities).

Regardless of the design option chosen, the project proposal must indicate whether there is an intention to convert the NCS units following the minimum use period.

Project Type	Minimum Use Period
Acquisition Only	3 Years
Moderate Rehab	5 years if Total Investment <75% Appraised Value
Substantial Rehab	10 years if Total Investment >75% Appraised Value
New Construction	10 years

Conversion Options Following Minimum Use Period

- Remain as HOME-ARP NCS as originally developed.
- Be used as NCS under ESG.
- Be converted to permanent affordable housing.
- Be converted to CoC permanent housing.

ADDITIONAL NCS PROGRAM REQUIREMENTS, LIMITATIONS, AND PARAMETERS

Lead Applicant Responsibilities:

- No more than one (1) award per CoC or Local Planning Body will be reviewed.
- If selected, MSHDA will require ongoing progress reports, photographs, written program guidelines, approval of design and construction, approval of contractor, regular monitoring through the minimum and restricted use time periods.
- Awardees will use MSHDA’s online system, IGX, for grant management.
- Contractors selected for the project must be bonded, licensed, insured, and be a registered business entity in the State of Michigan.
- No costs incurred prior to approval and execution of a written grant agreement will be reimbursed.
- Costs associated with acquisition/demo or land development prior to the approval and execution of the written grant agreement will not be reimbursed.
- All properties will have a filed deed restriction completed prior to NCS development that remains in place through the restricted use period for the NCS units as outlined in the [NOTICE \(page 61\)](#).

Shelter Space Requirements:

- NCS units should be in areas where amenities are easily accessible to clients including public transportation (where applicable), hospitals and or clinics, schools, and grocery stores.
- Every unit MUST contain its own bathroom with a shower and or tub, and smoke and carbon monoxide detectors.

- Every unit MUST have four (4) walls appropriate ventilation for the bathroom and a door that can be locked for the household’s privacy and safety.
- Every unit MUST adhere to the ESG minimum habitability standards in addition to the above terms.

Project Proposals:

- Awarded applications must demonstrate the development of new and increased number of NCS units for the associated CoC or LPB. (Phase I)
- The units must serve clients that fall within the 4 qualifying populations (QP). Project proposals MAY indicate **Prioritization** but may not **Preference** one QP over another. Please see [NOTICE \(page 3\)](#) for definitions. (Phase I)
- Must include a statement on the Lead Applicants intent to convert following the minimum user period. Conversion is not a requirement of this project. (Phase I)
- If the Lead Applicant intends to acquire vacant or improved land, it may need to be zoned appropriately for homeless services. Communicate with the local planning offices to help anticipate zoning processes for a parcel if necessary. (Phase II)
- Must include evidence of environmental assessments as required by the [NOTICE \(page 70\)](#). (Phase II)
- Must demonstrate ability to support the project as a **COST REIMBURSEMENT GRANT** (Phase II)
- Approved projects MUST commence construction and rehabilitation within six (6) months of the signed grant agreement.

APPLICATION TIMELINE

Monday, April 24	RFP responses due by 4:00pm
Friday, April 28	Applicants notified of Funding Review Committee recommendation
Tuesday, May 2	Appeals to Funding Review Committee recommendation due by noon
Thursday, May 4- Friday, May 5	Steering Council reviews Funding Review Committee (and Appeals Panel if applicable) recommendation and provides letter of support
Friday, May 5	Selected Lead Agency submits proposal to MSHDA by 5:00pm

Questions regarding the application should be addressed to Courtney Myers-Keaton (cmyers-keaton@hwmuw.org) and Brianne Robach (brobach@hwmuw.org) no later than 4pm on Thursday, April 20.

APPLICATION PROCESS

Interested agencies shall send a letter of interest no later than **4pm on Monday, April 24, 2023** to Courtney Myers-Keaton at cmyers-keaton@hwmuw.org and copy Brianne Robach at brobach@hwmuw.org addressing the following:

- Lead Applicant Information - Name of organization, contact name, address, email, and phone number.
- Statement detailing proposed project.
- Estimated budget.
 - In seeking estimates, it is recommended that full, detailed estimates are sought from contractors. Availability and access to contractors may create delays that could impede the ability to submit an estimated budget for the project. From RFP Launch to Phase II due date is 4 months.

- Applicants are welcome to utilize the optional budget template provided as a separate document on the HOME-ARP website.
- Replacement reserve (as defined in the notice and in this RFP) cannot be more than 10% of the projected project budget.
- Location of proposed project (city and county).
 - Include if a site has been identified. If a site has not yet been identified, outline a plan for identifying a site for the NCS units.
- Identify project design as Acquisition Only, Rehabilitation and/or Construction Only, or Acquisition and Rehabilitation and/or Construction (see definitions above).
- Approximate number of additional NCS units as a result of the project (must indicate current number of emergency shelters in proposed service area).
- Indicate if the proposed NCS units intend to be converted following the minimum use period.
 - Remain as HOME-ARP NCS as originally developed.
 - Be used as NCS under ESG.
 - Be converted to permanent affordable housing.
 - Be converted to CoC permanent housing.
- Proposed qualifying population to be served and prioritization method.
- Statement of current and future need based on relevant data sources, including but not limited to HMIS (Housing Inventory Chart, Point In Time Count), Coordinated Entry System inflow/outflow, focus groups or listening sessions, and other types of qualitative data.
- Capacity: Briefly state how the Lead Applicant intends on supporting the ongoing management of the new NCS units – identify the potential resources of support both financially and human. Additional, specific information will be required for Phase II.
- Describe current homeless shelter operations. List the types of emergency shelter provided, number of clients annually served, and supportive services provided.
- Describe the organizational capacity of the Lead Applicant and project collaborators.
 - Adequate systems and processes in place to support monitoring expenditures and fiscal controls.
 - Capacity to manage grant funds.
 - Indicate experience with contractors and building projects.
 - Experience in providing services to the identified qualifying population(s) and category 1 homeless.

Note: It is suggested that applicants reference the scoring parameters listed under evaluation criteria while writing their letter of intent.

Note: MSHDA will select proposals to continue to Phase II and Phase III which will require the submission of additional information. Please see the MSHDA RFP for additional details.

EVALUATION CRITERIA:

Proposals containing all required items and submitted by the deadline will be reviewed and scored based on the following criteria and scoring categories:

PHASE I SCORING PARAMETERS		
Scoring Criteria	Parameters	Potential Points
Financial Feasibility	<ul style="list-style-type: none">• Proposed project budget supports the scope of the work.• Indicate the capacity to implement this project on a cost reimbursement basis, as necessary.• Address the ability to support the ongoing management of the new NCS through the minimum and restricted use periods.• Identify potential funds to be leveraged.	25
Project Feasibility	<ul style="list-style-type: none">• Identify the type of project to be completed.• Indicate the ability to support the project through to its completion by identifying organizational capacity.• Identify an intention to convert.• Identify potential community partnerships.	25
Community Need	<ul style="list-style-type: none">• Identify a qualifying population and prioritization method.• Statement of community need with data sources both qualitative and quantitative.• Identify a location and whether there is an existing emergency shelter in the area.	30
Organizational Capacity	<ul style="list-style-type: none">• Qualified staff to complete the project.• Adequate systems and processes in place to support monitoring expenditures and fiscal controls.• Capacity to manage grant funds.• Indicate experience with building projects and contractors.• Indicate experience in operating emergency shelter and/or experience providing services to Category 1 homelessness	20
	TOTAL POINTS	100