



**Office of Supportive Housing and Homeless
Initiatives**

**NOTICE OF FUNDING AVAILABILITY
and
General Guidelines
for
2007-2008
Emergency Shelter Grants and
Rural Homeless Initiative Programs**

Due Date:

All Program Applications Must Be Submitted Via HALO By January 5, 2007.

INTRODUCTION

The Michigan State Housing Development Authority (MSHDA) will distribute an estimated \$7.9 million in funding through its Emergency Shelter Grant (ESG) Program – including Rural Homeless Initiative (RHI) Grants – in fiscal year 2007. This Notification of Funding Availability (NOFA) describes the process through which these funds will be allocated to communities and awarded to local recipient organizations.

Because Congress and HUD have not yet completed their fiscal year 2007 budget allocations – defining the total of ESG funding available – our target funding allocations must be seen as tentative. Should it be necessary to alter a Continuum's target funding allocation following submission of the *2007 Continuum of Care Planning Update*, MSHDA will equally and proportionally adjust funding amounts for all projects recommended in the *Planning Update* to account for any required variation.

This program offers financial assistance to public and non-profit organizations that are responding to the needs of homeless populations through a comprehensive community-wide planning process and implementation strategy.

HIGHLIGHTS OF 2007 NOTICE OF FUNDING AVAILABILITY:

- 1) **Application Due Date:** The due date for *2007-2008 Continuum of Care Planning Update – Exhibit One* is *January 5, 2007* (postmark date). ESG and RHI Program Applications must be submitted via HALO by *January 5, 2007*.
- 2) **Funding Term and Continuum of Care (CoC) Allocation:** Grants awarded to eligible organizations through this process will be issued for a one-year term, April 1, 2007 to March 31, 2008. This includes funding for Rural Homeless Initiatives Grants. Since the term of the 2006 grants is June 1, 2006 – May 31, 2007, there is a two-month overlap in funding, April 2007 and May 2007. Consequently, CoC allocations for 2007-2008 will be equal to ten months of funding or 83.33% of the 2006 allocation. The allocation amounts will be provided to CoC Chairpersons.
- 3) **Application for Funding for Current Emergency Shelter Grants (ESG) and Rural Homeless Initiative (RHI) Programs:** All ESG and RHI program applicants will be required to submit funding requests through the web-based *HALO by January 5, 2007*.
- 4) **Funding Requests via HALO:** Effective April 1, 2007, Emergency Shelter Grants under \$50,000 and all RHI grants will be required to request grant funds in one "lump sum payment" via HALO Financial Status Report (FSR) process. Grantees can request the funds at the beginning of the grant term as an advance OR at the end of the grant term as a reimbursement. **NOTE:** If funds are requested as an advance:
 - a) HUD requires that the funds be kept in a non-interest bearing account; and
 - b) A final accounting of the advance funds will be required at the end of the grant term (via a final FSR submitted on HALO).

For ESG grants over \$50,000, two FSRs may be submitted during the grant period.

- 5) **Minimum Funding Levels:** No ESG funding application for less than \$5,000 will be accepted. In circumstances where a community desires to appropriate under \$5,000 to a local partner, sub-contractual agreements with another ESG grantee will be allowed.
- 6) **Funding for Continuum of Care Coordination Expenses:** MSHDA's allocation to each Continuum of Care area will continue to include funding to help address costs associated with the Continuum coordinating process. This funding may also be used for other ESG-eligible expenses, and/or may be directed towards costs of community-wide implementation of the Michigan Statewide Homeless Management Information System (MSHMIS). Further details are described in the section on "Eligible Costs".
- 7) **Implementing the Michigan Statewide Homeless Management Information System (MSHMIS):** All MSHDA Homeless Programs recipients are participating in the Michigan Statewide Homeless Management System (MSHMIS). ESG program funds may be used either by individual agencies (as "Operating Costs") or by the community as a whole (as "Continuum of Care Coordinating Costs") to support local HMIS implementation.

ELIGIBLE APPLICANTS

In order to be eligible to receive MSHDA Emergency Shelter Grant or Rural Homeless Initiative funding, applicant organizations must be actively involved in a recognized Continuum of Care planning process. Funding may only be used to serve persons who are homeless in accordance with HUD McKinney-Vento Act definitions for the Emergency Shelter Grant Program (see definition in the section below). Eligible program applicants include:

- Local units of government; and
- Public and private non-profit agencies with at least one year of experience in providing services and/or shelter specifically targeted to homeless persons.

If the applicant is a non-profit organization, it must be incorporated as a public or private non-profit agency in the State of Michigan as of the application date.

Faith-based non-profit organizations are eligible to apply but must comply with rules and restrictions regarding primarily religious institutions established in HUD's governing regulations.

All applicant organizations must have direct experience in delivering services to homeless populations for at least one (1) year prior to the application deadline. Programs that do not meet this standard may receive funding through an approved fiduciary relationship with an eligible ESG program grantee. Please contact your Homeless Assistance Specialist for assistance in this regard.

STANDARDS FOR MSHDA ESG FUNDING

Each Continuum of Care will be required to submit recommendations for FY 2007-2008 funding distributions based on its 10-Year Plan to End Homelessness. MSHDA staff will review all local funding recommendations to assure that they appropriately address:

- Justification for any significant shift of funding to or from currently funded projects;
- Justification for exclusive funding of single agencies within a Continuum of Care area;
- Clarity of the relationship between the community's 10-Year Plans to End Homelessness and organizations identified for funding;
- Demonstration of a fair and open process for funding distribution; and
- Demonstration of appropriate strategies for monitoring performance of current funding recipients.

MSHDA reserves the right to alter all recommendations based on issues of prior applicant performance, applicant capacity, eligibility of project activities, and consistency with the criteria and standards discussed in this NOFA.

GENERAL PROGRAM REQUIREMENTS FOR EMERGENCY SHELTER GRANT RECIPIENTS

A MSHDA-funded homeless service provider must comply with all of the program requirements that follow:

- Provide directly, or through referral, all supportive services essential for consumers to find and maintain stable housing (e.g., assistance in obtaining permanent housing, medical and mental health treatment, counseling, and other case management services);
 - Maintain all program, facilities, and operational standards specified in the *Emergency Shelter and Transitional Housing Shelter Standards Certification*;
 - Provide regular and timely progress and outcome reports as prescribed by MSHDA;
 - Participate in the Michigan Statewide Homeless Management Information System (MSHMIS), in accord with standards and timelines established by MSHDA;
 - Provide reports on activities and performance outcomes using standardized language that enables common reporting statewide;
 - Comply with all audit, monitoring, and administrative requirements of HUD and MSHDA -- including those related to non-discrimination, equal opportunity, fair housing, lead paint regulations; HMIS participation; and
 - Administer in good faith a policy to ensure that the homeless facility is free from the illegal use, possession, or distribution of drugs or alcohol by its beneficiaries and/or staff.
- **NOTE NEW REQUIREMENT: All Agencies must amend their current By-laws to state and reflect that the Board of Directors has at least one (1) homeless individual or formerly homeless individual on the board of directors or other equivalent policymaking entity. Amended By-laws must**

be submitted by not later than April 2, 2007. Payment requests for the 2007 grant period will not be processed prior to receiving the amended By-laws. (See Emergency Shelter Grants Program: Steward B. McKinney Homeless Assistance Act 24 CFR 576.56(b)(1), 42 U.S.C 11375(d).)

The criteria addressed in the sections above should provide sufficient guidance for local Continuum Bodies to make appropriate determinations of program eligibility. If there are issues of current performance or capacity that might affect the eligibility of specific providers in your area, MSHDA will notify the Continuum (both verbally and in writing) in a timely manner. Special circumstances or questions regarding eligibility may be referred to your Homeless Assistance Specialist for clarification.

CORE STRATEGIES

- Transition to “Housing First” orientation;
- Assure comprehensive services for housing stabilization;
- Increase consumer income through entitlement benefits or jobs;
- Develop comprehensive community-based prevention systems;
- Build public support and political will for ending homelessness;
- Share best practices across regions and statewide.

EXPECTED OUTCOMES

- Align with and support local 10-Year Plans to End Homelessness;
- Reduce the duration of homelessness of those entering the emergency shelter system, i.e., convert to a “Housing First” strategy;
- Decrease measurable net costs of homelessness for public systems (over time);
- Decrease the number of homeless in the Continuum of Care (CoC) area;
- Compliance with HUD and MSHDA guidelines for appropriate use of funds;
- Comply with MSHMIS strategies.

USE OF MSHDA FUNDS FOR HUD/SUPPORTIVE HOUSING PROGRAM (SHP) CASH MATCH

Communities seeking to help local projects address HUD’s requirement for matching funds for supportive services, transitional housing operations, permanent supportive housing operations, and HMIS implementation under the McKinney-Vento Supportive Housing Program (SHP) may utilize MSHDA’s ESG funds to help fulfill these obligations.

SUBMISSION OF CONTINUUM PLAN TO KEY STAKERHOLDERS FOR THE TEN-YEAR PLAN TO END HOMELESSNESS

The Emergency Shelter Grant and/or Rural Homeless programs application process also requires submission of a form certifying that the *Continuum of Care Plan* has been received and reviewed by the four key stakeholders in your community’s ten-year plan to end homelessness. This form is included as *Attachment I-A* to the *2007 Continuum of Care Planning Update*. It is not MSHDA’s intent that the key stakeholders for the Ten-Year Plan to End Homelessness approve or endorse this submission. It is our belief, however, that the planning process for an effective Continuum of Care – especially in

linking homeless populations to mainstream services and community resources -- will include active dialogue and coordination with your community's key stakeholders.

DEFINING HOMELESS PERSONS FOR ESG FUNDING

To be eligible for ESG funding, the applicant and its proposed programs or services must serve homeless persons as defined by the Department of Housing and Urban Development (HUD) for the Emergency Shelter Grant Program.

Homeless persons are defined by HUD as those who are sleeping in places not meant for human habitation, such as cars, parks, sidewalks, and abandoned buildings, or those who are sleeping in an emergency shelter as a primary nighttime residence. Persons may also be considered as homeless if they:

- Are living in transitional or supportive housing for homeless persons but originally came from the streets or emergency shelters;
- Ordinarily sleep in transitional or supportive housing for homeless persons but are spending a short time (30 consecutive days or less) in a hospital or other institution;
- Are being discharged within a week from institutions in which they have been residents for more than 30 consecutive days and no subsequent residences have been identified and they lack resources and supportive networks needed to obtain access to housing;
- Are fleeing from domestic violence and no subsequent residences have been identified and they lack resources and supportive networks needed to obtain access to housing; or
- Are being evicted within a week from private dwelling units and no subsequent residences have been identified and they lack resources and supportive networks needed to obtain access to housing.

ELIGIBLE USE OF ESG FUNDS

Operating Expenses

These are expenses associated with the operation of a shelter, transitional housing, or related service facility, including (but not limited to) insurance, rent, food, utilities, telephone/cell phone service, internet expense, furnishings, office/computer equipment, agency vehicles, staff transportation, and maintenance and repair of facilities. This category can also include costs of agency-specific participation in Homeless Management Information System (HMIS) implementation – e.g., computer equipment, *ServicePoint* licensing, and Internet connectivity. Costs of operating staff (e.g., bookkeeping staff, clerical staff) are also allowable, up to 10% of the total MSHDA grant award. Other administrative expenses (including audit expenses) are NOT allowable in this category.

Essential Services

These are expenses for staffing and other related direct assistance costs associated with provision of supportive services in shelter and transitional housing, or other housing-related supportive services activities. Eligible expenses include (but are not

limited to) both program and direct assistance costs which support case management, follow-up, housing and renter skills, housing search and relocation, child care, parenting education, budgeting, employment, health care, substance abuse, education, children's services, and client transportation activities. Staffing costs associated with delivery of homeless prevention assistance should also be reflected in this category.

Homeless Prevention

This category is used for direct financial assistance to prevent the occurrence/recurrence of homelessness, including (but not limited to) one-time subsidies to help defray rent or utility arrearage for households that have received eviction or utility termination notices; payment to prevent a home from falling into foreclosure; payment of first month's rent to permit a homeless family to move into their own dwelling; payment of utility arrearages to enable a homeless household to move into permanent housing; and mediation programs for landlord/tenant disputes. Please note: Expenses for staffing for Homeless Prevention activities are allowable in the ESG program, but these must be identified under the Essential Services category (above).

Continuum of Care Coordinating Expenses

MSHDA allows a portion of its state-based ESG funding to be used for *expenses associated with Continuum of Care coordinating activities*. This might include costs of printing and postage, support for consumer participation in the Continuum process, and other related travel, meeting, planning, or coordinating costs. Costs for time and fringes of a coordinating staff role are also eligible. While there is no established limit for these expenses, communities are encouraged to be thoughtful in their consideration of funding designated for these purposes in light of scope of coordinating effort and demands of broad community need.

Costs for *community-wide implementation* of the Michigan Statewide Homeless Management Information System (MSHMIS) are also acceptable under this category. This includes costs of training, coordination, technical assistance and implementing support. It might also include centralized reimbursement for community-wide costs of software licensing, Internet connectivity, and related hardware.

Only one Continuum Coordinating grant per Continuum of Care body will be considered. The applicant can be any public or private non-profit agency participating in the Continuum of Care planning process and designated by the Continuum as the applicant for these purposes.

HOW TO APPLY

The application for 2007-2008 ESG and RHI funding includes three primary components – the *Continuum of Care Planning Update (Exhibit 1)*, the *Continuum of Care Planning Data Update (Exhibit 1-A)*, and/or the *ESG and RHI Program Application (via HALO)*.

The Continuum of Care planning body must submit one funding plan on behalf of the entire community. Eligible homeless service programs may only submit *Program Applications* for projects and funding amounts that are recommended through their local Continuum process. These recommendations must be specified in the *2007 Continuum of Care Planning Update (Exhibit 1)* submitted to MSHDA.

Submission of the 2007-2008 Continuum of Care Update – Exhibit 1

The Continuum of Care Planning Body must mail one (1) signed original of the CoC Update to MSHDA at 735 E. Michigan, Avenue, Lansing, MI 48912 and one (1) e-mail copy to klinej1@michigan.gov by the postmark deadline of January 5, 2007.

2007 Continuum of Care Planning Data Update - Exhibit 1-A

The *Continuum of Care Planning Data Update* enumerates the community's current bed inventory as of January 2007, and provides an updated homeless populations count and gaps analysis. These charts will take into account the January 2007 Point in Time count. The charts will be forwarded as soon as possible and are **not** due January 5, 2007.

2007 Program Applications (Via HALO) by January 5, 2007

Each agency applying for ESG or RHI funding must submit their own *Program Application* directly on HALO – in accordance with recommendations determined through the local Continuum process. This application asks each program to describe the eligible activities and budgeted expenses that are being proposed. It also serves as the basis for the contract between MSHDA and each funded organization. Agencies may only submit requests in the amount recommended by their local Continuum of Care. **ALL PROGRAM APPLICATIONS MUST BE SUBMITTED by the Agency's Authorized Official ELECTRONICALLY ON MSHDA'S HALO SYSTEM.**

The *2007 Program Application* includes the following attachments to be submitted to the to the attention of your Homeless Assistance Specialist at MSHDA by the **postmark deadline of January 5, 2007**. Only one (1) copy of required attachments is required.

A) Certification of Local Approval by Local Authorities

Each Program Application requires submission of a Certification of Local Approval documenting that the proposed project is supported by the local unit of government where the project activities are delivered. The highest elected official, or the representative duly authorized by the official, must complete this form. For agencies serving multiple jurisdictions, it will be sufficient to submit only one signed certification from the area in which the agency's primary office is located.

B) Organizational Documentation

Each agency must submit updated organizational documentation, as described in the program application (Program Application on HALO. Attachment II-D).

Note: Grantees By-laws must be updated to show that not less than 1 homeless individual or former homeless individual is on the board of directors or other equivalent policymaking entity. Agencies have until April 1, 2007 to submit updated By-laws. Payment requests will not be for the 2007-2008 grant until updated Bylaws have been received. (See Emergency Shelter Grants Program: Stewart B. McKinney, Homeless Assistance Act Part 576 (24 CFR 576.56 (b) (1), 42 U.S.C. 11375 (d) for more on this requirement.)

C) Signature from the Four Key Stakeholders – Attachment 1-A of Exhibit 1

Each CoC Body must obtain sign-off certifying that the Continuum of Care Plan has been received and reviewed by the four key stakeholders in your

community's ten-year plan to end homelessness. This document is attached to the 2006 Continuum of Care Planning Update and is due January 5, 2006.

The 2007 Program Application includes the following attachments submitted electronically through HALO:

A) Certification of Basic Standards for Emergency Shelters and Transitional Housing:

All organization receiving ESG and RHI funds must abide by established emergency shelter and transitional housing standards that pertain to personnel, facilities, food service, health, and operations issues. This requirement applies to all funding applicants who are operating shelter or TH programs, whether or not they are receiving MSHDA funding for shelter or transitional housing operations. Monitoring by MSHDA staff will review compliance with these basic standards, and funding may be withheld or withdrawn for failure to comply. Each applicant agency must submit a certification of compliance with these basic standards (Program Application: Attachment II-B).

B) Certification of Compliance with Administrative Standards; and

All programs receiving ESG funding must abide by established HUD and MSHDA administrative regulations. These include fair housing, lead safety, equal opportunity, drug-free workplace, and HMIS obligations. Each applicant must submit a certification of compliance with these administrative rules. (Program Application: Attachment II-C).

DISTRIBUTION OF ELECTRONIC VERSIONS OF APPLICATION MATERIALS

An electronic version of this *Notice of Funding Availability* and *2007 Continuum of Care Planning Update* (Exhibit 1) will be posted on the MSHDA web-site (www.michigan.gov/mshda).

Program Applications for Emergency Shelter Grants and Rural Homeless Initiative programs must be submitted electronically and will only be available via MSHDA's HALO system. All HALO questions must be directed to the HELPDESK, 1-800-820-1890.

FURTHER INFORMATION AND TECHNICAL ASSISTANCE

If you have any questions regarding this *Notice of Funding Availability*, please see the attached map for the phone number of the Homeless Assistance Specialist assigned to your region.