



Stable Housing Organization Relief Program (SHORP) Frequently Asked Questions

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Update #1: September 13, 2023

Update #2: September 18, 2023

Update #3: October 10, 2023

Update #4: November 20, 2023

SHORP was established in [Minnesota Session Laws 2023, Regular Session, chapter 37, article 1, section 2, subdivision 33 and article 2, section 8](#) with eligibility provisions further clarified in [Minnesota Session Laws 2023, Regular Session, chapter 69, section 4](#).

The information in this Frequently Asked Questions (FAQ) document is supplementary to the [SHORP Guide](#) and Grant Contract Agreements. In the event of any conflicts between the information in this document and the SHORP Guide and/or Grant Contract Agreement, the information in the SHORP Guide and/or Grant Contract Agreement will govern and control.

Updates to this FAQ will be identified and dated accordingly.

Please review the [SHORP webpage](#) and [SHORP Guide](#) for additional details, including program eligibility requirements, eligible uses, definitions and related information.

A. ORGANIZATIONAL ELIGIBILITY

- 1. Can the applicant become a nonprofit organization now if they have been a landlord and in business for over 10 years? Or, can they use a 501(c)3 fiscal sponsor to utilize this program?**
Newly formed nonprofit organizations are not eligible. In accordance with the [statutory authorization](#), the applicant must be a tax-exempt nonprofit organized that was created under 501(c)3 of the Internal Revenue Code at least ten years before the application due date. Additionally, the applicant must own or control the property as of December 31, 2022, as defined in Section 2.03 of the SHORP Guide.
- 2. How many rental units should an organization own or control in order to be eligible to apply for SHORP?**
See Section 2.01.E of the [SHORP Guide](#) for the three qualifying rental unit and type categories.

The first and third categories have minimum unit counts. The second category described in Section 2.01.E.ii of the SHORP Guide does not have a minimum rental unit count requirement.

3. If a property has had a significant reduction in cash flow due to recent economic and social conditions but still has reserves, is the property considered to have had significant detrimental impact?

The SHORP authorizing statutes requires the applicant to have experienced a significant detrimental financial impact due to recent economic and social conditions. An organization may be eligible for SHORP even if one or more buildings owned or controlled by the applicant has existing reserves.

4. To qualify for SHORP, which rental type/rental count category should I use if I qualify for more than one category?

Section 2.01.E includes three rental unit type/rental count categories to qualify for SHORP. Choose the category that best fits your organization. Qualifying under more than one category has no impact on program eligibility or the funding allocation.

5. What does it mean to provide supportive services? Does the non-profit have to provide other services besides renting the unit to lower income households?

The non-profit may provide supportive services directly to tenants, may contract with another entity to provide the services, or other similar arrangement that makes the supportive service option available to some or all the tenants. Providing only the housing does not meet the statutory requirement. Appendix B of the SHORP Guide includes an examples of supportive services, though it not an exhaustive list.

6. As a nonprofit organization, should we submit our IRS letter granting 501(c)3 status and our Minnesota Secretary of State registration for the organization? (Added 9/13/2023)

Per the authorizing statute, you must submit documentation showing that your organization has an approved 501(c)3 status and that your organization has been doing business in Minnesota for at least ten years. Submit documentation that clearly shows both those criteria are met.

7. For nonprofit applicants, must the ten years of experience in Minnesota be consecutive? (Added 9/13/2023)

While the ten years of experience in Minnesota are not required to be consecutive, the applicant must provide clear evidence that the organization has been active for at least a total of ten full years in Minnesota.

8. Can organizations with less than 250 units of Permanent Supportive Housing qualify under the other categories defined in Section 2.01.E of the SHORP Guide? (Added 9/13/2023)

Applicants only need to meet one of the criteria in Section 2.01.E of the SHORP guide.

- 9. Our organization has several properties that are structured as Limited Liability Companies (LLCs) and the nonprofit parent organization wholly owns each of the LLCs. Do we submit one application or an application for each LLC? (Added 9/13/2023)**

Each applicant must only submit one application and include the properties owned or controlled by the applicant in the unit count.

- 10. Certain properties with HUD Section 202 or HUD Section 811 funding are their own non-profit organization with 501(c)3 status but are controlled by another “parent” non-profit organization. In those unique circumstances, can a Section 202 or Section 811 property be included in the “parent” organization’s unit count? (Added 9/13/2023)**

For Section 202 or Section 811 properties with the type of ownership structure described in the question, the parent organization may include the units in their application.

B. ELIGIBLE UNITS

- 1. Does having project based section 8 units disqualify a unit for SHORP?**

Rental units with Section 8 assistance are not disqualified from SHORP; however, rental units with Section 8 assistance do not automatically contribute to program eligibility under Section 2.01.E.ii of the SHORP Guide. Regardless of any form of rental assistance, the household in the rental unit must have a household income at 30% of area median income or less as of December 31, 2022, in order for the rental unit to help qualify an organization for SHORP eligibility under Section 2.01.E.ii of the SHORP Guide.

- 2. For applicants that are eligible for SHORP, do Section 8 units qualify to be included in the funding allocation formula in Chapter 3 of the SHORP Guide?**

Yes.

- 3. Do units without rent or income limits qualify to be included in the funding allocation formula in Chapter 3 of the SHORP Guide?**

The grant funding allocation formula in the statutes does not differentiate between units with or without rent and income restrictions.

- 4. Do vacant rental units qualify to be included in SHORP? (Updated 9/13/2023)**

Vacant rental units qualify for the funding allocation formula in Chapter 3 of the SHORP Guide provided the rental unit was owned or controlled by the applicant and placed in service on or before December 31, 2022.

For the purposes of organizational eligibility, vacant units do not count toward the second eligibility category in Section 2.01.E.ii of the SHORP Guide. For that eligibility category, only

units occupied by income eligible households can be counted when determining organizational eligibility for SHORP.

- 5. For the eligibility category that qualifies organizations where at least 50% of the total number of units are rented to households whose annual incomes are 30% of AMI or less, is the qualification based on a regulatory agreement or land use restrictive agreement (LURA)? Or, can the organization show that 50% of the rental units are rented to households with incomes at 30% of AMI or less?**

The qualification is not based on a regulatory agreement, LURA, declaration, or similar document. The qualification is based on the most recent income certification completed by the household as of December 31, 2022. In some cases, the most recent income certification may have been completed before calendar year 2022.

- 6. What is the Agency's definition of Naturally Occurring Affordable Housing (NOAH)?**

NOAH is defined in the authorizing statute and included in the SHORP Guide Appendix B.

- 7. Is the rental unit count at a particular point in time or over a time period?**

Per the [authorizing statutes](#), the rental unit count is as of December 31, 2022. Rental units that were placed in service after December 31, 2022, are excluded from SHORP and cannot help qualify an organization for eligibility or be used in the grant funding allocation formula.

- 8. What if the building is transitioning ownership from a 501(c)3 to another organization?**

Only rental units owned or controlled by the applicant on or before December 31, 2022, are eligible. If the sale or transfer occurred after December 31, 2022, the rental units in the building are not eligible for SHORP.

- 9. Properties that are 100% restricted by a LURA required by the federal low income housing tax credit (LIHTC) program do not annually recertify income. How would tenant incomes be certified for this program?**

SHORP does not require information from annual certifications. The authorizing statute required the qualification to be based on the most recent income certification as of December 31, 2022. In some cases, the most recent income certification may have been completed before calendar year 2022.

- 10. If a permanent rental unit uses Housing Supports, does it qualify as permanent supportive housing?**

The authorizing statute defines Permanent Supportive Housing using the definition in [Minnesota Statutes 462A.36, subdivision 1\(e\)](#). The same definition is included in Appendix B of the SHORP Guide. Rental units utilizing Housing Supports that meet the Permanent Supportive Housing definition than also qualify as Permanent Supportive Housing for the purposes of SHORP.

11. If an eligible applicant has a master lease for a building that is owned by another entity, can the applicant include the units under the master lease in their application? (Added 9/13/2023)

Generally, units operated under a master lease cannot be claimed by the applicant in their SHORP application. For unique situations, please contact SHORP.mhfa@state.mn.us for additional guidance. Unique situations may include, but are not limited to, when the lessee is contractually responsible for all or nearly all obligations and risks associated with operating the building (i.e., responsibility for operating deficits, property taxes, insurances, capital improvements, hiring decisions, maintenance, compliance).

12. If we are an eligible applicant and if we provide property management services to another organization, can we include the units from the other organizations in the SHORP application? (Added 9/13/2023)

Providing third party property management services alone does not constitute owning or controlling a property and cannot be included in an application's unit count for program eligibility purposes or for the funding allocation formula.

13. Is transitional housing considered rental housing and eligible for SHORP?

Housing where length of tenancy is time-limited or conditional, such as transitional housing, is not considered permanent housing and is not eligible for SHORP. See Section 2.03 of the SHORP Guide.

14. If selected for funding, can the number of units used in the funding allocation be changed after the application due date?

The number of rental units used for the funding allocation formula cannot be increased after the application due date. If there is an error and the number of reported units is too high, you must inform Minnesota Housing at SHORP.mhfa@state.mn.us. If funding is disbursed based on an ineligible unit count, that portion of the funding will need to be returned to Minnesota Housing and may be subject to other consequences as stated in Chapter 8 of the SHORP Guide.

15. We have properties undergoing rehabilitation. Are those units eligible to be included in SHORP? (Added 9/13/2023)

If the units were owned or controlled by the applicant as of December 31, 2022, the units in those properties can be included in the SHORP application if they meet all program requirements.

16. Is there a minimum number of units required to meet the second eligibility category in the SHORP Guide (Section 2.01.E.ii)? (Added 9/13/2023)

The authorizing statute does not require a minimum number of units in that specific eligibility category. However, for that category, only units occupied by income eligible households can be counted when determining organizational eligibility for SHORP.

17. What constitutes a rental unit? How do we count for situations where each room in an apartment is rented separately or each bed in a room is counted separately? (Added 9/13/2023)

A rental unit, for the purposes of SHORP, includes multi-bedroom units, efficiencies, and single room occupancy units (with or without kitchen facilities) that are not time limited and the applicant can demonstrate that the unit, as of December 31, 2022, was occupied or, if vacant, has a history of occupancy by a residential tenant, as defined in [Minnesota Statute 504b.001, subdivision 12](#).

The application unit counts are based on a self-certification by the applicant. Minnesota Housing cannot pre-approve unit eligibility. The eligibility of the unit is subject to confirmation in the final reporting requirements and audit as defined in Section 8.01 of the SHORP Guide.

18. Are applicants required to include all the properties in their portfolio for the second organizational eligibility category in SHORP Guide Section 2.01.E.ii and/or for the funding allocation formula in SHORP Guide Chapter 3? (Added 9/18/2023)

Applicants are not required to include their entire portfolio count in the SHORP application for either organizational eligibility or for the funding allocation formula. However, if the properties are not included in the count for organizational eligibility and/or the funding allocation formula, those properties are ineligible to receive SHORP funds. If you do not include all your properties in the SHORP application, please be sure to track which properties were included in the count for future reporting. Properties cannot be added after the application due date.

C. ELIGIBLE EXPENSES

1. What is the earliest date when capital repairs or improvements are eligible for reimbursement?

Capital repairs and any other building maintenance or improvements are only eligible for reimbursement if the cost is incurred after the organization fully executes the Grant Contract Agreement.

~~**2. Is bad debt an eligible expense if the bad debt is unpaid tenant receivables? (Replaced by C.17 and C.18 10/10/2023)**~~

~~Not all receivables categorized as "bad debt" would be eligible. The organization must be able to document that the receivable represents a current obligation of the renter to repay past due rents. Grantees are encouraged to work with their accountant to document the receivable. If rent receivables have been resolved or discharged and the renter no longer has an obligation to repay, the receivable would not be a reimbursable expense. Please review the reimbursement requirements in Section 4.02 of the SHORP Guide.~~

3. Are eligible expenses limited to the rental type/rental count category or can eligible expenses come from non-qualifying units?

Eligible expenses can come from any rental unit that was owned or controlled by the grantee on or before December 31, 2022, and included in the unit count used in the funding allocation formula.

4. What happens if the grant amount is less than or more than the total eligible expense for my organization?

The authorizing statutes define the funding allocation formula, and the total amount of funding to each organization cannot exceed \$4,000 per unit depending on funding availability. If the grantee's total eligible expenses are less than the grant amount in the Grant Contract Agreement, the remaining grant amount cannot be disbursed.

5. Are past due resident parking expenses eligible?

Past due resident parking expenses may be eligible if the past due expense threatens the housing stability of the tenants and the organization must be able to document that the past due expense represents a current obligation of the renter to repay past due rents.

6. Are expenses related to commercial space eligible for reimbursement?

Expenses related to commercial space are not eligible for SHORP. For mixed use buildings with commercial space, any expense related to the commercial space must be completely excluded from any reimbursement request.

7. Does SHORP have bidding requirements for eligible expenses?

In accordance with applicable state contracting and bidding requirements, the Grant Contract Agreement will include but is not limited to the following provisions:

- Any services and/or materials that are expected to cost \$100,000 or more must undergo a formal notice and bidding process.
- Services and/or materials that are expected to cost between \$25,000 and \$99,999 must be competitively awarded based on a minimum of three (3) verbal quotes or bids.
- Services and/or materials that are expected to cost between \$10,000 and \$24,999 must be competitively awarded based on a minimum of two (2) verbal quotes or bids or awarded to a targeted vendor.

Minnesota Housing may be able to waive the contracting and bidding requirements for existing vendor relationships that are included in Section F of the application. Examples of existing vendor relationships may include but are not limited to property management services, security, property maintenance, supportive service providers, and recruiters. Please see the [Application Form](#) and [Application Instructions](#) for additional information. New vendors cannot be added to the list in the application after the application due date.

8. Can SHORP proceeds be used to refill reserve accounts (i.e., replacement, operating)

Depositing funds to reserves is not one of the statutory defined eligible uses. An applicant may propose additional uses in the application if they can demonstrate how the use would have a beneficial impact on the housing stability of tenants. Proposed uses will be evaluated during the application review process.

9. If a property is owned 50% by one eligible nonprofit applicant and 50% by another eligible nonprofit applicant, how should the property's units be counted?

Only one eligible applicant can claim the units. In ownership situations with more than one general partner, there is often a managing general partner that directs the day-to-day operations. In those structures, the managing general partner claims the units.

If there is a true 50% split in ownership and control, the two entities will need to determine between them which applicant will claim the units.

10. If a property is owned 50% by one eligible nonprofit applicant and 50% by an ineligible for-profit applicant, is the eligible non-profit applicant able to count these units for SHORP? (Added 9/13/2023)

In ownership situations with more than one general partner, there is often a managing general partner that directs the day-to-day operations. In that structure, the eligible nonprofit entity would need to be the managing general partner and must control at least 50% of the combined ownership of all general partners in the ownership entity to claim the units. If the for-profit is the managing general partner, the non-profit applicant cannot claim the units.

11. Within the eligible uses, does the property maintenance and improvements need to be specific to a unit or can the expenses be for overall property needs? (Added 9/13/2023)

Section 4.01 of the SHORP Guide identifies the eligible expenses. There is not a requirement for eligible expenses to be unit specific.

12. If in-house staff complete the work for eligible expenses, is the staff time an eligible expense? (Added 9/13/2023)

Staff time may be eligible for reimbursement when performing work related to eligible expenses; however, the actual cost of staff time will need to be tracked and documented for the reimbursement request.

13. Can we apply a general administrative fee or administrative percentage to SHORP proceeds? (Added 10/10/2023)

A general administrative cost is not an eligible expense for SHORP. Only the actual staff time related to implementing the eligible activities in Chapter 4 is eligible.

14. Is there a cap on forgiving past due rent? (Added 10/10/2023)

While there is not a cap on past due rent reimbursement, grantees must be able to demonstrate that the past due rent is an outstanding obligation and the past due amount accrued after March 1, 2020.

15. Do we need to spend an equal amount of SHORP grant proceeds on all units? (Added 10/10/2023)

No. The grantee may choose to allocate the SHORP grant proceeds in varying amounts across buildings and units depending on the need and eligible expenses.

16. Our eligible expenses exceed our grant amount. Can we request additional funds? (Added 10/10/2023)

The SHORP grant proceeds are distributed based on the formula in Chapter 3 of the SHORP Guide. All grantees receive the same amount of grant proceeds per unit in accordance with the statutory authorization, and individual grantee funding modifications are not available.

17. Is bad debt an eligible expense? (Added 10/10/2023)

SHORP was authorized by the legislature as a one-time grant program to help eligible affordable rental housing organizations recover from the financial and operational stresses due to the COVID-19 pandemic and social unrest. As a grant program, SHORP is also subject to all applicable state statutes, rules and procedures involved in allocating grant funds (see Minnesota Department of Administration [Office of Grants Management](#)). Notably, Minnesota state grants can only be used to pay for new activities and expenses incurred after the Grant Contract Agreement is signed and before the agreement terminates.

The SHORP authorizing legislation defined four eligible uses, which are listed in Section 4.01 of the SHORP Guide and in [Minnesota Session Laws 2023, Regular Session, chapter 37, article 1, section 2, subdivision 33 and article 2, section 8](#). The fourth eligible use is for the “forgiveness of all or a portion of rent balances owed by former or current tenants.” Although the past due rent balance may have accumulated before the Grant Contract Agreement was fully executed, the expense of forgiving the past due balance is an eligible expense if the forgiveness occurs after the Grant Contract Agreement is fully executed. As such, bad debt in the form of past due rent that accrued before the agreement is signed can be an eligible expense if it is still an outstanding obligation.

Recognizing that each organization’s circumstances are unique, Minnesota Housing cannot provide individual guidance to each grantee on how to account for “bad debts”, “write-offs” or other methods of accounting for or releasing past due rent balances. To be an eligible expense, the grantee must be able to document that the past due rent balance represented a current obligation of the household, and the grantee must be able to document that the final act of forgiving the rent balance occurred after the Grant Contract Agreement was signed. Grantees are strongly encouraged to work with their accountants to determine how to best document

the past due rent as an active obligation and, if reimbursed, the subsequent forgiveness of the rent.

18. UPDATED. Bad debt can include such items as unpaid rent, late fees, other tenant charges, and move-out damages that exceeded the security deposit. Can all types of bad debt owned by former tenants be considered an eligible expense? (Updated on 11/20/2023)

The SHORP authorizing legislation specifically refers to “rent balances owed by former or current tenants.” Certain bad debt may be an eligible SHORP expense if the bad debt is past due rent or charges directly related to the rent and that were established in the lease, such as late fees and unpaid parking fees, storage fees, NSF fees, air conditioner charges, cleaning fees, legal costs and application fees. The fee types must have been established in the lease, be the actual amounts and can be documented as a current obligation of the former or current tenant.

For costs like move-out damages or maintenance, the costs are only eligible if the actual maintenance work occurred after the Grant Contract Agreement was signed.

19. Are missing rent subsidy payments potentially eligible? For example, if a tenant does not complete a project based voucher or Housing Support renewal in time. (Added 10/10/2023)

If the rent debt is the obligation of the renter and the past due amount is an outstanding obligation, the expense would be eligible for SHORP.

20. The amount of past due rent for a given unit exceeds the grant amount our organization will receive on a per unit basis. Are we still required to forgive the entire past due amount? (Added 10/10/2023)

The amount of SHORP funding that may be used on an individual unit is not limited to the amount of funding awarded to the grantee on a per unit basis under the funding allocation formula (Chapter 3 of the SHORP Guide). A grantee may choose to focus their grant funding on a select number of units in higher amounts and/or other eligible uses. A primary purpose of SHORP is to help maintain or improve the housing stability of tenants. While full forgiveness is not a requirement, grantees are strongly encouraged to satisfy the total amount of outstanding rent debt for a household and to not leave a portion of the past rent balance remaining.

21. We are having difficulty payment our monthly amortizing mortgage payments. Are mortgage payments an eligible expense? (Added 10/10/2023)

To help benefit the housing stability of tenants, mortgage payments can be an eligible expense provided it is for mortgage payments made during the grant period. Unpaid mortgage payments that were due prior to the Grant Contract Agreement being executed are ineligible. If the mortgage payment includes deposits to property insurance and property tax escrow accounts, those expenses can only be included if the escrows are used during the grant term. Expenses outside of the grant term are not eligible.

22. If another grantee has received approval for additional uses that would have a beneficial impact on the housing stability of the tenants, will all grantees have the ability to utilize that expense? (Added 10/10/2023)

Yes. Approved additional uses will be shared with all grantees.

23. NEW. Are property taxes or property insurance an eligible expense? (Added 11/20/2023)

Property tax payments and insurance payments are eligible expenses under the “Other Approved Expenses” category on the Work Plan and Budget provided the property tax payment or insurance payment is only for the time period covered by the grant period. Grant funds cannot be used to pay for property taxes or insurance coverage that occurred before the grant period started or will continue after the grant period ends. Grant funds cannot be deposited into a property tax or insurance reserve for payments or coverage that will occur after the grant period. If this expense is used, the grantee must provide the calculation for how the reimbursement was calculated and that it only covered the grant period in the Grant Contract Agreement.

24. NEW. Are grantees required to include the reporting and auditing expense in the Work Plan and Budget? (Added 11/20/2023)

Grantees are not required to include the reporting and audit expense in the Work Plan and Budget; however, the grantee must still complete the required reporting and audit in conformance with Chapter 8 of the SHORP Guide. Please note that a general organizational audit will not be sufficient to meet the final reporting requirements.

D. APPLICATION VENDOR LIST

(Added 9/13/2023)

1. Do applicants need to list the properties they own or control on the vendor list if the property is structured as a Limited Partnership, Limited Liability Company (LLC), or as another nonprofit entity? (Added 9/13/2023)

Properties owned or controlled by the applicant do not need to be listed on the vendor list in the application.

2. If we have a routine list of vendors we use at our properties but not necessarily have under contract, can we include those vendors in the list? (Added 9/13/2023)

Routinely used vendors selected outside of a competitive process do not automatically qualify for a waiver from the state’s contracting and bidding requirements. If the vendors were originally selected through a competitive process, it may be possible to waive the bidding and contracting requirements subject to the grantees ability to provide documentation on the selection process and approval at Minnesota Housing’s sole discretion. Final determinations on contracting and bidding requirements will be made after grantees are selected.

E. LOGISTICS AND OTHER QUESTIONS

1. Will it be possible sign the Grant Contract Agreements electronically? Can funds be disbursed via an electronic funds transfer (EFT)?

Grant Contract Agreements will be distributed via DocuSign for electronic signatures. If an organization does not have access to DocuSign, other arrangements will be made.

EFT will be an option for distributing reimbursements. Payments will be made directly to the grantee and not to individual properties regardless of the source of the expense. EFT instructions will be provided to grantees.

The draw process will be conducted via an online submission process. Additional information on timing will be provided on or prior to executing the Grant Contract Agreement. See Chapter 6 of the SHORP Guide for additional information on the reimbursement process and required supporting documentation.

2. What is the term of the grant period and how long can expenses be submitted for requirement after the Grant Contract Agreement is executed?

The initial grant period is anticipated to expire on or about January 31, 2025, to provide time to complete the necessary report. Grant term extensions are at the sole discretion of Minnesota Housing. All expenses must be submitted, processed, and payments disbursed before the grant expires.

3. What is the work plan and budget that will be included with the Grant Contract Agreement?

After the Minnesota Housing board of directors approves the funding recommendations and the funding amount for each grantee is known, the grantee must complete the Work Plan and Budget template that will be provided by Minnesota Housing. In that template, the grantee must allocate their funding awards amongst the eligible expense categories. If the budget for each expense category needs to change, Chapter 7 of the SHORP Guide provides a budget modification process.

4. Would non-paying tenants need to remain at the property until the grant is executed in order to collect the back rent from the grant proceeds?

A primary goal of SHORP is to assist eligible organizations that are experiencing significant detrimental financial impacts and to have a beneficial impact on the housing stability of tenants. While there is not a requirement for tenants to remain in place, grantees are expected to work with tenants to maintain housing stability.

- 5. Regarding sending notices to former residents that their back rent and related fees owed have been paid, and that we are not seeking collection: What is the expectation in terms of effort, and how we show 'effort'? What if we don't have a forwarding address for households that no longer live at the property?**

If the household no longer resides in a property owned or controlled by the organization, the organization shall send the letter to the last known forwarding address. If the organization does not have a forwarding address or if the letter is returned, no additional action is required but the organization shall retain a list of the households that were not able to be contacted.

- 6. Can the authorized signer for the Affirmative Action Form sign the form electronic or does it need to be a wet signature? (Added 9/13/2023)**

The Affirmative Action Form can be signed electronically.

- 7. What financial information is required to be submitted by Tribal Nation or Tribal Designated Housing Entities (TDHEs)? (Added 9/13/2023)**

Tribal Nations or their TDHEs are governmental entities and, as such, do not need to upload financial information in Section G of the SHORP application.

- 8. NEW. We have a large maintenance project that will cost over \$100,000 that will need to undergo the formal notice and bidding process per the Grant Contract Agreement. Can we directly select a general contractor who then does the competitive bidding or do we need to select the general contractor through a competitive process? (Added 11/20/2023)**

Assuming the general contractor will be paying the subcontractors, the general contractor itself will need to be selected through a competitive process in accordance with thresholds identified in the bidding and procurement section of the Grant Contract Agreement.

F. REIMBURSEMENT PROCESS

- 1. We applied as a nonprofit applicant but each of our properties is under a separate ownership entity. Which ownership entity submits the reimbursement request and who receives the funding? (Added 10/10/2023)**

Regardless of the ownership structure, only the grantee listed on the Grant Contract Agreement can submit a reimbursement request, and the funds are only disbursed to the grantee. It is at the discretion of the grantee on how or if the funds are transferred between the grantee and the property owned or controlled by the grantee.

- 2. An improvement project requires a down payment to proceed. Can we request a funding advance from SHORP? (Added 10/10/2023)**

SHORP funds cannot be advanced; however, the down payment may be reimbursed if it is for an eligible expense.

3. Does a maintenance or improvement project need to be complete before a grantee can request a reimbursement? (Added 10/10/2023)

An eligible maintenance or improvement project does not need to be complete before a reimbursement is requested; however, SHORP can only issue funds for the portion that is complete. When requesting a reimbursement, please include supporting documentation showing the percentage of completion and the pro-rated portion of the funding request.

4. How do the bidding and contracting requirements apply to the grantee and to the properties owned or controlled by the grantee? (Added 10/10/2023)

The bidding and contracting requirements are summarized in the [RFP Instructions](#) (page 9) and will be incorporated into the Grant Contract Agreement. The type of bidding and numbers of bids relates to the total amount of the work to be completed.

The contracting and bidding thresholds apply to the entity holding the contract for the work to be completed. For SHORP, some grantees may have the grantee itself contract for the work or grantees may have individual properties that are under their own ownership entity (i.e., an LLC or Limited Partnership) contract for the work. For example purposes only, please consider these two scenarios where the grantee owns or controls multiple properties, each property is under its own LLC, and roof maintenance is needed on multiple properties.

- Scenario 1: If the grantee holds a central contract to complete roof repairs on one or more of the properties, the cumulative expected cost to complete the work across those properties must be considered when securing competitive bids. For example, if the cumulative expected cost is more than \$100,000, then the grantee must undergo a formal notice and bidding process.
- Scenario 2: If a single property holds its own contract for roofing work, then the expected cost for that individual property must be considered when securing roofing work. For example, if each individual property needed only \$15,000 of work and hold its own contract, then they must secure two verbal quotes.