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# **Stable Housing Organization Relief Program Request for Proposal Application Instructions**

Application Deadline: 4:00 p.m. Central Time on Tuesday, September 19, 2023

09/01/2023

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## Overview

Minnesota Housing is now accepting applications for the Stable Housing Organization Relief Program (SHORP). This is a one-time grant program funded with up to \$50 million of state appropriations to support eligible rental housing owners that have experienced significant detrimental financial impacts due to recent economic and social conditions.

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](#).

Please review the Minnesota Housing [SHORP webpage](#) and [SHORP Guide](#) for additional detail on eligible organizations, eligible uses, program requirements, and definitions.

## Available Funding

The statutory authorization defines the funding allocation formula ([Minnesota Session Laws, 2023, regular session, article 2, section 8, subdivision 3](#)). The amount of grant funding available to each selected Grantee is a function of the number of rental units owned or controlled by all Grantees selected for funding in this program. In-kind or matching funds from the applicant are not required for SHORP.

The maximum grant amount available to each Grantee is the lesser of:

- The total number of rental units from a single Grantee divided by the total number of rental units submitted by all Grantees multiplied by up to \$50 million; or
- \$4,000 per rental unit

For additional information on the funding allocation formula, see Chapter 3 of the SHORP Guide.

Please note that the per unit amount of funding available to a selected Grantee is not limited to the number of units that qualified the Grantee for program eligibility as defined in Chapter 2 of the SHORP Guide.

## Eligible Applicants

The SHORP authorizing legislation defined the eligibility. To be eligible for funding, the applicant must:

- A. Be one of the following organizational types:
  - i. A tax-exempt nonprofit organization under section 501(c)(3) of the Internal Revenue Code that has been doing business in Minnesota for at least ten years as demonstrated by registration or filing of organizational documents with the secretary of state; or
  - ii. A federally recognized Indian Tribe in Minnesota or their associated Tribally Designated Housing Entity as provided for in [Minnesota Session Laws 2023, Regular Session, chapter 37, article 4, section 4](#) that expands eligibility for all Minnesota Housing funding programs.
- B. Have its primary operations located in Minnesota as defined in Section 2.02 of the SHORP Guide; and
- C. Be experiencing significant detrimental financial impact due to recent economic and social conditions, including but not limited to decreased operating revenue due to loss of rental income or increased operating expenses due to inflation in utility expenses, insurance, or other expenses; and
- D. Have Supportive Services options available for the individuals and families residing in a portion of the rental housing it provides to low-income populations; and
- E. Have, as of December 31, 2022, sufficient housing units that it owns or controls in the state of Minnesota that meets the criteria in at least **one** of the following categories:
  - i. At least 1,000 units of Naturally Occurring Affordable Housing (NOAH); or
  - ii. Rental housing units, not including NOAH, of which 50 percent of the total number of units are rented to individuals or families whose annual incomes, according to the most recent income certification as of December 31, 2022, are at or below 30 percent of the area median income as determined by the United States Department of Housing and Urban Development, adjusted for family size; or
  - iii. At least 250 units of Permanent Supportive Housing.

See Chapter 2 of the SHORP Guide for additional information on eligibility requirements. The definition of NOAH and Permanent Supportive Housing is included in Appendix B of the SHORP Guide.

For-profit and governmental organizations are not eligible for SHORP. Multi-organizational collaborations are not allowed for this grant program. Each eligible applicant must apply separately.

## Eligible Uses

Grantees must use grant funds to maintain or improve the housing stability of tenants by expending funds on the following eligible activities ([Minnesota Session Laws, 2023, Regular Session, Article 2, Section 8, Subdivision 2\(e\)](#)):

- Property maintenance, improvement, and security;
- Providing services, including services and programs that promote economic and social mobility;
- Efforts to attract and retain employees that will assist in providing services and support to tenants;
- Forgiveness of all or a portion of rent balances owed by former or current tenants.

Minnesota Housing may approve, at its sole discretion, additional uses that would have a beneficial impact on the housing stability of the tenants. The applicant may propose additional uses in the SHORP Application Form.

## Program Expectations

Review the full SHORP Guide for all program expectations, which includes but is not limited to:

- **Work Plan and Budget:** Selected Grantees are required to prepare a work plan and budget to identify how they anticipate using the grant proceeds for eligible expenses. The work plan and budget will be incorporated into a Grant Contract Agreement. See Section 5.03 of the SHORP Guide for more information.
- **Funding Distribution:** Program funds will be disbursed on a reimbursement basis for eligible expenses. Except as permitted in Section 4.02 of the SHORP Guide, expenses incurred before the Grant Contract Agreement is fully executed are not eligible for reimbursement. See Chapter 6 of the SHORP Guide for submitting reimbursement requests.
- **Report and Financial Audit:** Each Grantee must submit a report and financial audit to Minnesota Housing by Monday, September 30, 2024. The same report and financial audit must also be submitted by Wednesday, January 15, 2025, to the chair and ranking minority members of the legislative committees having jurisdiction over housing. The report and financial audit must address the use of the funds awarded in this program during the grant period. See Chapter 8 of the SHORP Guide for reporting and financial audit requirements.

## Diversity and Inclusion

Minnesota thrives because of its diversity of race, ethnicity, sexual orientation, gender identity, (dis)abilities, ages, families, and geographies. Discrimination and lack of access to resources and other barriers have led to disparities that inhibit Minnesotans from achieving their fullest potential. Minnesota Housing centers communities most impacted by housing instability and disparities in its work to advance equity. This is a core value in all of Minnesota Housing’s actions, including resources administered through the Stable Housing Organization Relief Program Request for Proposals (RFP) process.

## Review Criteria

This is a competitive application process, and the applicant must submit the application materials by the deadline and receive a “yes” on all application criteria to be considered for selection. Applications will be evaluated by Minnesota Housing staff to determine eligibility, and Minnesota Housing staff will determine the grant amount based on the funding allocation formula in Chapter 3 of the SHORP Guide. Recommendations will be presented to the Minnesota Housing board for approval. The award decisions of Minnesota Housing are final and not subject to appeal.

**Table 1: Application Criteria**

<b>Criteria Number</b>	<b>Criteria Description</b>	<b>SHORP Guide Reference</b>	<b>Meets Requirement</b>
1	Applicant is an eligible organization. If the applicant is a nonprofit organization, the applicant has also submitted a Copy of the registration or filing of organizational documents with the Minnesota Secretary of State.	Section 2.01	Yes/No
2	Applicant has its primary operations in Minnesota	Section 2.01 and 2.02	Yes/No
3	Applicant is experiencing significant detrimental financial impact due to recent economic and social conditions, including but not limited to decreased operating revenue due to loss of rental income or increased operating expenses due to inflation in utility expenses, insurance, or other expenses.	Section 2.01	Yes/No

Criteria Number	Criteria Description	SHORP Guide Reference	Meets Requirement
4	Applicant has supportive service options available for the individuals and families residing in a portion of the rental housing it provides to low-income populations. Explain how the organization meets this requirement. Additional documentation is not required.	Section 2.01	Yes/No
5	<p>Applicant had, as of December 31, 2022, sufficient housing units that it owns or controls in the state of Minnesota that meets the criteria in at least one of the following categories:</p> <ol style="list-style-type: none"> <li>1. At least 1,000 units of Naturally Occurring Affordable Housing (NOAH); or</li> <li>2. Rental housing units, not including NOAH, of which 50 percent of the total number of units are rented to individuals or families whose annual incomes, according to the most recent income certification as of December 31, 2022, are at or below 30 percent of the area median income as determined by the United States Department of Housing and Urban Development, adjusted for family size; or</li> <li>3. At least 250 units of Permanent Supportive Housing.</li> </ol>	Section 2.01 and 2.03	Yes/No
6	Applicant submitted internal financial statement, an IRS Form 990, or the most recent certified financial audit.	Section 5.02	Yes/No
7	Applicant submitted signed SHORP Application Form.	Section 5.02	Yes/No

Minnesota Housing reserves the right to request proposal revisions during the due diligence phase of the contract period, which is after Minnesota Housing board approval but before the contract is executed.

## SHORP Selection and Contracting Timeline

Table 2: SHORP Contracting Timeline

Date*	Activity
Friday, September 1, 2023	RFP instructions and application template will be available on the <a href="#">SHORP webpage</a> .
Tuesday, September 5, 2023	The Cvent online application tool will be available on the <a href="#">SHORP webpage</a> .
Friday, September 8, 2023	Minnesota Housing holds an RFP information session from 9:00 a.m. to 10:00 a.m. <a href="#">Register here to access the information session</a> . A recording will be available on the SHORP webpage.
Monday, September 11, 2023	Deadline to submit application questions is 4:00 p.m.; responses to the questions will be incorporated into the Frequently Asked Questions on the <a href="#">SHORP webpage</a> .
Tuesday, September 19, 2023	Applications due by <b>4:00</b> p.m. Central Time (refer to the submission section below)
Thursday, October 26, 2023	Minnesota Housing staff recommends selection to Minnesota Housing’s board
Monday, October 30, 2023	Selected Grantees notified; due diligence phase begin
Thursday, November 2, 2023	Mandatory due diligence training for all selected Grantees
Based on Grantee Submissions	Due diligence approved and contract starts
Thursday, January 30, 2025	Anticipated contract end date

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\* Dates subject to change

## Application Checklist

Applicants must use the required application form and include all the required information. Please do not submit other materials that are not requested (letter of support, photos, brochures, etc.). Unrequested materials will not be reviewed.

All checklist items must be submitted by the deadline to be considered for funding:

1.  Completed SHORP Application Form in the online Cvent application tool
2.  Copy of the registration or filing of organizational documents with the Minnesota Secretary of State (nonprofit organizations only).
3.  Applicant Financial Information—all nongovernmental organization applying for \$25,000 or more must supply the following financial documentation depending on their total gross revenue:

**Table 3: Required Financial Documentation Needed**

Documentation	Total Gross Revenue
Board-Reviewed Financial Statements	Under \$50,000 (or not in existence long enough to have completed IRS Form 990 or an audit)
IRS Form 990 and Aging Schedule	\$50,000-\$750,000
Certified Financial Audit	Over \$750,000

4.  [Affirmative Action Certification Form](#) (along with a Certificate of Compliance and additional documentation, as described on the Certification Form)

## Submission Instructions

The application information and required documentation must be submitted through the online Cvent application tool no later than **4:00 p.m. Central Time on Tuesday, September 19, 2023**, to be eligible for funding. The online Cvent application tool will be made available on the [SHORP webpage](#) no later than 4 p.m. Central Time on Tuesday, September 5, 2023.

**Note:** Submitted applications are considered final; late or incomplete applications will not be considered. Minnesota Housing may request additional information or clarification. The applicant will be responsible for all costs incurred with applying for this RFP.

Per the [Minnesota Government Data Practices Act](#), responses submitted by an applicant are private or nonpublic until the responses are opened. Once the responses are opened, the name and address of

the applicant and the amount requested is public. All other data in a response is private or nonpublic data until completion of the evaluation process, which for the purposes of this grant, is when all Grant Contract Agreements have been fully executed. After a granting agency has completed the evaluation process, all remaining data in the responses is public with the exception of trade secret information as defined and classified in [Section 13.37 of the Minnesota Governmental Data Practices Act](#). A statement by an applicant that the response is copyrighted or otherwise protected does not prevent public access to the response.

## Due Diligence Requirements

If selected for funding, Minnesota Housing will require the following due diligence items to be submitted by applicants within 60 days of selection or the selection may be cancelled:

- **Signed Grant Contract Agreement** (provided by Minnesota Housing): The agreement will outline the scope of services to be provided and include the work plan and budget.
- **Work Plan and Budget:** The selected applicant will be required to complete and submit a Work Plan and Budget that allocates the grant funding amount to the eligible uses. Minnesota Housing will provide a template.
- **Board Resolution:** A signed original, or signed and certified, copy specific to the contract that designates authorized signatories and authority to enter into a contract.
- **Electronic Funds Transfer (EFT) Authorization Form** which is available from Minnesota Housing upon request. More information is available on Minnesota Management and Budget's website at: [EFT Forms and Information](#). If you have not registered as a vendor with the State of Minnesota, this will need to be completed prior to completing the EFT Form. Go to the [Vendor Registration Link](#) to complete this process. Once the form is completed, provide Minnesota Housing your SWIFT vendor number, and send a copy of your [W-9](#) so that payments will not be delayed.
- **Certificate of Good Standing** issued by the Minnesota Secretary of State Office within 30 days (a screen shot is also an acceptable form of evidence).

Applicants awarded funding must have all due diligence submitted and approved and the Grant Contract Agreement fully executed, which includes both the applicant's and Minnesota Housing's signatures before grant funds can be expended or cost incurred.

Please note that the Grant Contract Agreement will include but is not limited to the following provisions:

- Maintain financial records for a minimum of six years after the Grant Contract Agreement has ended that document the use of all program funds. Minnesota Housing, at its sole discretion,

may request to review the accounting and documentation of such records at the site visit or at other times.

- Complete and submit by required due dates, program reports as required in Chapter 8 of the SHORP Guide.
- Must have an agency Conflict of Interest policy and take necessary steps to prevent individual and organizational conflicts of interests. All suspected, disclosed or discovered conflicts of interests must be reported to Minnesota Housing in a timely manner.
- Comply with applicable contracting and bidding requirements included in the Grant Contract Agreement.
- Comply with all Affirmative Action and non-discrimination requirements noted in the Grant Contract Agreement.
- Comply with [Minnesota Statute 201.162](#) by providing voter registration services for its employees and for the public served by the Grantee.

## Contracting and Bidding Requirements

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

- A. Any services and/or materials that are expected to cost \$100,000 or more must undergo a formal notice and bidding process.
- B. 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.
- C. 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.
- D. The Grantee must take all necessary affirmative steps to assure that targeted vendors from businesses with active certifications through these entities are used when possible:
  - i. [State Department of Administration's Certified Targeted Group, Economically Disadvantaged and Veteran-Owned Vendor List](#)
  - ii. Metropolitan Council Underutilized Business Program: MCUB: [Metropolitan Council Underutilized Business Program](#)
  - iii. Small Business Certification Program through Hennepin County, Ramsey County, and City of St. Paul: [Central Certification Directory](#)
- E. The Grantee must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts.
- F. The Grantee must maintain support documentation of the purchasing or bidding process used

to contract services in their financial records, including support documentation justifying a single/sole source bid, if applicable.

- G. Notwithstanding (A) - (D) above, MHFA may waive bidding process requirements when:
  - a. Vendors included in response to competitive grant request for proposal process were approved and incorporated as an approved work plan for the grant.
  - b. It is determined there is only one legitimate or practical source for such materials or services and that the Grantee has established a fair and reasonable price.
- H. For projects that include construction work of \$25,000 or more, prevailing wage rules apply per [Minn. Stat. §§177.41](#) through [177.44](#). These rules require that the wages of laborers and workers should be comparable to wages paid for similar work in the community as a whole.
- I. The Grantee must not contract with vendors who are suspended or debarred in MN: <http://www.mmd.admin.state.mn.us/debarredreport.asp>

The application form includes a section for applicants to provide a list of existing vendor relationships in accordance with section G.a in the above list. Examples of existing vendor relationships include but are not limited to property management services, security, property maintenance, supportive service providers, and recruiters. **New vendors cannot be added to the list in the application after the SHORP RFP due date.**

## Questions

Questions can be directed to James Lehnhoff, Assistant Commissioner, Multifamily Division at [SHORP.mhfa@state.mn.us](mailto:SHORP.mhfa@state.mn.us) or by phone at 651-296-3028.

No other staff are authorized to respond to questions from potential applicants. Questions and answers will be posted to the SHORP webpage on Minnesota Housing's website.