



Office of Rental Assistance and Homeless Solutions

Shelter Diversion Pilot Request for Proposals (RFP)

Proposals Due: Thursday, November 7, 2024

*Made possible through the
Housing and Community Development Fund (HCDF)*

735 E Michigan Ave
P.O. Box 30044
Lansing, MI 48909



CONTENTS

Timeline.....	3
General Overview	3
Pilot Description.....	3
Grant Term and Award Parameters	4
Eligible Costs and Cost Parameters.....	5
Performance Measures.....	6
Role Definitions and Applicant Criteria	7
Proposal Scoring and Outline	9
Submission Instructions.....	11

1. Timeline

RFP Timeline	Dates
Request for Proposals (RFP) Released	Friday September 20, 2024
RFP Overview Webinar	Wednesday, September 25, 2024 Register here: https://us06web.zoom.us/webinar/register/WN_i72Ut8JERryV4pubVFDeMA
Proposals Due	By 5 p.m. Thursday, November 7, 2024
Proposal Review/Scoring	November 11-21, 2024
Awards Announced	No Later than November 21, 2024
Project Start Date	January 1, 2025

2. General Overview

In 2022, MSHDA received a state budget allocation of \$50 million for the Housing and Community Development Fund (HCDF). These funds are intended to expand housing supports for the State of Michigan through a variety of projects and services based on identified needs. Through stakeholder engagement and listening sessions, MSHDA identified shelter diversion as a priority demonstration project to test, expand, and implement in select homeless crisis response systems. Under this allocation, MSHDA is investing an additional \$1 million for a 1-year expansion of the initial \$3 million pilot through a competitive Request for Proposals (RFP) process.

Shelter diversion is a strategy that assists people experiencing a housing crisis to quickly identify and access safe alternatives to shelter where possible. Shelter diversion is most effective when implemented collaboratively at the community-level, with shared knowledge and understanding of diversion practices and goals. Through the Shelter Diversion Pilot RFP, MSHDA is seeking proposals from eligible agencies to implement or expand effective shelter diversion models. This pilot will demonstrate the impact of effective shelter diversion on homeless crisis response systems and, more importantly, the impact on households at risk of or experiencing homelessness. All selected agencies will be part of a learning cohort for this project and will engage regularly with their peers, MSHDA project staff, and selected training and technical assistance throughout the course of the project.

3. Pilot Description

The goal of shelter diversion is to end a household's experience of homelessness as quickly as possible while empowering them to regain control over their situation. The emphasis is on securing safe, appropriate options in their community – even temporary options – rather than an emergency shelter stay, whenever possible. This limits the trauma of homelessness while supporting the availability of limited shelter beds for those most in need.

Shelter diversion is an intensive, short-term intervention narrowly focused on households at the point they are at risk of, or have lost access to their housing option, but prior to or shortly following entry in emergency shelter. Households at or below 40% Area Median Income (AMI) are eligible for this funding. A shelter diversion intervention should generally take no more than 14 days. Clients may stay in shelter or in other housing during this time. Shelter diversion elevates creative problem solving and conflict

resolution to empower people experiencing a housing crisis to find an immediate alternative to shelter and return to more stable housing. Through a strengths-based conversation, facilitated by a Diversion Specialist, individuals and families seeking shelter are supported in identifying immediate alternate housing arrangements and, if necessary, connections with services and financial assistance. **Most importantly, shelter diversion does not act as a barrier to shelter.**

Projects awarded under this competitive RFP will demonstrate how these funds will build off of already existing structures of Diversion within an organization's homeless response system.

Effective shelter diversion includes staff with trained expertise in the following skills and practices:

- A trauma-informed approach to engagement focused on creating safety, transparency, and an overview of the Specialist/household partnership.
- Incorporation of motivational interviewing skills throughout the partnership, in particular active listening, open-ended questions, empathy, and a focus on goals.
- Exploration of strengths, opportunities, and resources to move from crisis to empowerment to regain confidence and identify options in addressing the housing issue.
- Collaborative identification of safe, appropriate options and next steps that can be reality-tested and validated as SMART (Specific, Measurable, Actionable, Realistic & Timed).
- Connections to other community resources and collaboration for utilization of all available resources will be essential. Mediation is valued as a worthwhile endeavor to improve relationships between households, landlords, and/or potential host households.
- Effective and timely communication that summarizes the action steps and follow-up with specifics including activities, persons responsible, timelines, and communication expectations.

Flexible financial assistance also plays a critical role by allowing Diversion Specialists the ability to provide unique supports for each household based on individually identified needs. Areas of unique support include transportation, food, education, employment, childcare, and household bill contribution, among others. Traditional financial and rental assistance, like housing application fees, mediation, and monthly rental payments, are also available through this pilot. However, households served through shelter diversion should still be considered for other housing resources as eligible, necessary, and available through the Coordinated Entry System (e.g. HUD CoC Programs, Emergency Solutions Grant (ESG) and Emergency Shelter Program (ESP))

The Shelter Diversion Pilot will require HMIS data entry to track household demographics, services provided, and housing outcomes. Awarded agencies will be responsible for completing quarterly reporting throughout the course of the project.

4. Grant Term and Award Parameters

The grant term will be one (1) year, starting January 1, 2025, through December 31, 2025.

The maximum grant award is \$165,000. **MSHDA anticipates awarding six (6) proposals.** Proposals will be reviewed for geographic dispersion. CoC's currently active in the Shelter Diversion Pilot are not eligible for this round of funding:

- MI-502 – Dearborn, Dearborn Heights, Westland/Wayne County CoC

- MI-508 – Lansing, East Lansing, Ingham County CoC
- MI-509 – Washtenaw County CoC
- MI-512 – Grand Traverse, Antrim, Leelanau Counties CoC
- MI-514 – Battle Creek/Calhoun County CoC
- MI-519 – Holland/Ottawa CoC

CoC’s not listed above are eligible to apply for this round of funding.

Funds may be awarded by MSHDA through the established Fiduciaries under the Emergency Solutions Grant (ESG) in each Continuum of Care (CoC) or Local Planning Body (LPB) of the Michigan Balance of State CoC (MIBosCoC) OR may be directly awarded to the shelter providing diversion services. An IGX profile must be established in order to be awarded funds directly versus through the established ESG fiduciary. A portion of awarded administrative funds must be allocated to the Fiduciary for associated costs and responsibilities.

5. Eligible Costs and Cost Parameters

The following cost categories are eligible for the Shelter Diversion Pilot:

Budget Line	Description
Staffing	At least 40% of total proposed project costs must be allocated for new staffing (Diversion Specialists). Staff costs related to HMIS data entry may also be billed to this budget line.
Flexible Financial Assistance	At least 10% of total project costs must be allocated for flexible financial assistance.
Rental Assistance	At least 20% of total project costs must be allocated for rental assistance.
Administrative Costs	Administrative costs are limited to 10% of total project costs.

Cost Parameters

Staffing: Funds budgeted for staffing cannot be used to supplant other program funds for existing staff. Applicants must ensure new positions are posted and hire additional staff as Diversion Specialists for this funding round. Staff costs include salaries, benefits, and fringe costs such as cell phones, mileage, recognition and training. Funds may be used to promote a part-time employee to a full-time employee, but this must be defined in the application.

Flexible Financial Assistance: Households can receive up to \$2,500 in assistance. This is capped for the grant term (i.e. households can be assisted with shelter diversion more than once but cannot receive more than \$2,500 in flexible financial assistance). This cap is implemented separately from rental assistance.

- General categories for Flexible Financial Assistance
 - Food
 - Contribution to shared housing costs (e.g. Utility bills)

- Transportation
- Employment
- Education
- Childcare
- Please see the supplemental policy guide for additional uses of this funding.

NOTE: Awarded projects will not be permitted to provide monetary payments (cash) directly to households. Flexible Financial Assistance can be provided directly to households via gift cards in alignment with the general categories noted in this RFP.

Rental Assistance: Households can receive up to three (3) months of rental assistance. This is capped for the grant term (i.e. households can be assisted with rent payments more than once but cannot receive more than three months of rental assistance in total). This cap is implemented separately from the Flexible Financial Assistance. To receive rental assistance the household must be engaged in a diversion activity. These funds are not to be used as an eviction prevention program component. Funds are available through other projects to assist with eviction prevention.

Administrative Costs: Cost allocation plans are permitted in lieu of detailed administrative costs but must be provided at the point of proposal submission.

Please see the [MSHDA Shelter Diversion](#) web page for additional, supplemental information. Including the policy guide.

6. Performance Measures

To track progress toward achieving the outcome goals of this program and assess success, MSHDA and awarded projects will monitor a set of performance indicators that may include, but are not limited to:

- Percentage of households who have a diversion interaction and identify an alternative to emergency shelter.
- Percentage of households who identify an alternative to emergency shelter and do not return to the Coordinated Entry System for emergency shelter within 30, 60, and 90 days.
- Racial equity analysis of diversion outcomes.
- Analysis of diversion outcomes based on household type (i.e. adult-only households, families).

To monitor and recognize intermediate progress toward the above performance indicators, MSHDA also intends to track output metrics that may include, but are not limited to:

- Average length of emergency shelter stay following diversion interaction.
- Average amount of Flexible Funding Assistance per household served and nature of assistance provided.
- Average number of days a household is engaged in diversion services (measured from first point of contact to household graduation from or discontinuation of services).

Other performance measures and outputs will be established in partnership with MSHDA, awarded applicants, and their associated CoC/LPB as part of the Shelter Diversion Pilot implementation

process. MSHDA expects performance measures to be refined as part of an iterative approach to the diversion practice. Within this framework, MSHDA is focused on continuous improvement toward the goals of shelter diversion as previously stated. In addition to the performance indicators and output metrics listed above, MSHDA encourages applicants to propose additional indicators and metrics, including those that demonstrate early success and are indicative of household progress. All metrics should include evaluation based on race, ethnicity, gender, age, and other characteristics as appropriate to track equity in services, outcomes, and outputs. MSHDA anticipates that performance by these metrics will vary by subpopulation served. Data generated from this pilot will inform future resource allocation and support replication of effective strategies and models.

7. Role Definitions and Applicant Criteria

Responses to this RFP will confirm the support of the local Fiduciary as established under MSHDA ESG funding and, if separate, which agency or agencies will act as the Service Provider(s). Definitions for each role are outlined below.

**** Fiduciaries and/or organizations that apply for funding and generally struggle with MSHDA reporting or are currently behind in FSR submission for current programs may not be considered. This project is being heavily monitored by MSHDA and the State Budget Office; timely reporting, HMIS data entry and FSR submissions are required for this project.****

Fiduciary

The Fiduciary is an agency selected and affirmed by the CoC/LPB to receive and distribute Shelter Diversions Pilot funding. The Fiduciary agrees to the following responsibilities:

- Execute grant documents, including:
 - Completion of the Shelter Diversion Pilot Memorandum of Understanding (MOU), with signatures from all named entities.
- Assure use of funds in accordance with the grant agreement, communicating knowledge of any fraudulent activity to MSHDA and the CoC/LPB.
- Submit quarterly Financial Status Reports (FSRs) through MSHDA's grant management system (IGX).
- Submit all required data reports on behalf of the project.
- Advise the CoC/LPB of any grant expenditures concerns, including delayed or inadequate expenditures, to avoid loss of funds to the community and possible recapture by MSHDA.
- Evaluate the quality of services and provide oversight to the Service Provider(s) based upon documented outcomes and in partnership with the CoC/LPB.
- Monitor ten percent (10%) of all Shelter Diversion Pilot participant files, as well as the financial records.

Service Provider

The Service Provider(s) is an agency selected and affirmed by the CoC/LPB to implement and staff the shelter diversion model. The Service Provider(s) agrees to the following responsibilities:

- Collaborate with the CoC/LPB to ensure the shelter diversion model is integrated within the Coordinated Entry System and broader homeless crisis response system.

- Provide eligible services as defined within this pilot, MOU, and associated grant documents.
- Hire and train staff as Diversion Specialists, following outlined best practices and required skills.
- Enter client information on HMIS (Domestic Violence Agencies must use a comparable database).
- Coordinate with the HARA to ensure the required assessment tool and/or process is completed for literally homeless households.
- Routinely review and correct HMIS data quality issues and monitor outcome performance.
- Provide routine reports to the CoC/LPB on the pilot, including the number of households served and outcomes.
- Maintain financial and client level records to support billings, retaining records for five years.
- Request payment and provide necessary supportive documentation to the Fiduciary on at least a quarterly basis.
- Ensure compliance with grant terms and provide the Fiduciary and MSHDA access to financial and programmatic records when requested.

Submitted proposals must ensure that the Fiduciary and, if separate, the Service Provider(s) meet the following criteria for eligibility:

Fiduciary Eligibility

- A 501(c)3 nonprofit agency or local unit of government that operates its principal place of business in the State of Michigan (CoC/LPB, if incorporated as a 501(c)3 Entity, is eligible).
- Actively involved in the CoC/LPB planning process.
- 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, 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.

Service Provider Eligibility

- A 501(c)(3) nonprofit agency or local unit of government that operates its principal place of business in the State of Michigan (CoC/LPB, if incorporated as a 501(c)(3) Entity, is eligible).
- Actively involved in the CoC/LPB planning process.
- Experienced in serving homeless populations.
- Experienced in providing case management services specifically targeted to people who are experiencing homelessness.
- Experienced with successful HMIS data collection.
- Participation in a 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.

All funded agencies must be able to provide to MSHDA evidence of eligibility, when requested.

8. Proposal Outline and Scoring

<p>Proposed Model</p>	<ol style="list-style-type: none"> 1. The proposal clearly defines the model and services to be provided. Services are appropriate for addressing the needs of and achieving the desired outcomes for the target population. <ul style="list-style-type: none"> • Detailed outline of Diversion Model • Number of proposed Diversion Specialists • Anticipated internal and external referral process • Submission of current CE workflow and the anticipated CE workflow with Diversion 2. The proposed model is supported by prior experience, demonstrated expertise, and/or aligns with the best practices and skills relevant to shelter diversion. 3. The proposal demonstrates a clear understanding of the grant target population and their needs/challenges. 4. The proposal provides estimates of deliverables that are in alignment with the proposed model's scope. 5. The Service Provider(s) has experience and/or expertise in delivering services in an expedient manner. 6. The Service Provider(s) provides a detailed outline of implementation of diversion and provides a plan for spending the entirety of the award within the grant term. 7. Proposed model outlines a plan for community outreach, interagency communication and promotion of the availability of diversion funds 8. Service provider(s) provides a detailed plan for hiring and onboarding Diversion Specialists with in the first 30 days of the grant term. 9. It is expected that the general population experiencing homelessness or at risk of homelessness (at or below 40% AMI) will be offered Diversion services. If the proposed model intends to provide targeted services to a specific population, define that in the proposal narrative. 	<p>40</p>
<p>Performance Management and Outcomes</p>	<ol style="list-style-type: none"> 1. The proposal outlines organizational utilization of HMIS for data collection and service delivery (DV agencies must use a comparable data base). 2. The proposal includes how the Service Provider(s) utilizes the By Name List to support service delivery and documentation of outcomes including tracking recidivism over 30, 60 and 90 days. 3. The proposal supports MSHDA's outcomes measurements and identifies any anticipated methods for data capture and outcomes tracking. 	<p>10</p>

Organizational Capacity	<ol style="list-style-type: none"> 1. The Fiduciary and/or Service Provider(s) has qualified staff responsible for program oversight and management. 2. Fiduciary and/or Service provider(s) provides a narrative regarding organizational experience with Shelter Diversion. 3. The Fiduciary has adequate systems and processes to support monitoring pilot expenditures and fiscal controls. 4. The Fiduciary and/or Service Provider(s) has adequate Human Resources capacity to hire and manage staff. 5. Service provider has adequate staff and workflow for HMIS data entry and controls. 6. The Fiduciary and/or Service Provider(s)'s organization reflects and engages the diverse people of the communities it serves. 7. The Fiduciary and/or Service Provider(s) is up to date with its FSR's and other reporting mandates to current MSHDA projects. Please list your current MSHDA funding sources. 8. Service Provider(s) submits the current organizational chart and a new organizational chart that identifies the new shelter diversion role(s) within the organization. 	30
Reasonable costs, Budget Justification, Leverage of Funds	<ol style="list-style-type: none"> 1. The Fiduciary and/or Service Provider(s) has the fiscal capacity to implement the proposed model as demonstrated by an audit and/or other financial documents. 2. The Fiduciary and/or Service Provider(s) indicates that they have the capacity to implement this pilot on a reimbursement basis, as necessary. 3. The Fiduciary and/or Service Provider(s) demonstrates reasonable implementation costs and funding requests relative to its financial and human resources. The proposed budget supports the proposed scope of work. 4. The Service Provider(s) and/or the fiduciary commit to collaborative utilization of funds to support positive outcomes for those clients engaged in a Diversion Activity. Describe the service providers experience with collaborative utilization of funds across organizations and across funding sources. List any anticipated funding sources that can be leveraged in support of Diversion 	10
Letter of Support	A letter of support from the CoC or LPB (for MIBoSCoC) must be included with the proposal. Proposals submitted without the CoC or LPB letter of support will not be reviewed.	10
Total		100

Basis of Award

MSHDA will rate applications using the criteria listed above and through a multidisciplinary review team. Additionally, MSHDA will consider how each project aligns with best practices and service standards set forth by national experts and federal funding partners. MSHDA will also ensure adequate balance across specialized populations and geography.

9. Submission Instructions

All proposals must be submitted by the Fiduciary via email to Jennifer McNeely, MSHDA Program Specialist, at mcneelyj2@michigan.gov. Proposals are due by 5 p.m. EST Thursday, November 7, 2024. Proposals submitted after the deadline will not be considered. Questions regarding this RFP may also be emailed to Jennifer McNeely at the above email address.

Proposals must include the following:

- Letter of support from the CoC or LPB (only one application per CoC or LPB will be accepted)
- Proposal Narrative
 - **Proposed Model**
 - **Performance Management Outcomes**
 - **Organizational Capacity**
 - **Reasonable costs, Budget Justification, Leverage of Funds**

NOTE: Please review the RFP in full to ensure the narrative contains all of the information for each scored parameter.

The narrative should be formatted in at least 11-point, standard font. The top of the proposal narrative must have the CoC/LPB name and Fiduciary point of contact, including address, email, and phone number.

Each scored parameter should be identified with the appropriate heading. For example:

Proposed Model

Narrative description

Please submit documents as a PDF. Documents created in Microsoft Word can be converted to a PDF by selecting, "Save as Adobe PDF", from the File menu.

File name MUST include CoC/LPB name and document name.

For example:

CoC NAME (or LPB Name) CoC Letter of support

CoC NAME (or LPB Name) Proposal Narrative

Any other documents deemed necessary to support the proposals are permitted and MUST contain the CoC/LPB name AND document name.

Michigan State Housing Development Authority is committed to providing meaningful access. For accommodations, modifications, translation, interpretation, or other services, please contact:

MSHDA-HS@michigan.gov

(517) 335-9885

735 E. Michigan Ave

P.O. Box 30044

Lansing, MI 48909