



Office of Rental Assistance and Homeless Solutions

**Improving Emergency Shelter Infrastructure
and Expanding Transitional Housing (ESTH)
Notice of Funding Opportunity (NOFO)**

DUE: October 10, 2025

Anticipated Grant Start: November 1, 2025

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



CONTENTS

I.	Timeline	3
II.	General Overview.....	3
III.	Program Description	3
IV.	Available Funds and Award Term.....	4
V.	Eligible Costs	4
VI.	Ineligible Costs	4
VII.	Applicant Criteria	4
VIII.	Application Submission, Review, and Selection	5



I. Timeline

Notice of Funding Opportunity (NOFO) Released	September 8, 2025
NOFO Webinar REGISTER HERE	September 11, 2025 at 9am
Applications Due	October 10, 2025
Awards Announced	October 17, 2025
Anticipated Grant Start Date	November 1, 2025

II. General Overview

Through the fiscal year 2025 Housing and Community Development Fund (HCDF), MSHDA is committing a one-time allocation of \$3 million to support critical infrastructure and capacity needs for emergency shelters and transitional housing in Michigan. The purpose of these funds is to address emergency shelter infrastructure needs related to access and safety, as well as increase the number of available transitional housing units.

To support this purpose, MSHDA is releasing this Notice of Funding Opportunity (NOFO) to solicit applications from existing emergency shelter and transitional housing organizations. Applications must demonstrate need and feasibility for structural improvements and transitional housing expansion, responding to all requirements as outlined in this NOFO. Evaluation of applications and parameters for awarded grants are provided below.

III. Program Description

The Improving Emergency Shelter Infrastructure and Expanding Transitional Housing program (ESTH) will support eligible applicants to complete infrastructure improvements to existing emergency shelters and/or support leasing costs and necessary furnishings to expand available transitional housing. Guidance for eligible and ineligible costs is included in this document (see sections V and VI).

“Emergency shelter” is defined as overnight lodging for unhoused individuals and families at a fixed, permanent location. “Transitional housing” is defined as temporary housing for unhoused individuals and families with the goal of interim stability and support to successfully move to and maintain permanent housing. To be awarded funds through ESTH, emergency shelter and transitional housing must comply with minimum standards (see Attestation to Minimum Standards).

Awarded applicants (grantees) for emergency shelter infrastructure improvements must agree to maintain properties funded under this NOFO as emergency shelter for at least 5 years from the date of grant execution. For awarded transitional housing expansion grantees, funded properties must be maintained for up to two years from the date of grant execution (contingent on executed lease agreements). These are considered the minimum use period. Grantees found to be in noncompliance with the minimum use period will be required to return all awarded funds to MSHDA within 60 days of demonstrated noncompliance.

Grantees will be required to submit monthly Financial Status Reports (FSR(s)) to MSHDA via its online grant management system (IGX). FSRs must minimally include general ledgers and invoices for all expenditures. Other FSR document requirements will be determined based on individual grantees’ proposed uses of grant funds. Grantees will be subject to monitoring (both on-site and remote) and must provide regular reporting as assigned (no more than quarterly).



IV. Available Funds and Grant Terms

ESTH has \$3,000,000 available for grants statewide, which will be structured as follows:

- Emergency Shelter Improvements:
 - o Grant term of November 1, 2025, through October 31, 2026.
 - o Grant amounts ranging from \$50,000 to \$250,000.
 - o Minimum use period of 5 years from the date of grant execution.
- Transitional Housing Expansion:
 - o Grant term of November 1, 2025, through October 31, 2027.
 - o Grants amounts ranging from \$50,000 to \$100,000.
 - o Minimum use period of up to 2 years from the date of grant execution (contingent on executed lease agreements).

Extensions to the grant terms may be permitted at MSHDA's discretion.

V. Eligible Costs

The following cost categories are eligible for ESTH, contingent on project design:

Emergency Shelter Improvements*:

- Repair or replacement of critical infrastructure, including but not limited to plumbing, electrical, roofing, flooring, and security.
- Installation or enhancement of building aspects to meet or exceed ADA (Americans with Disabilities Act) compliance.
- Provision of necessary furnishings, including but not limited to beds, storage, and appliances.
- Abatement of pests and other necessary site improvements.

*All infrastructure work must be completed by licensed and insured entities. Individual improvements exceeding \$25,000 require a minimum of 3 itemized bids to demonstrate cost reasonableness.

Transitional Housing Expansion:

- Leasing costs for new transitional housing properties, up to \$3,000 per month. Properties must demonstrate rent reasonableness with 2 comparable properties based on unit size. Lease(s) may exceed \$3,000 per month but ESTH funds cannot pay more than \$3,000 per month. Lease(s) must be at least 12 months. Grantees with leases exceeding the grant term (October 31, 2027) must demonstrate funding to maintain leasing costs beyond the grant.
- Provision of necessary furnishings, including but not limited to beds, storage, and appliances.
- Abatement of pests and other necessary site improvements.

No more than 10% of the ESTH award can be budgeted for administrative costs.

VI. Ineligible Costs

Staffing, services, and other operating costs for emergency shelter and transitional housing are ineligible.



VII. Applicant Criteria

Applicants must meet the following criteria for eligibility:

- Is a registered business entity in good standing that is a 501(c)3 nonprofit agency or local unit of government that operates its principal place of business in the State of Michigan; is a federally-recognized Michigan tribe, a group of federally recognized Michigan tribes, or an Urban Indian Health Clinic (ITU) program; OR an entity wholly owned or controlled by a federally recognized Tribal Nation that shares geography with the state of Michigan.
- Has operated emergency shelter and/or transitional housing for at least 5 years. Experience must align with application type (i.e. must demonstrate transitional housing experience to apply for funds to expand transitional housing).
- Exhibits the financial capacity to administer funds as demonstrated through an audited 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 a 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.
- Implements industry best practices in emergency shelter or transitional housing services, including adherence to equal access regardless of age, race, gender, orientation, or abilities, and avoidance of involuntary separation of families.
- Serves adults, families, and/or youth, including domestic violence survivors.
- Complies with minimum standards for emergency shelter and/or transitional housing (see Attestation to Minimum Standards).

NOTE: Operators of rotating emergency shelter spaces and day shelters are not eligible to apply.

VIII. Application Submission, Review, and Selection

Applications must be completed in full and submitted by the deadline noted above to be considered. Applicants with multiple proposed emergency shelter and/or transitional housing sites need only submit one application and should include details for all relevant sites.

Applications will be reviewed by an interdisciplinary team. The team will be responsible for ranking applications based on confirmed applicant and project eligibility, demonstration of need, and evidenced capacity to complete the funded activities. Applications will also be reviewed for effective geographic dispersion of funding.

Applicants will be notified of funding decisions by October 17, 2025. Applicants conditionally awarded funding will need to provide additional documentation via IGX for financial review prior to grant execution. These documents include but are not limited to financial statements, tax returns, audits (as applicable), operating budget, and other organizational documents. Failure to submit for review and/or the identification of any substantial inadequacies within the documentation may result in withdrawal of award notice.