

REQUEST FOR PROPOSALS

for shelter operator entities interested in participating in the
Non-Congregate Shelter Acquisition Program



Submissions due by Monday, October 17, 2022

Chicago Department of Housing
Marisa C. Novara, Commissioner
City Hall Room 1000
121 N. LaSalle St.

September 26, 2022

Request for Proposals

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Non-Congregate Shelter Acquisition Program

City of Chicago Department of Housing

Overview

The City of Chicago, a municipal corporation (City), by and through its Department of Housing (DOH) is releasing this Request for Proposals to fund the acquisition and possible rehabilitation of buildings and/or other property within the City of Chicago to be used as Non-Congregate Shelter (NCS) for people experiencing homelessness. The Department seeks proposals from operators of existing homeless shelters who are in immediate and critical need for new space in which to provide shelter services.

DOH staff will work collaboratively with selected finalists as needed to identify a building or property that meets the applicant's needs, will determine necessary repairs and rehabilitation actions, and will support purchase negotiation from the property's current owner. DOH will provide grant funding to support the acquisition and rehabilitation as needed of the selected property to the applicant at a successful closing. Neither application nor selection as a finalist ensures an award—awards will be available only upon successful completion of the property acquisition process. Any grant awarded under this RFP will be eligible for spending on capital expenses only; this solicitation does not provide funding for ongoing shelter operations.

This RFP will be open for 21 days and will close on **Monday, October 17th, 2022**. No applications submitted after 11:59 PM On October 17th will be reviewed. Proposals will be evaluated and selected based on the applicant's **critical need** for new shelter space; their **readiness and capacity** to acquire, perform limited building rehabilitation, own in good standing, and manage the property in question; and their **shelter operations experience and mission alignment** with the goals of this program. DOH will prioritize qualifying applicants and select a number of finalists that reflects DOH staff capacity to quickly support acquisition processes. DOH expects to select two to three finalists in the current round. DOH may elect to re-open this RFP with or without modifications at a future date as budget and staff capacity allows. All un-selected applicants from previous rounds will be notified of any such additional rounds.

DOH will host a pre-bid information session on **Monday, October 3rd at 11:00am CT**. [Register here](#).

Background

The COVID-19 pandemic highlighted the risk to health and safety for Chicago residents living in congregate shelter. One third of all shelter beds in the DFSS-funded system pre-COVID were in shared rooms with over 20 people and shared bathrooms. For the single adult population, over 80% of beds were in shared rooms with over 20 people and shared bathrooms.

At the onset of the COVID-19 pandemic, DOH in partnership with the Department of Family Support Services (DFSS) and the Department of Public Health (CDPH) leased space in underutilized hotels to provide people experiencing homelessness with safe, non-congregate shelter. At the program's inception, hotels were used for people at high risk of complications from COVID-19 infection. According

to research conducted by the University of Chicago Medicine and Lawndale Christian Health Center at these hotels during the pandemic, the housing significantly reduced COVID-19 incidence, improved self-reported mental health symptoms and certain health measures such as blood pressure, and more than half of program participants moved on to longer-term housing after the intervention.¹

The Chicago Recovery Plan (CRP) is a historic \$1.2 billion investment in Chicago communities and populations hit hardest by COVID-19. CRP combines federally appropriated relief funds (from the State & Local Fiscal Recovery Fund, established by the American Rescue Plan Act) with locally issued general obligation bonds to support various recovery programs. Building on the success of the hotel leasing program, DOH was allocated CRP bond funds to acquire distressed motels and other structures for use as non-congregate shelter.

This project is a collaboration between two City departments:

- **The Department of Housing:** The goal of Chicago’s Department of Housing (DOH) is to expand access and choice for residents and protect their rights to quality homes that are affordable, safe, and healthy. DOH aims to leverage recovery funding to support DFSS in their efforts to provide non-congregate shelter by assisting with acquisition and ensuring the properties are maintained as shelter or affordable housing in the long term.
- **The Department of Family and Support Services:** DFSS is the City of Chicago’s primary social services funder and administrator, managing a comprehensive, client-oriented human service delivery system that employs a holistic approach to improving the quality of life for Chicago’s most vulnerable residents. DFSS aims to leverage recovery funding, including this initiative in partnership with DOH, to create sustainable improvements in the shelter system serving individuals experiencing homelessness. Specifically, DFSS seeks to restore bed capacity, lost due to shelter decompression, and to create safer, more non-congregate, and more accessible facilities.

Program Description

The goal of DOH’s non-congregate shelter acquisition program, which may include multiple solicitations and/or grant programs, is to transition approximately 300 congregate shelter beds into non-congregate settings across multiple facilities in partnership with DFSS. DOH and DFSS expect to award contracts to multiple parties to enable the acquisition, turnover, and potential rehabilitation of multiple properties. It is the intention of DOH that this program will focus on the acquisition and potential rehabilitation of new properties to be used as non-congregate shelters. Separately, DFSS plans to launch a shelter rehabilitation grant program, which is expected to enable necessary repairs to and rehabilitation of existing shelter buildings.

The number of awardees, total number of properties, and grant amounts served by this program are not final. DOH expects to award two to three grants through this RFP and estimates that each grant will range in funding from \$1 - \$5M. These funds are intended to be used primarily to fund property

¹ [\[1\]](#) See Huggett (2021) “Assessment of a hotel-based protective housing program for incidence of SARS-COV-2 infection and management of chronic illness among persons experiencing homelessness” for more information on the COVID hotel response in Chicago

acquisition and may additionally be used to fund certain turnover and property rehabilitation costs as requested by DOH. Resources allocated to acquire and convert a hotel into non-congregate shelter use will be issued in the form of a grant and a grant agreement, and not as a loan or loan agreement.

DOH staff will work collaboratively with selected finalists to identify a building or property that meets the applicant's needs. Applicants can present a potential site as part of their application or may suggest sites after selection as finalist. DOH has also already identified an initial set of possible properties (see the "Possible Properties" section below). DOH will, in collaboration with the finalist and other departments as necessary, determine an implementation timeline and necessary steps to begin shelter operations. Steps may include rezoning, accessibility modifications, and any necessary turnover, repair, and/or rehabilitation actions. DOH will also support negotiation of sale with a private seller as pertinent.

DOH will provide grant funding to support the acquisition and rehabilitation as needed of the selected property to the applicant at a successful closing. Neither application nor selection as a finalist ensures an award—awards will be available only upon successful completion of the property acquisition process. Any grant awarded under this RFP will be eligible for spending on capital expenses only; this solicitation does not provide funding for ongoing shelter operations.

DOH expects to negotiate and execute a grant agreement with the selected awardee. Under the terms of such an agreement, awardee(s) will be required to do the following:

- a. Utilize granted funds to acquire the selected site and perform any necessary turnover or rehab. Please note that City residency, Illinois prevailing wage, and MBE/WBE requirements will apply to construction work if building rehab is funded with City funds.
- b. Relocate any long-term tenants of buildings acquired through this program in compliance with the Uniform Relocation Act (URA) where required. Applicants will be required to work with DOH to submit a relocation plan. (See below for additional information about the URA.)
 - o According to Federal regulations, relocation assistance must be provided to households who are either temporarily relocated or permanently displaced as a direct result of acquisition, rehabilitation, or demolition of housing units in connection with a project assisted with Federal program funds. Relocation assistance obligations provided by these federal regulations encompass all housing units where an occupant is required to move, including single-family structures. The objective of the Relocation Plan is to delineate the Owner's responsibilities for relocation and development activities in accordance with these Federal regulations and to define all assistance and benefits for which a household subject to temporary relocation or permanent displacement may be eligible. Although grants made available through this program are unlikely to include federal funding, URA compliance may be obligated based on city or departmental policy. Applicants will be required to work with DOH to submit a relocation plan for any displaced long-term residents.
- c. Operate a program for people experiencing homelessness in the space while maintaining the property in good condition.
- d. Meet standards imposed by various applicable City departments, including the Department of Buildings, Mayor's Office of People with Disabilities, DFSS, and DOH.

Upon closure of shelter and/or sale of building, DOH's intent is to retain the property as affordable housing. To achieve this goal, the awardee may be required to notify the City of shelter closure and/or

provide the City right of first refusal upon sale. Use restrictions may require the redevelopment of the property into permanent supportive housing or affordable housing. Permanent supportive housing (PSH) is defined as permanent housing in which housing assistance (e.g., long-term leasing or rental assistance) and supportive services are provided to assist households. PSH typically targets people who are experiencing homelessness or otherwise unstably housed, experience multiple barriers to housing, and are unable to maintain housing stability without supportive services. PSH is designed to prevent people from returning to or falling into homelessness. DOH reserves the right to determine any site conversions as PSH or affordable housing before site use changes take place. Any such requirements will be recorded against the title of the property.

Possible Properties

DOH prefers sites that will provide non-congregate shelter. A non-congregate shelter (NCS) is one or more buildings that provide private units or rooms as temporary shelter to individuals and families and does not require occupants to sign a lease or occupancy agreement. Specifically, buildings established under this program should ideally:

- provide each individual or family with a private room to sleep which includes adequate space and security for themselves and their belongings.
- have in-unit bathrooms & sanitary facilities that are in proper operating condition and are adequate for personal cleanliness and the disposal of human waste.
- be accessible to clients with disabilities, as determined by the Chicago Mayor's Office of People with Disabilities.
- provide residents access to communal space.

Buildings acquired through this program may be of any type. DOH favors the use of "California-style" motels (2-3 story, concrete slab construction buildings with external entrances to units from public terraces) due to the programmatic benefits of this design.

DOH and DFSS have scouted some potential sites prior to RFP launch and have identified multiple candidate buildings. These motels are California style buildings; have between 24 and 36 rooms; were built between 1950 and 1970; contain 2 floors; and have laundry space, storage space, and a parking lot with at least 10 spaces. None of these sites currently have communal spaces or any individual rooms that qualify as ADA-accessible. These sites were chosen as finalists based on the DFSS priorities including number of rooms, location, readiness for occupancy, ability to create communal spaces, ability to convert rooms for ADA accessibility, presence of parking, and availability of amenities.

DOH will consider other facilities, such as apartment buildings, single room occupancy buildings, medical facilities, converted commercial spaces, and/or other properties proposed to DOH by qualified applicants that fulfill the intentions for non-congregate shelter. In instances deemed necessary by the City—such as where substantial rehabilitation is needed to satisfy health and safety requirements, rehabilitation is determined by DOH to be infeasible, or the shelter's current occupancy arrangement (e.g. leasing or rental costs) is causing operators' substantial financial instability—grants made through this program may be used to acquire buildings that provide substantive improvements over existing conditions without fully meeting the definition of NCS described above. This is not a broker solicitation.

Eligible Respondents

This is a competitive process open to non-profit entities which currently operate one or more emergency or transitional homeless shelters within the City of Chicago. Shelter operators may own, rent, or otherwise legally occupy the shelter's present location.

Respondents who are current City delegates whose existing contract(s) with the City are not in good standing will not be considered. Agencies not eligible include those that have had a City contract terminated for default; are currently debarred and/or have been issued a final determination by a City, State or Federal agency for performance of a criminal act, abridgement of human rights or illegal/fraudulent practices.

Future rounds of this RFP may broaden or further restrict eligibility.

Selection criteria and evaluation process

Completed applications will be evaluated first for eligibility based on the requirements described in the "Eligible Respondents" section. Each eligible application will then be evaluated on the strengths of the application and their responsiveness to the following selection criteria:

1. **Mission alignment and shelter operations experience:** Applicants must demonstrate a substantive track record of effectively serving Chicagoans experiencing homelessness, including survivors of gender-based violence and people with behavioral health conditions; and an interest in continuing to serve this population in areas of the City with demonstrated need for shelter beds, including by owning, maintaining, and operating properties to be used as shelter. Applicants' mission should align with a trauma-informed, low-barrier approach to housing and healthcare (see the [Chicago Continuum of Care Community Standards](#) for more information).
2. **Need for new shelter space:** Applicants must demonstrate that they have a real and substantive need for a new space in which to operate. Due to the considerable need for improved shelter infrastructure across Chicago, DOH expects to only select awardees in this first round with critical/emergency need for new space due to conditions at the existing shelter that DOH deems cannot readily be resolved. Need may be demonstrated by physical attributes (e.g. state of disrepair), financial attributes (e.g. cost to occupy current space), or changing conditions (e.g. upcoming expiry of lease without option to renew).
3. **Readiness and capacity to own:** Applicants must demonstrate the financial and operational capacity to manage the obligations of building ownership in addition to the capacity to conduct ongoing shelter operations. Such obligations are likely to include building acquisition, application for special use permit (rezoning), performance of building turnover/preparation activities, performance of limited rehabilitation/repair activities, maintaining the building in a state of good repair without violation, and operating the property in good standing (including but not limited to compliance with City code, payment of all necessary taxes and utilities, securing insurance, and performing standard property management activities such as snow removal).
 - a. Applicants do not need to currently own property but must demonstrate the financial and operational capacity to do so. Such capacity may be evaluated by a review of financial statements, bank references, narrative responses, case study response, and/or other information included in the submitted application.

- b. Applicants may demonstrate operational capacity to purchase and maintain property by describing partnerships and/or other business arrangements with third parties that provide certain capabilities and/or expertise.
- c. If the applicant does own property, DOH reserves the right to consider the status of said property when evaluating this selection criteria.

DOH reserves the right to consult with other City departments during the evaluation process.

DOH will evaluate eligible applications based on the criteria described above. DOH will then select only a quantity of applications that reflects available funds and City staff's capacity to complete acquisition processes within a rapid (ideally 3-4 month) timeline. At the time of publication of this RFP, DOH expects to initially select two to three applicants from the first round. DOH reserves the right to later accept qualifying applications as additional staff capacity becomes available, and/or waitlist or deny otherwise-qualifying applicants.

Basis of Selection

DOH reserves the right to seek clarification of information submitted in response to this Application and/or to request additional information during the evaluation process and make site visits and/or require respondents to make an oral presentation or be interviewed by the review subcommittee, if necessary. Failure to submit a complete proposal and/or to respond fully to all requirements will cause the proposal to be deemed incomplete, and therefore subject to rejection.

The City is not expecting applicants to engage consultants, attorneys, or other external partners to complete this application, including development of responses to the case study section of this application. The City assumes no liability for costs incurred in responding to this RFP, or for costs incurred by the respondent in anticipation of a fully executed contract. Receipt of a final application nor selection under this RFP does not commit the department to award any grant or pay any costs incurred in the preparation of an application.

For further information about these and the other opportunities offered through the Department of Housing, please visit the DOH website: www.chicago.gov/city/en/depts/doh.html

Compliance with Laws, Statutes, Ordinances and Executive Orders

Grant awards will not be final until the City and the respondent have fully negotiated and executed a grant agreement. All payments under grant agreements are subject to annual appropriation and availability of funds. The City assumes no liability for costs incurred in responding to this RFP or for costs incurred by the respondent in anticipation of a grant agreement. As a condition of a grant award, respondents must comply with the following and with each provision of the grant agreement:

1. Conflict of Interest Clause: No member of the governing body of the City of Chicago or other unit of government and no other officer, employee, or agent of the City of Chicago or other government unit who exercises any functions or responsibilities in connection with the carrying out of the project shall have any personal interest, direct or indirect, in the grant agreement.

The respondent covenants that he/she presently has no interest, and shall not acquire any interest, direct, or indirect, in the project to which the grant agreement pertains which would

conflict in any manner or degree with the performance of his/her work hereunder. The respondent further covenants that in the performance of the grant agreement no person having any such interest shall be employed.

2. Governmental Ethics Ordinance, Chapter 2-156: All respondents agree to comply with the Governmental Ethics Ordinance, Chapter 2-156 which includes the following provisions: a) a representation by the respondent that he/she has not procured the grant agreement in violation of this order; and b) a provision that any grant agreement which the respondent has negotiated, entered into, or performed in violation of any of the provisions of this Ordinance shall be voidable by the City.
3. Selected respondents shall establish procedures and policies to promote a Drug-free Workplace. The selected respondent shall notify employees of its policy for maintaining a drug-free workplace, and the penalties that may be imposed for drug abuse violations occurring in the workplace. The selected respondent shall notify the City if any of its employees are convicted of a criminal offense in the workplace no later than ten days after such conviction.
4. Business Relationships with Elected Officials - Pursuant to Section 2-156-030(b) of the Municipal Code of Chicago, as amended (the "**Municipal Code**") it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected official has a business relationship, or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a business relationship. **Violation of Section 2-156-030(b) by any elected official with respect to the grant agreement shall be grounds for termination of the grant agreement.** The term business relationship is defined as set forth in Section 2-156-080 of the Municipal Code.

Section 2-156-080 defines a "business relationship" as any contractual or other private business dealing of an official, or his or her spouse or domestic partner, or of any entity in which an official or his or her spouse or domestic partner has a financial interest, with a person or entity which entitles an official to compensation or payment in the amount of \$2,500 or more in a calendar year; provided, however, a financial interest shall not include: (i) any ownership through purchase at fair market value or inheritance of less than one percent of the share of a corporation, or any corporate subsidiary, parent or affiliate thereof, regardless of the value of or dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended; (ii) the authorized compensation paid to an official or employee for his office or employment; (iii) any economic benefit provided equally to all residents of the City; (iv) a time or demand deposit in a financial institution; or (v) an endowment or insurance policy or annuity contract purchased from an insurance company. A "contractual or other private business dealing" shall not include any employment relationship of an official's spouse or domestic partner with an entity when such spouse or domestic partner has no discretion concerning or input relating to the relationship between that entity and the City.

5. Compliance with Federal, State of Illinois and City of Chicago regulations, ordinances, policies, procedures, rules, executive orders and requirements, including Disclosure of Ownership Interests Ordinance (Chapter 2-154 of the Municipal Code); the State of Illinois - Certification

Affidavit Statute (Illinois Criminal Code); State Tax Delinquencies (65ILCS 5/11-42.1-1); Governmental Ethics Ordinance (Chapter 2-156 of the Municipal Code); Office of the Inspector General Ordinance (Chapter 2-56 of the Municipal Code); Child Support Arrearage Ordinance (Section 2-92-380 of the Municipal Code); and Landscape Ordinance (Chapters 32 and 194A of the Municipal Code).

6. If selected for grant award, respondents are required to (a) execute the Economic Disclosure Statement and Affidavit, and (b) indemnify the City as described in the grant agreement between the City and the successful respondents.
7. **Prohibition on Certain Contributions, Mayoral Executive Order 2011-4.** Neither you nor any person or entity who directly or indirectly has an ownership or beneficial interest in you of more than 7.5% ("**Owners**"), spouses and domestic partners of such Owners, your Subcontractors, any person or entity who directly or indirectly has an ownership or beneficial interest in any Subcontractor of more than 7.5% ("**Sub-owners**") and spouses and domestic partners of such Sub-owners (you and all the other preceding classes of persons and entities are together, the "**Identified Parties**"), shall make a contribution of any amount to the Mayor of the City of Chicago (the "**Mayor**") or to his political fundraising committee during (i) the bid or other solicitation process for the grant agreement or Other Contract, including while the grant agreement or Other Contract is executory, (ii) the term of the grant agreement or any Other Contract between City and you, and/or (iii) any period in which an extension of the grant agreement or Other Contract with the City is being sought or negotiated.

You represent and warrant that since the date of public advertisement of the specification, request for qualifications, request for proposals or request for information (or any combination of those requests) or, if not competitively procured, from the date the City approached you or the date you approached the City, as applicable, regarding the formulation of the grant agreement, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

You shall not: (a) coerce, compel or intimidate your employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (b) reimburse your employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee; or (c) bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

The Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 2011-4 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 2011-4.

Violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 2011-4 constitutes a breach and default under the grant agreement, and under any Other Contract for which no opportunity to cure will be granted. Such breach and default entitles the City to all remedies (including without limitation termination for default) under the grant agreement, under any Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

If you violate this provision or Mayoral Executive Order No. 2011-4 prior to award of the Agreement resulting from this specification, the Commissioner may reject your bid.

For purposes of this provision:

"Other Contract" means any agreement entered into between you and the City that is (i) formed under the authority of Municipal Code Ch. 2-92; (ii) for the purchase, sale or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved and/or authorized by the City Council.

"Contribution" means a "political contribution" as defined in Municipal Code Ch. 2-156, as amended.

"Political fundraising committee" means a "political fundraising committee" as defined in Municipal Code Ch. 2-156, as amended.

8. (a) The City is subject to the June 24, 2011 "City of Chicago Hiring Plan" (the "2011 City Hiring Plan") entered in *Shakman v. Democratic Organization of Cook County*, Case No 69 C 2145 (United States District Court for the Northern District of Illinois). Among other things, the 2011 City Hiring Plan prohibits the City from hiring persons as governmental employees in non-exempt positions on the basis of political reasons or factors.

(b) You are aware that City policy prohibits City employees from directing any individual to apply for a position with you, either as an employee or as a subcontractor, and from directing you to hire an individual as an employee or as a subcontractor. Accordingly, you must follow your own hiring and contracting procedures, without being influenced by City employees. Any and all personnel provided by you under the grant agreement are employees or subcontractors of you, not employees of the City of Chicago. The grant agreement is not intended to and does not constitute, create, give rise to, or otherwise recognize an employer-employee relationship of any kind between the City and any personnel provided by you.

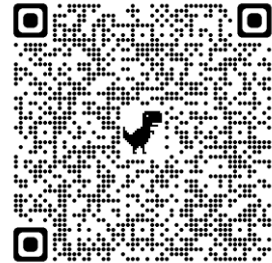
(c) You will not condition, base, or knowingly prejudice or affect any term or aspect of the employment of any personnel provided under the grant agreement, or offer employment to any individual to provide services under the grant agreement, based upon or because of any political reason or factor, including, without limitation, any individual's political affiliation, membership in a political organization or party, political support or activity, political financial contributions, promises of such political support, activity or financial contributions, or such individual's political sponsorship or recommendation. For purposes of the grant agreement, a political organization or party is an identifiable group or entity that has as its primary purpose the support of or opposition to candidates for elected public office. Individual political activities are the activities of individual persons in support of or in opposition to political organizations or parties or candidates for elected public office.

(d) In the event of any communication to you by a City employee or City official in violation of paragraph (b) above, or advocating a violation of paragraph (c) above, you will, as soon as is reasonably practicable, report such communication to the Hiring Oversight Section of the City's Office of the Inspector General ("IGO Hiring Oversight"), and also to the head of the Department. You will also cooperate with any inquiries by IGO Hiring Oversight related to this Agreement.

How to apply

The RFP application contains 9 sections:

- I. Primary Contact Information
- II. Organization Information
- III. Applicant Type
- IV. Shelter Operations Experience
- V. Mission Alignment
- VI. Need for Non-Congregate Shelter Space
- VII. Readiness and Capacity to Own
- VIII. Case Study
- IX. Application Certification



The Department of Housing will only accept responses to this RFP via Submittable, an online application platform. To access the online application, please click [here](#) or scan the QR code above. Users may save partial application work as a draft within Submittable and return to it later.

This RFP will be open for 21 days and will close on **Monday, October 17th, 2022**. No applications submitted after 11:59 PM On October 17th will be reviewed.

Substantive technical assistance will only be provided at the pre-bid information session on **Monday, October 3rd at 11:00am CT**. [Register here](#). If you have questions about or difficulty operating the Submittable online application platform, please send an email to shelteracquisition@cityofchicago.org.