

# Michigan Recovery Housing Program Annual Plan

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i. Standard Form 424 and 424D

Please see the SF 424 and 424D attached to this plan.

ii. **Program Summary**

The Recovery Housing Program (RHP) authorizes assistance to grantees (states and the District of Columbia) to provide stable, temporary housing to individuals in recovery from a substance use disorder. The RHP aims to support individuals in recovery on a path to self-sufficiency and independent living. The assistance is limited, per individual, to a period of not more than 2 years or until the individual secures permanent housing, whichever is earlier.

The goal for the Michigan State Housing Development Authority (MSHDA) RHP funds is to help increase overall effectiveness of Michigan’s existing recovery residencies by expanding the availability of temporary housing support to individuals in recovery from substance use disorders while they continue to receive critical services. The RHP will partner with all available behavioral health and substance use treatment resources and it will be measured by the volume of services to individuals in recovery, successful maintenance of sobriety, and successful exits to permanent housing.

iii. **Resources**

**Amount of Funds**

|  |                    |
|--|--------------------|
| Michigan's 2020 RHP Allocation                       | \$ 899,000         |
| Michigan's 2021 RHP Allocation                       | \$ 879,048         |
| <b>Less Technical Assistance Costs (3% of Total)</b> | <b>\$ (53,341)</b> |
| Total Amount for Distribution                        | \$ 1,724,707       |

MSHDA’s Recovery Housing Program (RHP) will have significant support from multiple partners with the ability to leverage other sources of funding which include:

Substance Abuse and Mental Health Services Administration (SAMHSA), State Opioid Response (SOR), Michigan Association of Recovery Residencies (MARR), and the Substance Abuse Block Grant. RHP participants will also be supported to access Continuum of Care resources and programs for which they are eligible. These include but are not limited to Emergency Solutions Grant (ESG), HUD Continuum of Care (CoC) Program, Housing Opportunities for Persons with AIDS (HOPWA), HUD Veterans Affairs Supportive Housing (VASH), Housing Choice Vouchers (HCV), Project Based Vouchers (PBV), and Offender Success. MSHDA is invested in growing the number of related funding opportunities throughout the duration of this Program to further the overall effectiveness of existing programs. The Recovery Housing Program will consider additional prioritization for project applicants operating in Opportunity Zones to leverage the available tax benefits aimed at economic growth and jobs in areas of current distress in Michigan.

iv. **Administration Summary**

MSHDA will act as a pass-through for the Recovery Housing Program funds and will provide three (3) staff for grant management and program oversight. The Program is housed through the Rental Assistance and Homeless Solutions division of MSHDA. Christina Soulard is the Homeless Solutions Program Manager and will supervise the Program’s grant management staff. Nicole Beagle is a Homeless Assistance Specialist and will act as lead for this Program, including communication with subrecipients, review and approval of submitted financial requests, and completion of required performance reports. She will also attend all HUD sponsored webinars and trainings pertaining to the Recovery Housing Program, providing updates to subrecipients for any HUD required or recommended program practices. Jack Ho is the Data and Monitoring Analyst and will complete risk assessments and monitoring activities with each subrecipient.

Agency: Michigan State Housing Development Authority  
Address: 735 East Michigan Avenue  
City, State & Zip: Lansing, Michigan 48909

Phone number:

Website: [mshda.gov](http://mshda.gov)

## v. Use of Funds

### A. Eligible Activities

- i. **Lease, rent, and utilities.** HUD is waiving and modifying 42 U.S.C. 5305(a)(8), 24 CFR 570.207(b)(4), 24 CFR 570.201(e), and 24 CFR 570.482(c)(2) to the extent necessary to permit RHP funds to be used to make payments for lease, rent, utilities, and associated costs (e.g. fees), for the purpose of providing stable, temporary housing, on behalf of an individual in recovery from a substance use disorder in accordance with Section 8071 and this notice. Under this waiver and alternative requirement, such payments are not limited to 15 percent of the RHP grant, and individual may be assisted for up to 2 years or until the assisted individual find permanent housing, whichever is earlier. These payments may not be made directly to an individual. These payments may not have been previously paid from other sources; and the payments must result in either a new service and/or a quantifiable increase in the level of an existing service above that which has been provided in the 12 calendar months prior to approval of the RHP Action Plan. For example, a subrecipient currently operating a recovery group home may use RHP funds to rent an additional house and increase the number of persons served. In which case, the rent and utility costs of the additional house may be paid with RHP funds; however, the rent and utilities of the original house would not be an eligible cost under the RHP program. In this example, an individual may only stay in the temporary housing assisted by RHP for a period of up to 2 years or until the individual finds permanent housing, whichever is earlier.

## **B. Awards to Communities by Method of Distribution**

- i. MSHDA will utilize a Notice of Funding Availability (NOFA) to solicit eligible applicants and outline the Recovery Housing Program expectations and eligible costs. The NOFA will also define applicant eligibility and factors considered for prioritized distribution of funding.

## **C. Activities Carried Out Directly**

- i. MSHDA will secure and provide relevant technical assistance for all RHP subrecipients, utilizing up to 3% of all funding allocated for eligible costs.

## **D. Eligible Subrecipients**

- i. Eligible subrecipients of Recovery Housing Program funds will include public or private nonprofit agencies. Any eligible applicant must hold a MARR Certification (Michigan Association of Recovery Residencies).
- ii. Eligible applicants must demonstrate unmet need, relevant experience with temporary housing, any prior performance with temporary housing, and the existing or planned capacity to expand the current operational model.
- iii. Public and private nonprofit organizations in all geographic areas within the state of Michigan, including CDBG entitlement areas.
- iv. Public and private nonprofit organizations must be exempt from taxation under subtitle C of section 501(c), have an accounting system, a voluntary board, actively engaged in recovery housing efforts in Michigan or previously engaged in recovery housing efforts in Michigan, and practice nondiscrimination in the provision of assistance. Assistance may be provided to primarily religious organizations that agree to provide all eligible activities in a manner that is free from religious influence.

## **E. Criteria for Evaluation of Applications and Applicants**

**i. Entities with the Greatest Need**

1. The project must substantiate and address a need that is significant to the needs of the community. Entities with the greatest need and entities with the ability to deliver effective assistance in a timely manner will receive high priority. Additionally, priority will be given to eligible applicants who provide relevant data to support the need for expansion of existing models.

**ii. Entities with the Ability to Deliver Effective Assistance in a Timely Manner**

1. Priority will be given to eligible applicants with prior experience with federal awards and/or collaboration with other federal programs, the ability to secure necessary service funding to support model expansion, and other relevant performance measures.
2. The project must substantiate that RHP funding is necessary to meet the identified need(s); the impact of RHP dollars is maximized and the use of RHP funds is reasonable when compared with other funding sources. MSHDA will determine whether all other feasible public and private funding sources have been analyzed and/or applied to the project. In order to assure that funds are committed, funding commitments from public/private funding sources shall be included in the application. The commitments may be contingent on RHP funding.
3. The project must substantiate that project accomplishments would be significant given the need, amount of funds requested, local effort and program design.
4. The project should maximize and leverage the federal and non-federal assistance related to substance abuse, homelessness and at-risk of homelessness, unemployment, and other similar services.
5. Projects must meet the greatest need and ability to deliver effective assistance in a timely manner.

## vi. Definitions

### A. Individual in Recovery

- i. Persons involved in a process of change in which individuals improve their health and wellness, live a self-directed life and strive to reach their full potential. There are four dimensions that support a life in recovery include:
  1. **Health:** Managing one's disease (substance use disorders) and making informed and healthy choices that support physical and emotional well being
  2. **Home:** A stable place to live
  3. **Purpose:** Meaningful activity include employment, school, or volunteering, family caregiving, income, and meaningful participation in communities and society
  4. **Community:** Forming relationships that and formal networks that provide support, friendship, love and hope (*Source: Substance Abuse and Mental Health Services Administration – SAMHSA*)

### B. Substance Use Disorder

- i. The persistent use of drugs including alcohol despite substantial harm and adverse consequences. Substance Use Disorders are characterized by an array of mental, emotional, physical and behavioral problems including the inability to stop consuming the substances despite repeated attempts and physiological withdrawal symptoms. Drug classes that are involved in substance use disorders include opioids, cannabis, stimulants, sedative, hallucinogens, inhalants, alcohol, tobacco, and other unknown substances. (*Source: Diagnostic and Statistical Manual of Mental Disorders [DSM-5], SAMHSA, National Institute on Drug Abuse*)



## vii. Anticipated Outcomes and Expenditure Plan

### A. Expenditures

MSHDA will award and monitor funding via the MATT 2.0 online grant management system. Subrecipients will be allowed to seek advances as needed to ensure expenditure of 30% of funds within the first year and full expenditure before the end of the performance period. MSHDA will limit all awards to no more than 5% for administration costs and no more than 3% for Technical Assistance. The remaining balance of funds will be used for costs related to temporary housing (leasing, rental, and utilities). Subrecipients will submit costs for review and approval to ensure that expenditures align with eligible costs and that costs do not exceed established caps.

### B. Outcomes

MSHDA's Recovery Housing Program will provide temporary housing to at least 50 individuals within the first year of funding and will serve at least 150 individuals by the end of the performance period. Based on national studies, recovery residencies have a 50-60% success rate for individuals maintaining sobriety, measured 60 days after successful discharge. In light of this metric, MSHDA is setting an initial goal of 65% success rates in both sobriety and exits to permanent housing for individuals served by the Recovery Housing Program. This goal will be reevaluated annually.

## viii. Citizen Participation Summary

### A. Public Hearing

As instructed by HUD in writing, the State will hold a public hearing to solicit residents' views on actions, activities, and programs to be funded with federal program funds. During the public hearing, the State will address housing and community development needs, development of proposed activities, the amount of assistance the State expects to receive (including grant funds and program income),

the range of activities that may be undertaken, including the estimated amount that will benefit low- and moderate-income residents, a review of program performance, the dates of the public display and comment period; the locations where copies of the draft RHP Plan can be examined; and, how comments will be accepted.

**B. Public Display and Comment Period**

The draft RHP Plan will be placed on display for a period of no less than 30 days, or no less than a time period specified by HUD in writing, to encourage public review and comment. The public notice shall include a brief summary of the RHP Plan, the anticipated amounts of funding (including program income, if any), the dates of the public display and comment period, the locations where copies of the draft RHP Plan can be examined, how comments will be accepted, when the document will be approved by the State, and the anticipated submission date to HUD.

**C. Comments Received on the Draft RHP Action Plan**

Written comments will be accepted by the Contact Person, or a designee, during the 30-day public display and comment period. The State will consider any comments or views of State residents received in writing, or orally at the public hearing, in preparing the final RHP Plan. A summary of these comments or views, and a summary of any comments or views not accepted and the reasons why, will be attached to the final RHP Plan for submission to HUD.

**D. Submission to HUD**

The RHP Plan will be submitted to HUD via DRGR.

ix. **Partner Coordination**

MSHDA is currently working with several MDHHS partners to coordinate the Recovery Housing Program funds.

- Lawrence P. Scott, Ed.S.: Mr. Scott currently serves as the Director for the Office of Recovery Oriented Systems of Care, Michigan Department of Health and Human Services, and has over 30 years of experience in substance abuse services as a training and certification coordinator; communicable disease prevention coordinator; coordinator of HIV/AIDS Regional Training Centers; surveillance and research analyst; and State Opioid Treatment Authority.
- Jeffery L. Wieferich MA, LLP: Mr. Wieferich currently serves as the Bureau Director for Community Based Services in the Behavioral Health and Developmental Disabilities Administration, in the Michigan Department of Health and Human Services. He has over 30 years of experience working in the behavioral health field in both the public and private sector. He has provided direct community-based services, managed inpatient psychiatric programs, and has developed programs and improved service delivery models. Over the last 15 years, his focus has been focused on policy development and service delivery within the behavioral health administration for the state of Michigan.
- Belinda Hawks, MPA: Ms. Hawks is the Director for the Quality Management and Planning Division within the Behavioral Health and Developmental Disabilities Administration of the Michigan Department of Health and Human Services. Belinda has over 30 years of experience in behavioral health services as a provider of residential services; an administrator of community mental health services; and manager of Federal Compliance for Medicaid Behavioral Health Specialty Services.

MSHDA administers the non-entitlement allocation of the Emergency Solutions Grant (ESG) funding, serves as the state's largest Public Housing Authority, and distributes the Low Income Housing Tax Credits (LIHTC) statewide. This positions MSHDA for regular and strategic engagement with all of Michigan's Continuums of Care (CoCs). Additionally, MSHDA is a consistent partner with HUD Veterans Affairs Supportive

Housing (VASH) programs and the Housing Opportunities for Persons with AIDS (HOPWA) program.

x. **Subrecipient Management and Monitoring**

MSHDA will manage and monitor the Recovery Housing Program and its subrecipients via the MATT 2.0 online grant management system. Subrecipients will submit Financial Status Reports, including requests for reimbursement, advances, and documentation for all expenditures. MSHDA will complete additional monitoring of subrecipients through annual risk assessments based on agency spending patterns and program compliance, as well as through the administration of two desk or on-site monitoring visits within the first year of the program. Pending the annual risk assessment and subrecipient performance, subsequent monitoring visits may move to once a year.

xi. **Pre-award/Pre-Agreement Costs**

MSHDA will not seek or approve any pre-award or pre-agreement costs.

xii. **Certifications**

**Each grantee must make the following certifications with its RHP Action Plan:**

(1) The grantee certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan in connection with any activity assisted with funding under the RHP program. The grantee certifies that it will comply with the residential anti-displacement and relocation assistance plan, relocation assistance, and one-for-one replacement housing requirements of section 104(d) of the Housing and Community Development Act of 1974, as amended (42 USC § 5304(d)) and implementing regulations at 24 CFR part 42, as applicable, except where waivers or alternative requirements are provided.

- (2) The grantee certifies its compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by part 87.
- (3) The grantee certifies that the RHP Action Plan is authorized under state and local law (as applicable) and that the grantee, and any entity or entities designated by the grantee, and any contractor, subrecipient, or designated public agency carrying out an activity with RHP funds, possess(es) the legal authority to carry out the program for which it is seeking funding, in accordance with applicable HUD regulations and the grant requirements. The grantee certifies that activities to be undertaken with RHP funds are consistent with its RHP Action Plan.
- (4) The grantee certifies that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601 et seq.), and implementing regulations at 49 CFR part 24, except where waivers or alternative requirements are provided.
- (5) The grantee certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135.
- (6) The grantee certifies that it is following a citizen participation plan adopted pursuant to 24 CFR 91.115 or 91.105 (as imposed in notices for its RHP grant). Also, each unit of general local government receiving RHP assistance from a state must comply with the citizen participation requirements of 24 CFR 570.486(a)(1) through (a)(7) for proposed and actual uses of RHP funding (except as provided in Federal Register notices providing waivers and alternative requirements for the use of RHP funds).
- (7) The grantee certifies that it is complying with each of the following criteria: (1) funds will be used solely for allowable activities to provide individuals in recovery from a substance use disorder stable, temporary housing for a period of not more than 2 years or until the individual secures permanent housing, whichever is earlier; (2) with respect to activities expected to be assisted with RHP funds, the RHP Action Plan has been developed so as to give the maximum feasible priority to activities that will benefit low- and moderate-income individuals and families; (3) the aggregate use of RHP funds shall principally benefit low- and moderate-income families in a manner that ensures the grant amount is expended for activities that benefit such persons; and (4) the grantee will not

attempt to recover any capital costs of public improvements assisted with RHP grant funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless: (a) RHP grant funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than RHP; or (b) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, the grantee certifies to the Secretary that it lacks sufficient RHP funds (in any form, including program income) to comply with the requirements of clause (a).

(8) The grantee certifies that the grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations, and that it will affirmatively further fair housing.

(9) The grantee certifies that it has adopted and is enforcing the following policies, and, in addition, must certify that it will require local governments that receive grant funds to certify that they have adopted and are enforcing: (1) a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and (2) a policy of enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.

(10) The grantee certifies that the grant will be conducted and administered in conformity with the requirements of the Religious Freedom Restoration Act (42 U.S.C. 2000bb) and 24 CFR 5.109, allowing the full and fair participation of faith-based entities.

(11) The grantee certifies that it (and any subrecipient or administering entity) currently has or will develop and maintain the capacity to carry out RHP eligible activities in a timely manner and that the grantee has reviewed the requirements of the grant.

(12) The grantee certifies that its activities concerning lead-based paint will comply with the requirements of HUD's lead-based paint rules (Lead Disclosure; and Lead Safe Housing (24 CFR part 35)), and EPA's lead-based paint rules (e.g., Repair, Renovation

and Painting; Pre-Renovation Education; and Lead Training and Certification (40 CFR part 745)).

(13) The grantee certifies that it will comply with environmental review procedures and requirements at 24 CFR part 58.

(14) The grantee certifies that it will comply with applicable laws.