



Recovery Housing Investment Program RFP Review

Monday, June 10, 2024
3-4pm



Recovery Housing Investment Program (RHIP) FY 2024 Funding

Grant Start: September 1, 2024

June 3, 2024

RFP document posted on RHIP website at [Recovery Housing Investment Program \(RHIP\) \(michigan.gov\)](https://www.michigan.gov/recoveryhousing)

July 26, 2024
No later than
5 p.m.

Proposal documents due to SharePoint site

September 1, 2024

Program start date

RHIP Overview

- Expand access to recovery housing for people with Opioid Use Disorder (OUD) and any co-occurring substance use disorder (SUD) or mental health condition(s).
- Structured as forgivable loans (grants) to purchase or lease single family homes or small multifamily properties for use as recovery housing.
- Down payment, leasing costs, furnishings and improvements, operating expenses, and administration.
- Grant term begins September 1, 2024.

Target Areas & Prioritization

Awards for the Recovery Housing Investment Program (RHIP) will be prioritized in the 24 counties identified by Michigan Department of Health and Human Services (MDHHS) as the most in need.

Bay County	Jackson County	Roscommon County
Berrien County*	Kalamazoo County	Saginaw County*
Calhoun County*	Kent County	Sanilac County
Chippewa County	Lenawee County	St. Clair County
Clare County*	Macomb County*	St. Joseph County
Genesee County*	Manistee County	Van Buren County*
Ingham County*	Mason County	Wayne County*
Iosco County	Muskegon County*	Wexford County

Goals of RHIP

- To expand access to recovery housing for people with Opioid Use Disorder (OUD) and any co-occurring substance use disorder (SUD) or mental health condition(s).
- Increase the number of recovery housing beds statewide.
- Support individuals with SUD to achieve and maintain sobriety, exiting programs to permanent housing.

Eligible Applicants

- A 501(c)3 nonprofit agency, limited liability corporation (LLC), local unit of government, or federal entity, that operate its principal place of business in the State of Michigan; OR a federally-recognized Michigan tribe, a group of federally recognized Michigan tribes, or an Urban Indian Health Clinic (ITU) program.
- Currently certified by *either* the Commission on Accreditation of Rehabilitation Facilities (CARF) and/or the Michigan Association of Recovery Residences (MARR).

Proposal Design

- Subsidies to assist with purchasing recovery homes and subsidies to lease properties to be used as recovery homes.
- Potential funding awards based on the number of properties purchased or leased, the bedroom size of each property, and the level of MARR certification.

Funding Award

Eighty percent (80%) of the \$2.5 million in total awards will be reserved for 24 identified counties (\$2 million) and 20% will be available for all other Michigan counties (\$500,000).

Awards may support up to six (6) properties per applicant. To support geographic dispersion of funds, the maximum amount awarded within any single county is capped at \$500,000.

- **Example:** Applicant X wants to subsidize property purchases in County 1 and Applicant Y wants to subsidize property leases in County 1 and County 2. Each applicant can be awarded funds but the total allocation to County 1 will not exceed \$500,000.

Funding Award cont.

Proposals from eligible applicants must ensure that increases to the number of recovery beds do not exceed 25% of the number of current recovery beds under management if greater than twenty (20). For applicants that have fewer than ten (10) recovery beds currently under management, increases cannot exceed 50%.

- **Example:** Applicant X currently has 40 recovery beds under management, so the submitted proposal would be limited to 10 recovery beds funded within this RFP.
- **Example:** Applicant Y currently has eight (8) recovery beds under management, so the submitted proposal would be limited to four (4) recovery beds funded within this RFP.

Purchasing Example:

- Subsidy amounts for MARR Level 1 or 2
 - \$60,000 at time of closing for 3-bedroom property
 - \$70,000 at time of closing for 4- or 5-bedroom property
 - \$80,000 at time of closing for 6+ bedroom property
- An extra \$15,000 will be awarded for each property with MARR Level 3 certification

Purchasing cont.

- At least 40% of the total award (based on number of properties, bedroom size, and MARR level of certification) must be applied to the down payment at closing
- Up to 40% of the total award can be applied to furnishings and any necessary remodeling/repairs
- Up to 20% of the total award can be applied to operating expenses
- No more than 5% of the total award can be applied to administrative costs

Purchasing cont.

- Properties must be purchased within six (6) months of award notification. A two-month extension may be provided for good cause at MSHDA's discretion.
- All funds will be distributed in the first year of the award. Any funds awarded for repairs, furnishings, operating expenses, or administrative costs must be requested on a reimbursement basis.

RHIP: Eligible Components

Housing Purchase Subsidies	
Down Payment Assistance	At least 40% of awarded funds must be allocated to the total down payment applied toward housing purchase.
Furnishings and Improvements	Up to 40% of awarded funds may be allocated for purchase and installation of recovery housing furnishings and any necessary remodeling or repairs.
Operating Expenses	Up to 20% of awarded funds may be allocated for operating expenses, including property taxes, home insurance, on-going maintenance/repairs, and utilities.
Administrative Costs	No more than 5% of awarded funds may be allocated for administrative costs.

Leasing Example:

- Subsidy amount for MARR level 1 or 2
 - \$35,000 at time of lease execution for 3-bedroom property
 - \$40,000 at time of lease execution for 4- or 5-bedroom property
 - \$45,000 at time of lease execution for 6+ bedroom property
- An extra \$10,000 will be awarded for each property with MARR Level 3 certification

Leasing cont.

- At least 65% of the total award (based on number of properties, bedroom size, and MARR level of certification) must be applied to leasing costs or other operating expenses while the recovery housing is occupied.
- Up to 35% of the total award can be applied to furnishings or minor repairs.
- No more than 5% of the total award can be applied to administrative costs.

Leasing cont.

- Award is contingent upon a 5-year lease agreement.
- Properties must be leased within six (6) months of award notification. A two-month extension may be provided for good cause at MSHDA's discretion.
- All funds will be distributed in the first year of the award. Any funds awarded for repairs, furnishings, operating expenses, or administrative costs must be requested on a reimbursement basis.

RHIP: Eligible Components

Housing Lease Subsidies	
Leasing Costs and Operating Expenses	At least 65% of awarded funds must be allocated to leasing costs and/or operating expenses of the recovery housing while it is occupied. Operating expenses include renter insurance, on-going maintenance/repairs, and utilities.
Furnishings and Improvements	Up to 35% of awarded funds may be allocated for recovery housing furnishings and any necessary remodeling or repairs.
Administrative Costs	No more than 5% of awarded funds may be allocated for administrative costs.

RHIP Outcomes

- Income: Tenants served at or below 50% AMI (Area Median Income)
 - Tenants served above 50% AMI
- Exit Destinations: Move in/move out dates, reason for departure, and exit destination
- Aggregate tenant demographic information

Compliance

- Purchased properties must operate as recovery housing only and cannot be sold or used for any other purposes until the restricted use period is fulfilled.
- Awarded applicants are required to utilize Recovery Capital (“REC-CAP”) to capture recovery capital data for their tenants.

Compliance: Purchase

- Forgivable loan with a 10-year restricted use period as recovery housing
 - 1/10 (10%) of the loan is forgiven annually, contingent on maintained accreditation from MARR and CARF
- Annual report submitted to MSHDA

Compliance: Lease

- Forgivable loan with a 5-year restricted use period as recovery housing
 - 1/5 (20%) of the loan is forgiven annually, contingent on maintained accreditation from MARR and CARF, and RHIP program compliance.

Compliance: Lease

- If owner of the property elects not to renew the lease with the grantee before the end of the 5-year restricted period, the awarded applicant must locate a suitable replacement property that maintains the same number of beds served to avoid any recapture of funds.

Funding Prioritization

- MARR/CARF Certification
- Demonstrated need within its jurisdiction (geographic area).
- Proposed RHIP Design
- Proof of Experience
- Target Population
- DEI Assessment
- Letters of Support (optional)

Timeline

June 3, 2024	RFP Released
July 26, 2024 (No later than 5 p.m.)	Application due to SharePoint
August 16, 2024	Approved grantees are notified by MSHDA that they have been selected. (No funds can be incurred until the grant has been signed by the grantee and MSHDA.)
September 1, 2024	Program start date

Resources & Contact Information

- BeagleN1@michigan.gov
- [MDHHS's Michigan Overdose Data Action Dashboard](#)
- [Housing First in Permanent Supportive Housing Brief \(hudexchange.info\)](http://hudexchange.info)



THANK YOU