

Program Overview:

Q: What is the Recovery Housing Program (RHP), and where can I find more information on program requirements?

A: The RHP is a component of the SUPPORT for Patients and Communities Act of 2018, which the U.S. Department of Housing and Urban Development (HUD) is administering as Community Development Block Grant (CDBG) funds. On July 21, 2021, HUD issued an RHP Notice of Waivers and Alternative Requirements in the Federal Register at FR-6225-N-01 summarizing how the CDBG program is modified for RHP. Additional guidance is available at the [HUD Exchange website](#) and additional links are provided at the end of this document.

Q: If the grant term is technically 18 months, how can a participant receive rent assistance for up to two years?

A: Based on previously awarded projects, MSHDA anticipates this project will be awarded annually by HUD. Participants can be served for up to two years, provided that successful applicants under MSHDA's Notice of Funding Availability (NOFA) are awarded in future funding rounds and that MSHDA is awarded subsequent funding from HUD.

Q: The Housing First approach typically removes any barriers to housing, including requirements around sobriety, drug use, substance use disorder treatment, etc. How does Housing First work in a recovery housing model, especially where the housing is expected to be drug free and participants are engaged in recovery?

A: Recovery housing is not in conflict with Housing First as long as entry into the recovery program is based on the choice of the program participant. For example, while a recovery housing program may generally have low barriers to entry, programs can limit entry to persons who are not currently using drugs or alcohol and are committed to living in a housing setting with peers who are committed to abstinence and have chosen the program and its design. The key is that the program participant has sought out this type of program as their preferred choice for supporting their personal commitment to their sobriety and holistic recovery. More information regarding this topic and other best practices in recovery housing can be found in [HUD's Recovery Housing Policy Brief](#).

Applicant Eligibility:

Q: Can for-profit agencies/programs apply for this funding?

A: Per the HUD RHP Notice, public, private non-profit, and tribal entities can apply. For-profit entities can only be considered via contract procurement, which MSHDA is not pursuing at this time. Therefore, for-profit entities are not eligible to apply as subrecipients under the NOFA.

Q: Can the organization be in the process of seeking MARR (Michigan Association of Recovery Residencies) certification or must the house already be MARR certified?

A: Except for tribal entities, recovery housing providers must provide evidence of an active MARR certification on or before June 1, 2024, to receive RHP funds.

Q: Do tribal entities have to be MARR certified to apply?

A: Tribal entities that are not currently certified must show proof of MARR certification by the grant start date of June 1, 2024.

Q: Do you have to be an existing recovery housing program to apply?

A: Any agency that meets the eligibility requirements for this program is welcome to apply. Applicants will not be disqualified for limited recovery housing experience; however, the application may score less competitively.

Q: Do we have to submit a federal single audit to apply?

A: If your agency receives more than \$750,000 annually in federal funds, you must submit a completed single audit for the most recently completed fiscal year. If your agency receives less than \$750,000 in federal funds annually, you can submit your agency's financial statements reviewed by a certified public accountant (CPA) or equivalent.

Q: Can a fiduciary agency (option one) serve for more than one recovery housing program?

A: Agencies can apply as the fiduciary for more than one recovery housing project, but applications will be reviewed to ensure geographic dispersion of funds. It is strongly recommended that applicants consider the coverage area of the proposed project when choosing partner agencies.

Q: If we choose to be the fiduciary (option one), do we need to work with a recovery housing provider?

A: Yes, the fiduciary agency acts as a pass-through and must contract with a recovery housing provider.

Q: For option one, who fills out the application? Is it the fiduciary, the recovery housing provider, or both?

A: While the application should be developed in collaboration between the fiduciary and the recovery housing provider, the application must be submitted by the fiduciary.

Q: If the application is completed with a fiduciary (option one), does the fiduciary need to be MARR certified or does the recovery housing provider need MARR certification?

A: Except for tribal entities, recovery housing providers must provide evidence of an active MARR certification on or before June 1, 2024, to receive RHP funds. The fiduciary agency is not required to be MARR certified if it is not providing recovery services.

Q: Can emergency shelters apply for the RHP funding for the purpose of adding recovery beds?

A: Applicants must demonstrate how their proposed project will expand the availability of recovery housing while meeting program requirements and ensuring provision of recovery services. This includes MARR certification (as applicable) and identified/secured funding for the recovery services.

Eligible Costs:

Q: Can we use this funding to pay for mortgage or lease-to-own payments on the home the program is administered from?

A: MSHDA RHP funding cannot be used for purchasing properties, such as mortgage costs, land contract payments, or lease-to-own. RHP funding can be used to pay the rent on a leased building or home, the program participant's rent and utilities, as well as up to 5% of the grant for Administrative Costs.

Q: If we currently require our Recovery Housing residents to pay rent in order to participate in the program, would we be eligible to apply for these funds?

A: If a recovery residence requires participants to pay rent, the program must demonstrate in its application how RHP funds will be used to support program expansion and how program income (in this case, participant rent payments) factor into the overall application budget. The RHP program is intended to increase housing

services, not merely support existing services. Eligible applicants must meet the criteria outlined in the NOFA and provide any program income as part of the application budget.

Q: Will there be a per diem/cost per day/per participant cap?

A: RHP does not operate with a per diem. The purpose of the funds is to increase the number of beds/units available to those in recovery services by supporting lease, rental assistance, and utility costs. Selected applicants are responsible to secure supportive services funding to match the expansion.

Q: Can we use these funds to help people leaving our recovery housing with rent/security deposits for other permanent housing?

A: Leasing costs, rental assistance, and utility costs can be provided to individuals in recovery (as defined in the NOFA) and engaged in recovery services. This assistance is not available for individuals no longer engaged in recovery services.

Q: Regarding the requirement to expend 30% of the grant allocation by September 2024, would a pre-payment of rent to a non-affiliated landlord count toward the 30% expenditure? (i.e. a lease payment of six months' rent prepaid as opposed to a monthly rent)

A: Advance payment of monthly rent can be utilized under leasing costs, as this can help secure and maintain recovery housing. Eligible expenses under "leasing costs" contemplate leases typically used to support multiple individuals in recover and require that a lease be held by the recovery housing provider and must provide ease in turnover during the program. Advanced payments are not eligible expenses under rental assistance due to the nature of the lease (held by individual in recovery).

Q: Can RHP funds be used to cover audit costs, indirect charges, insurance, etc.?

A: Administrative fees can be used for any associated program administrative costs, including audit costs. Administrative costs are limited to 5% of the total grant, per HUD regulation.

Q: Why are administration costs limited to 5% of the grant total?

A: The administrative fee cap is set per HUD regulation and cannot be increased.

Q: If we lease a property during the grant period, would we be eligible to purchase the property after the grant has ended?

A: MSHDA RHP funds can only be used for leasing costs, rental assistance, utility costs, and administrative costs during the grant period. Activities undertaken after the grant period and with other funding sources are not subject to RHP requirements.

Q: Can we use some of this funding for furniture, appliances, etc.?

A: No, MSHDA RHP funds are limited to the following categories of expense – leasing costs, rental assistance, utility costs, and administrative costs.

RHP Resource Links:

- [HUD Exchange Recovery Housing Program](#)
- [HUD Recovery Housing Policy Brief](#)
- [HUD Program Models Quick Guide](#)
- [SAMHSA \(Substance Abuse and Mental Health Services Administration\) Best Practices for Recovery Housing](#)
- [MSHDA RHP Website](#)