



Office of Rental Assistance and Homeless Solutions

RHP Notice of Funding Availability (NOFA)

Grant Term: May 1, 2022 to April 30, 2023

Recovery Housing Program (RHP)

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I. TIMELINE

RHP FY 2022-2023 Funding	
Grant Term: May 1, 2022 to April 30, 2023	
January 10, 2022	NOFA and application released and posted (01/10/22 at www.michigan.gov/mshda , click on Homeless and Special Needs.
February 18, 2022 No later than 5:00 p.m.	Application is due via email to beaglen1@michigan.gov .
April 1, 2022	Grant documents mailed to approved applicants. (No funds can be incurred until the grant has been signed by the grantee and MSHDA.)
May 1, 2022	Grant start date.

II. GENERAL OVERVIEW

The Recovery Housing Program (RHP) provides funding for states and the District of Columbia to provide stable, transitional housing for individuals in recovery from Substance Use Disorder. The funding covers a period of not more than two years or until the individual secures permanent housing, whichever is earlier.

MSHDA, as the non-entitlement recipient for the State of Michigan, received two allocations of RHP funding, totaling \$1,778,048 for HUD fiscal years 2020 and 2021. RHP was authorized under Section 8071 of the [Support for Patients and Communities \(SUPPORT\) Act](#). HUD published its formula in the Federal Register on April 17, 2019 (84 FR 16027), identifying the 25 eligible grantees and allocation percentages, which includes Michigan. Per HUD, this program supports activities authorized under Section 8071 of the SUPPORT for Patients and Communities Act, entitled Pilot Program to Help Individuals in Recovery From a Substance Use Disorder Become Stably Housed, herein referred to as the Recovery Housing Program, or RHP. This pilot program 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 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 funds for fiscal year 2020 allocations described in this notice were made available by the Further Consolidated Appropriations Act, 2020, which was signed by President Trump on December 20, 2019.

Section 8071 of the SUPPORT Act (Section 8071) requires funds appropriated or made available for RHP be treated as Community Development Block Grant (CDBG) funds under title I of the [Housing and Community Development Act of 1974](#) (HCD Act) unless otherwise provided in Section 8071 or modified by waivers and alternative requirements. The SUPPORT Act authorizes the Secretary to waive or specify alternative requirements to any provision of title I of the HCD Act, except for requirements related to fair housing, nondiscrimination, labor standards, the environment, and requirements that activities benefit persons of low- and moderate-income.

III. PROGRAM DESCRIPTION

The Recovery Housing Program (RHP) offers funding assistance to public and non-profit organizations that are responding to the needs of Substance Use Disorder populations through a comprehensive community-wide planning process and implementation strategy aimed at recovery.

MSHDA's RHP will support individuals in recovery onto a path to self-sufficiency by expanding the capacity of certified recovery residences, as well as those who plan to become certified. RHP funds will be applied to rental and leasing costs for individuals engaged in recovery services and eligible administrative expenses. By providing stable housing to support recovery, RHP will improve outcomes for independent living. More specifically, RHP will provide funds to secure or maintain housing for individuals in recovery. To maximize and leverage these resources, grantees will coordinate RHP funded projects with other Federal and non-federal assistance related to substance abuse, homelessness and at-risk of homelessness, employment, and other wraparound services. This funding cannot be used to offset costs for current Recovery Housing beds but must assist in the expansion of the program and addition of new beds.

IV. GRANT TERM

Grants will begin on May 1, 2022. and end April 30, 2023. Subsequent grant terms will be determined as funding is available.

V. SUBSTANCE USE DISORDER DEFINITIONS FOR RHP FUNDING

The applicant and its proposed programs or services must serve individuals in recovery from Substance Use Disorder as defined below. Successful applicants will be required to file documentation that verifies need and eligibility. MSHDA adheres to the following SAMHSA (Substance Abuse and Mental Health Services Administration) definitions:

- Individual in Recovery
 - a. 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:
 - i. **Health:** Managing one's disease (Substance Use Disorders) and making informed and healthy choices that support physical and emotional well-being;
 - ii. **Home:** A stable place to live;
 - iii. **Purpose:** Meaningful activity include employment, school, or volunteering, family caregiving, income, and meaningful participation in communities and society; and
 - iv. **Community:** Forming relationships and formal networks that provide support, friendship, love, and hope.
- Substance Use Disorder
 - a. 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.

VI. RECORDKEEPING

Consistent with applicable statutes, regulations, waivers and alternative requirements, and other federal requirements, the records maintained by the successful applicants shall be sufficient to: (1) enable HUD to make the applicable determinations described at 24 CFR 570.493; (2) make compliance determinations for activities carried out directly by the state; (3) show how activities are consistent with the descriptions of activities in the RHP Action Plan in the DRGR system and with the requirements that apply to the use of RHP funds; and (4) demonstrate that monitoring standards and procedures are sufficient to ensure program requirements are met and provide for continual quality assurance and adequate program oversight. For fair housing and equal opportunity (FHEO) purposes, and as applicable, such records shall include data on racial, ethnic, and gender characteristics of persons and households who are applicants for, participants in, or beneficiaries of the program.

Successful applicants will submit costs for review and approval to ensure that expenditures align with eligible costs and that costs do not exceed established caps.

MSHDA will utilize an online grant management system (MATT 2.0) to monitor billing, reporting, and program compliance.

VII. EXPENDITURES

MSHDA will award and monitor funding via the MATT 2.0 online grant management system. Successful applicants will be allowed to seek advances as needed (up to 25% of grant total). MSHDA will limit all awards to no more than 5% for administration costs. The remaining balance of funds will be used for costs related to temporary housing (leasing, rental, and utilities). Successful applicants will submit costs for review and approval to ensure that expenditures align with eligible costs and that costs do not exceed established caps.

VIII. COLLABORATION

Successful applicants are expected to engage and collaborate with any Continuum of Care (CoC) or Local Planning Body (LPB) within the project's service area to help identify possible program participants and ensure effective referral to local and mainstream resources. CoC/LPB partners include MDHHS and possible other eligible mainstream benefits (per the individualized plan of care for each participant). Successful applicants will work to connect participants with any resources for which they may be eligible, as well as collaborate with regional and local community mental health entities serving their respective areas.

Discharge planning plays an important role in ensuring a smooth transition out of Recovery Housing to stable housing. Applicants are expected to develop a discharge plan for each participant exiting the program. To improve quality and reduce preventable exits to homelessness, applicants are expected to utilize partnerships with their Continuum of Care (CoC) or Local Planning Body (LPB) to assist in the connection of local housing resources. Contact information for CoCs and LPBs can be found [here](#).

IX. SELECTION CRITERIA

Priority will be given to applicants with experience administering CDBG funds or other federally funded programs supporting recovery from Substance Use Disorder, and the ability to secure necessary service funding to support model expansion.

Eligible applicants of Recovery Housing Program funds will include public or private nonprofit agencies. Any eligible applicant must have proof of current MARR Certification (Michigan Association of Recovery Residencies) or submit timeline for anticipated MARR Certification approval. The applicant must provide at least Level II residence support as defined by the [National Association of Recovery Residencies](#) (NARR).

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.

MSHDA may consider an applicant's prior performance related to administering prior federal awards and/or collaborating with other federal programs, including both HUD and HHS programs, as well as both the projected demand for the proposed temporary recovery housing solution and the financial need for assistance.

X. ROLES AND RESPONSIBILITIES

MSHDA reserves the right to alter any/all recommendations based on issues of prior applicant performance, applicant capacity, eligibility of project activities, and consistency with the criteria and standards discussed in this NOFA.

SUCCESSFUL APPLICANTS WILL BE RESPONSIBLE TO:

- Execute grant documents, including a signed grant agreement and applicable organizational documents required by MSHDA.
- Assure the use of funds in accordance with the grant agreement and communicate knowledge of fraudulent activities to MSHDA.
- Complete MATT 2.0 billing in a timely and complete manner.
- Leverage all available resources to support the success of Individuals in Recovery.
- Evaluate the quality of services and provide oversight of the program based upon documented outcomes.
- Maintain financial and client level records to support billings. This information must be retained for five years.

MSHDA ROLES AND RESPONSIBILITIES:

- Manage and monitor the Recovery Housing Program and its subrecipients via an online grant management system.
- 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.
- Monitor ten percent (10%) of all participant files, as well as the financial records of subrecipients, and provide a copy of the findings report to the subrecipient.
- MSHDA will hold back 3% of total RHP allocation to secure Technical Assistance for all successful applicants.

XI. USE OF FUNDS

LEASE, RENT, AND UTILITIES

- Leasing is defined as: Leasing of property, or portions of property, not owned by the recipient or project sponsor involved, for use in providing transitional or permanent housing, or providing supportive services. ([Section 423 HEARTH Act](#))
- Rental assistance is defined as: Provision of rental assistance to provide to eligible persons. ([Section 423 HEARTH Act](#))
- 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.

ADMINISTRATION

- The [SUPPORT Act](#) contains two requirements that modify existing CDBG requirements. Pursuant to Section 8071(c)(3), up to 5 percent of any RHP grant may be used for administrative costs. Therefore, the total of all costs classified as administrative for each subrecipient must be less than or equal to the 5 percent cap per awarded subrecipient grant. Secondly, Section 8071(d)(2) provides that no matching funds are required for subrecipients to receive RHP grants.