

DESIGN AND IMPLEMENTATION

SUMMARY

The pilot Recovery Housing Program (RHP) was authorized by the 2018 SUPPORT for Patients and Communities Act (SUPPORT Act). The intent of RHP is to support individuals in recovery from substance use disorders (SUD) on a path to self-sufficiency by providing stable, temporary recovery housing. RHP funds may be used to develop or maintain housing for individuals in recovery from SUD. Assistance for individuals is limited to the earlier of two years (cumulative) or until they secure permanent housing, whichever is earlier.

The Federal Register Notice (FR-6225-N-01) (the Notice) includes program rules, waivers, and alternative requirements that apply to RHP grantees.[1] RHP is based on the statutory and regulatory structure of the Community Development Block Grant (CDBG) Program, as modified by the Notice.

This quick guide addresses the steps and considerations RHP grantees need to complete to launch their programs. To implement RHP, grantees will need to:

- Evaluate the existing SUD treatment and recovery housing landscapes in their jurisdictions, then cultivate working relationships among potential state and local partners. HUD encourages grantees to reach out to stakeholders to identify complementary funding sources and develop implementation strategies.
- Ensure that RHP funds are used to preserve existing recovery housing units, develop new recovery housing units, and/or expand rental assistance on behalf of tenants entering recovery housing programs.
- Develop a process to identify specific activities to fund. Grantees may act directly to implement activities with their own staff, by selecting subrecipient proposals, and/or by procuring contractors. Grantees may also opt to subgrant funds to one or more subrecipients to administer the program or implement a method of distribution to local governments.
- Revise their Citizen Participation Plans to incorporate RHP consultation, community engagement requirements, and public comment period requirements.

Grantees will incorporate these policy decisions and elements into their Action Plan, which they will submit for HUD review and approval through the Disaster Recovery Grant Reporting (DRGR) System.

PARTNER ENGAGEMENT

In designing and implementing an RHP program, HUD recommends that a grantee involve administrators with experience in CDBG, DRGR, and other federally funded programs supporting

[1] All references to "grantees" include those States, including the District of Columbia, that receive an allocation of RHP funds.

recovery from SUD. If responsibilities will be shared among agencies, partners should execute interagency agreements to clarify and formalize roles and responsibilities. Since grantees can use RHP funds throughout the state, grantees may have to conduct outreach and involve jurisdictions and agencies beyond those typically involved in the annual CDBG program.

HUD encourages grantees to focus RHP funds toward projects that complement, but do not supplant, federal substance-abuse related assistance, such as State Opioid Response (SOR) Grants or Substance Abuse Prevention and Treatment Block Grants (SABH), awarded by the Substance Abuse and Mental Health Services Administration (SAMHSA) of the U.S. Department of Health and Human Services (HHS). Please refer to the Cross Sector Partnerships Quick Guide for more advice on identifying complementary expertise and funding sources for the RHP program.

CITIZEN PARTICIPATION

As grantees develop their RHP Action Plans, they must provide opportunity for and incorporate citizen and stakeholder feedback, as required by the Notice. HUD encourages but does not require grantees to consult with SUD and recovery-specific stakeholders that may not typically be included in CDBG consultation and citizen outreach. This includes state and local agencies involved with treating persons with SUD, as well as individuals with SUD who may benefit from this new program, on a state-wide basis. Grantees must revise their existing Citizen Participation Plans to provide for consultation with these stakeholders in the development of their RHP Action Plan and public opportunity to comment on the draft Action Plan for a minimum of 15 days. Revisions to the Citizen Participation Plan must also allow time for public comment before they take effect, so grantees should promptly initiate necessary amendments.

KEY IMPLEMENTATION ISSUES AND STRATEGIC CHOICES

Grantees need to make a series of strategic decisions informed by resources and expertise within the state and local communities, demonstrated need, and ability to deploy RHP funds quickly in order to meet the deadline for submission provided in the Notice. These choices include which agency or agencies will administer RHP, how and where they will allocate funds, which activities they will target, and the intended outcomes of funding decisions. Thoughtful early planning and decision-making will enable smooth Action Plan development and program implementation.

Direct Action, Subrecipient Administration, or Method of Distribution

A key section of the Action Plan is the description of the process for administering RHP funds and selecting activities. Grantees must consider whether this will be by direct action, through eligible subrecipients, or via a method of distribution to entitlement or non-entitlement communities.

HUD granted waivers and alternative requirements to expand options in carrying out RHP activities. HUD determined this flexibility will facilitate and streamline the use of RHP funds. The waivers and alternative requirements allow grantees to act directly and carry out activities through employees, contractors, and subrecipients in all geographic areas of their jurisdictions, and to select subrecipients to administer the program on their behalf.[2] However, if the administrator role is shared between multiple agencies, HUD recommends that these agencies enter into interagency agreements that describe how they will share responsibilities for grant administration; and distribute funds to entitlement and non-entitlement communities through a method of distribution.

- Direct Action: If opting to act directly, the grantee should determine the best strategy based on existing resources. If the grantee and/or its sister agencies have staff capacity and an

[2] Although these waivers, and some other program modifications, only apply to States, these operating rules already apply to the District of Columbia as a CDBG Entitlement grantee.

appropriate structure to implement RHP activities, carrying out activities through employees could be a good approach. This strategy requires a clear delineation of roles and responsibilities for state agencies involved in CDBG and those involved in treatment of SUDs. If the grantee decides to act directly through contractors, they must establish a process in accordance with applicable procurement regulations. If the grantee decides to act directly using one or more subrecipients, a good practice is to solicit, evaluate, and select specific RHP activities through a Notice of Funding Availability, Request for Applications, Request for Proposals, or other process. Keep in mind that contractors must be procured, while grantees have great flexibility selecting subrecipients.

- Subrecipient Administration: Another option available to grantees is to select one or more subrecipients to administer the RHP program, including activity selection and day-to-day program oversight. Requirements applicable to grantees generally also apply to subrecipients. Therefore, if using this strategy, grantees will need to thoroughly evaluate a subrecipient's capacity to administer the program, including experience with CDBG and other federal funds. Under this model, the written agreement and grantee oversight – especially early in implementation – are critical.
- Method of Distribution: States may also implement their RHP activities by distributing funds to localities through a specified method of distribution to allocate funds to local governments, which for RHP includes CDBG Entitlement communities, Tribal governments, or Tribal housing agencies.

Statewide Scope

RHP differs from a State's annual CDBG program in that the scope is statewide, rather than limited to smaller cities and counties. Given greater population density and access to services, RHP activities may occur in CDBG entitlement cities and counties. There are no special requirements that apply to activities in entitlement communities; however, a state's RHP program will benefit from consultation and collaboration with municipal and county officials in the RHP planning and implementation process.

States may also fund activities in Tribal areas and provide funding to Tribes or tribally-designated housing entities (TDHEs). States carrying out projects in tribal areas through employees, contractors, or subrecipients must obtain the consent of the Indian tribe with jurisdiction. Indian tribes that receive RHP funding from a grantee (through a method of distribution) must comply with the Indian Civil Rights Act (Title II of the Civil Rights Act of 1968, 25 U.S.C. 1301 et seq.).

Eligible Activities

The range of allowed activities provides two basic options for the types of activities to be funded (not including administration and technical assistance):

- Rehabilitation, expansion, or development of real property to preserve or expand recovery housing units; and
- Assist individuals with limited financial resources to pay for recovery housing through subsidies of the lease, rent, utilities, and other housing-related costs.

Grantees may only use funds for activities described in the Notice, which are CDBG-eligible activities consistent with the purpose of RHP **to provide stable, temporary housing for individuals in recovery from a substance use disorder**. These eligible activities are:

(1) Acquisition of real property
(2) Lease, rent, and utilities
(3) Rehabilitation and reconstruction of single-unit residential buildings
(4) Rehabilitation and reconstruction of multi-unit residential buildings

(5) Rehabilitation and reconstruction of public housing
(6) Disposition of real property
(7) Clearance and demolition
(8) Relocation
(9) Expansion of existing eligible activities to include new construction of housing
(10) Administrative costs (5% cap)
(11) Technical assistance (3% cap)

A critical early step in the design and implementation process is to assess the current landscape of recovery housing programs and substance use treatment within the grantee jurisdiction because it will inform the relative feasibility of potential activities. Understanding available capacity is essential because the SUPPORT Act mandates that RHP-funded activities address the greatest needs and are implemented under tight timeframes.

Another consideration during the activity selection process is outcome measures. Grantees must track and report on the number of individuals assisted in RHP activities and the number of individuals that transitioned to permanent housing through RHP-assisted temporary housing. Based on the needs in individual grantee jurisdictions and input from partners and substance use recovery professionals, grantees are encouraged to consider other measurable impacts of RHP funding (e.g., housing tenure, treatment completion, attainment of earned income, sustained recovery).

National Objectives

All RHP activities must comply with the **LMI-Limited Clientele National Objective,** as modified by the Notice. The Notice expands eligible categories of Limited Clientele to include persons who meet the federal poverty limits or persons who are insured by Medicaid. RHP may not be used to aid in the prevention or elimination of slums or blight or for activities designed to meet urgent needs.

Timelines

For fiscal year 2020 RHP allocations, the Notice establishes a submission deadline of August 16, 2021 to submit the Action Plans in DRGR.

Grantees must expend at least 30% of RHP funds within one year from the date HUD signs their respective RHP grant agreements, and 100% of the 2020 RHP funds before September 1, 2027. The RHP Action Plan must describe how the grantee will comply with these statutory expenditure deadlines.

Disaster Recovery Grant Reporting System (DRGR)

Action Plan submission, activity set up, funding draws, and reporting will be completed in DRGR. Grantee staff may be familiar with DRGR from CDBG Disaster Recovery grants (CDBG-DR) or administration of the Neighborhood Stabilization Program (NSP). Visit the HUD Exchange RHP page for more information or to request technical assistance.

One element of DRGR to note is the requirement to designate a "responsible entity" for each activity included in the Action Plan. It is likely that RHP activities will be performed by entities that are not currently populated in DRGR. Grantees will need to add basic information about each entity selected to carry out a RHP activity using a separate module of DRGR to enable completion of the Action Plan.

ACTION PLAN – REQUIRED ELEMENTS

RHP Grantees must develop and submit a RHP Action Plan by **August 16, 2021**. Grantees must describe how they will distribute RHP funds, with priority given to entities with the greatest need and entities with the ability to deliver effective assistance in a timely manner.

The table below lists each of the required elements of a complete Action Plan as described in the Notice (numbering corresponds to the Notice format using lower case Roman numerals). Most are similar to the CDBG Action Plan submission requirements at Title I of the Housing and Community Development Act (HCDA) and 24 CFR Part 570. However, the table includes special note of the waivers and alternative requirements that HUD has deemed necessary to expedite or facilitate the use of RHP funds. Except as specified in the Notice, the statutory and regulatory provisions of the CDBG program apply to RHP grantees.

RHP Action Plan Requirement	RHP Action Plan Guidance
i. Standard Form 424 and 424D	Forms should include both construction and non-construction activities
ii. Program Summary	A concise executive summary that identifies needs and specific goals for the grantee's RHP funds.
iii. Resources	A concise summary of the amounts of RHP funds and other federal and non-federal resources. • Include RHP program income expected to be available for RHP eligible activities, as well as other federal program funding for RHP eligible activities made available by the grantee or other sources. • The Action Plan must identify other state, local, nonprofit, or private resources expected to be made available in conjunction with RHP funds for RHP eligible activities.
iv. Administration Summary	A concise summary of the role(s) of one or more of the grantee's agencies and departments in the administration of the RHP grant and contact information for these agencies and departments.
v. Use of Funds	
v.(1) Awards to Communities by Method of Distribution	A statement of whether the grantee will distribute all or part of the RHP funds through a method of distribution and, if so, a description of the grantee's method for distributing RHP funds to any entitlement and non-entitlement units of general local government, Indian tribes, or tribally designated housing entities.
v.(2) Activities carried out directly.	A statement of whether the grantee will use all or part of its RHP funds for activities to be carried out directly by the grantee, and, if so, a description of the eligible activities that will be carried out directly by the grantee. A grantee may carry out the activity with its own staff, procure a for-profit entity, or make (a) grant(s) to subrecipient(s).
v.(3) Eligible Subrecipients	A description of the types of entities or organizations that are eligible to become subrecipients. A grantee may choose to make public or private nonprofit entities eligible for RHP funding. A grantee may set other criteria related to the potential subrecipient's existing services, unmet need, experience, and past performance.

v.(4) Criteria for evaluation of applications and applicants	A description of all criteria used to make funding choices, and describe the relative importance of the criteria, where applicable. This is required for all funding decisions, including items (1) Awards to Communities by Method of Distribution and (2) Activities Carried out Directly, and eligibility decisions under item (3) Eligible Subrecipients above. • The description of the criteria must provide sufficient information so that applicants will be able to comment on it, know what criteria and information their application will be judged on, and be able to prepare responsive applications. • The criteria must include a description of how the grantee will give priority to entities with the greatest need and entities with the ability to deliver effective assistance in a timely manner
v.(4)(a) Entities with the greatest need	Grantees may wish to solicit qualitative and/or quantitative information from applicants to demonstrate a need for the activities proposed for RHP funding. Grantees should consider both the projected demand for the proposed temporary recovery housing solution and the financial need for assistance.
v.(4)(b) Entities with the ability to deliver effective assistance in a timely manner	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.
vi. Definitions	
vi.(1) Individual in recovery vi.(2) Substance use disorder	Definitions must be adopted by grantees for these terms included in the SUPPORT Act and the Notice, which the grantee must adhere to when carrying out its RHP grant. Grantees may adopt definitions for these terms used by other publicly funded programs that provide support for recovery from substance use disorders. A grantee's definitions cannot exclude individuals with certain types of substance issues or co-occurring disabilities, or exclusively target a specific type of substance use disorder.
vii. Anticipated Outcomes and Expenditure Plan	
vii.(1) Expenditures	Grantees must provide a concise summary of how they intend to: • Comply with the requirement that the grantee expends at least 30 percent of its RHP funds within one year from the date the funds are available to the grantee; and • Expend 100 percent of the RHP funds before the end of the period of performance. Additionally, this summary shall address administrative costs and describe how the grantee will expend no more than 5 percent of the RHP grant for its administrative costs.
vii.(2) Outcomes	Grantees must provide sufficient information on proposed outcomes so that the annual performance report can include a comparison of the proposed versus actual outcomes for each outcome measure. Grantees must report: • The number of individuals assisted in RHP activities. • The number individuals able to transition to permanent housing through RHP-assisted temporary housing.

	Grantees should consider other outcome measures and are encouraged to engage with researchers to better understand other measurable impacts of RHP funding.
viii. Citizen Participation Summary	The grantee must include a summary of the citizen participation process for RHP, the public comments or views provided on the RHP Action Plan, and a summary of any of those public comments or views not accepted and the reasons they were rejected. The summary shall address public comments and views received during any public hearing, if a hearing is required by the CPP. This includes virtual public hearings as permitted due to national or local health authorities' recommendations for social distancing and limiting public gatherings for public health reasons.
ix. Partner Coordination	A summary of coordination with partners. RHP grantees are encouraged to coordinate with other federal substance abuse-related assisted partners, such as SOR grantees and SABG grantees from HHS, as well as other partners potentially serving the same populations, such as HUD's CoC Program, ESG program, HOPWA program, and HUD-VASH. RHP grantees are also encouraged to consult with a range of residential recovery service providers, such as private, faith-based nonprofits, public nonprofits such as Public Housing Authorities, or other entities assisting individuals in recovery.
x. Subrecipient Management and Monitoring	A summary of the grantee's subrecipient oversight and management policies and procedures.
xi. Pre-award/Pre-Agreement Costs	The grantee must include a description of pre-award or pre-agreement costs to be reimbursed with RHP funds. To be eligible for reimbursement, pre-award and pre-agreement costs must meet all applicable requirements.
xii. Certifications	▪ RARA ▪ Lobbying restrictions ▪ Authorization/Legal Authority ▪ URA/104(d) ▪ Section 3 ▪ CPP ▪ Use of funds criteria ▪ Civil Rights and Fair Housing ▪ Excessive Force Policy ▪ Religious Freedom Restoration Act ▪ Development and Maintenance of Capacity ▪ Lead Based Paint, LSHR ▪ Environmental Review ▪ Applicable Laws

HELPFUL RESOURCES

1. RHP Federal Register Notice (FR-6225-N-01) (11/23/2020)
2. Recovery Housing Program Press Release (11/24/2020)
3. HUD OIG Integrity Bulletin: Subrecipient Oversight and Monitoring (9/15/2016)
4. HUD Recovery Housing Policy Brief
5. Environmental Review
6. Relocation Assistance
7. Lead-Based Paint Housing Rule