



*Office of Rental Assistance and
Homeless Solutions*

**Recovery Housing Program (RHP)
Notice of Funding Availability (NOFA)**

June 1, 2024, to November 30, 2025

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I. **Timeline**

RHP FY 2024-2025 Funding	
June 1, 2024, to November 30, 2025	
March 11, 2024	NOFA and application documents posted on RHP website at www.michigan.gov/rhp
April 22, 2024 No later than 5:00 p.m.	Application documents due via email to beaglen1@michigan.gov
June 1, 2024	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 will secure and provide relevant technical assistance for all RHP subrecipients, utilizing up to 3% of all funding allocated for eligible costs.

MSHDA, as the non-entitlement recipient for the State of Michigan, received two allocations of RHP funding, totaling \$1,878,958 for HUD fiscal years 2022 and 2023. 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.

2 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 supports individuals in recovery onto a path to self-sufficiency by expanding the housing capacity of currently certified recovery residences. RHP funds will be applied to leasing, rental, and utility costs for

individuals engaged in recovery services, as well as eligible administrative expenses. By providing stable housing to support recovery, RHP improves outcomes for independent living. More specifically, RHP provides funds to secure or maintain housing for individuals in recovery. To maximize and leverage these resources, grantees coordinate RHP funded projects with other Federal and non-federal assistance related to substance use, 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. 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. Grantees 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:

- 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 includes 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
- 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.

V. Grant Term

Grants will begin on June 1, 2024, and end November 30, 2025. Subsequent grant terms will be determined as funding is available. Grants will be awarded up to \$300,000 per grantee and grantees will be required to expend at least 30% of their total RHP award as soon as September 2024 but no later than December 2024.

VI. Grantee Roles and Responsibilities

Grantees 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 IGX billing in a timely and complete manner.
- Leverage all available resources to support the success of Individuals in Recovery.

- Attend monthly RHP Check-In meetings via Zoom.
- Attend technical assistance training opportunities paid for by MSHDA.
- Follow HUD Fair Market Rent (FMR) when providing Rental or Leasing Assistance.
- 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.
- Create or maintain relationship with local Continuum of Care (CoC) or local planning body (LPB).

MSHDA Roles and Responsibilities:

- Manage and monitor the Recovery Housing Program and its grantees via the online grant management system, IGX.
- 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.
- Retain 3% of total RHP allocation to secure Technical Assistance for all grantees.
- Host monthly RHP Check-in meetings via Zoom.

Note: 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.

VII. Use of Funds

Recovery Housing Program funds can be utilized for the leasing of new recovery housing units, rental assistance on behalf of Individuals in Recovery in newly identified rental units, utility costs for leased units or units receiving rental assistance, and/or administrative costs. Additional details for each component are noted below.

- **Leasing, Rental Assistance, and Utility Costs (95% of grant budget)**
 - Leasing is defined as: Leasing of property, or portions of property, 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](#))
 - Utility costs are defined as: heat, electricity, sewer, and water. Telephone, cable, satellite television, or internet service are **not** considered eligible utilities under RHP and cannot be included.
 - 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 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 grantee 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.

- **Administrative Costs (5% of grant budget)**
 - 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. Eligible costs under Administration include:
 - General management, oversight, and coordination of program;
 - Preparing budgets and schedules;
 - Preparing financial status reports (FSRs) and other MSHDA required documents; and
 - Monitoring program activities.
- **Restrictions**
 - **RHP funds cannot be used for staffing or recovery service provision.** Grantees must be able to expand services through other sources of funding to match new recovery housing units/beds funded by this program.
 - For RHP participants receiving rental assistance, unit rental costs must comply with HUD [Fair Market Rent](#) (FMR). Current FMRs can be found on the MSHDA [RHP website](#). Gross rent is the measure for FMR and is determined by adding monthly contract rent and utility costs. If tenants are responsible for paying their own utilities, the monthly utility allowance must be added to the contract rent amount to calculate gross rent. Telephone, cable, satellite television, or internet service are **not** considered eligible utilities under RHP and cannot be included.

VIII. Grant Expenditure

MSHDA will award and monitor funding via the IGX online grant management system. Grantees may seek advances as needed (up to 25% of grant total). Federal requirements limit all awards to no more than 5% for administrative costs. The remaining balance of funds will be used for costs related to temporary housing (leasing, rental, and utilities). Grantees will submit costs for review and approval to ensure that expenditures align with eligible costs and that costs do not exceed established caps. Grantees will be required to expend at least 30% of their total RHP award as soon as September 2024 but no later than December 2024.

IX. Eligible Applicants

Applicants must meet the following criteria for eligibility:

- 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 tribe or group of federally recognized tribes that share geographic boundaries within Michigan, or an Urban Indian Health Clinic (ITU) program.
- Currently certified by the Michigan Association of Recovery Residences (MARR).
- Experienced in recovery housing and in serving those with Substance Use Disorders (SUD), which can include Opioid Use Disorders (OUD) and/or mental health services.
- Ensures that activities provided in conjunction with housing are consistent with the definition of, and best practices for, recovery housing (42 U.S.C. 290ee-5; section 550 PHS Act, as amended).
- Exhibits the financial capacity to administer funds as demonstrated through an audited financial statement.
- Has financial management systems in place such as cash receipts and disbursement logs, invoices, and cancelled check registers, etc.
- Employs staff who possess a bachelor's degree in accounting or possess experience in accounting along with college accounting credits or a bookkeeper whose work is overseen by an accounting firm.

Applicants must indicate their relationship to the project within the proposal. There are two ways in which an applicant may be connected to the project:

- **Option 1:** The primary applicant is acting as a fiduciary agency for the RHP funds and contracts with an experienced recovery housing provider that owns or has a vested financial interest in the new properties/units leased or rented for program housing. The fiduciary agency must have experience administering rental assistance.
- **Option 2:** The primary applicant is an experienced recovery housing provider and does not own or have a vested financial interest in any of the new properties/units receiving rental assistance or leasing costs as a part of RHP funding. This means the primary applicant under this option is working with a third-party landlord that is paid leasing costs, rental assistance, and/or utilities out of the RHP funds to provide recovery housing.

X. Proposal Design

RHP funds will be awarded through a competitive Notice of Funding Availability (NOFA) process. Proposals must be submitted by eligible applicants and must address the following components within the application:

Applicant Information	Basic agency information, Tax ID, proof of SAM.gov registration, and counties served. Must select applicant option.
Program Overview, Applicant Experience, and Applicant Capacity	Narrative and data elements must address the following: <ul style="list-style-type: none"> • Overview of applicant organization and, if utilizing a fiduciary agency, overview of the recovery housing provider. • Description of inflow/outflow data and performance outcomes. • Description of current recovery housing model and plans for expansion. • Demonstrate how other sources of funding will support expanded case management and services to new recovery housing. • Outline expenditure plan to 30% grant expenditure by September 2024 but no later than December 2024. • Description of current relationship with the local Continuum of Care (CoC) or Local Planning Body (LPB).
Estimate of Numbers Served	Estimate the total number of individuals served by the program expansion outlined in the application.
Budget Information and Other Sources of Funding	Detailed budget that aligns with each eligible component (Leasing costs, rental assistance costs, utilities, and administration). Include all sources of funding that will support expansion of recovery housing. Applicants must demonstrate which funds will be utilized to support expanded case management and services for new recovery housing, as this is not funded through the Recovery Housing Program. Proposal budgets cannot exceed \$300,000 total.
Completed Certifications	Copy of completed certification for the Michigan Association of Recovery Residences (MARR). Certifications must denote timeframe of certification and show the applicant as current. The applicant must provide at least Level II residence support as defined by the National Association of Recovery Residencies (NARR) .
Letter(s) of Support	Applicants are encouraged to secure letter(s) of support for the proposal.
Required Applicant Documents	Follow the Submission Checklist within the RHP Application.



XI. Submission Requirements

Proposals to this NOFA must fully address each area noted within the application. Proposals must include all required information and attachments, and must be submitted electronically to Nicole Beagle, Recovery Housing Specialist, at beaglen1@michigan.gov by 5:00 PM EST on Monday, April 22, 2024.

XII. Selection Criteria and Proposal Scoring

Priority will be given to applicants with experience administering MSHDA RHP funds, Community Development Block Grant (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.

Applicants must ensure that all eligibility and submission requirements are met and completed. Incomplete applications will not be scored.

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.

Proposals containing all required items and submitted by the deadline will be reviewed and scored based on the following criteria and scoring categories:

Applicant Information	<ul style="list-style-type: none"> The applicant has provided all required information. 	4 points
Program Overview, Applicant Experience, and Applicant Capacity	<ul style="list-style-type: none"> The applicant has provided an overview of the organization including length of time in operation, data points, and milestones or benchmarks of services. The experience of the applicant, including the length of time in business and experience in undertaking projects of similar complexity as the one for which funds are being requested, will be evaluated. The applicant has provided an overview of current recovery housing model including date of most recent MARRs Certification or timeline for completed, as well as Level of Certification. The applicant has outlined their plan to continue to <i>expand</i> (not supplant) the number of recovery housing beds in the counties served with this funding, as well as how the organization plans to cover supportive services/case management costs. The applicant has outlined how it plans to expend at least <u>30%</u> of their total RHP allocation by September 2024 but no later than December 2024. The applicant has provided an overview of its relationship (or plan to establish) to their community’s Continuum of Care or Local Planning Body. 	32 points
Budget Information and Other Sources of Funding	<ul style="list-style-type: none"> The applicant has provided requested amount for Leasing, Rental, Utility, and Administrative Costs, where applicable. The applicant has provided detail on each funding source component. 	9 points



Required Applicant Documents and Attachments	<ul style="list-style-type: none"> Applications will receive maximum points based on completeness. Applications that have not been signed will not be considered. 	5 points
TOTAL		50 points

MSHDA may consider an applicant’s prior performance related to administering prior RHP and/or federal awards, and/or collaboration with other federal programs, including both HUD and Housing and Homeless Services programs. Proposals will also be evaluated based on the projected demand for the proposed temporary recovery housing solution and the financial need for assistance.

Basis of Award: MSHDA will rate applications using the criteria listed above and through a multi-disciplinary review team. Additionally, MSHDA will consider how each project aligns with best practices and service standards set forth by national experts and federal funding partners.

XIII. Collaboration

Grantees 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). Grantees will work to connect participants with any resources for which they may be eligible (i.e. entitlements, education, employment opportunities, etc.).

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

XIV. Record Keeping

Consistent with applicable statutes, regulations, waivers and alternative requirements, and other federal requirements, the records maintained by the grantees 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.

Grantees 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 (IGX) to monitor billing, reporting, and program compliance.