

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

Program Administered by
DELAWARE STATE HOUSING AUTHORITY
18 The Green
Dover, DE 19901



DSHA Program Contact:

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June 2023



RECOVERY HOUSING FUND (RHP) Notice of Funding Availability (NOFA)

Introduction

The Recovery Housing Fund is a federal affordable housing production program intended to increase The Federal Register Notice No. FR-6225-N-01 as 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 (RHP). The pilot program authorizes assistance to grantees (states) to provide stable, temporary housing to individuals in recovery from a substance use disorder. Federal Register Notice No. FR-6225-N-01 provides how federal allocations shall be used and administered.

Recovery Housing is an essential part of the substance use disorder treatment and recovery continuum of care. Recovery Housing provides safe, healthy, and supportive substance-free living environments. Recovery Housing is centered on peer support and a connection to services that promote long-term recovery and promotes connections to mutual support groups and recovery support services to reduce isolation and relapse.

DSHA has determined to use RHP funding for Acquisition of Real Property and Rehabilitation, Recovering Housing for acquisition and rehabilitation does not have one defined look. The housing can be shared, congregate single-family, apartment buildings or re-purpose of buildings. Partnerships are encouraged for ownership and/or providing support services or management services.

Community Development Block Grant Requirements

Community Development Block Grant (CDBG) funded projects and activities must meet at least one national objective as required by Title I of the Housing and Community Development Act of 1974, as amended: to benefit low- and moderate-income persons; to prevent or eliminate conditions of slum and blight; or to meet an urgent need. **RHP** is organized within the framework of the CDBG Program. The three pillars of CDBG compliance are:

1. National Objective

Benefit to Low- and Moderate-Income (LMI) Persons Thru Limited Clientele Activities – For activities that benefit persons that are “presumed” to be of low and moderate income or are qualified based on data about family size and income.

2. Eligible Uses and Activities

Use of funds only for the limited list of eligible activities specified to carry out the purpose of RHP. Listed on the first page of the Application (see page 2 and 3).

- *CDBG-RHP is a reimbursement program.*

3. Connection to Program Purpose

Must provide stable, temporary housing for individuals in recover from a substance use disorder.

Funding Availability and Timeline

A. Available Funding

DSHA has received FY22 and FY23 allocations in the total amount of \$2,602,439. These funds will be used for acquisition and rehabilitation of a recovery housing project(s) in the form of a CDBG grant.

B. Targeted Timeline

- | | |
|-------------------|--|
| ▪ June 1, 2023 | NOFA released to public |
| ▪ June 13, 2023 | Virtual Public Information Session with DSAMH and Technical Assistance Day |
| ▪ August 11, 2023 | Applications Due to DSHA by 4:00 p.m. |
| ▪ October 2023 | DSHA award announcement |

* Applications received after posted deadline will **not** be eligible for funding.

Funding Allocation Priorities

Funds will be disbursed through a competitive application process in accordance with DSHA's RHP Action Plan http://destatehousing.com/Landlords/landlordmedia/cdbg_fy2021_rhp_action_plan.pdf with preference given to:

- Applications that demonstrate a clear need, suitability, and cost efficiency for new permanent recovery housing projects for households with opioid substance abuse disorder;
- Applicants with demonstrated experience and capacity to ensure compliance with the requirements of the RHP program;
- Applicants with proposals that include partnerships with State agencies, community partners and/ or private funders that demonstrate sustainable sources of funding for proposed supportive services; and
- Applications meeting priority housing needs regarding recovery housing established by Division of Substance Abuse and Mental Health (DSAMH).
- Eligibility and General Requirements

Eligibility and General Requirements

A. Eligible Applicants

DSHA may select more than one applicant to meet the needs of the State. Only 501(c)(3) nonprofit developers will be eligible to apply. All Applicants should contact DSHA to schedule a pre-application meeting for the Technical Assistance Day.

B. Award Conditions and Restrictions

- All Awardees/Subrecipients must meet, at a minimum meet the following:
 - Operation of a current DSAMH contracted Recovery Residence and service provision that meets the NARR Level 2, NARR Level 3, or NARR Level 4, ASAM 3.1 Level of Care and expected licensing and staffing levels as defined in Section 6001,13.1.2 of Title 16 of the Delaware Administrative Code related to Operation, Staffing, and Staff Schedules for transitional residential treatment¹.

- Services may include the provision of recovery support with accessible services, both medical, and non-medical, based on needs rather than on insurance status or the initial diagnosis of the individual.
- Subrecipients are expected to engage in meaningful continuing care collaboration and coordination of care with, primary care providers, acute care facilities, existing outpatient services, as well as other community treatment resources.
- Subrecipients are expected to provide trauma-informed care practices that promote a culture of safety, empowerment, and healing and person-centered planning methods with the goal of guiding the client towards full inclusion in the community.
- Subrecipient will also be subject to contractual compliance under DSAMH for the treatment operation of the Recovery Residence and service provision
- All awardees must understand and agree to comply with federal cross cutting regulations including an Environmental Review, Uniform Relocation Act, when applicable, Davis Bacon wage rates, if applicable, Section 3, Civil and Fair Housing, and applicable procurement requirements.
- Awardees must also cooperatively and collaboratively work with DSAMH and other applicable state agencies, through various contracts and/or memorandums of understanding during the term of RHP commitment, unless otherwise approved by DSHA.
- Awardees must meet nationally-recognized evidence-based best practices such as those from the National Alliance for Recovery Residences.
- At such time when the State amends Chapter 22A of Title 16, all awardees will be certified through any DSAMH certification process as determined by DSAMH during any term of the RHP grant.
- Awardees must use DSAMH's **Delaware Treatment and Referral Network (DTRN) a statewide, comprehensive referral network for behavioral health and substance use disorder treatment.** DTRN's automated system provides an online inventory of services and wait times in order to meet patients' needs 24 hours a day, seven days a week. Referring care teams can electronically transition patients to providers around the state that match the level of care needed. DTRN's electronic referral process also allows the sending and receiving care teams to coordinate supporting services such as transportation, housing, and employment, making the patient's transition as smooth as possible. DTRN is supported by OpenBeds®, which offers a HIPAA-compliant cloud-based platform. OpenBeds® is made up of a team of physicians, engineers, and subject-matter experts who share a deep commitment to improving care delivery and quality, as well as providing access to mental health and substance use disorder treatment.
- Awardees must make sure eligible households meet the Area Median Incomes (AMI) and may not exceed 80% of AMI. All households must be CDBG income certified at move-in.
- Awardees must have plans to follow eligible households at exit, to include if the household moved into permanent housing.
- Awardees must assure that individual's assistance does not exceed 2 years (cumulative).
- No more than 10 beds/units will be allowed unless approved by local municipality and/or DSAMH.
- All projects must adhere to DSHA's Minimum Construction and Rehabilitation Standards and all other construction standards, as applicable and as described in DSHA's RHP Action Plan, which can be found at the following link:
- http://www.destatehousing.com/Developers/lihtc/2021/2021_qap_guidelines.pdf
- Awardees should engage architectural services to oversee all renovations.
- RHP projects must meet the RHP affordability requirements for a period of not less than thirty (30) years, which begins at project completion. DSHA may impose longer periods of affordability.
- Award recipients will have three (3) years from the award date to expend funds.
- Reimbursement of acquisition costs may not exceed appraised value unless approved by DSHA prior to acquisition.

C. Pre-Development Loans

Applicants may be eligible for up to \$50,000 in Pre-Development lending from DSHA's Housing Development Fund. Interested applicants should review Pre-Development funding details by visiting the following: http://www.destatehousing.com/Developers/dv_hdf.php

Program Guidelines

A. Eligible Activities/Uses

Funds may be used for the following project costs:

- Acquisition costs for new projects;
- Rehabilitation/Renovation costs;
- Pre-development and related soft costs; and
- Relocation costs, if any.

NOTE: RHP is a reimbursement program

B. Non-Eligible Activities/Uses

- Any costs associated with RHP application preparation or submittal
- Costs outside stated contract periods, unless specifically permitted by DSHA and set forth in the Written Agreement
- Delinquent taxes, fees or charges
- Political activities, advocacy, and/or lobbying
- Existing indebtedness
- Tenant-based or Project-based rental assistance
- Supportive services or management services
- Planning
- Operating Costs (water/sewer/annual real estate taxes, utilities, supplies)

C. Other Federal Requirements

All awardees must comply with the following RHP requirements:

- (1) The residential anti-displacement and relocation assistance plan in connection with any activity relocation assistance, and one-for-one replacement housing requirements of section 104(d) of the Housing and Community Development Act of 1974, as amended (42 USC § 5304(d)) and implementing regulations at 24 CFR part 42, as applicable, except where waivers or alternative requirements are provided.
- (2) Restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by part 87.
- (3) With the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601 et seq.), and implementing regulations at 49 CFR part 24, except where waivers or alternative requirements are provided.
- (4) It will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 75.
- (5) Complies with each of the following criteria:
 - a. Funds will be used solely for allowable activities to provide individuals in recovery from a substance use disorder stable, temporary housing for a period of not more than 2 years or until the individual secures permanent housing, whichever is earlier;

- b. With respect to activities expected to be assisted with RHP funds, the RHP Action Plan has been developed so as to give the maximum feasible priority to activities that will benefit low- and moderate-income individuals and families;
 - c. The aggregate use of RHP funds shall principally benefit low- and moderate-income families in a manner that ensures the grant amount is expended for activities that benefit such persons; and
 - d. DSHA will not attempt to recover any capital costs of public improvements assisted with RHP grant funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless:
 - i. RHP grant funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than RHP; or
 - ii. for purposes of assessing any amount against properties owned and occupied by persons of moderate income, DSHA certifies to the Secretary that it lacks sufficient RHP funds (in any form, including program income) to comply with the requirements of clause (a).
- (6) The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations, and that it will affirmatively further fair housing.
- (7) The grant will be conducted and administered in conformity with the requirements of the Religious Freedom Restoration Act (42 U.S.C. 2000bb) and 24 CFR 5.109, allowing the full and fair participation of faith-based entities.
- (8) Activities concerning lead-based paint will comply with the requirements of HUD's lead-based paint rules (Lead Disclosure; and Lead Safe Housing (24 CFR part 35)), and EPA's lead-based paint rules (e.g., Repair, Renovation and Painting; Pre-Renovation Education; and Lead Training and Certification (40 CFR part 745)).
- (9) Comply with environmental review procedures and requirements at 24 CFR part 58.
- (10) Will comply with applicable laws.

Please access DSHA's RHP Action Plan or the HUD Exchange for more information at the following links:

Ranking and Scoring

A. Ranking Process

All applications will be scored and ranked based on the criteria detailed below. The top-ranked application will be funded and DSHA will continue to allocate RHP funds to projects in a descending order until all available RHP funds have been fully utilized.

B. Scoring Categories

Applicants are responsible for determining and providing sufficient support documentation. Please review the RHP NOFA Part III – Exhibit Checklist for more information. Applicants should base their narratives on the following scoring criteria:

1. Project Description, Affordability, Capacity, and Outcomes (Maximum Score: 60 points)
 - A. Description (20 points)
 - a. Briefly describe your proposed project and explain how the RHP funding will change or enhance existing services.
 - b. Describe the populations your agency currently serves and the population that will be served by this project.
 - c. Describe the frequency and types of support offered after program exit to support long term recovery.
 - d. Suitability of location.
 - e. How does your agency prioritize households with the greatest need and address real or perceived barriers to entry?
 - f. Provide any information or data justifying the need and unmet needs for RHP projects/funding.
 - B. Affordability (5 points)
 - a. Targeted Area Median Income (AMI)
 - i. Describe the methods used to determine income eligibility and qualifications for residency
 - ii. Describe the average amount of RHP assistance per household
 - b. Duration of affordability term (cannot be less than thirty (30) years)
 - C. Team Capacity, Experience and Services (20 points)
 - a. Experience with other federal, state or local housing programs
 - b. Experience with other recovery and/or permanent supportive housing, include the types of clients served and services provided, and how the projects were funded and maintained.
 - c. Describe the agency/staff experience and ability to provide comprehensive recovery services
 - d. Demonstrate financial capacity to undertake, comply and manage projects
 - e. Evidence of grants, loans and/or projects that are in the DSHA portfolio of applicant or affiliates in good standing
 - f. Provide oversight and management policies and procedures for
 - i. Eligibility determination
 - ii. Support of client's success after exit

- iii. Referral process and tracking follow-up
- iv. Relapse protocol
- v. Civil Rights
- vi. Fair Housing
- vii. Coordination with Law Enforcement
- viii. Client discharge, evicted or no longer interested after assistance in accessing other housing services

D. Outcomes (15 points)

- a. Briefly describe the benefits and accomplishments that will be achieved with RHP funding, include the following information:
 - i. Number of Households that may be assisted
 - ii. Number of Households that will transition to permanent housing
 - iii. The average amount of assistance per household
- b. Describe the plan to sustain and continue services if the RHP funding is invested in this project.
- c. Describe how this project will measure success.

2. Leveraging (Maximum Score: 10 Points)

- a. Coordination of other federal and non-federal assistance for this project as it relates to substance abuse, homelessness, at risk of homelessness, employment and wraparound services
- b. Cost efficiency of project
- c. Describe how the project costs of the project will be funded.

3. Operating Funds, and project self-sufficiency (Maximum Score: 10 Points)

- a. Describe the dedicated Operating Income and/or Supportive Services funding and how the daily operating expenses will be funded.
- b. Priority points will be given to projects that can document dedicated non-RHP operating sources
- c. Cash flow pro forma positive cash flow (sources and uses)

4. Collaboration, Commitments, and Coordination (Maximum Score: 10 Points)

- a. Describe any partnerships for your agency and this project
- b. Provide any commitments and/or coordination of services including Peer Support programs

5. Readiness to Proceed (Maximum Score: 10 Points)

- a. Describe how your organization will be ready to proceed should funding be approved. Include implementation of the project, grant management, timetables/schedules and other information that supports the feasibility of this project.
- b. Include any items that may demonstrate Readiness to Proceed such as:
 - i. Site Control (Purchase Sales Contract)
 - ii. Zoning, Water and Sewer approvals
 - iii. Development team members
 - iv. Building Permits and Fire Marshal approvals
 - v. Plans and Specs

Reporting and Recordkeeping

A. Data Collection

Each awardee will be expected to collect and report information about the uses of funds, including, but not limited to:

- Project name;
- Activity;
- Location;
- Funds budgeted and expended;
- Funding sources and total amount of any leveraged funds;
- Beginning and ending dates of activities;
- Evidence of income verification, including recertification as required;
- Number of very low- and extremely low-income persons or households served;
- Data needed to support performance measures; and

B. Annual Reporting

Each awardee must submit an annual performance report, as DSHA prescribes, no later than fifteen (15) days following the end of each year of the first full calendar year after award and continuing until the completion of the project, as determined by DSHA.

C. Monthly Reporting (Drawdown of funds)

In addition to this annual performance reporting, each awardee will be permitted to draw funds on a monthly basis, provided documentation on obligations and expenditures has been provided and determined to be acceptable by DSHA. Awardee agrees to follow DSHA's draw process. Note: RHP is a reimbursement program.

D. Recordkeeping

The address, appraised value, purchase offer amount, and costs associated with acquisition and rehabilitation of each property must be documented in the awardee's program records and any additional information DSHA may request.

E. Regulatory Requirements

- All projects/developments must be located in **Level 1, Level 2, or Level 3 Investment Areas** as defined by State Strategies for Policies and Spending to be eligible to apply for funding.
- In accordance with Title 31, Chapter 40, Subchapter III, DSHA will notify the local government's Chief Executive Officer, State Senator and State Representative upon receipt of the Final Application.
- Applicants agree to Affirmatively Further Fair Housing and comply with the provisions of all applicable federal, state and local law prohibiting discrimination including, but not limited to, Title VI of the Civil Rights Act of 1964 as amended.
- All applicants must comply with all requirements of the Violence Against Women Act (VAWA) as codified at 42 U.S.C. § 13931 et. seq. and as more particularly described in 24 C.F.R. § 93.356. This includes, but is not limited to: prohibition from discrimination in tenancy on the basis of applicant's history as a victim or threatened victim of a VAWA crime and certain lease protections.
- Applicant and management staff must provide Fair Housing training for staff every two (2) years. Verification of such training will be reviewed by DSHA staff as part of our periodic site review.

- All RHP rental projects/units will be required to execute a thirty (30)-year grant agreement with DSHA and participate in DSHA’s asset management and compliance process.
- All applicants shall comply with the requirements established by the Office of Management and Budget (OMB) concerning the Dun and Bradstreet Data Universal Numbering System (DUNS), the System for Award Management (SAM.gov), and the Federal Funding Accountability and Transparency Act as provided in 2 CFR part 25, Universal Identifier and Central Contractor Registration, and 2 CFR part 170, Reporting Subaward and Executive Compensation Information.

Submission of Application

A. Application Deadline

Applications are due to DSHA no later than 4:00 p.m. on **August 11, 2023**. Applications submitted after this deadline or incomplete applications will **not** be considered for funding.

B. Submission Checklist and Applicant Instructions

1. Application, Part I RHP (Fillable Word format)

This part of the application collects general information about the primary applicant, the project name and location, proposed activities, and the requested funding amount.

2. Application, Part II RHP Cash Flow Pro Forma (Excel format)

This part of the application collects information about the project’s proposed sources and uses.

3. Application, Part III RHP Exhibit Checklist (Narrative and support documentation)

This part of the application consists of narratives, exhibits, and documentation provided by the applicant. DSHA will use this information to determine if the application meets the overall priorities of RHP and for the purpose of scoring/ranking the application.

C. Submission Format

Applicants must submit **one bound and indexed-paper copy and one electronic copy USB thumb drive**).

The paper copy must be bound in a three-ring binder in an indexed format, with a table of contents and organized in the following manner:

- Table of Contents;
- Application, Part I RHP (Signed copy);
- Application, Part II RHP Cash Flow Pro Forma; and
- Application, Part III RHP Exhibit Checklist (Narratives and support documentation).

The electronic copy may be in the form of a USB thumb drive and should follow the same organizational format as the paper copy described above.

D. Submission Location

Applications may be submitted in person to DSHA’s Dover or Wilmington office.

Dover Location

18 The Green
Dover, DE 19901

Wilmington Location

Carvel State Office Bldg.
820 N. French St., 10th Floor
Wilmington, DE 19801

Submission Deadline
August 11, 2023
by 4:00 p.m.

E. DSHA Contact Information

For program questions and assistance with the application process please contact:

<p>Cindy Deakne Housing Project Manager Phone: 302-739-0291 Email: Cindy@destatehousing.com</p>	<p>Dawn Favors Jopp Community Development Manager Phone: 302-739-0204 E-mail: dawn@destatehousing.com</p>
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