



State of Delaware
CDBG-RHP Action Plan

FY2026

Delaware State Housing Authority

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Program Summary

The Federal Register Notice No. FR-6225-N-01 as authorized under Section 8071 of the SUPPORT for Patients and communities Act, entitled a program to help individuals in recovery from a Substance Use Disorder become stably housing, herein referred to as the Recovery Housing Program (RHP). The RHP Program authorizes assistance to grantees to provide stable, temporary housing from a Substance Use Disorder.

The State of Delaware/Delaware State Housing Authority's (DSHA) RHP Action Plan will guide you through the use of approximately \$1,250,731 in RHP funding received by the State of Delaware through the U.S. Department of Housing and Urban Development's (HUD) Community Development Block Grant Program (CDBG) for the period of July 1, 2026 through September 1, 2032. These funds are administered by DSHA, who administers the State's CDBG funding. There will be collaboration with the Delaware Departments and Divisions, including but not limited to: Department of Health and Social Services (DHSS), Division of Substance Abuse and Mental Health (DSAMH), Department of Corrections (DOC), and the Department of Justice (DOJ). A staff member from DSAMH will participate in the review and selection process of applicants.

This plan identifies the State's priorities and needs for sober living/recovery transitional housing for persons recovering from addiction based on DSHA's needs assessment and citizens input. It establishes goals for meeting the priority needs for the period of funding and reflects anticipated sources and outcomes.

Summary of Need

This program aligns with Delaware's strategic drivers for its behavioral health system:

- Engaging and stabilizing people with behavioral health needs wherever/whenever they might be ready to engage.
- Improving coordination between organizations and agencies through the use of referrals and transitions.
- Providing seamless access to care management and social needs that supports mental, physical, social, and spiritual well-being.
- Providing person-centered, peer-supported, long-term treatment support for patients and families in the community.
- Building prepared and resilient communities.

Both DSHA's and DSAMH's strategic drivers are based on in-depth reviews and recommendations from Pew Charitable Trusts, Johns Hopkins University, and account for the priorities of Delaware's Lieutenant Governor's Behavioral Health Consortium

This project will leverage strategic efforts and allow Delaware to strengthen and create sustainable change to address the full Continuum of Care, by intensifying and deepening the work that has started, and adding additional supports that build on treatment and recovery support.

Resources

DSHA will use 5% of the total award for Administration costs. DSHA will have a direct, project-specific application process to identify and evaluate eligible RHP activities for the FY2026 allocation.

Total DSHA RHP allocation includes:

| | |
|-------------------------------|-----------------------|
| FY2026 Total Award | \$1,250,731.00 |
| <u>-5% General Admin</u> | <u>\$62,536.00</u> |
| Total Amount Available | \$1,188,195.00 |

All State Recipients must identify and utilize other State or Federal resources for RHP activities including:

- Sober Living Funding and Grants;
- State or Federal Transitional Housing Grants;
- American Rescue Plan (ARP), Local or State, if available;
- SAMSHA Funding and Grants;
- Other State funding from other State agencies;
- Local contributions and donations.

Administration Summary

DSHA will conduct State Recipient oversight in the administration of the RHP grant. Oversight includes:

- State Recipient grant management;
- Developing guidelines and monitoring;
- Completing an environmental review, if applicable;
- Ensuring Residential Anti-Displacement and Relocation Assistance Plans are adopted and followed;
- Compliance with acquisition and relocation requirements of the Uniform Relocation Act of Section 104(d) of the Housing and Community Development Act of 1974; and
- Compliance with Federal and Delaware State Housing Authority Rehabilitation Standards.

DSHA Point of Contact:

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Use of Funds – Method of Distribution

After evaluating the existing Substance Use Disorder (SUD) treatment and recovery housing landscapes in the State of Delaware, RHP funds may be used for the following eligible activities:

- Administration
- Payment of Lease, Rent, and Utilities
- Acquisition
- Rehabilitation/Renovation
- Relocation (if applicable)
- Pre-development and Soft Costs

All activities will be completed in order to assist individuals in recovery from SUD in accordance with Section 8071.

The method of distribution will be a direct, project-specific application process to identify and evaluate eligible RHP activities. Under this process, DSHA may invite one or more qualified owners, developers, or subrecipients to submit a project proposal when a specific opportunity is identified that aligns with the RHP eligible activities listed. Invitations will be based on demonstrated experience, capacity, site availability, or the unique suitability of a proposed property or project.

Use of Funds – Activities Carried Out Directly

DSHA will not be making funds available to any entitlements, non-entitlements, or general local units of governments. DSHA's RHP Program is a reimbursement program.

Eligible Recipients:

- Nonprofit entities that have demonstrated experience, capacity, site availability, or the unique suitability of a proposed property or project, including:
 - o Nonprofit organizations that are corporations, associations, agencies or faith-based organizations with nonprofit status under the IRS Section 501(c)3; and
 - o Community-Based Development Organizations (CBDOs) that have been certified by the CDBG Program.
- Nonprofits must have experience providing successful services related to the SUD recovery and have the capacity to carry out the grant in a timely manner.

Recovery Funds will be provided for:

- Acquisition;
- Rehabilitation/Renovations Costs;
- Relocation, if applicable;
- Lease, Rent, and Utilities; and
- Administration.

Types of RHP Projects:

- Shared or Congregate Single Family;
- Apartment Buildings;
- Re-Purpose Buildings;
- Emergency Shelters;
- Transitional Housing

Application Evaluation:

- Direct Benefit to RHP Populations;
- Suitability of a Property for Conversion;
- Readiness to Proceed;
- Financial Feasibility and Cost Reasonableness; and
- Prior Experience.

Locations:

- Statewide, with Kent and Sussex Counties having priority with the greatest need.

Use of Funds – Eligible Subrecipients & Criteria for Evaluation

DSHA will award RHP Funds through a project-specific application process that identifies and evaluates eligible RHP activities.

Under this process, DSHA may invite one or more eligible owners, developers, or subrecipients to submit a project proposal when a specific opportunity is identified that aligns with eligible RHP activities. Invitations will be based on demonstrated experience, capacity, site availability, or the unique suitability of a proposed property or project. The following information will be requested:

Description:

- Briefly describe your proposed project and explain how RHP Funding will change or enhance existing services.

- Describe the populations your agency currently serves and the population(s) that will be served by this proposed project.
- Describe the frequency and types of support offered after program exit to support long term recovery.
- Explain how your agency will prioritize households with the greatest need and address real or perceived barriers to entry.
- Suitability of location.
- Provide any information or data justifying the need and unmet needs for RHP projects/funding.

Affordability:

- Targeted Area Median Income (AMI)
 - o Describe the methods used to determine income eligibility and qualifications for residency.
- Duration of affordability term (cannot be less than 20 years).

Team Capacity, Experience, and Services

- Experience with other Federal, State, or Local Housing Programs.
- Experience with other Recovery and/or Permanent Supportive Housing, including types of clients served and services provided, and how the projects were funded and maintained.
- Describe the Agency's experience and ability to provide comprehensive recovery services.
- Evidence of Grants, Loans, and/or Projects that in are in the DSHA portfolio of applicants or affiliates in good standing.
- Provide oversight and management policies and procedures for:
 - o Eligibility determination;
 - o Support of clients success after exit;
 - o Referral process and tracking follow-up;
 - o Relapse protocol;
 - o Civil Rights;
 - o Fair Housing;
 - o Coordination with Law Enforcement; and
 - o Client discharge, eviction, or no longer interested after assistance in accessing other housing services.

Outcomes

- Briefly describe the benefits and accomplishments that will be achieved with RHP Funding, include the following information:

- Number of Households that may be assisted;
- Number of Households that will transition to permanent housing; and
- The average amount of assistance per household.
- Describe the plan to sustain and continue services if RHP can no longer be used.
- Describe how this project will measure success.

Leveraging

- 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.
- Cost efficiency of program or project.

Project Self-Sufficiency

- Describe the dedicated operating income and/or supportive services funding and how the daily operating expenses will be funded.
- Priority points will be given to projects that can document dedicated non-RHP operating sources.
- Cash Flow Pro Forma positive cash flow (sources and uses)

Collaboration, Commitments, and Coordination

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

Readiness to Proceed

- Describe how your organization will be ready to proceed should funding be approved. Include implementation of the project, grant management, timetables/schedules and any other information that supports the feasibility of this project.
- Include any items that may demonstrate readiness to proceed such as:
 - Site Control (Purchase Sales Contract)
 - Zoning, Water, and Sewer Approvals
 - Development Team Members
 - Building Permits
 - Plans and Specs

Applications and activities will be evaluated based on their impact and meeting the criteria above. DSHA reserves the right to reduce requested funding amounts or to not fund specific activities identified in the application. All Applications are reviewed and approved by the Director of DSHA.

Definitions

Individual in Recovery:

- According to the United States Department of Health and Human Services: Substance Abuse and Mental Health Services Administration (SAMHSA), an individual in recovery is one who:
 - o Is overcoming or managing one's disease(s) or symptom(s) and is making informed, healthy choices that support physical and emotional well-being.
 - o Has a stable and safe place to live.
 - o Is conducting meaningful daily activities.
 - o Is working toward the independence, income, and resources necessary to participate in society.
 - o Has relationships and social networks that provide support, friendship, love, and hope.

Substance Use Disorder (SUD)

- The United States Department of Health and Human Services: Substance Abuse and Mental Health Services Administration (SAMHSA) defines Substance Use Disorder (SUD) as the recurrent use of alcohol and/or drugs causing clinically significant impairment, including health problems, disability, and failure to meet major responsibilities at work, school, or home. Diagnostic criteria for SUD is described further by the American Psychiatric Association, *Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition (DSM-5)[i]*.

Mental Illness

- SAMHSA defines mental illness as someone over the age of 18 having (within the past year) a diagnosable mental, behavioral, or emotional disorder that causes functional impairment that substantially interferes with or limits or more major life activities. Diagnostic criteria for mental illness is described further in the American Psychiatric Association, *Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition (DSM-5)[ii]*.

Co-occurring/Co-morbidity Disorders

- The co-existence of both mental health and substance use disorder (SAMHSA.org; accessed November 24, 2021)
 - o *Diagnostic and Statistical Manual of Mental Disorders: DSM-5*. 5th ed., American Psychiatric Association, 2013. *DSM-V*, doi-org.db29.linceweb.org/10.1176/ appi.books.9780890425596.dsm02.

- *Diagnostic and Statistical Manual of Mental Disorders: DSM-5*. 5th ed., American Psychiatric Association, 2013. *DSM-V*, doi-org.db29.linccweb.org/10.1176/appi.books.9780890425596.dsm02.

Anticipated Outcomes

Anticipated outcomes, goals, number of units/beds created, rehabbed, expected to be assisted: 15-20

Anticipated number of individuals expected to transition to permanent housing: 10-15

Expenditure Plan

DSHA will comply with all RHP guidelines. We anticipate expending 100% of the FY26 RHP funds by December 2032.

Administrative costs will not exceed the 5% allotment. Any Program Income generated will be used to continue RHP-eligible activities.

Citizen Participation Summary

DSHA will hold a public meeting and make it available to citizens, public agencies, and other interested parties regarding information that includes the amount of assistance DSHA expects to receive and the activities that are eligible with these funds. DSHA made this information available on DSHA's for 15 days, prior to the submission of the Action Plan.

DSHA made the information available through all mechanisms in accordance with DSHA's Citizen Participation Plan, including advertising on DSHA's website, DSHA Newsletter, and list serve notice via email to interested parties involved in permanent recovery housing.

DSHA will consider any comments or views received in writing or orally at that public hearing, as well as any submitted before the Public Comment deadline of May 15, 2026, at 4pm.

Partner Coordination

DSHA has been meeting with our DSAMG and DOC partners every Spring to discuss current programs and initiatives for sober living/recovery housing in Delaware for additional permanent transitional housing for persons that are recovering from SUD. In addition, DSHA met with DOC representatives to discuss their goals for increasing Recovery Housing for individuals released from incarceration. DSAMH is part of the working partnership and will continue to partner with DSHA as projects evolve.

Subrecipient Management and Monitoring

All RHP Projects are carried out by DSHA staff. DSHA will ensure that the project is carried out in accordance with all program regulations and other Federal requirements. The RHP Program Manager will work with selected programs or projects throughout their life to assist them through the process.

RHP programs and projects will be monitored annually. Current monitoring checklists and forms will be used to monitor the program or project and DSHA will utilize underwriting and design and construction standards.

Regulatory Compliance

RHP is federally funded and subrecipients of RHP funds are required to administer them in a way that complies with the applicable Federal and State Regulations. The following list is intended to provide potential applicants with a basic summary of important areas of compliance.

Auditing

- Pursuant to 2 CFR Part 200, Subpart F, subrecipients expending \$1,000,000 or more in Federal funds from all sources within a fiscal year are required to conduct a Single Audit for that fiscal year.

Buy America Preference

- The Build America, Buy America Act requires that all iron, steel, manufactured products and construction materials used for Federally funded infrastructure projects are produced in the United States. Implementing regulations are located at 2 CFR Part 184.

Civil Rights

- Recipients must have policies and procedures to ensure compliance with a variety of federal antidiscrimination laws:
 - o Title VII of the Civil Rights Act of 1974, prohibiting discrimination
 - o Title VIII of the Civil Rights Act of 1974, prohibiting discrimination in housing
 - o Section 504 of the Housing and Rehabilitation Act of 1973 and Title II of the Americans with Disabilities Act of 1990, prohibiting discrimination on the basis of disability.

Conflicts of Interest

- Pursuant to 24 CFR Part 570.489(h) the following individuals or their immediate family members shall not have any direct or indirect financial interest in any contract, subcontract, or the proceeds thereof for work to be performed in connection with the grant during their tenure or one year thereafter:

- Employees or agents of subrecipient who exercise any function or responsibility for the RHP project.
- Officials of the subrecipient that includes members of the governing body.

Environmental Review

- Subrecipients of RHP funds are required to comply with the requirements of the National Environmental Policy Act of 1969 and HUD's implementing regulations at 24 CFR Part 58.

Financial Management

- DSHA will monitor subrecipients to determine compliance with federal financial management requirements including 2 CFR Part 200.300-309 and Part 200.328-330. Typically, ledger, invoices, cancelled checks, and bank statements may be reviewed to determine the adequacy of a subrecipients financial management system.

Labor Standards

- Construction projects must comply with Federal labor standards including:
 - The Davis Bacon Act of 1931 and the implementing regulations at 29 CFR Part 5;
 - The Contract Work Hours and Safety Standards Act of 1962;
 - The Federal Fair Labor Standards Act of 1938; and
 - The Anti-Kickback Provisions of the Copeland Act.

Procurement

- When procuring services related to an RHP-funded project, subrecipients must follow the procurement requirements outlines in 2 CFR Part 200.317-327. The procurement process must follow the appropriate procurement method, promote free and open competition, and solicit participations of Minority and Women-owned businesses.

SAM.gov Registration

- Pursuant to 2 CFR Part 25, each applicant must obtain a Unique Entity Identifier from the Federal System for Award Management (SAM) in order to be eligible to receive federal funds from DSHA.

Section 3

- Section 3 of the Housing and Urban Development Act of 1968 requires that opportunities for training and employment be given to lower income residents and that contracting opportunities be given to qualified Section 3 Business Concerns in HUD programs. Subrecipients carrying out a construction activity will be required to document Section 3 participation in the project and qualitative efforts to encourage participation.

Pre-Award/Pre-Agreement Costs

If applicable, following DSHA's CDBG policies and procedures, the only pre-agreement costs that can be reimbursed with RHP funds would be associated with the Environmental Review clearance.