



Recovery Housing Program (RHP)

FY 2020 *DRAFT* Action Plan



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ACTION PLAN

Grantee: New Mexico

Grant: B-20-RH-35-0001

LOCCS Authorized Amount:	\$0.00
Grant Award Amount:	FY2020 \$940,000/FY2021 \$902,621
Status:	Original – In Progress
Estimated PI/RL Funds:	\$0.00
Total Budget:	\$1,842,621

FUNDING SOURCES

NARRATIVES

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 Pilot Program to Help Individuals in Recovery from a Substance Use Disorder (SUD) 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.

The Department of Finance and Administration – Local Government Division (DFA-LGD) is providing authorization to the New Mexico Mortgage Finance Authority (MFA) to administer RHP to include developing a plan and implementing the program. The State of New Mexico's RHP Action Plan will guide the use of approximately \$940,000 of the FY2020 and \$902,621 of the FY2021 RHP funding received by the State through the U.S. Department of Housing and Urban Development's Community Development Block Grant (CDBG) Program for the period July 1, 2021, through September 1, 2027.

MFA provided notice to potential partners and coordinated working groups to identify areas of immediate need. Based on these meetings, MFA has opted to use the full amount of the RHP FY2020 and FY2021 allocation for *Acquisition of Real Property*, giving priority to organizations that have demonstrated the greatest need and the ability to deliver effective assistance in a timely manner.

According to a New Mexico Substance Use Disorder Treatment Gap Analysis presented by the New Mexico Department of Health's (NMDOH) Substance use is a significant public health issue in New Mexico.

New Mexico recognizes that treatment is necessary, but accessibility is insufficient for long-term recovery of low-income and homeless individuals recovering from SUD, mental health conditions, and criminal justice involvement. Housing stability is fundamental to recovery and a critical factor contributing to positive outcomes. Participants who know they will exit to stable housing are more likely to successfully complete treatment. We know that many who exit treatment will return to homelessness without long-term, affordable housing and comprehensive, evidence-based wrap-around case management services. It is reported that of those exiting treatment for a substance use disorder or mental health condition, only 50% of those in need of housing received housing assistance according to gap analysis. Data also shows that without stable housing, the risk of relapse and inability to maintain abstinence is greatly increased.

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MFA notified the public that RHP funding was available by posting a notice on the New Mexico DFA Action Plan Website: <https://www.nmdfa.state.nm.us/local-government/community-development-bureau/new-mexico-action-plan/>. A public notice was posted on August 25, 2021, announcing New Mexico's Action Plan for the FY2020 and FY2021 allocation of RHP funding and the start of the beginning of the public comment period beginning on August 25, 2021. The public hearing is scheduled for September 16, 2021, and the thirty-day public comment period will close on September 24, 2021. The action plan is scheduled to be presented to the MFA Board for approval on September 15, 2021. The RHP Action plan is scheduled to be submitted via DRGR on September 19, 2021. The Request for Proposals (RFP) is scheduled to be released on October 19, 2021, pending approval of the FY2020/FY2021 Action Plan.

Resources:

OTHER FEDERAL RESOURCES

The State's additional federal resources include:

- HUD's Veterans Housing Rehabilitation Program
- United States Department of Agriculture (USDA) programs
- Federal Housing Administration (FHA) loan programs
- Mortgage Revenue Bonds (MRBs)
- Low Income Housing Tax Credits (LIHTC)
- HOME Investment Partnership Program
- Community Development Block Grant (CDBG)
- Continuum of Care (COC)
- Housing Opportunities People with Aids (HOPWA)
- HUD Housing Trust Fund
- Emergency Shelter Grant (ESG)
- HUD 542(c) Risk Sharing Program
- HUD Section 811 Project Rental Assistance

STATE RESOURCES

Other nonfederal resources expected to be available through MFA include:

- Resources from State legislative allocations
- New Mexico Housing Trust Fund
- MFA's Primero Fund
- New Mexico Affordable Housing Tax Credit

Many partners also leverage other state resources, such as funding from the New Mexico Human Services Department and the New Mexico Children, Youth & Families Department. Further, local governments may provide resources, and private support may be available from organizations such as the United Way or from developer contributions (land, deferred developer fee, loans) and private donations.

Administration Summary:

NM DFA-LGD will oversee the administration of the RHP grant by MFA. DFA-LGD includes sub-recipient grant management, monitoring, completing an environmental review compliance, residential anti-displacement and relocation assistance plans are adopted and followed and complying with acquisition and relocation requirements of the Uniform Relocation Act.

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Point of Contact: Carmen B. Morin, Bureau Chief
Community Development Bureau
DFA-Tribal Liaison, Tribal & Local Government CARES Act Program Manager
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The sub-recipient will be responsible for administering selected RHP activities in compliance with RHP requirements under the oversight of the DFA.

Theresa Laredo-Garcia will serve as the project manager for New Mexico's Recovery Housing Program with her primary role to ensure coordinated effort and non-duplication of services. Ms. Laredo-Garcia has 37 years of experience in housing programs. She brings this wealth of knowledge and her outcome-driven project management skills to this project.

Point of Contact: Theresa Laredo-Garcia, Program Development Manager
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NM Mortgage Finance Authority
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Use of Funds - Method of Distribution:

An internal review committee was established consisting of four individuals from MFA including the RHP Program Development Manager, Assistant Director of Asset Management, Community Development Lead and the Policy and Planning Research and Development Manager. The minimum qualifications and RFP scoring criteria were developed to include minimum eligibility requirements and to establish priorities and the points criteria for scoring. The scoring committee will review proposals, prioritize projects, and decide which organizations to fund based on results of the review. A copy of this criteria, outlining exactly what proposals would be scored on and the possible points for each section will be provided to all organizations during the RFP process.

EVALUATION OF RFP AND DOCUMENTATION

RFPs will be evaluated by MFA staff using the criteria listed in the Applicant Eligibility Requirement Section with final selection to be made by MFA pursuant to the delegations of authority adopted by the MFA Board of Directors on April 15, 2020. Staff may contact Offerors for clarification of information provided. MFA shall enter into agreements with Offerors selected for awards. The agreements shall include remedies and default provisions in the event of unsatisfactory performance by an awardee.

Use of Funds - Activities Carried Out Directly:

Agencies awarded RHP funds for the *Acquisition of Real Property* will be required to place a Land Use Restriction Agreement (LURA) on each project and/or property purchased with RHP funds for a minimum of 15 years. MFA may require an additional term after the compliance period based on the amount of funds used for the acquisition.

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MFA will use 5% of the total award for administration costs. The remaining funds will be distributed to eligible awardees for Acquisition of Real Property.

	FY2020	FY2021	Total
Total Award	\$940,000	\$902,621	\$1,842,621
Administrative Costs	<u>\$47,000</u>	<u>\$45,131</u>	<u>\$92,131</u>
Acquisition of Real Property	\$893,000	\$857,490	\$1,750,490

Use of Funds - Eligible Subrecipients:

Eligible sub-recipients are entities that have met the minimum qualification requirements established in the Applicant Eligibility Section.

Use of Funds - Criteria for Evaluation:

PROJECT NEED

1. Project response to documented need/issue
2. Project response to units near service hub and underserved by Recovery Residences
3. Project provides safe, healthy, and sober living environment
4. Design of program that provides holistic, wrap around services
5. Project leverage of other resources

PROJECT IMPACT

1. Low- moderate-income Individuals (LMI) benefit
2. Readiness to proceed and obligate and expend funds within 4 Months
3. Community support for recovery housing
4. Coordination with state, local or regional service providers
5. Demonstrated data collection for outcomes

PROJECT EFFICIENCY AND FEASIBILITY

1. Project long term viability (reserves, cash flow coverage)
2. Project includes trained recovery housing staff (peer to peer)
3. Demonstrated capacity and experience to carry out the project
4. Project cost effectiveness and reasonability

Offerors must meet the minimum qualification requirements to be eligible to apply established by MFA's procurement policy outlined in the RHP RFP.

Definitions

Individual in Recovery:

A person that is in the process of change to improve their health and wellness, live a self-directed life, and strive to reach their full potential.

Substance Use Disorder

As defined by Substance Abuse and Mental Health Services Administration (SAMHSA) - 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.

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Recovery Residence

A safe, sober living environment that support persons recovering from a substance use disorder in a single-family home(s) or apartment that provides peer support with the environment that prohibits the use of alcohol, use of prescription drugs in a manner other than as prescribed and other illegal substances and assistance accessing support services to persons recovering from substance use disorder.

Anticipated Outcomes:

MFA is engaging with agencies with interest in applying for RHP funds for Acquisition of Real Property. Interested agencies are already engaged in services and work with populations impacted by SUD. MFA has received four Letters of Intent which are expected to submit RPFs with requests sufficient to meet/exceed the FY2020/FY2021 RHP allocations. Upon approval of the RHP Action Plan, MFA will issue an RFP. MFA will conduct an RHP RFP training for interested agencies. These agencies will have the opportunity to work with an RHP Technical Assistance company to assist each agency to meet minimum qualification and scoring criteria for RHP.

Based on these proposed requests, RHP will serve approximately 20-25 individuals directly related to SUD. Additional qualified proposals will increase the number of individuals served.

Expenditure Plan:

MFA will comply with all RHP guidelines and expend at least 30% of the funds within year one as required. We anticipate spending 100% of the RHP funds within the first year. The need for appropriate recovery housing to fill gaps in New Mexico is substantial and based on the state's capacity and availability of agencies to provide recovery services, we do not anticipate any type of barrier to spending down funds expediently and effectively.

Administrative costs will not exceed the 5% allotment. MFA does not anticipate receiving program income for the RHP eligible activities selected.

Citizen Participation Summary:

The RHP Action Plan is subject to the process provided for substantial amendments in the grantee's citizen participation plan (CPP) excerpted below.

There must be reasonable notice of a proposed substantial amendment so that residents of the affected areas of the state will have an opportunity to review it and comment on it. Notice will be made according to the procedures described herein with the addition of the following procedures specifically for substantial amendments:

- Issue a public notice upon release of the proposed substantial amendment announcing a thirty (30) day review and comment period and a public hearing regarding the proposed substantial amendment after the review and comment period. Published notices will be in the Albuquerque Journal, the Santa Fe New Mexican, Las Cruces Sun News and other local newspapers, and on MFA's website (<http://www.housingnm.org/>) and DFA's website (http://nmdfa.state.nm.us/Local_Government.aspx) at least seven (7) days in advance of the hearing.
- Include a section in the final substantial amendment that presents all comments, plus explanations why any comments were not accepted.

Partner Coordination:

MFA met with community stakeholders and developed contacts through existing partnerships to create a list of prospects. MFA sent two email blasts to all prospects, followed by phone and hosted meetings with all

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respondents. MFA has an extensive history of collaborating with diverse community stakeholders to ensure we meet organizational objectives and participant needs.

Subrecipient Management and Monitoring:

MFA will manage the implementation of requirements under the new Recovery Housing Program regulations. The Bureau Chief of the Community Development Bureau will ensure that the project is carried out in accordance with all program regulations and other federal requirements. The Bureau Chief will work with subgrantees throughout the life of the projects if applicable.

Pre-Award/Pre-Agreement Costs:

MFA has determined that pre-award/pre agreement costs did not qualify for RHP reimbursement.