



Recovery Housing Program (RHP)

FY 2022 Action Plan



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RHP FY2022 ACTION PLAN

Grantee: New Mexico

RHP Grant: B-20-RH-35-0001

RHP Grant: B-21-RH-35-0001

RHP Grant: B-22-RH-35-0001

LOCCS Authorized Amount:	\$0.00
Grant Award Amount:	FY2020 \$940,000/FY2021 \$902,621/FY2022 \$1,013,918
Status:	Original – In Progress
Estimated PI/RL Funds:	\$0.00
Total Budget:	\$2,856,539

STANDARD FORM 424 AND 424D

MFA submits this Action Plan to HUD along with completed and executed Federal Forms SF-424 and SF-424D.

PROGRAM SUMMARY

The Federal Register Notice No. FR-6225-N-01 and updated Program Notice FR-6265-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 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 serve as administrator of New Mexico’s RHP to include development of the RHP action plan and implementation of activities described in the plan.

MFA, as subgrantee of the State of New Mexico's RHP allocations will guide the use of approximately \$940,000 of the FY2020, \$902,621 of the FY2021 RHP and \$1,013,918 of the FY2022 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.

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- and moderate-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 the gap analysis. Data also shows that without stable housing, the risk of relapse and inability to maintain abstinence is greatly increased.

RESOURCES

<i>NEW MEXICO RHP ALLOCATION</i>	FY2020	FY2021	FY 2022	ADMIN COSTS	TOTAL
	\$940,000	\$902,621	\$1,013,918	(\$142,827)*	\$2,713,712

*Administrative costs up to five (5) percent of New Mexico’s RHP grant may be used by MFA as subgrantee.

MFA encourages awardees of RHP funds to leverage as many federal, state, and local resources as possible in order to maximize RHP investment.

OTHER FEDERAL RESOURCES

Additional federal resources include:

- HUD’s Veterans Housing Rehabilitation Program
- United States Department of Agriculture (USDA) programs
- Federal Housing Administration (FHA) loan programs
- 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)

STATE RESOURCES

Other nonfederal resources may be available through MFA to 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 MFA's administration of the entire New Mexico RHP allocations for FY2020, FY2021, FY2022 and subsequent allocations. As such, DFA-LGD will provide grant management, monitoring, and ensure environmental review compliance. It will also ensure compliance with residential anti-displacement and relocation assistance plans, following their adoption, and the acquisition and relocation requirements of the Uniform Relocation Act. Oversight will be performed according to the state's CDBG Implementation Manual adjusted for waivers and alternative requirements for the Pilot Recovery Housing Program.

Point of Contact: Carmen B. Morin, Bureau Chief
Community Development Bureau
407 Galisteo, Santa Fe NM 87501
Cell: (505) 470-8979
Email: CarmenB.Morin@state.nm.us

The MFA will be responsible for administering 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
Programs Department
NM Mortgage Finance Authority
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USE OF FUNDS

ELIGIBLE ACTIVITIES

According to FR-6225-N-01 Section H. Overview of Grant Process and RHP Action Plan Requirements, eligible activities include the following:

PUBLIC FACILITIES AND IMPROVEMENTS

RHP funds may be used for activities under 24 CFR 570.201(c) or section 105(a)(2) of the HCD Act (42 USC 5305(a)(2)) only for the purpose of providing stable, temporary housing for individuals in recovery from a substance use disorder in accordance with Section 8071 and this notice.

ACQUISITION OF REAL PROPERTY

RHP funds may be used for acquisition under 24 CFR 570.201(a) or section 105(a)(1) of the HCD Act (42 USC 5305(a)(1)) for the purpose of providing stable, temporary housing to persons in recovery from a substance use disorder. For example, a nonprofit could purchase a residential property for the purpose of providing stable, temporary housing for individuals in recovery from a substance use disorder in accordance with Section 8071 and this notice.

LEASE, RENT, AND UTILITIES

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, and associated costs (e.g. fees), 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 twelve calendar months prior to approval of the RHP Action Plan. For example, a subrecipient 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.

REHABILITATION AND RECONSTRUCTION OF SINGLE-UNIT RESIDENTIAL

RHP funds may be used for rehabilitation or reconstruction of publicly- or privately-owned single-unit residential buildings and improvements eligible under 24 CFR 570.202(a)(1) or section 105(a)(4) of the HCD Act (42 USC 5305(a)(4)) for the purpose of providing stable, temporary housing for individuals in recovery from a substance use disorder in accordance with Section 8071 and this notice.

REHABILITATION AND RECONSTRUCTION OF MULTI-UNIT RESIDENTIAL

RHP funds may be used for rehabilitation or reconstruction of publicly- or privately-owned buildings and improvements with two or more permanent residential units that otherwise comply with 24 CFR

570.202(a) and section 105(a)(4) of the HCD Act (42 USC 5305(a)(4)) for the purpose of providing stable, temporary housing for individuals in recovery from a substance use disorder in accordance with Section 8071 and this notice.

REHABILITATION AND RECONSTRUCTION OF PUBLIC HOUSING

RHP funds may be used for rehabilitation or reconstruction of buildings and improvements owned and operated by a public housing authority to the extent eligible under 24 CFR 570.202(a)(2) and section 105(a)(4) of the HCD Act (42 USC 5305(a)(4)), for the purpose of providing stable, temporary housing for individuals in recovery from a substance use disorder in accordance with Section 8071 and this notice.

DISPOSITION OF REAL PROPERTY

RHP funds may be used for disposition through sale, lease, or donation, or otherwise of real property acquired with RHP funds subject to 24 CFR 570.201(b) and section 105(a)(7) of the HCD Act (42 USC 5305(a)(7)), for the purpose of providing stable, temporary housing for individuals in recovery from a substance use disorder in accordance with Section 8071 and this notice. Eligible costs may include costs incidental to disposing of the property, such as preparation of legal documents, fees paid for surveys, transfer taxes, and other costs involved in the transfer of ownership of the RHP-assisted property.

CLEARANCE AND DEMOLITION

RHP funds may be used for clearance, demolition, and removal of buildings and improvements, including movement of structures to other sites to the extent eligible under 24 CFR 570.201(d) or section 105(a)(4) of the HCD Act (42 USC 5305(a)(4)) for the purpose of providing stable, temporary housing for individuals in recovery from a substance use disorder in accordance with Section 8071 and this notice. This is limited to projects where RHP funds are used only for the clearance and demolition.

RELOCATION

RHP funds may be used for relocation payments and other assistance for permanently or temporarily displaced individuals and families in connection with activities using RHP funds, to the extent eligible under 24 CFR 570.201(i) and section 105(a)(11) of the HCD Act (42 USC 5305(a)(11)).

EXPANSION OF EXISTING ELIGIBLE ACTIVITIES TO INCLUDE NEW CONSTRUCTION

RHP funds can be used for new construction of housing, to the extent the newly constructed housing shall be used for the purpose of providing stable, temporary housing for individuals in recovery from a substance use disorder in accordance with Section 8071 and this notice. HUD is waiving 42 USC 5305(a) and 24 CFR 570.207(b)(3) and adopting alternative requirements to the extent necessary to permit new construction of housing, subject to the same requirements that apply to rehabilitation activities under the provisions at section 105(a)(4) of the HCD Act (42 USC 5305(a)(4)) and 24 CFR 570.202(b).

METHOD OF DISTRIBUTION

MFA will distribute one hundred percent (100%) of the FY2020, FY2021, and FY2022 awards of recovery housing funds for the purpose of use on eligible activities less eligible administrative costs, to eligible awardees through a Notice of Funds Available (NOFA) process.

	<i>FY2020</i>	<i>FY2021</i>	<i>FY 2022</i>	<i>Total</i>
<i>Total Award</i>	\$940,000	\$902,621	\$1,013,918	<i>\$2,856,539</i>
<i>Administrative Costs</i>	\$47,000	\$45,131	\$50,696	<i>\$142,827</i>
<i>Amount for Distribution</i>	<i>\$893,000</i>	<i>\$857,490</i>	<i>\$963,222</i>	<i>\$2,713,712</i>

MFA will solicit qualitative and quantitative information from applicants to demonstrate a need for the project being proposed for RHP funding. MFA will consider both the projected demand for the proposed temporary recovery housing units and the financial need for assistance.

ACTIVITIES CARRIED OUT DIRECTLY

Agencies awarded RHP funds 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 30 years. MFA may require an additional term after the compliance period based on the amount of awarded.

ELIGIBLE SERVICE PROVIDERS

MFA will make awards of RHP funding to local governments, public and private non-profit organizations, and Indian tribes who demonstrate the ability to offer recovery housing services. Public and private nonprofit organizations can be located in all geographic areas within the State of New Mexico, including CDBG entitlement areas. Public and private nonprofit organizations must be exempt from taxation under subtitle C of section 501(c), have an accounting system, a voluntary board, actively engaged in recovery housing efforts in New Mexico or previously engaged in recovery housing efforts in New Mexico, and practice nondiscrimination in the provision of assistance. Assistance may be provided to primarily religious organizations that agree to provide all eligible activities in a manner that is free from religious influence.

CRITERIA FOR EVALUATION

PROJECT NEED

The project must substantiate and address a need that is significant to the needs of the community. Entities with the greatest need and entities with the ability to deliver effective assistance in a timely manner will receive high priority.

NECESSARY AND REASONABLE EXPENDITURE OF RHP FUNDS

The project must substantiate that RHP funding is necessary to meet the identified need(s); the impact of RHP dollars is maximized and the use of RHP funds is reasonable when compared with other funding sources. The state will determine whether all other feasible public and private funding sources have been analyzed and/or applied to the project. In order to assure that funds are committed, funding commitments from public/private funding sources shall be included in the application. The commitments may be contingent on RHP funding.

PROJECT EFFECTIVENESS

The project must substantiate that project accomplishments would be significant given the need, amount of funds requested, local effort and program design.

PROJECT LEVERAGING

The project should maximize and leverage the federal and non-federal assistance related to substance abuse, homelessness and at-risk of homelessness, unemployment, and other similar services.

PROJECT TIMELINESS

Projects must meet the greatest need and ability to deliver effective assistance in a timely manner.

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.

RECOVERY RESIDENCE

A recovery residence may be a single-family home or apartment that provides a safe, healthy, and substance-free living environment for persons recovering from a substance use disorder. Recovery residences generally provide peer support and a connection to services that promote long-term recovery.

ANTICIPATED OUTCOMES AND EXPENDITURE PLAN

ANTICIPATED OUTCOMES

RHP will serve approximately 20-25 individuals directly related to SUD. Additional qualified applications will increase the number of individuals served. Based on the history of potential partners, fifty to sixty percent of individuals will be successfully transitioned to permanent housing.

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 expending funds expediently and effectively.

Administrative costs will not exceed the five percent (5%) of New Mexico's RHP allocation. MFA does not anticipate receiving program income from RHP eligible activities.

CITIZEN PARTICIPATION SUMMARY

The RHP Action Plan is subject to MFA's process for substantial amendments in the 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 respondents interested in RHP funding. MFA has an extensive history of collaborating with diverse community stakeholders to ensure we meet organizational objectives and participant needs.

SERVICE PROVIDER MANAGEMENT AND MONITORING

MFA as subgrantee and administrator of New Mexico's RHP will monitor each agency awarded RHP funds to ensure compliance with RHP requirements and guidelines.

DFA-LGD, as grantee will provide oversight of MFA according to the states CDBG Implementation guide adjusted for waivers and alternative requirements for the Pilot Recovery Housing Program as described in FR-6225-N-01 and FR 6265-N-01.

PRE-AWARD/PRE-AGREEMENT COSTS

Upon acceptance of the RHP Action Plan by HUD, MFA will collect administrative costs allowable under the RHP guidelines allowing up to five percent of the RHP allocation for FY2020, FY2021 and FY2022.

CERTIFICATIONS

MFA certifies the following:

- I. The grantee certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan in connection with any activity assisted with funding under the RHP program. The grantee certifies that it will comply with the residential anti-displacement and relocation assistance plan, 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.
- II. The grantee certifies its compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by part 87.
- III. The grantee certifies that the RHP Action Plan is authorized under state and local law (as applicable) and that the grantee, and any entity or entities designated by the grantee, and any contractor, subrecipient, or designated public agency carrying out an activity with RHP funds, possess(es) the legal authority to carry out the program for which it is seeking funding, in accordance with applicable HUD regulations and the grant requirements. The grantee certifies that activities to be undertaken with RHP funds are consistent with its RHP Action Plan.
- IV. The grantee certifies that it will comply 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.
- V. The grantee certifies that 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 135.
- VI. The grantee certifies that it is following a citizen participation plan adopted pursuant to 24 CFR 91.115 or 91.105 (as imposed in notices for its RHP grant). Also, each unit of general local government receiving RHP assistance from a state must comply with the citizen participation requirements of 24 CFR 570.486(a)(1) through (a)(7) for proposed and actual uses of RHP

funding (except as provided in Federal Register notices providing waivers and alternative requirements for the use of RHP funds).

- VII. The grantee certifies that it is complying with each of the following criteria: (1) 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; (2) 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; (3) 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 (4) the grantee 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: (a) 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 (b) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, the grantee certifies to the Secretary that it lacks sufficient RHP funds (in any form, including program income) to comply with the requirements of clause (a).
- VIII. The grantee certifies that 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.
- IX. The grantee certifies that it has adopted and is enforcing the following policies, and, in addition, must certify that it will require local governments that receive grant funds to certify that they have adopted and are enforcing: (1) a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and (2) a policy of enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.
- X. The grantee certifies that 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.
- XI. The grantee certifies that it (and any subrecipient or administering entity) currently has or will develop and maintain the capacity to carry out RHP eligible activities in a timely manner and that the grantee has reviewed the requirements of the grant.
- XII. The grantee certifies that its 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)).
- XIII. The grantee certifies that it will comply with environmental review procedures and requirements at 24 CFR part 58.
- XIV. The grantee certifies that it will comply with applicable laws.