

Recovery Housing Program 2024 Funding Annual Action Plan

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i. Standard Form 424 and 424D

Please see the SF 424 and 424D attached to this plan.

ii. Program Summary

The Recovery Housing Program (RHP) 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 RHP aims to support individuals in recovery on a path to self-sufficiency and independent living. Assistance is limited, per individual, to a period of not more than 2 years or until the individual secures permanent housing, whichever is earlier.

iii. Resources

Amount of Funds

Kentucky's 2024 RHP Allocation	\$ 1,501,532
Less Administrative Costs (\$43,849 = 3% of total)	<u>\$ (45,046)</u>
Total Amount for Distribution	\$ 1,456,486

The Kentucky Department for Local Government will attempt to leverage as many federal, state, and local resources as possible to maximize RHP investment. Kentucky will review designated opportunity zone census tracts across the state when considering the distribution of resources and placement of RHP projects.

iv. Administration Summary

The Kentucky Department for Local Government will serve the role of RHP Administrator. Agency contact information is listed below.

Agency:	Kentucky Department for Local Government
Address:	100 Airport Road
City, State, Zip:	Frankfort, KY 40601
Phone number:	502-573-2382
Website:	dlg.ky.gov

v. Use of Funds

A. Eligible Activities

- i. **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.

- ii. **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.
- iii. **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, an 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 by 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 subrecipient currently operating a recovery group home may use RHP funds to rent an additional house and increase the number of clients 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 either a period of up to 2 years or until the

individual finds permanent housing. Whatever occurs first.

- iv. **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.
- v. **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.
- vi. **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.
- vii. **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.

- viii. **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.
- ix. **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)).
- x. **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).

B. Evaluation Criteria

- i. **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.
- ii. **Necessary and Reasonable Expenditure of RHP Funds.** The project

must substantiate that RHP funding is necessary to meet the identified needs; 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. 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.

- iii. **Project Effectiveness.** The project must substantiate that project accomplishments would be significant given the need, amount of funds requested, local effort and program design.
- iv. **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.
- v. **Project Timeliness.** Projects must meet the greatest need and ability to deliver effective assistance in a timely manner.

C. Eligible Subrecipients

Public and private nonprofit organizations in all geographic areas within the Commonwealth of Kentucky, Kentucky cities and counties 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 Kentucky or previously engaged in recovery housing efforts in Kentucky, 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.

D. Method of Distribution

RHP funds will be awarded directly to cities, counties and nonprofit subrecipients.

vi. Definitions

A. Individual in Recovery

An individual going through a process of change to improve their health and wellness, live a self-directed life, and strive to reach their full potential.

B. Substance Use Disorder

Substance use disorders occur when the recurrent use of alcohol and/or drugs causes clinically significant impairment, including health problems, disability, and failure to meet responsibilities at work, school, or home.

vii. Anticipated Outcomes and Expenditure Plan

A. Expenditures

DLG will solicit applications from agencies with the ability to deliver effective assistance in a timely manner. DLG will consider an applicant's prior performance related to administering prior federal awards, including HUD, to ensure that least 30 percent of its RHP funds within one year from the date the funds are available to the grantee, and of how the grantee intends to expend 100 percent of the RHP funds before the end of the period of performance. Pre-application for capacity review is required. DLG will solicit qualitative and/or quantitative information from applicants to demonstrate a need for the activities being proposed for RHP funding. A grantee shall consider both the projected demand for the proposed temporary recovery housing solution and the financial need for assistance.

Please note: If an applicant submits a “rental assistance only” application, the applicant must demonstrate, fully, how it will expend 30% of the funding in one year.

B. Outcomes

A Performance Measurement Outcome System has been established by HUD as a standardized framework to gather information, measure program results and quantify the benefit of these programs to low- and moderate-income families and communities. The programs that are covered by this framework include CDBG. HUD has implemented Performance Measures through the Integrated Disbursement and Information System (IDIS) and Disaster Recovery Grant Reporting System (DRGR). Recipients must acknowledge that they will be required to submit performance measure information to DLG to meet this reporting requirement. Submittal of information will be solicited by DLG via the Program Completion Report at closeout. Some recipients, due to the nature of their projects, may have to submit information on an annual basis via a Jobs Created and Retained Report or an Assisted Housing Unit Address Report.

viii. Citizen Participation Summary

A. Public Hearing

As instructed by HUD in writing, the State will hold a public hearing to solicit residents' views on actions, activities, and programs to be funded with federal program funds. During the public hearing, the State will address housing and community development needs, development of proposed activities, the amount of assistance the State expects to receive (including grant funds and program income), the range of activities that may be undertaken, including the estimated amount that will benefit low- and moderate-income residents, a review of program performance, the dates of the public display and comment period; the locations where copies of the draft RHP Plan can be examined; and, how comments will be accepted.

B. Public Display and Comment Period

The draft RHP Plan will be placed on display for a period of no less than 7 days and no more than 21 days, or no less than a time-period specified by HUD in writing, to encourage public review and comment. The public notice shall include a summary of the RHP Plan, the anticipated amounts of funding (including program income, if any), the dates of the public display and comment period, the locations where copies of the draft RHP Plan can be examined, how comments will be accepted, when the document will be approved by the State, and the anticipated submission date to HUD.

C. Comments Received on the Draft RHP Action Plan

Written comments will be accepted by the Contact Person, or a designee, during the 15-day public display and comment period. The State will consider any comments or views of State residents received in writing, or orally at the public hearing, in preparing the final RHP Plan. A summary of these comments or views, and a summary of any comments or views not accepted and the reasons why, will be attached to the final RHP Plan for submission to HUD.

D. Submission to HUD

The RHP Plan will be submitted to HUD via DRGR.

ix. Partner Coordination

DLG staff communicated with several state agencies regarding the use of RHP funds. The Kentucky Housing Corporation, Department for Behavioral Health in the Cabinet for Health and Family Services, and the Office of Drug Control Policy in the Justice and Public Safety Cabinet have offered guidance set up meetings to promote the new program. Numerous nonprofit organizations have expressed interest in applying for project funding.

x. Subrecipient Management and Monitoring

DLG will monitor the project at least once before the project is closed. If required, monitoring may take place more than once to resolve unforeseen problems. Ideally, DLG like to monitor projects when 50% to 80 % completed.

xi. Pre-award/Pre-Agreement Costs

If DLG approves the 2024 RHP application, up to five percent of the total project award may be used for pre-award/pre-agreement costs required for the completion of the 2024 KYCDBG Housing application, including all evidentiary material requested prior to the release of funds.

XII Activity Delivery Costs

If DLG approves the 2024 RHP application, up to four percent of the total project award may be used for activity delivery costs required for the management of the project.

xii. Certifications

Each grantee must make the following certifications with its RHP Action Plan:

- (1) 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.
- (2) The grantee certifies its compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by part 87.
- (3) 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.

(4) 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.

(5) 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.

(6) 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).

(7) 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).

(8) 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.

(9) 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.

(10) 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.

(11) 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.

(12) 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)).

(13) The grantee certifies that it will comply with environmental review procedures and requirements at 24 CFR part 58.

(14) The grantee certifies that it will comply with applicable laws.