

FFY 2023 Recovery Housing Program Action Plan Amendment

The Pilot Program to Help Individuals in Recovery from a Substance Use Disorder Become Stably Housed (Recovery Housing Program), was authorized under Section 8071 of the Support for Patients and Communities (SUPPORT) Act. The Recovery Housing Program (RHP) allows states and the District of Columbia to provide stable, transitional housing for individuals in recovery from a substance-use disorder. HUD published the allocations for the appropriated Recovery Housing Program funds to 25 grantees on HUD's website on February 13, 2020. The Further Consolidated Appropriations Act, 2020 (Pub. L. 116-94) ("FY 20 Appropriations Act") made available \$25,000,000 for activities authorized under Section 8071 3 and required the Secretary of HUD to allocate the funds based on the percentages shown in Table 1 of the Federal Register Notice published on April 17, 2019 (84 FR 16027) (the "Formula Notice").

As required by the SUPPORT Act, HUD allocated funds only to states with an age adjusted rate of drug overdose deaths above the national overdose mortality rate, according to the Centers for Disease Control and Prevention. HUD allocated the RHP funds to 25 grantees in FY 20 and 27 grantees in FY 21. The Commonwealth of Massachusetts was awarded 4.30% of the \$24,500,000 FY 20 allocation; after a 2% percent (\$500,000) deduction of technical assistance funds from the total allocation which will be used by the Secretary of HUD to provide technical assistance to grantees. As a result, the Commonwealth was awarded \$1,052,000. Five percent of this amount, \$52,600, will be allocated for administrative costs. The Fiscal Year (FY) 2021 budget for the Department of Housing and Urban Development allocated an additional \$967,315 to the Commonwealth for the Recovery Housing Program. Five percent of this amount, \$48,365, will be allocated for administrative costs. The Fiscal Year (FY) 2022 budget for the Department of Housing and Urban Development allocated an additional \$982,607 to the Commonwealth for the Recovery Housing Program. Five percent of this amount, \$49,130, will be allocated for administrative costs. A combined total of \$150,095 will be reserved for administrative costs and \$2,851,827 will be allocated for the voucher program, for a total of \$3,001,922; the sum of the three allocations.

The Fiscal Year (FY) 2023 budget for the Department of Housing and Urban Development allocated an additional \$1,067,194 to the Commonwealth for the Recovery Housing Program. Five percent of this amount, \$53,359, will be allocated for administrative costs. \$1,013,835 will be used to support the existing program to assist individuals who are seeking to move into a certified sober home but have no or limited income and for current residents of certified sober homes who have lost their employment and need financial assistance to maintain their housing. The four allocations now (April 2024) total \$4,069,116.

The SUPPORT Act requires amounts appropriated or amounts otherwise made available to grantees for RHP be treated as though such funds are CDBG funds under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5302) (“HCD Act”) and authorizes the Secretary of HUD to waive or specify alternative requirements to any provision of title I of the HCD Act necessary to facilitate or expedite the use of RHP funds, except for requirements related to fair housing, nondiscrimination, labor standards, the environment, and requirements that activities benefit persons of low- and moderate-income. Except as provided in Section 8071 or in the Notice of FY2020 Allocations, Waivers, and Alternative Requirements for the Pilot Recovery Housing Program ([Docket No. FR-6225-N-01], the statutory and regulatory provisions governing the CDBG program shall apply to grantees.

Requirements at 42 U.S.C. 5306(d) and 24 CFR 570.480(g) are waived to the extent necessary to allow a state to use its RHP grant to directly carry out activities, rather than only distribute its RHP funds to units of general local government. The Commonwealth is permitted to directly fund a public or private nonprofit entity as a subrecipient, may procure a for-profit entity to carry out the RHP activities, or may use state employees to administer RHP-funded activities. The Commonwealth may also distribute or use RHP funds in entitlement areas and may, pursuant to applicant response and need for these funds.

Pursuant to section 102(c) of the HCD Act, the chief executive officer of a state or a unit of general local government may designate one or more public agencies to undertake activities assisted by RHP funds. Given that RHP is subject to CDBG program requirements, DHCD has

entered into an interagency agreement with the Massachusetts Department of Public Health (DPH) who has experience with other federally funded programs supporting recovery from a substance use disorder that help nonprofits create or preserve affordable sober housing in Massachusetts for individuals in recovery. This partnership will help the Commonwealth to focus RHP funds towards programs that complement (but do not supplant) federal substance abuse-related assistance.

Executive Summary

[The Commonwealth is amending its original Action Plan to add the Fiscal Year \(FY\) 2023 allocation of \\$1,067,194 to the Plan.](#)

The Commonwealth proposes that these funds will be used to assist individuals who are seeking to move into a certified sober home but have no or limited income and for current residents of certified sober homes who have lost their employment and need financial assistance to maintain their housing. The Notice of FY2020 Allocations, Waivers, and Alternative Requirements for the Pilot Recovery Housing Program allows for:

- i.
 - 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, and individuals may be assisted for up to 2 years or until the assisted individual finds permanent housing, whichever is earlier. These payments will not be made directly to an individual. These payments will not have been previously paid from other sources; and the payments will 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. 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.

- ii. RHP grantees must 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)). Neither the SUPPORT Act nor the [FY 2020 RHP Notice](#) waived lead-based paint rules that apply to the CDBG program. Therefore, these funds will be limited to assisting individuals with rent for a period of up to 100 days or less, so that compliance with HUD's lead-based paint rules (Lead Disclosure; and Lead Safe Housing (24 CFR part 35) is not triggered.

Sober homes, also known as alcohol- and drug-free (ADF) housing, can offer people new to recovery a safe and positive environment. These group living homes ensure that people in recovery are not isolated and can share their success and support with others reaching for the same goal. They are not treatment programs but can be a lifesaver for people finishing inpatient or residential treatment without a healthy home environment to return to, or who want for their living situation to support their recovery. In July 2014, [Massachusetts passed legislation](#) that mandates the monitoring and voluntary certification of sober homes in Massachusetts.

The Bureau of Substance Addiction Services of the MA Department of Public Health currently contracts with two organizations to apply national standards (National Association of Recovery Residences (NARR) Level 2) to these homes, made specific to include Massachusetts laws. These organizations, the Massachusetts Association for Sober Housing (MASH) and the Recovery Homes Collaborative (RHC) inspect and certify the homes, as well as provide training and technical assistance to sober housing operators seeking certification. Homes are funded by residents rent, not by the state. In addition, the law states that although a sober home is not required to be certified to operate, a state agency or vendor with a statewide contract to provide treatment services, or a state agency or officer setting conditions for release, parole, or discharge, may not refer a person to a residence that is not certified.

As such, effective September 1, 2016, state agencies and their vendors shall only be able to refer clients to certified alcohol and drug free (ADF) housing. Any home not certified is restricted from

state agency referrals until certified. MASH certified homes adhere to strict standards, including core principles that ensure the houses are well operated, maintain the rights of residents, are recovery oriented, and promote health. MASH certified 61 homes (780 beds) in 2016; the number of MASH certified homes in 2021 was 184 (2,505 beds) which serve approximately 3,700 individuals annually. Another 4 sober homes are preparing to open which will provide an additional 151 beds. Voucher programs are imperative to providing access to sober homes for those with little to no income.

RHP funds will be used for rental vouchers to pay weekly rent within certified sober homes for a period for up to 100 days or until the assisted individuals find permanent housing, whichever is earlier. These dollars will be based on client need, and used for the purpose of providing stable, temporary housing for individuals in recovery from a substance use disorder in accordance with Section 8071 of this notice.

FFY 2020, 2021 and 2022 Recovery Housing Program funds awarded to the Commonwealth have been allocated to this purpose.

The Commonwealth previously funded a similar effort for both persons entering a sober home and residents who lost their income. Funds equaling \$250,000 were exhausted within three months in the first quarter of the state Fiscal Year 2022, resulting in 255 unduplicated individuals who received financial assistance for housing in a certified sober home. Assistance ranged from one time use to multiple use of up to 3 months.

- 21% of individuals utilized funds to move into a certified sober home.
- 20% of individuals had resided in the certified sober home for 12 or more months and needed financial assistance due to a loss of income.
- 35 individuals sought assistance after financial assistance funding was expended.

RHP Administration Summary

EOHLC will not carry out activities/projects directly. The Commonwealth (EOHLC) has an Inter-departmental Service Agreement (ISA) with the Department of Public Health/the

Commonwealth's Bureau of Substance Addiction Services (BSAS) who currently contracts with MASH, the sober home certifying organization. MASH will receive and review applications, track client demographics and work with BSAS to ensure proper use of funds. BSAS will maintain the process previously established for COVID emergency funds and will continue contracting with Institute of Health and Recovery (IHR) to serve as the fiscal agent for a period of three years. BSAS and MASH will report on a quarterly basis to EOHLC and will monitor progress via reporting requirements and in accordance with our current EOHLC monitoring materials to ensure compliance for eligibility, national objective compliance, and all other CDBG requirements before closeout of the grant. The Commonwealth plans to spend 100% of the contract over the period of performance. These partnerships will help the Commonwealth to focus RHP funds towards projects that complement (but do not supplant) federal substance abuse-related assistance.

A voucher program that provides individuals with financial assistance for rental costs at a certified sober home will be capped at \$3,000 per individual and will be paid directly to the sober home monthly. Prior to each month of assistance, the individual and sober home operator will provide specified data to the State's certifying body (currently MASH) before funds are released. Sober Home operators and individuals utilizing the voucher will receive a 3- and 6-month follow up by the certifying agency, post assistance.

Proposed requirements are as follows.

- I. Eligible applicants are any individual seeking rental funds for use in any certified Massachusetts Sober Home who has not previously exceeded \$3,000 in assistance.
- II. Eligible applicants will have a demonstrated financial need.
- III. Applications from persons with the greatest need will be prioritized based on qualitative and/or quantitative information from applicants that demonstrates a need for RHP funding.
- IV. The projected demand for the proposed temporary recovery housing solution and the financial need for assistance will also be considered.
- V. Use of the voucher may be consecutive or intermittent.
- VI. Individual assistance is limited to \$3,000
- VII. Funds will be paid directly to the Sober Homes
- VIII. The RHP activities, when taken as a whole, will not benefit moderate-income persons to the exclusion of low-income persons.

- IX. Applications from residents of sober homes owned or controlled by minorities, women, persons with disabilities, veterans, or LGBTQ persons will be strongly encouraged through outreach within these communities.

Use of Funds and Anticipated Outcomes

Massachusetts' Bureau of Substance Addiction Services will work with the certifying agency (currently MASH) to distribute grant funds for individuals to be used for up to 100 days and not to exceed \$3,000. Individuals will complete an application and submit it to that entity who will verify their information and communicate with the homeowner/operator of the Sober Home. Upon approval up to four weeks will be paid directly to the owner/operator on the individual's behalf. Data will be obtained at the end of four weeks and is required prior to the release of additional funds. It is anticipated that at least 630 people will be assisted. [An estimated 315 additional individuals will be assisted with the FY 2023 funds.](#)

Expenditures and Monitoring Plan

The Commonwealth will provide oversight and monitoring to ensure that at least 30 percent of its RHP funds are expended within one year from the date the funds are available. Monthly and quarterly reporting by MASH and BSAS as well as oversight of drawdown requests will be used to monitor and track progress. The Commonwealth intends to ISA these funds to the Commonwealth's Department of Public Health's Bureau of Substance Addiction Services (BSAS) who currently contracts with MASH, the sober home certifying organization. MASH will receive and review applications, track client demographics and to work with BSAS to ensure proper use of funds. BSAS will maintain the process previously established for COVID emergency funds and will continue contracting with Institute of Health and Recovery (IHR) to serve as the fiscal agent for a period of three years. BSAS and MASH will monitor the progress over this time via reporting requirements and in accordance with EOHLC standards and monitoring materials to ensure compliance for eligibility, national objective compliance, and all other CDBG requirements before closeout of the grant. The Commonwealth plans to spend 100% of the contract over the period of performance.

The Commonwealth will allow no more than 5% of the RHP grant to be used for administrative costs to help administer these projects and to comply with federal and state requirements. We propose that \$53,360 will be allocated for administrative costs to assist with the implementation of these FFY 2023 funds.

EOHLC staff met with staff from the Department of Public Health to collaborate and rely on their expertise in addressing and identifying potential uses for these funds to address recovery housing needs. (EOHLC staff did not have direct experience in the area of opioid addiction and recovery.) Numerous TEAMS meetings were held in 2021 and 2022 to collaborate and identify unmet needs, and potential uses for these funds within the framework of the CDBG program. DPH staff identified the need to address a lack of resources for rental assistance for persons entering or residing in sober homes. Subsequent meetings were held between EOHLC and BSAS to develop the Action Plan for these funds and program implementation. As a result of this collaboration, EOHLC plans to enter into an interagency agreement with the Massachusetts Department of Public Health (DPH), Bureau of Substance Addiction Services (BSAS), an agency under the Commonwealth, or other entities (all of whom have experience with other federally funded programs supporting recovery from a substance use disorder). BSAS has provided oversight of the certification of sober homes since it was written into law in 2016.

National Objective Compliance

In accordance with the HUD's expansion of Limited Clientele National Objective to include RHP-assisted housing, (a waiver and alternative requirement to the limited clientele national objective criteria at 24 CFR 570.208(a)(2) and 570.483(b)(2)(i)(B) and to the extent necessary to enable the use of the limited clientele national objective for acquisition, rehabilitation, reconstruction, or new construction activities assisted by RHP funds that provide stable, temporary housing to individuals in recovery from substance use disorder; EOHLC will comply with the modification of Limited Clientele Presumptions, in which persons in certain group categories may be presumed to be low- and moderate-income persons, including the homeless, pursuant to the requirements at 24 CFR 570.208(a)(2)(i)(A) or 570.483(b)(2)(ii)(A). HUD has modified the requirements at 570.208(a)(2)(i)(A) and 570.483(b)(2)(ii)(A) to add additional categories of groups of persons that,

when served exclusively or in combination with groups of persons in other listed categories, may be presumed to benefit persons, 51 percent of whom are low- and moderate-income, barring any evidence to the contrary. Under this alternative requirement, the categories are expanded to include persons who meet the federal poverty limits or are insured by Medicaid.

Definitions

- a. Individual in recovery -
Recovery is a process of change through which individuals improve their health and wellness, live self-directed lives, and strive to reach their full potential.
- b. Substance use disorder - The MA 105 CMR 164.000 regulation defines SUD as:
Substance Use Disorder – any condition pertaining to substance use disorder as defined by the current edition of the Diagnostic and Statistical Manual of Mental Disorders.

SAMHSA (Substance Abuse and Mental Health Services Administration) defines SUD/addiction as:

Mental health and substance use disorders affect people from all walks of life and all age groups. These illnesses are common, recurrent, and often serious, but they are treatable, and many people do recover. Mental disorders involve changes in thinking, mood, and/or behavior. These disorders can affect how we relate to others and make choices. Reaching a level that can be formally diagnosed often depends on a reduction in a person's ability to function as a result of the disorder. For example:

- Serious mental illness is defined by someone over 18 having (within the past year) a diagnosable mental, behavioral, or emotional disorder that causes serious functional impairment that substantially interferes with or limits one or more major life activities.
- For people under the age of 18, the term "Serious Emotional Disturbance" refers to a diagnosable mental, behavioral, or emotional disorder in the past year, which resulted in functional impairment that substantially interferes with or limits the child's role or functioning in family, school, or community activities.
- 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 major responsibilities at work, school, or home.

Citizen Participation

On December 3, 2021, DHCD posted a Public Hearing Notice and Draft Plan on the www.mass.gov/dhcd.

DHCD held the online public hearing on Friday December 10, 2021, 10:00 – 11:00 am and accepted written comments until close of business December 20, 2021. Twelve people attended the session. The following comments were received at the public hearing. No written comments were received.

Brian McHugh, Director of Community Development at the Franklin County Regional Housing & Redevelopment Authority asked if funds could be used on repairs to existing systems.

DHCD will consider inclusion of repairs as program guidelines and application procedures are developed.

Karen Blanchard Executive Director at Michael J. Dias Foundation Springfield, Massachusetts asked how to apply.

DHCD will post and alert interested parties of the application process by email and web posting.

On June 14, 2022, DHCD posted a Public Hearing Notice and Draft Plan on the www.mass.gov/dhcd.

DHCD held the online public hearing on June 27, 10:00 – 11:00 am and accepted written comments until close of business July 14, 2022. One person attended the public hearing. The following comments were received at the public hearing. No written comments were received.

MJ Adams, Community and Economic Development Director for the City of Greenfield asked if the funds will be only available to MASH certified homes, and if a “tenant selection plan” will be required. DHCD contacted the Community and Economic Development Director for the City of Greenfield after the public hearing to respond to her inquiry that the funds would be available to only MASH certified homes and that no tenant selection plan would be required.

On or about May 10, 2024, will post a Public Hearing Notice and Draft Plan on [Executive Office of Housing and Livable Communities | Mass.gov](https://www.mass.gov/info-details/executive-office-of-housing-and-livable-communities). A public hearing will be held on June 5, 2024, at 10:00 – 11:00 am at 100 Cambridge Street, Boston, MA 02114, the Saltonstall Building, 2nd Floor, Conf. Room B.

Contacts:

EOHLC- Patricia Roushanaei, Deputy Community Development Manager

Mass DPH - Jennifer Halstrom, Director Housing and Homelessness Services