

FY21 & FY22 Action Plan

Recovery Housing Program (RHP)

Grantee: North Carolina

FY21 Grant: B-21-RH-37-0001

FY22 Grant: To Be Assigned
(i.e., B-22-RH-37-0001)

FY 21 Grant Award Amount: \$ 778,974.00

FY 22 Grant Award Amount: \$ 806,625.00

Total Budget: \$1,585,599.00

Funding Sources

No Funding Sources Found

Narratives

Program Summary:

In response to the opioid epidemic that has plagued many parts of the nation, a pilot program, the Recovery Housing Program (RHP), has been authorized through Section 8071 of the "Substance Use–Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act", also referred to as the "SUPPORT for Patients and Communities Act" (SUPPORT Act). The SUPPORT Act requires funds appropriated through the pilot program RHP to be treated as Community Development Block Grant (CDBG) funds under the privity of the U.S. Department of Housing and Urban Development (HUD), as modified by Federal Register Notice (FR-6225-N-01) with the intent to expedite and facilitate the use of RHP funds.

RHP, pilot program, provides formula grant funds to states and the District of Columbia to assist individuals in recovery from a substance use disorder (SUD) with stable, transitional housing while on the path to self-sufficiency. The assistance is limited, per individual, to a period of not more than 2 years or until the individual secures permanent housing, whichever is earlier. RHP grantees are mandated to utilize eligible activities to distribute funds by giving priority to entities (entitlement, non-entitlement, or non-profit) with the greatest need and ability to deliver effective assistance in a timely manner. Coordination with other federal substance abused-related assisted partners is strongly encouraged by the program.



RHP eligible activities include:

- Public facilities and improvements;
- Acquisition and disposition of real property;
- Payment of lease, rent, and utilities
- Rehabilitation, reconstruction, and construction of both single family, multifamily, and public housing;
- Clearance and demolition;
- Relocation; and/or
- Administration and technical assistance

In February of 2020, the first cycle of RHP funds were allocated to 25 grantees (24 states and the District of Columbia). HUD was directed to allocate RHP funds only to state with age adjusted rate of drug overdose death above the national overdose mortality rate based on 2016 findings (19.8 per 100,000), which was 21% higher than the rate in 2015 (16.3), according to the Centers for Disease Control and Prevention (CDC). Fiscal year 2020 allocation excluded the State of North Carolina from receiving RHP funds. Even though, data from NC Opioid and Prescription Drug Abuse Advisory Committee (OPDAAC), a group of more than 150 stakeholders, reported that North Carolina experienced a dramatic increase in the rate of death caused by an overdose of opioid prescription drugs. Also, this increase at the time was running parallel with the ever-increasing rate of prescription of opioid painkillers in the United States.

Mid-year of 2021, a second cycle of RHP funds were allocated to 27 grantees (26 states and the District of Columbia), this cycle included an allocation of \$778,974 to the State of North Carolina. Then, May of 2022, a third cycle of RHP funds were allocated to 25 grantees (24 states and the District of Columbia), this cycle included another allocation of \$806,625 to the State of North Carolina. North Carolina allocation was attributed to the state's age adjusted rate of drug overdose death rising closer to the national overdose mortality rate. In North Carolina, an estimated 79% of drug overdose deaths involved opioids in 2018; a total of 1,783 fatalities and a rate of 17.9. The CDC reported heroin-involved deaths and those involving synthetic opioids other than methadone (mainly fentanyl and fentanyl analogs) remained stable with a respective 619 (a rate of 6.3) and 1,272 (a rate of 13.0) in 2018. It was also reported that in 2018 North Carolina providers wrote 61.5 opioid prescriptions for every 100 persons compared to the average U.S. rate of 51.4 prescriptions for every 100 persons.

In developing the RHP Action Plan, the North Carolina Department of Commerce Rural Economic Development Division (REDD) obtained information that the origin of the opioid crisis began within the 423 counties in the Appalachian region located in the eastern part of the United States. Thirty-one of the 423 counties in the Appalachian region are located within the State of North Carolina. As reported by the National Association of Counties (NACo) and the Appalachian Regional Commission (ARC), the

nation's substance use disorder crisis disproportionately impacts Appalachian counties, which findings indicates at the turn of the millennium the opioid overdose death rate was roughly equal to that of the rest of the U.S.; by 2019. However, the death rate for opioid overdoses in Appalachian counties was 41 percent higher than that of non-Appalachian counties. The national overdose rate is 21.6% per 100,000 individuals, just in the Appalachian region located within the State of North Carolina 29 of the 31 counties are over the national overdose rate of 21.6%, according to NORC at the University of Chicago and the Appalachian Region Commission (ARC) <https://overdosemappingtool.norc.org/>. Even more alarming is many of these counties overdose rate are twice that of the national overdose rate.

Substance Abuse Advisory Council (SAAC) to address the disproportionate impact substance use disorder continues to have on the Appalachian region's workforce in comparison to the rest of the country. The ARC's Substance Abuse Advisory Council is a volunteer advisory group made up of 23 leaders from law enforcement, recovery services, health, economic development, private industry, education, state government and other sectors.

As another strategy the ARC, in April of 2021, implemented the INvestments Supporting Partnerships In Recovery Ecosystems (INSPIRE) Initiative — a \$10 million initiative to create or expand a recovery ecosystem that would lead to workforce entry or re-entry. The intent of successful projects is to support the post-treatment to employment continuum, which could include investments in healthcare networks that support substance use disorder recovery professionals, recovery-focused job training programs, as well as initiatives designed to coordinate, or link, recovery services and training that support the recovery ecosystem, among others.

Resources:

Although, the State of North Carolina has not directly set aside program funds from the state's regular Community Development Block Grant (CDBG) program for RHP projects. CDBG funds including other federal, state, or local resources will be considered with RHP projects, given preference to housing needs, that meet CDBG and RHP programs eligibility requirements, have long-term impacts on LMI individuals and families and individuals in recovery from a substance use disorder, and help address other federal, state, and local priorities, such as fair housing choice and sustainability. RHP funds will be used in accordance with all program requirements including 2 CFR Part 200. All costs charged to the RHP grant will be reasonable and necessary. FY21 & FY22 RHP Action Plan:

Expected Amount Available Year 1 (FY2021)

Annual Allocation: \$ 778,974
Program Income: \$ 0.00
Prior Year Allocation: \$ 0.00
Total: \$ 778,974

Breakdown

*Program Funds: \$ 740,026
*TA (3%) is included in Program Funds
State Administration (5%): \$ 38,948
Total: \$ 778,974



Expected Amount Available Year 2 (FY2022)

Annual Allocation: \$ 806,625
Program Income: \$ 0.00
Prior Year Allocation: \$ 778,974 shown within Grand Total
Total: \$ 806,625

Breakdown

*Program Funds: \$ 766,294
*TA (3%) is included in Program Funds
State Administration (5%): \$ 40,331
Total: \$ 806,625

Grand Total of Expected Amount Available Year 1 (2021) and Year 2 (2022): \$1,585,599.00

Per RHP Implementation Notice, and Federal Register Notice (FR-6225-N-01), the State of North Carolina is not required to provide administrative matching funds.

Estimated Amount Available from Other Sources: \$ 822,123

*****Potential leverage amount from ARC's INSPIRE Initiative for projects and activities are not under RHP privity but complements RHP mandated goals and objectives. These are stand-alone funds being invested in the region regardless of RHP – no interagency memorandum of understanding has been entered into binding ARC to support RHP.*****

The State of North Carolina will comply with RHP expenditure requirements and deadlines, including to expend at least 30% of the state's RHP funds within one year from the date HUD signs the RHP grant agreement, to expend 100% of the RHP funds before the end of the period of performance on September 1, 2027, and to limit administrative costs to 5% of the RHP grant. Unless, otherwise, waived or extended under the authorization of HUD.

Although, the state has targeted RHP funds to, the hardest hit region, the Appalachian counties in the State of North Carolina. The state recognizes that each community within the Appalachian region counties have unique housing, economic, and social needs that are interconnected in some way. Therefore, in an effort to maximize RHP funds and empower the most economically distressed communities within the Appalachian region the state is committed to taking into account designated Opportunity Zones in the distribution of RHP funds. Based on the U.S. Treasury Department Designations and 2011-2015 ACS Data, there are 55 designated Opportunity Zones within the State of North Carolina's Appalachian region with 223,934 LMI North Carolinians residing within these designated Opportunity Zones <https://www.arc.gov/opportunity-zones/>.

The state consistently evaluates publicly owned lands or properties that could be used to address housing and community development needs in North Carolina. As such, when buildable lots become available and are determined to be a viable option, the state will pursue public-private partnerships to develop or redevelop transitional housing units. In addition, the state, if necessary, will strategically

acquire land and/or property as publicly owned for either owner-occupied, lease-purchase, or rental property to provide individuals in recovery from a substance use disorder with stable, transitional housing while on the path to self-sufficiency.

Administration Summary:

HUD has granted waivers and alternative requirements to expand options in carrying out RHP activities through RHP Implementation Notice, and Federal Register Notice (FR-6225-N-01). HUD determined these flexibilities would facilitate and streamline the use of RHP funds to entities with the greatest need and the ability to deliver effective assistance in a timely manner. The waivers and alternative requirements allow grantees to act directly and carry out activities through employees, contractors, and subrecipients in all geographic areas of their jurisdictions, and to select subrecipients to administer the program on their behalf. The State of North Carolina has determined the approach for administering RHP funds and selecting activities and projects will be through a "Direct-Action" approach. The North Carolina Department of Commerce Rural Economic Development Division (REDD) is the state's CDBG Administrator and, as such, shall be the lead agency to direct RHP funds in accordance with all applicable federal, state, and local laws, regulations, guidance and policy requirements that are pertinent to the implementation of RHP and the SUPPORT Act.

For activities carried out by the State of North Carolina in entitlement areas, the provisions of 24 CFR 570.486(c) are waived to the extent necessary to allow the state, either directly or through units of general local government, to use RHP funds for activities located in entitlement areas without contribution from the entitlement jurisdiction. At its discretion, the State of North Carolina may carry out activities utilizing the state CDBG program regulations to distribute RHP funds to units of general local government, Indian tribes, tribally designated housing entities, and entitlement areas. The State of North Carolina will be responsible for submitting the Request for Release of Funds to HUD for approval.

RHP Grant Contact Information:

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Use of Funds – Method of Distribution:

The State of North Carolina will make available up to \$1,506,320.00 in RHP funds to one or more subrecipients, as grants, to help individuals within the Appalachian region of the state that have been affected by substance use disorder (SUD). Subrecipients will be solicited, evaluated, and selected for RHP activities through the process of first, releasing a Notice of Funds Availability (NOFA) — after the State of North Carolina has received its grant agreement and approval from HUD. Primary applicant for RHP must be County-Level or County's municipality designee and first priority will be given to Tier 1 & 2 counties (*especially those with overdose rates over the national average*). Subrecipient's project applications received must meet RHP criteria and can earn up to 100 points based on the elements with the Use of Funds - Criteria for Evaluation section of this plan.

Use of Funds – Activities Carried Out Directly:

REDD's staff capacity and structure will permit the State of North Carolina to act directly using one or more subrecipients (entitlement, non-entitlement, or non-profit) to carry out RHP activities within the Appalachian region of the state.

State grant administration is an allowable expense, capped at 5% of the allocation plus 5% of any RHP program income. Technical assistance (TA) is also authorized, capped at 3% of the allocation plus 3% of any RHP program income. Administrative matching funds are not required.

Breakdown of RHP Funds:

Expected Amount Available Year 1 (FY2021)

Annual Allocation: \$ 778,974
Program Income: \$ 0.00
Prior Year Allocation: \$ 0.00
Total: \$ 778,974

Breakdown

*Program Funds: \$ 740,026
*TA (3%) is included in Program Funds
State Administration (5%): \$ 38,948
Total: \$ 778,974

Expected Amount Available Year 2 (FY2022)

Annual Allocation: \$ 806,625
Program Income: \$ 0.00
Prior Year Allocation: \$ 778,974 shown within Grand Total
Total: \$ 806,625

Breakdown

*Program Funds: \$ 766,294
*TA (3%) is included in Program Funds
State Administration (5%): \$ 40,331
Total: \$ 806,625

Grand Total of Expected Amount Available Year 1 (2021) and Year 2 (2022): \$1,585,599.00

The State of North Carolina will fund one or two subrecipients through RHP for **eligible RHP activities** as described in Federal Register Notice (FR-6225-N-01), which are CDBG-eligible activities consistent with the purpose of RHP. To provide stable, temporary housing for individuals in recovery from a substance use disorder (not including administration and technical assistance).

All RHP activities must comply with the **Limited Clientele National Objective (LMC)**, as modified by FR-6225-N-01 and must support activities that benefit low- and moderate-income persons. The State of North Carolina and its subrecipients are prohibited from using RHP funds to aid in the prevention or elimination of slums or blight or for activities designed to meet urgent needs. Planning grants are not eligible for RHP funds.

Use of Funds – Eligible Subrecipients:

The definition of subrecipient at 24 CFR 570.500(c) applies when utilizing subrecipients, and the requirements of 24 CFR 570.489(g) (as modified by section II.D.vii) shall apply. For purposes of this alternative requirement, the definition of subrecipients at CFR 570.500(c) is modified to expressly include Indian tribes. Indian tribes that receive RHP funding from the state must comply with the Indian Civil Rights Act (Title II of the Civil Rights Act of 1968, 25 U.S.C. 1301 et seq).

Use of Funds – Criteria for Evaluation:

As stated within the Use of Funds - Methods of Distribution section, the State of North Carolina will solicit, evaluate, and select subrecipients for RHP activities through the process of first, releasing a Notice of Funds Availability (NOFA). Primary applicant for RHP must be County-Level or County's municipality designee and first priority will be given to Tier 1 & 2 counties (*especially those with overdose rates over the national average*).

The state's RHP will prioritize the selection of a subrecipient's with the greatest need and ability to deliver effective assistance in a timely manner – subrecipient must demonstrate the capacity to expend at least 30% of RHP funds in the first year of receiving funds. Additionally, priority will be given to subrecipients that demonstrate leveragability to ARC's Strategies and Initiatives and assists individuals in recovery from SUD with stable, transitional housing. Subrecipient's project must integrate multiple community and economic development systems, evidence-based or promising SUD models and practices, and resources in support of implementing existing community and economic development strategic plans that create pathways to self-sufficiency. For a list of evidence-based resources and guidelines from the Substance Abuse Mental Health Services Administration, visit the [Resource Center | SAMHSA](#).

Subrecipient's project applications received must meet RHP criteria (below) and can earn up to 100 points based on the following elements:

RHP Request for Application Criteria

- A. Executive Summary — **Submit required form**
- B. Statement of Needs — **Up to 25 points**
- C. Project Description — **Up to 32 points**
- D. Projected Outputs and Outcomes — **Up to 16 points**
- E. Leveragability to ARC's Strategies and Initiatives — **Up to 12 points**
- F. Budget and Budget Narrative — **Up to 5 points**
- G. Feasibility — **Up to 5 points**
- H. Organizational Capacity — **Up to 5 points**
- I. Required Forms: — **Recommended Attachments and Supporting Documentation**

Definitions – Individual in Recovery:

Recovery has been identified as a primary goal for behavioral health care. In recent years, leaders in the behavioral health field, consisting of people in recovery from mental health and substance use disorders, Rural Health Information Hub (RHIhub) and SAMHSA, have explored and developed common, unified working definitions associated to recovery. Entrusting the efforts and the consultations of many stakeholders, SAMHSA and RHIhub, REDD will adopt the following definition as part of RHP, for the purposes of advancing stable transitional housing for North Carolinians in recovery from substance use disorder on a path of self-sufficiency:

Individual in Recovery - An individual engaged in the process of change through which they seek to improve their health and wellness, live a self-directed life, and strive to reach their full potential.

Definitions – Substance Use Disorder:

Substance Use Disorder - 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.

Anticipated Outcomes:

The State of North Carolina's overall goals and objectives will concentrate on achieving through RHP funds a cross-sector community recovery partnerships that will expanding peer recovery support networks to create a holistic approach to assist individuals in recovery from a substance use disorder with stable, transitional housing and create long-term social and economic vitality.

As stated within the Use of Funds - Activities Carried out Directly, the state will fund one or two subrecipients through RHP for **eligible RHP activities** as described in Federal Register Notice (FR-6225-N-01), which are CDBG-eligible activities consistent with the purpose of RHP. To provide stable, temporary housing for individuals in recovery from a substance use disorder (not including administration and technical assistance). The state estimates at least 40 individuals will be assisted through RHP, with a goal of 75% (30) individuals able to transition to permanent housing through RHP-assisted temporary housing.

It should be emphasized that the state expects the number of individuals assisted in RHP activities and the number of individuals able to transition to permanent housing through RHP-assisted temporary housing to change — once potential subrecipients' RHP applications received from the state's NOFA are evaluated and selected for funding. Based on information gain through the state's partner coordination on SUD needs and capacity of RHP funding in FY21 & FY22 allocations, the number of selected subrecipients would be more effective and deliver transforming results if no more than two subrecipients are selected for funding.

Expenditure Plan:

The State of North Carolina will comply with RHP expenditure requirements and deadlines, including to expend at least 30% of the state's RHP funds within one year from the date HUD signs the RHP grant agreement, to expend 100% of the RHP funds before the end of the period of performance on September 1, 2027, and to limit administrative costs to 5% of the RHP grant. Unless, otherwise, waived or extended under the authorization of HUD.

The state's staff within REDD will provide comprehensive grants management and compliance oversight to selected subrecipient(s) to ensure all activities are undertaken as approved and all predetermined expenditure schedules set forth by contractual agreement are adhered to.

Proposed Schedule to Meet Expenditure Deadlines:

- Receipt and execution of RHP grant agreement — **August, 2022 - September, 2022**
- Publishing of RHP Notice of Funding Availability (NOFA) — **October, 2022**
- Applications are due — **Mid November, 2022**
- RHP Review Committee will evaluate and score RHP applications — **December, 2022**
- Announcement of Subrecipients being awarded for RHP — **January, 2023**
- Subrecipients' grant agreements issued for execution — **January, 2023**
- Executed subrecipients' grant agreement are due and work can commence — **Mid March, 2023**
- At least 30% (\$475,680) of the state's RHP funds expended — **August, 2023**
- 25% (\$396,400) of the state's RHP funds expended — **August, 2024**
- 20% (\$317,120) of the state's RHP funds expended — **August, 2025**

- 15% (\$237,840) of the state's RHP funds expended — **August, 2026**
- 10% (\$158,559) of the state's RHP funds expended — **March, 2027**
- Closeout Process — **April, 2027 – July, 2027**
- 100% of the RHP funds expended and the end of the period of performance — **September 1, 2027**

The state does not anticipate the generation of program income from the RHP allocations. However, the state will ensure prior to closeouts if any gross program income is generated through RHP that all program income will be reinvested in RHP activities or the states CDBG program. The state will prohibit the establishment of revolving loans with program income generated from the use of RHP funds.

Citizen Participation Summary:

In preparation for developing the draft and final FY21 & FY22 RHP Annual Action Plan (AAP), the North Carolina Department of Commerce Rural Economic Development Division (REDD) consulted with representatives of ESG and HOPWA, public organizations, regional partners, and governmental professions within the behavioral health field that specialize in the area of substance use disorder and mental health services to discuss housing and community development needs associated to residential recovery from SUD.

Although RHP was granted a waiver/modification of CDBG Citizen Participation Requirements 24 CFR 570.486 and 24 CFR 91.505, to allow at least 15 calendar days for the RHP public comments. The State of North Carolina elected for the first public comment period, to conduct a 30-calendar day public comment period from Wednesday, April 13, 2022 to Tuesday, May 12, 2022. A public notice was published April 13, 2022 on the North Carolina Department of Commerce 's website at www.nccommerce.com and was sent out through a statewide email list serv with the draft RHP AAP attached. Prior and during the public comment period for RHP, REDD published the draft FY21 RHP AAP in a manner that affords citizens, units of general local governments, public agencies, and other interested parties a reasonable opportunity to examine its contents and to submit comments.

A virtual public hearing was held remotely through WebEx on April 20, 2022 with all persons given access to call into the meeting. Virtual public hearings are permitted in the absence of in-person public meeting, due to the national emergency declaration for the COVID-19 pandemic. There were no public comments and views received on the state's FY21 RHP AAP in writing nor orally at the virtual public hearing and during the 30-calendar day public comment period. The state does not differentiate between any individual, group, and/or organization that wishes to provide input during the planning, implementation, and assessment of community needs toward the draft(s) and/or final version of the FY21 RHP AAP.

The State of North Carolina elected for the second public comment period, to utilize the granted waiver/modification of CDBG Citizen Participation Requirements 24 CFR 570.486 and 24 CFR 91.505, to allow at least 15 calendar days for the RHP public comments. The 15-calendar day public comment period will be held from Friday, July 8, 2022 to Friday, July 22, 2022. A public notice is being published Friday July 8, 2022 on the North Carolina Department of Commerce's website at www.nccommerce.com and will be sent out through a statewide email list serv with the second draft RHP AAP attached. Prior and during the public comment period for RHP, REDD will publish the second draft RHP AAP, to include FY21 & FY22 allocations, in a manner that affords citizens, units of general local governments, public agencies, and other interested parties a reasonable opportunity to examine its contents and to submit comments.

There were no public comments and views received on the state's second draft RHP AAP, to include FY21 & FY22 allocations, in writing nor orally during the 15-calendar day public comment period. As stated previously, the state does not differentiate between any individual, group, and/or organization that wishes to provide input during the planning, implementation, and assessment of community needs toward the draft(s) and/or final version of the FY21 & FY22 RHP AAP.

The state will submit the final FY21 & FY22 RHP AAP to HUD within the Disaster Recover Grants Reporting System (DRGR) on or before August 16, 2022.

Partner Coordination:

To increase coordination, the state has several housing and community development policy bodies it has consulted with since 2021, this includes the Interagency Council for Coordinating Homeless Programs (ICCHP) and the North Carolina Housing Partnership. The state also has the NC Plan Partners which oversees the planning, implementation, and reporting for HUD CPD programs. (REDD) consulted with representatives of ESG and HOPWA, public organizations, regional partners, and governmental professions within the behavioral health field that specialize in the area of substance use disorder and mental health services to discuss housing and community development needs associated to residential recovery from SUD. Partner coordination were held with, but were not limited to representatives from NC Department of Human and Health Services (NCDHHS), Land of Sky Regional Council, Centralina Regional Council two of 16 North Carolina regional councils (authorized by the General Assembly, Substance Abuse Advisory Council (SAAC), Appalachian Regional Commission (ARC), North Carolina Housing Finance Agency Supportive Housing, North Carolina Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, and Division of Public Health to name a few.

Subrecipient Management and Monitoring:

The state will comply with 24 CFR 570.489(m) relating to monitoring and management of subrecipients. Each sub-recipient that receives RHP funding will be monitored a minimum of once annually during the Program Year RHP project are undertaken. However, based on risk assessments of the subrecipients at the time of application, the sub-recipient may be subjected to additional monitoring visits during the Program Year that the subrecipient receives RHP funding. The staff of REDD will conduct the monitoring of the actual projects and applicants. Monitoring will be conducted for both a Programmatic and Financial perspective for all aspects of the RHP and CDBG Programs. Monitoring will cover all areas the RHP and CDBG Programs (where applicable) in accordance with 24 CFR Part 570, et. Seq.; the applicable Uniform Administrative Requirements in accordance with 24 CFR 84 or 85, et. Seq.; and the applicable OMB Circulars for Non-Profits, Local and State Governments, and Institutions of Higher Education.

Activities will be monitored through site visits, file-reviews, and reporting on federal and state regulations (e.g., Davis-Bacon, Section 3, Fair Housing, etc.). Monitoring reviews, once completed, will identify both Findings and Concerns and will be presented, in writing, to the applicants within 30-calendar days of completion of the monitoring visit. Subrecipient will be expected to reply to and resolve all monitoring Findings and Concerns. Some findings and/or concerns, based on their nature (i.e., previous occurrences that cannot be corrected) cannot be resolved, but only acknowledged and procedures to prevent their reoccurrence in the future. Each subrecipient contracted to perform or deliver RHP funded programs, projects, or services will be held accountable for all the terms of each contract or sub-recipient agreement entered into.

Pre-Award/Pre-Agreement Costs:

Pre-award and pre-agreement costs incurred by the state, as the grantee of RHP, and selected subrecipients may be charged to the RHP grant. Subrecipients will be subjected to an administration cost limit to 10% of the awarded grant total. REDD will allow reimbursement of pre-award costs incurred prior to the effective date of the grant award that are essential to negotiations in anticipation of receiving the grant award. Planning grants are not eligible for RHP funds; therefore, pre-award costs associated to planning will be prohibited for reimbursement. The pre-award costs are also subject to following proper procurement regulations at 24 CFR 85.36. For eligible pre-award and administration costs, see OMB Circular 2 CFR 200.458.

Certifications

Recovery Housing Program 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 75.
- (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.



Signature of Authorized Official

6/16/2022

Date

Assistant Secretary, REDD

Title

STATE CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the State certifies that:

Affirmatively Further Fair Housing -- The State will affirmatively further fair housing.

Uniform Relocation Act and Anti-displacement and Relocation Plan -- 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. 4601-4655) and implementing regulations at 49 CFR Part 24. It has in effect and is following a residential anti-displacement and relocation assistance plan required under 24 CFR Part 42 in connection with any activity assisted with funding under the Community Development Block Grant or HOME programs.

Anti-Lobbying -- To the best of the State's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

3. It will require that the language of paragraphs 1 and 2 of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of State -- The submission of the consolidated plan is authorized under State law and the State possesses the legal authority to carry out the programs under the consolidated plan for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan -- The housing activities to be undertaken with Community Development Block Grant, HOME, Emergency Solutions Grant, and Housing Opportunities for Persons With AIDS funds are consistent with the strategic plan in the State's consolidated plan.

Section 3 -- 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 75.



Signature of Authorized Official

6/16/2022

Date

Assistant Secretary, REDD
Title

Specific Community Development Block Grant Certifications

The State certifies that:

Citizen Participation -- It is following a detailed citizen participation plan that satisfies the requirements of 24 CFR §91.115 and each unit of general local government that receives assistance from the State is following a detailed citizen participation plan that satisfies the requirements of 24 CFR §570.486.

Consultation with Local Governments --

1. It has consulted with affected units of local government in the nonentitlement area of the State in determining the method of distribution of funding;
2. It engages in or will engage in planning for community development activities;
3. It provides or will provide technical assistance to units of local government in connection with community development programs; and
4. It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

Local Needs Identification -- It will require each unit of general local government to be funded to identify its community development and housing needs, including the needs of low-income and moderate-income families, and the activities to be undertaken to meet these needs.

Community Development Plan -- Its consolidated plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objective of the CDBG program (i.e., the development of viable urban communities, by providing decent housing and expanding economic opportunities, primarily for persons of low and moderate income) and requirements of 24 CFR Parts 91 and 570.

Use of Funds -- It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with CDBG funds, it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available.
2. Overall Benefit. In the aggregate, not less than 70 percent of the CDBG funds, including Section 108 guaranteed loans, received by the State during the following fiscal year(s)
PY 2022 [a period designated by the State of one, two, or three
specific consecutive fiscal year(s)] will be used for activities that benefit persons of low and moderate income.

3. Special Assessments. It will not attempt to recover any capital costs of public improvements assisted with CDBG Funds, including Section 108 loan guaranteed 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.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

In addition, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It will require units of general local government that receive CDBG 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 non-violent 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 which is the subject of such non-violent civil rights demonstrations within its jurisdiction.

Compliance with Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 3601-3619) and implementing regulations.

Compliance with Laws -- It will comply with applicable laws.


Signature of Authorized Official

6/16/2022
Date

Assistant Secretary, REDD
Title

APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING CERTIFICATION:

Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Application for Federal Assistance SF-424

* 1. Type of Submission:

- ☐ Preapplication
☒ Application
☐ Changed/Corrected Application

* 2. Type of Application:

- ☒ New
☐ Continuation
☐ Revision

* If Revision, select appropriate letter(s):

* Other (Specify):

* 3. Date Received:

4. Applicant Identifier:

5a. Federal Entity Identifier:

5b. Federal Award Identifier:

B-21-RH-37-0001

State Use Only:

6. Date Received by State:

7. State Application Identifier:

8. APPLICANT INFORMATION:

* a. Legal Name: North Carolina Department of Commerce

* b. Employer/Taxpayer Identification Number (EIN/TIN):

56-1611847

* c. UEI:

KF32K54P7R73

d. Address:

* Street1: 301 N. Wilmington Street

Street2: 4346 Mail Service Center

* City: Raleigh

County/Parish: Wake

* State: NC: North Carolina

Province:

* Country: USA: UNITED STATES

* Zip / Postal Code: 27699-4346

e. Organizational Unit:

Department Name:

North Carolina Commerce

Division Name:

Rural Economic Development

f. Name and contact information of person to be contacted on matters involving this application:

Prefix:

Ms.

* First Name:

Valerie

Middle Name:

D.

* Last Name:

Moore Fegans

Suffix:

Title: Interim State CDBG Program Director

Organizational Affiliation:

State Government

* Telephone Number: (919) 814-4673

Fax Number: (919) 715-0567

* Email: valerie.fegans@commerce.nc.gov

Application for Federal Assistance SF-424

* 9. Type of Applicant 1: Select Applicant Type:

A: State Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

* 10. Name of Federal Agency:

U S Department of Housing and Urban Development

11. Catalog of Federal Domestic Assistance Number:

14.228

CFDA Title:

Recovery Housing Program (RHP) State CDBG/Small Cities

* 12. Funding Opportunity Number:

* Title:

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

* 15. Descriptive Title of Applicant's Project:

The State of North Carolina will use Recovery Housing Program (RHP) funds to provide stable, temporary housing to individuals in recovery from a substance use disorder (SUD).

Attach supporting documents as specified in agency instructions.

Application for Federal Assistance SF-424**16. Congressional Districts Of:*** a. Applicant * b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment

Delete Attachment

View Attachment

17. Proposed Project:* a. Start Date: * b. End Date: **18. Estimated Funding (\$):**

* a. Federal	<input type="text" value="778,974.00"/>
* b. Applicant	<input type="text"/>
* c. State	<input type="text"/>
* d. Local	<input type="text"/>
* e. Other	<input type="text"/>
* f. Program Income	<input type="text"/>
* g. TOTAL	<input type="text" value="778,974.00"/>

*** 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- ☐ a. This application was made available to the State under the Executive Order 12372 Process for review on .
- ☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- ☒ c. Program is not covered by E.O. 12372.

*** 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

☐ Yes ☒ No

If "Yes", provide explanation and attach

Add Attachment

Delete Attachment

View Attachment

21. *By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)**

☒ ** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: * First Name:

Middle Name:

* Last Name:

Suffix:

* Title: * Telephone Number: Fax Number: * Email:

* Signature of Authorized Representative:

DocuSigned by:

Kenny Flowers

BEB0CDE3866540F...

* Date Signed:

Application for Federal Assistance SF-424

* 1. Type of Submission:

- ☐ Preapplication
☒ Application
☐ Changed/Corrected Application

* 2. Type of Application:

- ☒ New
☐ Continuation
☐ Revision

* If Revision, select appropriate letter(s):

* Other (Specify):

* 3. Date Received:

4. Applicant Identifier:

5a. Federal Entity Identifier:

5b. Federal Award Identifier:

B-22-DC-37-0001

State Use Only:

6. Date Received by State:

7. State Application Identifier:

8. APPLICANT INFORMATION:

* a. Legal Name: North Carolina Department of Commerce

* b. Employer/Taxpayer Identification Number (EIN/TIN):

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* c. UEI:

KF32K54P7R73

d. Address:

* Street1:

301 N. Wilmington Street

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Raleigh

County/Parish:

Wake

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NC: North Carolina

Province:

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27699-4346

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D.

* Last Name:

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Title: Interim State CDBG Program Director

Organizational Affiliation:

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Fax Number:

(919) 715-0567

* Email:

valerie.fegans@commerce.nc.gov

Application for Federal Assistance SF-424

* 9. Type of Applicant 1: Select Applicant Type:

A: State Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

* 10. Name of Federal Agency:

U S Department of Housing and Urban Development

11. Catalog of Federal Domestic Assistance Number:

14.228

CFDA Title:

Community Development Block Grant State CDBG/Small Cities

* 12. Funding Opportunity Number:

* Title:

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

* 15. Descriptive Title of Applicant's Project:

The State of North Carolina will use Community Development Block Grant(CDBG) funds to address CDBG eligible activities including housing,publc facilities/infrastructure, and economic development.

Attach supporting documents as specified in agency instructions.

Application for Federal Assistance SF-424**16. Congressional Districts Of:*** a. Applicant * b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment

Delete Attachment

View Attachment

17. Proposed Project:* a. Start Date: * b. End Date: **18. Estimated Funding (\$):**

* a. Federal	<input type="text" value="47,037,288.00"/>
* b. Applicant	<input type="text"/>
* c. State	<input type="text"/>
* d. Local	<input type="text"/>
* e. Other	<input type="text"/>
* f. Program Income	<input type="text"/>
* g. TOTAL	<input type="text" value="47,037,288.00"/>

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*** 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

☐ Yes ☒ No

If "Yes", provide explanation and attach

Add Attachment

Delete Attachment

View Attachment

21. *By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)**

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Authorized Representative:

Prefix: * First Name:

Middle Name:

* Last Name:

Suffix:

* Title: * Telephone Number: Fax Number: * Email:

* Signature of Authorized Representative:

DocuSigned by:

Kenny Flowers

BEB0CDE3866540F...

* Date Signed:

ASSURANCES - CONSTRUCTION PROGRAMS

OMB Number: 4040-0009
Expiration Date: 02/28/2025

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.


PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards of merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
20. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL 	TITLE Assistant Secretary, REDD
APPLICANT ORGANIZATION North Carolina Department of Commerce	DATE SUBMITTED 06/16/2022

Simpson-Carter, Shycole

From: Shycole Simpson-Carter <ssimpsoncarter@gmail.com>
Sent: Thursday, June 2, 2022 11:26 AM
To: Simpson-Carter, Shycole
Subject: [External] Fwd: [ccmanagers] Notice of 2022 NC Annual Action Plan, Recovery Housing Program Action Plan, and Public Hearing
Attachments: 2022 NC AAP DRAFT 413222.pdf; 2021 CAPER 2022 AAP RHP Public Hearing Notice for 4202022.pdf; NC FY21 Pilot Recovery Housing Program (RHP) Annual Action Plan - DRAFT.pdf

CAUTION: External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [Report Spam](#).

----- Forwarded message -----

From: <ccmanagers@listserv.unc.edu>
Date: Wed, Apr 13, 2022 at 4:56 PM
Subject: [ccmanagers] Notice of 2022 NC Annual Action Plan, Recovery Housing Program Action Plan, and Public Hearing
To: City and County Managers <ccmanagers@listserv.unc.edu>

NOTICE OF PUBLIC COMMENT PERIOD FOR THE STATE of NORTH CAROLINA
2022 NC Annual Action Plan and Virtual Public Hearings for the 2021 CAPER, 2022 AAP, and Recovery Housing Action Plan

AGENCIES:

North Carolina Department of Commerce, Rural Economic Development Division
North Carolina Housing Finance Agency
North Carolina Department of Health and Human Services, Division of Aging and Adult Services
North Carolina Department of Health and Human Services, HIV Care Program

ACTION: Notice is hereby given that the 2021 North Carolina Consolidated Annual Performance Evaluation Report (CAPER), the 2022 Annual Action Plan, and the Recovery Housing Program Action Plan have been drafted by the North Carolina Department of Commerce, Rural Economic Development Division. The draft may receive several updates prior to submission to the U.S. Department of Housing and Urban Development.

SUMMARY: The 2020 North Carolina Consolidated Annual Performance Evaluation Report (CAPER) summarizes the 2021 accomplishments for the following programs funded by the U.S. Department of Housing and Urban Development (HUD): Small Cities Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), Emergency Solutions Grants (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) programs.

AVAILABILITY OF REVIEW MATERIALS: A copy of the State's CAPER will be available for review from March 31, 2022-April 29, 2022 at 5 PM. A copy of the 2022 Annual Action Plan and the Recovery Housing Program Action Plan are available for review from April 13, 2022 through May 12, 2022 at 5 PM. The documents are attached to this message and will be available on the North Carolina Department of Commerce website at www.nccommerce.com. Copies are also available by request from the North Carolina Department of Commerce, Rural Economic Development Division. Contact Valerie Fegans at (919) 814-4673 or Valerie.Fegans@nccommerce.com to receive a copy.

PUBLIC HEARING: A virtual public hearing to present each report and plan will be held on Wednesday, April 20, 2022 from 10:00 am to 1:00 pm. Please see the attached notice for details. To join from the meeting link, <https://ncgov.webex.com/ncgov/j.php?MTID=m57c5138af673db239ccb07ef068b8c95>
Join by meeting number

Meeting number (access code): 2437 781 2480

Meeting password: 6MZqiEVjU37

COMMENT PERIOD: Comments concerning the documents stated in this notice should be made during the required comment period. The 2021 CAPER comment period is from March 31, 2022 to April 29, 2020. The 2022 Annual Action Plan and Recovery Housing Comment Period is April 13, 2022 to May 12, 2022. Written comments will be accepted until 5:00 PM on the closing comment date and may be emailed to Valerie.Fegans@nccommerce.com, faxed to (919) 715-0567, or mailed to Valerie Fegans, Attn: Public Comment, Rural Economic Development Division, 4346 Mail Service Center, Raleigh, NC 27699-4346. See attachment for more details.

Equal Housing Opportunity

Valerie Fegans
Interim CDBG Director
North Carolina Department of Commerce

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Program Summary

In response to the opioid epidemic that has plagued many parts of the nation, a pilot program, the Recovery Housing Program (RHP), has been authorized through Section 8071 of the “Substance Use–Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act”, also referred to as the “SUPPORT for Patients and Communities Act” (SUPPORT Act). The SUPPORT Act requires funds appropriated through the pilot program RHP to be treated as Community Development Block Grant (CDBG) funds under the privity of the U.S. Department of Housing and Urban Development (HUD), as modified by Federal Register Notice (FR-6225-N-01) with the intent to expedite and facilitate the use of RHP funds.

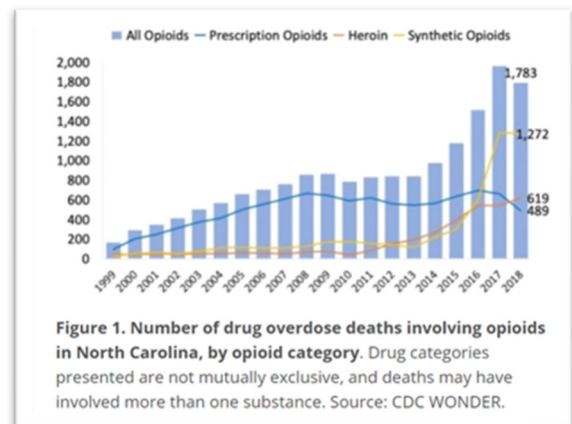
RHP, pilot program, provides formula grant funds to states and the District of Columbia to assist individuals in recovery from a substance use disorder (SUD) with stable, transitional housing while on the path to self-sufficiency. The assistance is limited, per individual, to a period of not more than 2 years or until the individual secures permanent housing, whichever is earlier. RHP grantees are mandated to utilize eligible activities to distribute funds by giving priority to entities (entitlement, non-entitlement, or non-profit) with the greatest need and ability to deliver effective assistance in a timely manner. Coordination with other federal substance abused-related assisted partners is strongly encouraged by the program.

RHP eligible activities include:

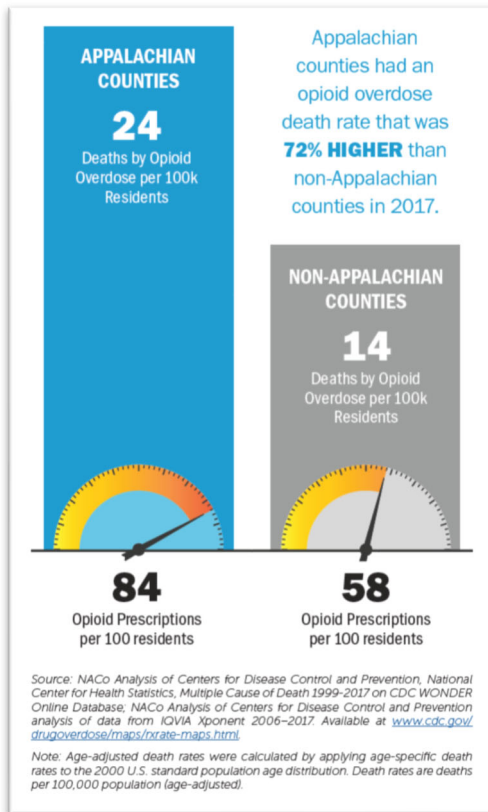
- Public facilities and improvements
- Acquisition and disposition of real property
- Payment of lease, rent, and utilities
- Rehabilitation, reconstruction, and construction of both single family, multifamily, and public housing
- Clearance and demolition
- Relocation
- Administration and technical assistance

In February of 2020, the first cycle of RHP funds were allocated to 25 grantees (24 states and the District of Columbia). HUD was directed to allocate RHP funds only to state with age adjusted rate of drug overdose death above the national overdose mortality rate based on 2016 findings (19.8 per 100,000), which was 21% higher than the rate in 2015 (16.3), according to the Centers for Disease Control and Prevention (CDC). Fiscal year 2020 allocation excluded the State of North Carolina from receiving RHP funds. Even though, data from NC Opioid and Prescription Drug Abuse Advisory Committee (OPDAAC), a group of more than 150 stakeholders, reported that North Carolina experienced a dramatic increase in the rate of death caused by an overdose of opioid prescription drugs. Also, this increase at the time was running parallel with the ever-increasing rate of prescription of opioid painkillers in the United States.

Mid year of 2021, a second cycle of RHP funds were allocated to 27 grantees (26 states and the District of Columbia), this cycle included an allocation of \$778,974 to the State of North Carolina. North Carolina allocation was attributed to the state’s age adjusted rate of drug overdose death rising closer to the national overdose mortality rate. In North Carolina, an estimated 79% of drug overdose deaths involved opioids in 2018; a total of 1,783 fatalities and a rate of 17.9 (Figure 1). The CDC reported heroin-involved deaths and those involving synthetic opioids other than methadone (mainly fentanyl and fentanyl analogs) remained stable with a respective 619 (a rate of 6.3) and 1,272 (a rate of 13.0) in 2018. It was also reported that in 2018 North Carolina providers wrote 61.5 opioid prescriptions for every 100 persons compared to the average U.S. rate of 51.4 prescriptions for every 100 persons.



In developing the RHP Action Plan, the North Carolina Department of Commerce Rural Economic Development Division (REDD) obtained information that the origin of the opioid crisis began within the 420 counties in the Appalachian region located in the eastern part of the United States. Thirty-one of the 420 counties in the Appalachian region are located within the State of North Carolina. As reported by the National Association of Counties (NACo) and the Appalachian Regional Commission (ARC), the nation's substance use disorder crisis disproportionately impacts Appalachian counties, which findings indicates at the turn of the millennium the opioid overdose death rate was roughly equal to that of the rest of the U.S.; by 2017. However, the death rate for opioid overdoses in Appalachian counties was 72 percent higher than that of non-Appalachian counties.



The counties in the Appalachian region struggling with substance use disorder encounter additional barriers including transportation, housing, access to care, education, and steady employment. These challenges make it even harder for those in recovery to connect with long-term recovery solutions and reenter the workforce and community. This reality for so many Appalachians prompted the ARC in 2019 to seat the Substance Abuse Advisory Council (SAAC) to address the disproportionate impact substance use disorder continues to have on the Appalachian region's workforce in comparison to the rest of the country. The ARC's Substance Abuse Advisory Council is a volunteer advisory group made up of 23 leaders from law enforcement, recovery services, health, economic development, private industry, education, state government and other sectors.

As another strategy the ARC, in April of 2021, implemented the INvestments Supporting Partnerships In Recovery Ecosystems (INSPIRE) Initiative — a \$10 million initiative to create or expand a recovery ecosystem that would lead to workforce entry or re-entry. The intent of successful projects is to support the post-treatment to employment continuum, which could include investments in healthcare networks that support substance use disorder recovery professionals, recovery-focused job training programs, as well as initiatives designed to coordinate, or link, recovery services and training that support the recovery ecosystem, among others.

Since INSPIRE Initiative conception, ARC has invested \$15.7 million in 49 projects in 197 Appalachian counties. In November of 2021, ARC awarded \$5.5 million to 17 projects across the Appalachian region, with four of those projects being awarded to grantees within the State of North Carolina totaling \$822,123. The INSPIRE grantees for North Carolina funding will support the substance use disorder recovery-to-employment by training and certifying recovery specialists, establishing cross-sector community recovery partnerships, expanding peer recovery support networks, launching recovery-to-work programs with a full spectrum of coordinated support services, and more.

The State of North Carolina has determined that concentrating the state's RHP funds alongside the ARC's INSPIRE Initiative, within the Appalachian counties the state's hardest hit region, will enable both programs to create a holistic approach to assist individuals in recovery from a substance use disorder with stable, transitional housing and create long-term social and economic vitality. This will also permit two state agencies (REDD and ARC) to leverage and expand critical housing opportunities and wrap-around services facilitated by community stakeholders and providers in the region to complement – but not supplant – the state's RHP coordination with state and federal substance abused-related assisted partners.

Resources

Although, the State of North Carolina has not directly set aside program funds from the state's regular Community Development Block Grant (CDBG) program for RHP projects. CDBG funds including other federal, state, or local resources will be considered with RHP projects, given preference to housing needs, that meet CDBG and RHP programs eligibility requirements, have long-term impacts on LMI individuals and families and individuals in recovery from a substance use disorder, and help address other federal, state, and local priorities, such as fair housing choice and sustainability. RHP funds will be used in accordance with all program requirements including 2 CFR Part 200. All costs charged to the RHP grant will be reasonable and necessary. FY21 RHP Action Plan:

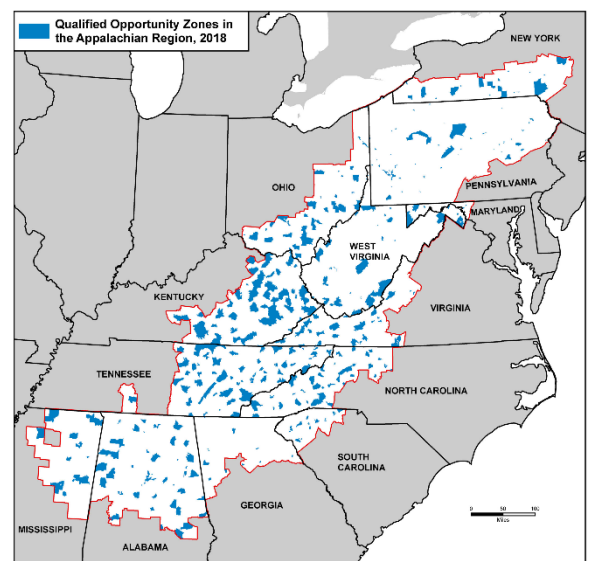
Table 1 – Anticipated Resources

Source of Funds	Source	Use of Funds	Expected Amount Available Year 1 (FY2021)	Estimated Amount Available from Other Resources
RHP	Public-federal	Public facilities and improvements Acquisition and disposition of real property Payment of lease, rent, and utilities Rehabilitation, reconstruction, and construction of both single family, multifamily, and public housing Clearance and demolition Relocation Administration and technical assistance	Annual Allocation: \$ 778,974 Program Income: \$ 0.00 Prior Year Allocation: \$ 0.00 Total: \$ 778,974 Per RHP Implementation Notice, and Federal Register Notice (FR-6225-N-01), the State of North Carolina is not required to provide administrative matching funds.	\$ 822,123 <i>(Potential leverage amount from ARC's INSPIRE Initiative for projects and activities not under RHP privity but complements RHP mandated goals and objectives. These are stand-alone funds being invested in the region regardless of RHP – no interagency memorandum of understanding has been entered into binding ARC to support RHP)</i>

The State of North Carolina will comply with RHP expenditure requirements and deadlines, including to expend at least 30% of the state's RHP funds within one year from the date HUD signs the RHP grant agreement, to expend 100% of the RHP funds before the end of the period of performance on September 1, 2027, and to limit administrative costs to 5% of the RHP grant. Unless, otherwise, waived or extended under the authorization of HUD.

Although, the state has targeted RHP funds to, the hardest hit region, the Appalachian counties in the State of North Carolina. The state recognizes that each community within the Appalachian region counties have unique housing, economic, and social needs that are interconnected in some way. Therefore, in an effort to maximize RHP funds and empower the most economically distressed communities within the Appalachian region the state is committed to taking into account designated Opportunity Zones in the distribution of RHP funds. Based on the U.S. Treasury Department Designations and 2011-2015 ACS Data, there are 55 designated Opportunity Zones within the State of North Carolina's Appalachian region with 223,934 LMI North Carolinians residing within these designated Opportunity Zones.

The state consistently evaluates publicly owned lands or properties that could be used to address housing and community development needs in North Carolina. As such, when buildable lots become available and are determined to be a viable option, the state will pursue public-private partnerships to develop or redevelop transitional housing units. In addition, the state, if necessary, will strategically acquire land and/or property as publicly owned for either owner-occupied, lease-purchase, or rental property to provide individuals in recovery from a substance use disorder with stable, transitional housing while on the path to self-sufficiency.



Administration Summary

HUD has granted waivers and alternative requirements to expand options in carrying out RHP activities through RHP Implementation Notice, and Federal Register Notice (FR-6225-N-01). HUD determined these flexibilities would facilitate and streamline the use of RHP funds to entities with the greatest need and the ability to deliver effective assistance in a timely manner. The waivers and alternative requirements allow grantees to act directly and carry out activities through employees, contractors, and subrecipients in all geographic areas of their jurisdictions, and to select subrecipients to administer the program on their behalf. The State of North Carolina has determined the approach for administering RHP funds and selecting activities and projects will be through a "Direct-Action" approach. The North Carolina Department of Commerce Rural Economic Development Division (REDD) is the state's CDBG Administrator and, as such, shall be the lead agency to direct RHP funds in accordance with all applicable federal, state, and local laws, regulations, guidance and policy requirements that are pertinent to the implementation of RHP and the SUPPORT Act.

For activities carried out by the State of North Carolina in entitlement areas, the provisions of 24 CFR 570.486(c) are waived to the extent necessary to allow the state, either directly or through units of general local government, to use RHP funds for activities located in entitlement areas without contribution from the entitlement jurisdiction. At its discretion, the State of North Carolina may carry out activities utilizing the state CDBG program regulations to distribute RHP funds to units of general local government, Indian tribes, tribally designated housing entities, and entitlement areas. The State of North Carolina will be responsible for submitting the Request for Release of Funds to HUD for approval.

RHP Grant Contact Information:

Valerie Fegans
Interim CDBG Director
North Carolina Department of Commerce

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(919) 414-7864 (Mobile)
valerie.fegans@nccommerce.com



**NC DEPARTMENT
of COMMERCE**
RURAL ECONOMIC
DEVELOPMENT

301 N. Wilmington Street
4346 Mail Service Center
Raleigh, NC 27699-4346

Use of Funds

REDD's staff capacity and structure will permit the State of North Carolina to act directly using one or more subrecipients (entitlement, non-entitlement, or non-profit) to carry out RHP activities within the Appalachian region of the state. The definition of subrecipient at 24 CFR 570.500(c) applies when utilizing subrecipients, and the requirements of 24 CFR 570.489(g) (as modified by section II.D.vii) shall apply. For purposes of this alternative requirement, the definition of subrecipients at CFR 570.500(c) is modified to expressly include Indian tribes. Indian tribes that receive RHP funding from the state must comply with the Indian Civil Rights Act (Title II of the Civil Rights Act of 1968, 25 U.S.C. 1301 et seq).

Table 2 – Breakdown of RHP Funds

Source of Funds	Source	Expected Amount Available Year 1 (FY2021)		Breakdown
RHP	Public-federal	Annual Allocation: \$ 778,974 Program Income: \$ 0.00 Prior Year Allocation: \$ 0.00 Total: \$ 778,974	→	Program Funds ~ \$ 716,657 State Administration (5%) ~ \$ 38,948 Technical Assistance (TA) (3%) ~ \$ 23,369 Total: \$ 778,974

Grant administration is an allowable expense, capped at 5% of the allocation plus 5% of any RHP program income. Technical assistance is also authorized, capped at 3% of the allocation plus 3% of any RHP program income. Administrative matching funds are not required.

The State of North Carolina will make available up to \$740,126 in RHP funds to subrecipients, as grants, to help individuals within the Appalachian region of the state that have been affected by substance use disorder (SUD). Subrecipients will be solicited, evaluated, and selected for RHP activities through the process of Request for Proposals (RFP). Subrecipient's project must meet the (below) criteria and can earn up to 100 points based on the following elements:

Table 3 – RHP Request for Proposal Criteria

A.	Executive Summary	Submit required form
B.	Statement of Needs	Up to 25 points
C.	Project Description	Up to 32 points
D.	Projected Outputs and Outcomes	Up to 16 points
E.	Leveragability to ARC's INSPIRE Initiative	Up to 12 points
F.	Budget and Budget Narrative	Up to 5 points
G.	Feasibility	Up to 5 points
H.	Organizational Capacity	Up to 5 points
I.	Required Forms:	Submit required forms

The state's RHP will prioritize the selection of a subrecipient's with the greatest need and ability to deliver effective assistance in a timely manner. Additionally, priority will be given to subrecipients that demonstrate leveragability to ARC's INSPIRE Initiative and assists individuals in recovery from SUD with stable, transitional housing. Subrecipient's project must integrate multiple community and economic development systems, evidence-based or promising SUD models and practices, and resources in support of implementing existing community and economic development strategic plans that create pathways to self-sufficiency. For a list of evidence-based resources and guidelines from the Substance Abuse Mental Health Services Administration, visit the [Resource Center | SAMHSA](#).

The range of allowed activities, through RHP, provides two basic options for the types of activities to be funded (not including administration and technical assistance):

- Rehabilitation, expansion, or development of real property to preserve or expand recovery housing units; and
- Assist individuals with limited financial resources to pay for recovery housing through subsidies of the lease, rent, utilities, and other housing-related costs.

Subrecipients may only use funds for activities described in Federal Register Notice (FR-6225-N-01), which are CDBG-eligible activities consistent with the purpose of RHP **to provide stable, temporary housing for individuals in recovery from a substance use disorder**. These eligible activities are:

- Public facilities and improvements
- Acquisition and disposition of real property
- Payment of lease, rent, and utilities
- Rehabilitation, reconstruction, and construction of both single family, multifamily, and public housing
- Clearance and demolition
- Relocation
- Administration and technical assistance

All RHP activities must comply with the **Limited Clientele National Objective (LMC)**, as modified by FR-6225-N-01, and must support activities that benefit low- and moderate-income persons. The State of North Carolina and its subrecipients are prohibited from using RHP funds to aid in the prevention or elimination of slums or blight or for activities designed to meet urgent needs. Planning grants are not eligible for RHP funds.

Definitions

Recovery has been identified as a primary goal for behavioral health care. In recent years, leaders in the behavioral health field, consisting of people in recovery from mental health and substance use disorders, Rural Health Information Hub (RHlhub) and SAMHSA, have explored and developed common, unified working definitions associated to recovery. Entrusting the efforts and the consultations of many stakeholders, SAMHSA and RHlhub, REDD will adopt the following definition as part of RHP, for the purposes of advancing stable transitional housing for North Carolinians in recovery from substance use disorder on a path of self-sufficiency:

- Individual in Recovery - An individual engaged in the process of change through which they seek to improve their health and wellness, live a self-directed life, and strive to reach their full potential.
- Substance Use Disorder - 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.

Anticipated Outcome

To comply with RHP expenditure requirements and deadlines, to expend at least 30% of its RHP funds within one year from the date HUD signs the RHP grant agreement and to expend 100% of the RHP funds before the end of the period of performance on September 1, 2027, the State of North Carolina intends to grant RHP funding to subrecipients with the greatest need and ability to deliver effective assistance in a timely manner. In addition, the state's staff within REDD will provide comprehensive grants management and compliance oversight to selected subrecipient(s) to ensure all activities are undertaken as approved and all predetermined expenditure schedules set forth by contractual agreement are adhered to. REDD will ensure that the state will not exceed the 5% administrative cost cap placed on the RHP allocation of \$778,974. t. The State does not anticipate the generation of program income from the RHP allocations. However, the state will ensure prior to closeouts if any gross program income is generated through RHP that all program income will be reinvested in RHP activities or the states CDBG program. The state will prohibit the establishment of revolving loans with program income generated from the use of RHP funds.

Prior to the submission of the final FY21 RHP AAP, REDD will provide sufficient information on proposed outcomes so that the annual performance report can include a comparison of the proposed versus actual outcomes for each outcome measure. This will include, but not limited to the following information:

- The selected subrecipient
- The number of individuals assisted in RHP activities.
- The number individuals able to transition to permanent housing through RHP-assisted temporary housing

The state overall goals and objectives will concentrate on achieving through RPH funds a cross-sector community recovery partnerships that will expanding peer recovery support networks to create a holistic approach to assist individuals in recovery from a substance use disorder with stable, transitional housing and create long-term social and economic vitality.

Citizen Participation

In preparation for developing the draft FY21 RHP Annual Action Plan (AAP), the North Carolina Department of Commerce Rural Economic Development Division (REDD) consulted with representatives of ESG and HOPWA, public organizations, regional partners, and governmental professions within the behavioral health field that specialize in the area of substance use disorder and mental health services to discuss housing and community development needs associated to residential recovery from SUD.

Prior to the submission of the final FY21 RHP AAP, the North Carolina Department of Commerce Rural Economic Development Division (REDD) will make available to citizens, public agencies, and other interested parties information that includes the proposed subrecipient(s) the State has identified with the greatest need and ability to deliver effective assistance in a timely manner along with the amount to be granted from RHP funds and the proposed RHP activities and outcomes. REDD will make this information available on the North Carolina Department of Commerce Public Notice Website at least 15 days before the final FY21 RHP AAP is submitted to HUD. REDD will publish the draft FY21 RHP AAP in a manner that affords citizens, units of general local governments, public agencies, and other interested parties a reasonable opportunity to examine its contents and to submit comments.

A virtual public hearing will be held remotely through WebEx on April 20, 2022 with all persons given access to call into the meeting. Virtual public hearings are permitted in the absence of in-person public meeting, due to the national emergency declaration for the COVID-19 pandemic. REDD will consider any comments or views received in writing, or orally at the public hearing. A summary of these comments or views, and a summary of any comments or views not accepted and the reasons therefore will be attached to the final RHP Annual Action Plan. The state is required to submit the final FY21 RHP AAP to HUD within the Disaster Recover Grants Reporting System (DRGR) on or before August 16, 2022.

Partner Coordination

To increase coordination, the state has several housing and community development policy bodies including the Interagency Council for Coordinating Homeless Programs (ICCHP), and the North Carolina Housing Partnership. The state also has the NC Plan Partners which oversees the planning, implementation, and reporting for HUD CPD programs. (REDD) consulted with representatives of ESG and HOPWA, public organizations, regional partners, and governmental professions within the behavioral health field that specialize in the area of substance use disorder and mental health services to discuss housing and community development needs associated to residential recovery from SUD. Partner coordination were held with, but were not limited to representatives from NC Department of Human and Health Services (NCDHHS), Centralina Regional Council one of 16 North Carolina regional councils (authorized by the General Assembly, Substance Abuse Advisory Council (SAAC), Appalachian Regional Commission (ARC), North Carolina Housing Finance Agency Supportive Housing, North Carolina Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, and Division of Public Health to name a few.

Subrecipient Management and Monitoring

The state will comply with 24 CFR 570.489(m) relating to monitoring and management of subrecipients. Each sub-recipient that receives RHP funding will be monitored a minimum of once annually during the Program Year RHP project are undertaken. However, based on risk assessments of the sub-recipients at the time of application, the sub-recipient may be subjected to additional monitoring visits during the Program Year that the sub-recipient receives RHP funding. The staff of REDD will conduct the monitoring of the actual projects and applicants. Monitoring will be conducted for both a Programmatic and Financial perspective for all aspects of the RHP and CDBG Programs. Monitoring will cover all areas the RHP and CDBG Programs (where applicable) in accordance with 24 CFR Part 570, et. Seq.; the applicable Uniform Administrative Requirements in accordance with 24 CFR 84 or 85, et. Seq.; and the applicable OMB Circulars for Non-Profits, Local and State Governments, and Institutions of Higher Education.

Activities will be monitored through site visits, file-reviews, and reporting on federal and state regulations (e.g. Davis-Bacon, Section 3, Fair Housing, etc.). Monitoring reviews, once completed, will identify both Findings and Concerns and will be presented, in writing, to the applicants within 30 calendar days of completion of the monitoring visit. Subrecipient will be expected to reply to and resolve all monitoring Findings and Concerns. Some findings and/or

concerns, based on their nature (i.e. previous occurrences that cannot be corrected) cannot be resolved, but only acknowledged and procedures to prevent their reoccurrence in the future. Each subrecipient contracted to perform or deliver RHP funded programs, projects, or services will be held accountable for all the terms of each contract or sub-recipient agreement entered into.

Pre-Award & Pre-Agreement Costs

Pre-award and pre-agreement costs incurred by the state, as the grantee of RHP, and selected subrecipients may be charged to the RHP grant. Subrecipients will be subjected to an administration cost limit to 10% of the awarded grant total. REDD will allow reimbursement of pre-award costs incurred prior to the effective date of the grant award that are essential to negotiations in anticipation of receiving the grant award. Planning grants are not eligible for RHP funds; therefore, pre-award costs associated to planning will be prohibited for reimbursement. The pre-award costs are also subject to following proper procurement regulations at 24 CFR 85.36. For eligible pre-award and administration costs, see OMB Circular 2 CFR 200.458.

Certifications

Recovery Housing Program Certifications

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

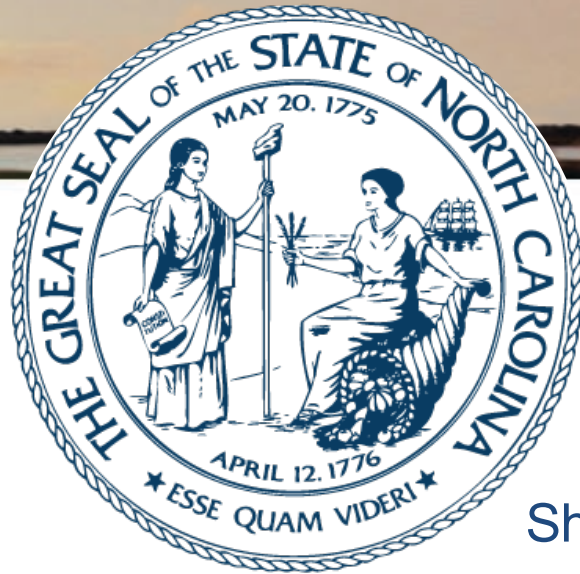
- (1) The grantee certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan in connection with any activity assisted with funding under the RHP program. The grantee certifies that it will comply with the residential anti-displacement and relocation 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 75.
- (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.

Signature of Authorized Official

Date

Title



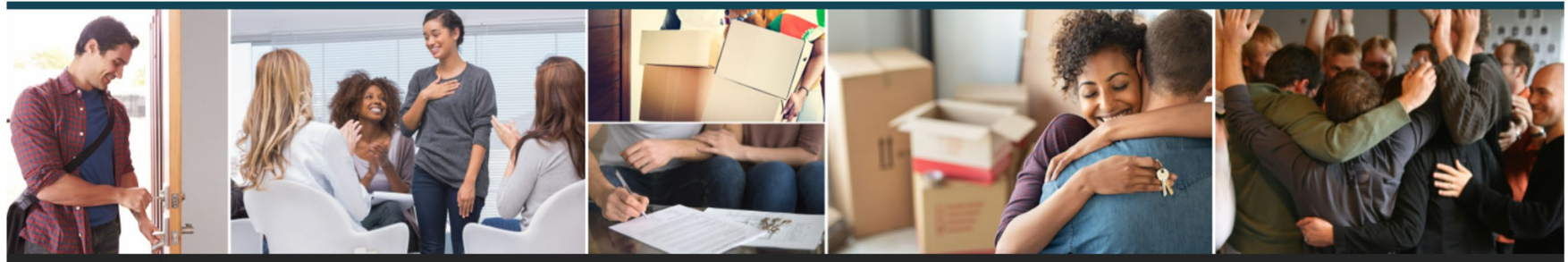
Recovery Housing Program (RHP) Action Plan

Shycole Simpson-Carter, CDBG-CV Grants Management Representative
NC Commerce-Rural Economic Development Division

RHP – Program Summary

In response to the opioid epidemic that has plagued many parts of the nation, a pilot program, the Recovery Housing Program (RHP), has been authorized through Section 8071 of the “Substance Use–Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act”, also referred to as the “SUPPORT for Patients and Communities Act” (SUPPORT Act).

RHP, pilot program, provides formula grant funds to states and the District of Columbia to assist individuals in recovery from a substance use disorder (SUD) with stable, transitional housing while on the path to self-sufficiency.



RHP – Program Summary (Continued)

The state expects to receive \$778,974 in RHP funds under the 2021 Community Planning and Development (CPD) program formula allocation.

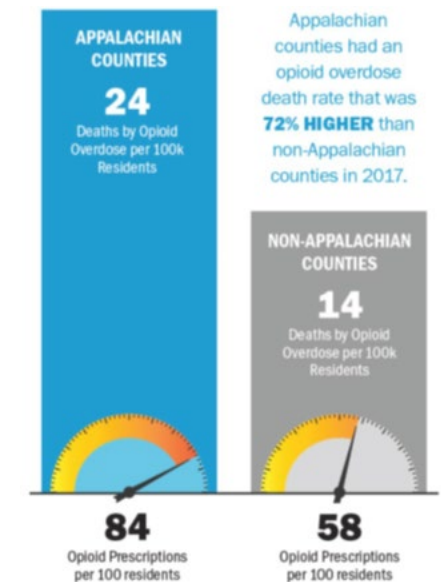
Table Extracted from FY21 RHP – Draft Action Plan

Table 2 – Breakdown of RHP Funds

Source of Funds	Source	Expected Amount Available Year 1 (FY2021)	Breakdown
RHP	Public-federal	Annual Allocation: \$ 778,974	Program Funds ~ \$ 716,657
		Program Income: \$ 0.00	State Administration (5%) ~ \$ 38,948
		Prior Year Allocation: \$ 0.00	Technical Assistance (TA) (3%) ~ \$ 23,369
		Total: \$ 778,974	Total: \$ 778,974

Grant administration is an allowable expense, capped at 5% of the allocation plus 5% of any RHP program income. Technical assistance is also authorized, capped at 3% of the allocation plus 3% of any RHP program income. Administrative matching funds are not required.

The state's first allocation of RHP funds was attributed to the state's age adjusted rate of drug overdose death rising closer to the national overdose mortality rate. The 31 counties in the Appalachian region are the state's hardest hit by the opioid epidemic.



RHP – Use of Funds

Assistance under RHP is limited, per individual, to a period of no more than 2 years or until the individual secures permanent housing, whichever is earlier.

Subrecipients may only use funds for activities described in Federal Register Notice (FR-6225-N-01), which are CDBG-eligible activities consistent with the purpose of RHP ***to provide stable, temporary housing for individuals in recovery from a substance use disorder***. **RHP activities must comply with the Limited Clientele National Objective (LMC).**



RHP Eligible Activities:

- ✓ Public facilities and improvements
- ✓ Acquisition and disposition of real property
- ✓ Payment of lease, rent, and utilities
- ✓ Rehabilitation, reconstruction, and construction of both single family, multifamily, and public housing
- ✓ Clearance and demolition
- ✓ Relocation
- ✓ Administration and technical assistance

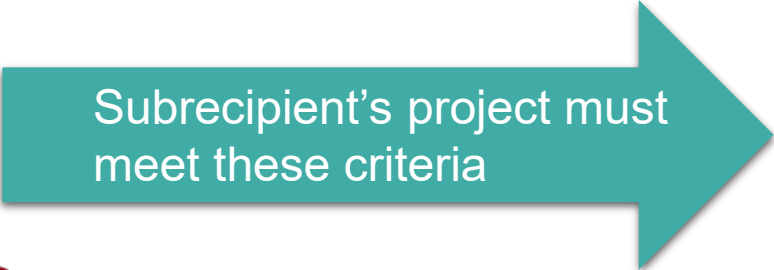


RHP – Eligible Grantees (Subrecipients)

RHP grantees are mandated to utilize eligible activities to distribute funds by giving priority to entities (entitlement, non-entitlement, or non-profit) with the greatest need and ability to deliver effective assistance in a timely manner. **(at least 30% of funds expended in the 1st year)**

REDD's staff capacity and structure will permit the state to act directly using one or two subrecipients to carry out RHP activities within the Appalachian region of the state. Primary applicant for RHP → County-Level or County's municipality designee and first priority will be given to Tier 1 & 2 counties **(especially those with overdose rates over the national average)**.

Subrecipients will be solicited, evaluated, and selected for RHP activities through the process of Request for Proposals (RFP). *Table Extracted from FY21 RHP – Draft Action Plan*



Subrecipient's project must meet these criteria

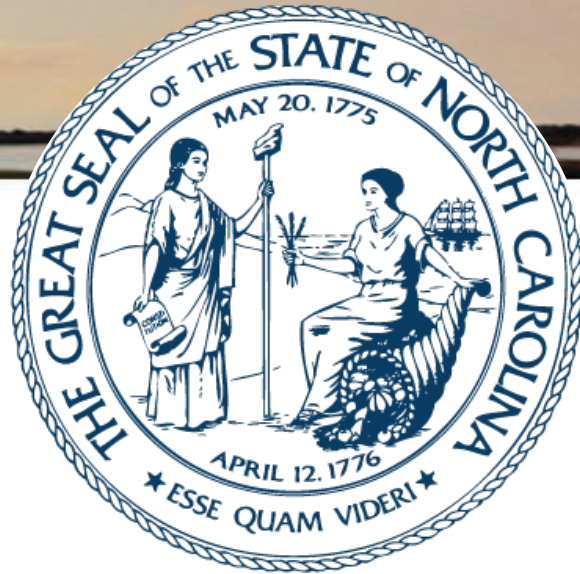
Table 3 – RHP Request for Proposal Criteria

A.	Executive Summary	Submit required form
B.	Statement of Needs	Up to 25 points
C.	Project Description	Up to 32 points
D.	Projected Outputs and Outcomes	Up to 16 points
E.	Leveragability to ARC's Strategies and Initiatives	Up to 12 points
F.	Budget and Budget Narrative	Up to 5 points
G.	Feasibility	Up to 5 points
H.	Organizational Capacity	Up to 5 points
I.	Required Forms:	Submit required forms

RHP – Following steps must take place:

- Public hearing held during the development of the state's draft FY21 RHP AAP
 - ☑ Virtual public hearing (WebEx) – Wednesday, April 20, 2022 9:30 AM -1:30 PM
- Publish the state's draft FY21 RHP AAP on North Carolina Department of Commerce Public Notice Website
 - ☑ Wednesday, April 13, 2022 *"Revisions to the draft expected before final is presented"*
- At least a 15-day public comment period *"State has chosen 30-day public comment period"*
 - UNDERWAY** Wednesday, April 13, 2022 to Tuesday, May 12, 2022
- Consider and summarize public comments received within the state's final FY21 RHP AAP
- Submit the final FY21 RHP AAP to HUD within the Disaster Recover Grants Reporting System (DRGR) on or before **Tuesday, August 16, 2022**
- Solicit, evaluate, and select subrecipient(s) for RHP activities through the process of Request for Proposals (RFP). To take place after the state receives approval and grant agreements from HUD.





Public Comments for the 2021 Recovery Housing Program (RHP) Action Plan

Valerie Fegans, Interim CDBG Director

NC Commerce-Rural Economic Development Division

Public Comment Period

2021 Recovery Housing Program (RHP) Action Plan



Public Comment Period

- All comments will be received until **11:59 PM** on **May 20, 2022**.
- Any comments received in writing or orally at the public hearings will be considered in preparing the final report.
- Please speak clearly so that we can capture your comment, and please limit your speaking time to one minute.
- We will document your comment and provide a written response within 15 working days.
- All records that are public under G.S. 132 will be made accessible to interested individuals and groups during normal working hours.



Opening of Public Comment Period

The public hearing is now open for comments. Please assist as follows:

- **Unmute** if you wish to speak.
- **Wait** until phone-in callers are acknowledged to comment.
- **Add your name** if you are a web participant and wish to speak.
- **Speak clearly** so that we can capture your comment.
- **Limit your comment** to no longer than **1 minute**.

As required, **we will document your public comment**, however, we are not required to respond during the public hearing.



Closing of Public Comment Period

The 2021 Recovery Housing Program (RHP)
Action Plan Public Hearing comment period has
now ended.



Closing of the Public Comment Period (Continued)

- All comments will be received until **5 PM** on **May 20, 2022**.
- Any comments received in writing or orally at the public hearings will be considered in preparing the final report.
- We will document your comment and provide a written response within 15 working days.
- All records that are public under G.S. 132 will be made accessible to interested individuals and groups during normal working hours.



Other Ways to Submit Comments

- Email: Valerie.Fegans@nccommerce.com
- Phone: 919-814-4673
- FAX: 919-715-0567
- Mail:
North Carolina Department of Commerce
Attn: Valerie Fegans, Public Comment
Rural Economic Development Division
4346 Mail Service Center
Raleigh, NC 27699-4346



The NC Plan Partners Thank You for Your Participation.



Simpson-Carter, Shycole

From: Shycole Simpson-Carter <ssimpsoncarter@gmail.com>
Sent: Friday, July 8, 2022 5:46 PM
To: Simpson-Carter, Shycole
Subject: [External] Fwd: [ccmanagers] Recovery Housing Plan Notice of Public Comment Period and 2nd Draft of RHP Action Plan
Attachments: NC FY21 & FY22 Pilot RHP Annual Action Plan - (Public Comment 2nd Draft).pdf; Notice of Public Comment Period RHP (FY21 & FY22 Allocations).docx

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----- Forwarded message -----

From: <ccmanagers@listserv.unc.edu>
Date: Fri, Jul 8, 2022 at 4:19 PM
Subject: [ccmanagers] Recovery Housing Plan Notice of Public Comment Period and 2nd Draft of RHP Action Plan
To: City and County Managers <ccmanagers@listserv.unc.edu>

NOTICE OF PUBLIC COMMENT PERIOD FOR THE STATE of NORTH CAROLINA
Recovery Housing Action Plan (FY21 & FY22 Allocations)

AGENCY: North Carolina Department of Commerce, Rural Economic Development Division North Carolina

ACTION: Notice is hereby given that the Recovery Housing Program Action Plan for FY21 & FY22 allocations has been drafted and revised by the North Carolina Department of Commerce, Rural Economic Development Division. The revised draft may receive several updates prior to submission to the U.S. Department of Housing and Urban Development.

SUMMARY: The Recovery Housing Program, is a pilot program, that provides formula grant funds to states and the District of Columbia to assist individuals in recovery from a substance use disorder (SUD) with stable, transitional housing while on the path to self-sufficiency. Additionally, a project must integrate multiple community and economic development systems, evidence-based or promising SUD models and practices, and resources in support of implementing existing community and economic development strategic plans that create pathways to self-sufficiency.

AVAILABILITY OF REVIEW MATERIALS: A copy of the Recovery Housing Program Action Plan for FY21 & FY22 allocations is available for review from July 8, 2022 to July 22, 2022 at 5:00 PM. The document is attached to this message and will be available on the North Carolina Department of Commerce website at www.nccommerce.com. Copies are also available by request from the North Carolina Department of Commerce, Rural Economic Development Division. Contact Valerie Fegans at (919) 814-4673 or Valerie.Fegans@commerce.nc.gov to receive a copy.

PUBLIC HEARING: A public hearing is not required, as the North Carolina Department of Commerce, Rural Economic Development Division held remotely through WebEx public hearing on April 20, 2022.

COMMENT PERIOD: Comments concerning the document stated in this notice should be made during the required comment period. The Recovery Housing Program Action Plan for FY21 & FY22 allocations is available for review from July 8, 2022 to July 22, 2022. Written comments will be accepted until 5:00 PM on the closing comment date and may be emailed to Valerie.Fegans@commerce.nc.gov, faxed to (919) 715-0567, or mailed to Valerie Fegans, Attn: Public Comment, Rural Economic Development Division, 4346 Mail Service Center, Raleigh, NC 27699-4346. See attachment for more details.

Equal Housing Opportunity

Valerie Fegans,
Interim CDBG Director
North Carolina Department of Commerce

Si necesita esta información en español, por favor póngase en contacto con Valerie Fegans 919-814-4673.

Valerie D. Moore Fegans
Interim CDBG Director
North Carolina Department of Commerce

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Simpson-Carter, Shycole

From: Valerie Fegans
Sent: Friday, July 8, 2022 2:46 PM
To: Whitaker, Amanda; Antonio Blue; adamsco.ben; Billie Hansen; C. David Harris (cdharris@rsmharris.com); cdwyer@citythatwork.com; Chevalier, Monica; Chris Hilbert; Cynthia Fox-Clark; david@hartiganmanagement.com; dobbinheights@bellsouth.net; donfbeck@yahoo.com; dooleyfj; dpatton8@suddenlink.net; Anderson, Erica M; mfadams1223; Haney, J Kyle; Helen Page; J. Michael Scott (Mike.scott.pro@gmail.com); James Luster; Jessie Miars; Jessie Walker; joanstillwell@frontier.com; adamsco.josh; Karen A. Kiehna (Karen.Kiehna@mcgillassociates.com); Karen Kennedy; Katherine Liles; Katie Fisher; Richards, K; Laurie Powell; Lisa Helton; Marvin W. Davis; Michael Blair; Michael Kelly; mdb; miwalser@ptmc.net; Mcallister, Michael; McGhee, Patsy; Paul M. Teague; Rhodes, James; Russ Harris; sedaliatownhall@gmail.com; Sharon Mcduffie; Sherry Long; Skip Green; steveaustincdbg; Tammy Phillips; Tiffany Purdy; Tirence Horne; Adams-Brown, Arnetta; Evans, Tamisha; Hill, Regina A; Langston, Jayne; Schweizer, Vivian; Simpson-Carter, Shycole; Williams, Angela L; Wrencher, Conrad
Subject: Recovery Housing Plan Notice of Public Comment Period and 2nd Draft of RHP Action Plan
Attachments: NC FY21 & FY22 Pilot RHP Annual Action Plan - (Public Comment 2nd Draft).pdf; Notice of Public Comment Period RHP (FY21 & FY22 Allocations).docx
Importance: High

NOTICE OF PUBLIC COMMENT PERIOD FOR THE STATE of NORTH CAROLINA

Recovery Housing Action Plan (FY21 & FY22 Allocations)

AGENCY: North Carolina Department of Commerce, Rural Economic Development Division North Carolina

ACTION: Notice is hereby given that the Recovery Housing Program Action Plan for FY21 & FY22 allocations has been drafted and revised by the North Carolina Department of Commerce, Rural Economic Development Division. The revised draft may receive several updates prior to submission to the U.S. Department of Housing and Urban Development.

SUMMARY: The Recovery Housing Program, is a pilot program, that provides formula grant funds to states and the District of Columbia to assist individuals in recovery from a substance use disorder (SUD) with stable, transitional housing while on the path to self-sufficiency. Additionally, a project must integrate multiple community and economic development systems, evidence-based or promising SUD models and practices, and resources in support of implementing existing community and economic development strategic plans that create pathways to self-sufficiency.

AVAILABILITY OF REVIEW MATERIALS: A copy of the Recovery Housing Program Action Plan for FY21 & FY22 allocations is available for review from July 8, 2022 to July 22, 2022 at 5:00 PM. The document is attached to this message and will be available on the North Carolina Department of Commerce website at www.nccommerce.com. Copies are also available by request from the North Carolina Department of Commerce, Rural Economic Development Division. Contact Valerie Fegans at (919) 814-4673 or Valerie.Fegans@commerce.nc.gov to receive a copy.

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Equal Housing Opportunity

Valerie Fegans,
Interim CDBG Director
North Carolina Department of Commerce

Si necesita esta información en español, por favor póngase en contacto con Valerie Fegans 919-814-4673.



Valerie D. Moore Fegans
Interim CDBG Director
North Carolina Department of Commerce



NC DEPARTMENT
of COMMERCE
RURAL ECONOMIC
DEVELOPMENT

(919) 814-4673 (Office)
(919) 414-7864 (Mobile)
valerie.fegans@commerce.nc.gov (effective 5/19/2022)

301 N. Wilmington Street
4346 Mail Service Center
Raleigh, NC 27699-4346

Email correspondence to and from this address may be subject to the North Carolina Public Records Law and may be disclosed to third parties by an authorized state official.

FY21 & FY22 Action Plan

Recovery Housing Program (RHP)

Grantee: North Carolina

FY21 Grant: B-21-RH-37-0001

FY22 Grant: To Be Assigned

FY 21 Grant Award Amount: \$ 778,974.00

FY 22 Grant Award Amount: \$ 806,625.00

Total Budget: \$1,585,599.00

Funding Sources

No Funding Sources Found

Narratives

Program Summary:

In response to the opioid epidemic that has plagued many parts of the nation, a pilot program, the Recovery Housing Program (RHP), has been authorized through Section 8071 of the "Substance Use–Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act", also referred to as the "SUPPORT for Patients and Communities Act" (SUPPORT Act). The SUPPORT Act requires funds appropriated through the pilot program RHP to be treated as Community Development Block Grant (CDBG) funds under the privity of the U.S. Department of Housing and Urban Development (HUD), as modified by Federal Register Notice (FR-6225-N-01) with the intent to expedite and facilitate the use of RHP funds.

RHP, pilot program, provides formula grant funds to states and the District of Columbia to assist individuals in recovery from a substance use disorder (SUD) with stable, transitional housing while on the path to self-sufficiency. The assistance is limited, per individual, to a period of not more than 2 years or until the individual secures permanent housing, whichever is earlier. RHP grantees are mandated to utilize eligible activities to distribute funds by giving priority to entities (entitlement, non-entitlement, or non-profit) with the greatest need and ability to deliver effective assistance in a timely manner. Coordination with other federal substance abused-related assisted partners is strongly encouraged by the program.



RHP eligible activities include:

- Public facilities and improvements;
- Acquisition and disposition of real property;
- Payment of lease, rent, and utilities
- Rehabilitation, reconstruction, and construction of both single family, multifamily, and public housing;
- Clearance and demolition;
- Relocation; and/or
- Administration and technical assistance

In February of 2020, the first cycle of RHP funds were allocated to 25 grantees (24 states and the District of Columbia). HUD was directed to allocate RHP funds only to state with age adjusted rate of drug overdose death above the national overdose mortality rate based on 2016 findings (19.8 per 100,000), which was 21% higher than the rate in 2015 (16.3), according to the Centers for Disease Control and Prevention (CDC). Fiscal year 2020 allocation excluded the State of North Carolina from receiving RHP funds. Even though, data from NC Opioid and Prescription Drug Abuse Advisory Committee (OPDAAC), a group of more than 150 stakeholders, reported that North Carolina experienced a dramatic increase in the rate of death caused by an overdose of opioid prescription drugs. Also, this increase at the time was running parallel with the ever-increasing rate of prescription of opioid painkillers in the United States.

Mid-year of 2021, a second cycle of RHP funds were allocated to 27 grantees (26 states and the District of Columbia), this cycle included an allocation of \$778,974 to the State of North Carolina. Then, May of 2022, a third cycle of RHP funds were allocated to 25 grantees (24 states and the District of Columbia), this cycle included another allocation of \$806,625 to the State of North Carolina. North Carolina allocation was attributed to the state's age adjusted rate of drug overdose death rising closer to the national overdose mortality rate. In North Carolina, an estimated 79% of drug overdose deaths involved opioids in 2018; a total of 1,783 fatalities and a rate of 17.9. The CDC reported heroin-involved deaths and those involving synthetic opioids other than methadone (mainly fentanyl and fentanyl analogs) remained stable with a respective 619 (a rate of 6.3) and 1,272 (a rate of 13.0) in 2018. It was also reported that in 2018 North Carolina providers wrote 61.5 opioid prescriptions for every 100 persons compared to the average U.S. rate of 51.4 prescriptions for every 100 persons.

In developing the RHP Action Plan, the North Carolina Department of Commerce Rural Economic Development Division (REDD) obtained information that the origin of the opioid crisis began within the 423 counties in the Appalachian region located in the eastern part of the United States. Thirty-one of the 423 counties in the Appalachian region are located within the State of North Carolina. As reported by the National Association of Counties (NACo) and the Appalachian Regional Commission (ARC), the

nation's substance use disorder crisis disproportionately impacts Appalachian counties, which findings indicates at the turn of the millennium the opioid overdose death rate was roughly equal to that of the rest of the U.S.; by 2019. However, the death rate for opioid overdoses in Appalachian counties was 41 percent higher than that of non-Appalachian counties. The national overdose rate is 21.6% per 100,000 individuals, just in the Appalachian region located within the State of North Carolina 29 of the 31 counties are over the national overdose rate of 21.6%, according to NORC at the University of Chicago and the Appalachian Region Commission (ARC) <https://overdosemappingtool.norc.org/>. Even more alarming is many of these counties overdose rate are twice that of the national overdose rate.

Substance Abuse Advisory Council (SAAC) to address the disproportionate impact substance use disorder continues to have on the Appalachian region's workforce in comparison to the rest of the country. The ARC's Substance Abuse Advisory Council is a volunteer advisory group made up of 23 leaders from law enforcement, recovery services, health, economic development, private industry, education, state government and other sectors.

As another strategy the ARC, in April of 2021, implemented the INvestments Supporting Partnerships In Recovery Ecosystems (INSPIRE) Initiative — a \$10 million initiative to create or expand a recovery ecosystem that would lead to workforce entry or re-entry. The intent of successful projects is to support the post-treatment to employment continuum, which could include investments in healthcare networks that support substance use disorder recovery professionals, recovery-focused job training programs, as well as initiatives designed to coordinate, or link, recovery services and training that support the recovery ecosystem, among others.

Resources:

Although, the State of North Carolina has not directly set aside program funds from the state's regular Community Development Block Grant (CDBG) program for RHP projects. CDBG funds including other federal, state, or local resources will be considered with RHP projects, given preference to housing needs, that meet CDBG and RHP programs eligibility requirements, have long-term impacts on LMI individuals and families and individuals in recovery from a substance use disorder, and help address other federal, state, and local priorities, such as fair housing choice and sustainability. RHP funds will be used in accordance with all program requirements including 2 CFR Part 200. All costs charged to the RHP grant will be reasonable and necessary. FY21 & FY22 RHP Action Plan:

Expected Amount Available Year 1 (FY2021)

Annual Allocation: \$ 778,974
Program Income: \$ 0.00
Prior Year Allocation: \$ 0.00
Total: \$ 778,974

Breakdown

*Program Funds: \$ 740,026
*TA (3%) is included in Program Funds
State Administration (5%): \$ 38,948
Total: \$ 778,974



Expected Amount Available Year 2 (FY2022)

Annual Allocation: \$ 806,625
Program Income: \$ 0.00
Prior Year Allocation: \$ 778,974 shown within Grand Total
Total: \$ 806,625

Breakdown

*Program Funds: \$ 766,294
*TA (3%) is included in Program Funds
State Administration (5%): \$ 40,331
Total: \$ 806,625

Grand Total of Expected Amount Available Year 1 (2021) and Year 2 (2022): \$1,585,599.00

Per RHP Implementation Notice, and Federal Register Notice (FR-6225-N-01), the State of North Carolina is not required to provide administrative matching funds.

Estimated Amount Available from Other Sources: \$ 822,123

*****Potential leverage amount from ARC's INSPIRE Initiative for projects and activities are not under RHP privity but complements RHP mandated goals and objectives. These are stand-alone funds being invested in the region regardless of RHP – no interagency memorandum of understanding has been entered into binding ARC to support RHP.*****

The State of North Carolina will comply with RHP expenditure requirements and deadlines, including to expend at least 30% of the state's RHP funds within one year from the date HUD signs the RHP grant agreement, to expend 100% of the RHP funds before the end of the period of performance on September 1, 2027, and to limit administrative costs to 5% of the RHP grant. Unless, otherwise, waived or extended under the authorization of HUD.

Although, the state has targeted RHP funds to, the hardest hit region, the Appalachian counties in the State of North Carolina. The state recognizes that each community within the Appalachian region counties have unique housing, economic, and social needs that are interconnected in some way. Therefore, in an effort to maximize RHP funds and empower the most economically distressed communities within the Appalachian region the state is committed to taking into account designated Opportunity Zones in the distribution of RHP funds. Based on the U.S. Treasury Department Designations and 2011-2015 ACS Data, there are 55 designated Opportunity Zones within the State of North Carolina's Appalachian region with 223,934 LMI North Carolinians residing within these designated Opportunity Zones <https://www.arc.gov/opportunity-zones/>.

The state consistently evaluates publicly owned lands or properties that could be used to address housing and community development needs in North Carolina. As such, when buildable lots become available and are determined to be a viable option, the state will pursue public-private partnerships to

develop or redevelop transitional housing units. In addition, the state, if necessary, will strategically acquire land and/or property as publicly owned for either owner-occupied, lease-purchase, or rental property to provide individuals in recovery from a substance use disorder with stable, transitional housing while on the path to self-sufficiency.

Administration Summary:

HUD has granted waivers and alternative requirements to expand options in carrying out RHP activities through RHP Implementation Notice, and Federal Register Notice (FR-6225-N-01). HUD determined these flexibilities would facilitate and streamline the use of RHP funds to entities with the greatest need and the ability to deliver effective assistance in a timely manner. The waivers and alternative requirements allow grantees to act directly and carry out activities through employees, contractors, and subrecipients in all geographic areas of their jurisdictions, and to select subrecipients to administer the program on their behalf. The State of North Carolina has determined the approach for administering RHP funds and selecting activities and projects will be through a "Direct-Action" approach. The North Carolina Department of Commerce Rural Economic Development Division (REDD) is the state's CDBG Administrator and, as such, shall be the lead agency to direct RHP funds in accordance with all applicable federal, state, and local laws, regulations, guidance and policy requirements that are pertinent to the implementation of RHP and the SUPPORT Act.

For activities carried out by the State of North Carolina in entitlement areas, the provisions of 24 CFR 570.486(c) are waived to the extent necessary to allow the state, either directly or through units of general local government, to use RHP funds for activities located in entitlement areas without contribution from the entitlement jurisdiction. At its discretion, the State of North Carolina may carry out activities utilizing the state CDBG program regulations to distribute RHP funds to units of general local government, Indian tribes, tribally designated housing entities, and entitlement areas. The State of North Carolina will be responsible for submitting the Request for Release of Funds to HUD for approval.

RHP Grant Contact Information:

Valerie Fegans
Interim CDBG Director
North Carolina Department of Commerce
Rural Economic Development Division (REDD)

(919) 814-4673 (Office)
(919) 414-7864 (Mobile)
valerie.fegans@commerce.nc.gov

Physical and Mailing Address:

301 N. Wilmington Street - (Physical)
4346 Mail Service Center - (Mailing)
Raleigh, NC 27699-4346



Use of Funds – Method of Distribution:

The State of North Carolina will make available up to \$1,506,320.00 in RHP funds to one or more subrecipients, as grants, to help individuals within the Appalachian region of the state that have been affected by substance use disorder (SUD). Subrecipients will be solicited, evaluated, and selected for RHP activities through the process of first, releasing a Notice of Funds Availability (NOFA) — after the State of North Carolina has received its grant agreement and approval from HUD. Primary applicant for RHP must be County-Level or County's municipality designee and first priority will be given to Tier 1 & 2 counties (*especially those with overdose rates over the national average*). Subrecipient's project applications received must meet RHP criteria and can earn up to 100 points based on the elements with the Use of Funds - Criteria for Evaluation section of this plan.

Use of Funds – Activities Carried Out Directly:

REDD's staff capacity and structure will permit the State of North Carolina to act directly using one or more subrecipients (entitlement, non-entitlement, or non-profit) to carry out RHP activities within the Appalachian region of the state.

State grant administration is an allowable expense, capped at 5% of the allocation plus 5% of any RHP program income. Technical assistance (TA) is also authorized, capped at 3% of the allocation plus 3% of any RHP program income. Administrative matching funds are not required.

Breakdown of RHP Funds:

Expected Amount Available Year 1 (FY2021)

Annual Allocation: \$ 778,974
Program Income: \$ 0.00
Prior Year Allocation: \$ 0.00
Total: \$ 778,974

Breakdown

*Program Funds: \$ 740,026
*TA (3%) is included in Program Funds
State Administration (5%): \$ 38,948
Total: \$ 778,974

Expected Amount Available Year 2 (FY2022)

Annual Allocation: \$ 806,625
Program Income: \$ 0.00
Prior Year Allocation: \$ 778,974 shown within Grand Total
Total: \$ 806,625

Breakdown

*Program Funds: \$ 766,294
*TA (3%) is included in Program Funds
State Administration (5%): \$ 40,331
Total: \$ 806,625

Grand Total of Expected Amount Available Year 1 (2021) and Year 2 (2022): \$1,585,599.00

The State of North Carolina will fund one or two subrecipients through RHP for **eligible RHP activities** as described in Federal Register Notice (FR-6225-N-01), which are CDBG-eligible activities consistent with the purpose of RHP. To provide stable, temporary housing for individuals in recovery from a substance use disorder (not including administration and technical assistance).

All RHP activities must comply with the **Limited Clientele National Objective (LMC)**, as modified by FR-6225-N-01 and must support activities that benefit low- and moderate-income persons. The State of North Carolina and its subrecipients are prohibited from using RHP funds to aid in the prevention or elimination of slums or blight or for activities designed to meet urgent needs. Planning grants are not eligible for RHP funds.

Use of Funds – Eligible Subrecipients:

The definition of subrecipient at 24 CFR 570.500(c) applies when utilizing subrecipients, and the requirements of 24 CFR 570.489(g) (as modified by section II.D.vii) shall apply. For purposes of this alternative requirement, the definition of subrecipients at CFR 570.500(c) is modified to expressly include Indian tribes. Indian tribes that receive RHP funding from the state must comply with the Indian Civil Rights Act (Title II of the Civil Rights Act of 1968, 25 U.S.C. 1301 et seq).

Use of Funds – Criteria for Evaluation:

As stated within the Use of Funds - Methods of Distribution section, the State of North Carolina will solicit, evaluate, and select subrecipients for RHP activities through the process of first, releasing a Notice of Funds Availability (NOFA). Primary applicant for RHP must be County-Level or County's municipality designee and first priority will be given to Tier 1 & 2 counties (*especially those with overdose rates over the national average*).

The state's RHP will prioritize the selection of a subrecipient's with the greatest need and ability to deliver effective assistance in a timely manner – subrecipient must demonstrate the capacity to expend at least 30% of RHP funds in the first year of receiving funds. Additionally, priority will be given to subrecipients that demonstrate leveragability to ARC's Strategies and Initiatives and assists individuals in recovery from SUD with stable, transitional housing. Subrecipient's project must integrate multiple community and economic development systems, evidence-based or promising SUD models and practices, and resources in support of implementing existing community and economic development strategic plans that create pathways to self-sufficiency. For a list of evidence-based resources and guidelines from the Substance Abuse Mental Health Services Administration, visit the [Resource Center | SAMHSA](#).

Subrecipient's project applications received must meet RHP criteria (below) and can earn up to 100 points based on the following elements:

RHP Request for Application Criteria

- A. Executive Summary — **Submit required form**
- B. Statement of Needs — **Up to 25 points**
- C. Project Description — **Up to 32 points**
- D. Projected Outputs and Outcomes — **Up to 16 points**
- E. Leveragability to ARC's Strategies and Initiatives — **Up to 12 points**
- F. Budget and Budget Narrative — **Up to 5 points**
- G. Feasibility — **Up to 5 points**
- H. Organizational Capacity — **Up to 5 points**
- I. Required Forms: — **Recommended Attachments and Supporting Documentation**

Definitions – Individual in Recovery:

Recovery has been identified as a primary goal for behavioral health care. In recent years, leaders in the behavioral health field, consisting of people in recovery from mental health and substance use disorders, Rural Health Information Hub (RHIhub) and SAMHSA, have explored and developed common, unified working definitions associated to recovery. Entrusting the efforts and the consultations of many stakeholders, SAMHSA and RHIhub, REDD will adopt the following definition as part of RHP, for the purposes of advancing stable transitional housing for North Carolinians in recovery from substance use disorder on a path of self-sufficiency:

Individual in Recovery - An individual engaged in the process of change through which they seek to improve their health and wellness, live a self-directed life, and strive to reach their full potential.

Definitions – Substance Use Disorder:

Substance Use Disorder - 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.

Anticipated Outcomes:

The State of North Carolina's overall goals and objectives will concentrate on achieving through RPH funds a cross-sector community recovery partnerships that will expanding peer recovery support networks to create a holistic approach to assist individuals in recovery from a substance use disorder with stable, transitional housing and create long-term social and economic vitality.

As stated within the Use of Funds - Activities Carried out Directly, the state will fund one or two subrecipients through RHP for **eligible RHP activities** as described in Federal Register Notice (FR-6225-N-01), which are CDBG-eligible activities consistent with the purpose of RHP. To provide stable, temporary housing for individuals in recovery from a substance use disorder (not including administration and technical assistance). The state estimates at least 40 individuals will be assisted through RHP, with a goal of 75% (30) individuals able to transition to permanent housing through RHP-assisted temporary housing.

It should be emphasized that the state expects the number of individuals assisted in RHP activities and the number of individuals able to transition to permanent housing through RHP-assisted temporary housing to change — once potential subrecipients' RHP applications received from the state's NOFA are evaluated and selected for funding. Based on information gain through the state's partner coordination on SUD needs and capacity of RHP funding in FY21 & FY22 allocations, the number of selected subrecipients would be more effective and deliver transforming results if no more than two subrecipients are selected for funding.

Expenditure Plan:

The State of North Carolina will comply with RHP expenditure requirements and deadlines, including to expend at least 30% of the state's RHP funds within one year from the date HUD signs the RHP grant agreement, to expend 100% of the RHP funds before the end of the period of performance on September 1, 2027, and to limit administrative costs to 5% of the RHP grant. Unless, otherwise, waived or extended under the authorization of HUD.

The state's staff within REDD will provide comprehensive grants management and compliance oversight to selected subrecipient(s) to ensure all activities are undertaken as approved and all predetermined expenditure schedules set forth by contractual agreement are adhered to.

Proposed Schedule to Meet Expenditure Deadlines:

- Receipt and execution of RHP grant agreement — **August, 2022 - September, 2022**
- Publishing of RHP Notice of Funding Availability (NOFA) — **October, 2022**
- Applications are due — **Mid November, 2022**
- RHP Review Committee will evaluate and score RHP applications — **December, 2022**
- Announcement of Subrecipients being awarded for RHP — **January, 2023**
- Subrecipients' grant agreements issued for execution — **January, 2023**
- Executed subrecipients' grant agreement are due and work can commence — **Mid March, 2023**
- At least 30% (\$475,680) of the state's RHP funds expended — **August, 2023**
- 25% (\$396,400) of the state's RHP funds expended — **August, 2024**
- 20% (\$317,120) of the state's RHP funds expended — **August, 2025**

- 15% (\$237,840) of the state's RHP funds expended — **August, 2026**
- 10% (\$158,559) of the state's RHP funds expended — **March, 2027**
- Closeout Process — **April, 2027 – July, 2027**
- 100% of the RHP funds expended and the end of the period of performance — **September 1, 2027**

The state does not anticipate the generation of program income from the RHP allocations. However, the state will ensure prior to closeouts if any gross program income is generated through RHP that all program income will be reinvested in RHP activities or the states CDBG program. The state will prohibit the establishment of revolving loans with program income generated from the use of RHP funds.

Citizen Participation Summary:

In preparation for developing the draft and final FY21 & FY22 RHP Annual Action Plan (AAP), the North Carolina Department of Commerce Rural Economic Development Division (REDD) consulted with representatives of ESG and HOPWA, public organizations, regional partners, and governmental professions within the behavioral health field that specialize in the area of substance use disorder and mental health services to discuss housing and community development needs associated to residential recovery from SUD.

Although RHP was granted a waiver/modification of CDBG Citizen Participation Requirements 24 CFR 570.486 and 24 CFR 91.505, to allow at least 15 calendar days for the RHP public comments. The State of North Carolina elected for the first public comment period, to conduct a 30-calendar day public comment period from Wednesday, April 13, 2022 to Tuesday, May 12, 2022. A public notice was published April 13, 2022 on the North Carolina Department of Commerce 's website at www.nccommerce.com and was sent out through a statewide email list serv with the draft RHP AAP attached. Prior and during the public comment period for RHP, REDD published the draft FY21 RHP AAP in a manner that affords citizens, units of general local governments, public agencies, and other interested parties a reasonable opportunity to examine its contents and to submit comments.

A virtual public hearing was held remotely through WebEx on April 20, 2022 with all persons given access to call into the meeting. Virtual public hearings are permitted in the absence of in-person public meeting, due to the national emergency declaration for the COVID-19 pandemic. There were no comments and views received on the state's RHP AAP in writing nor orally at the virtual public hearing and during the 30-calendar day public comment period. The state does not differentiate between any individual, group, and/or organization that wishes to provide input during the planning, implementation, and assessment of community needs toward the draft(s) and or final version of the FY21 RHP AAP.

The State of North Carolina elected for the second public comment period, to utilize the granted waiver/modification of CDBG Citizen Participation Requirements 24 CFR 570.486 and 24 CFR 91.505, to allow at least 15 calendar days for the RHP public comments. The 15-calendar day public comment period will be held from Friday, July 8, 2022 to Friday, July 22, 2022. A public notice is being published Friday July 8, 2022 on the North Carolina Department of Commerce's website at www.nccommerce.com and will be sent out through a statewide email list serv with the second draft RHP AAP attached. Prior and during the public comment period for RHP, REDD will publish the second draft RHP AAP, to include FY21 & FY22 allocations, in a manner that affords citizens, units of general local governments, public agencies, and other interested parties a reasonable opportunity to examine its contents and to submit comments.

The state will submit the final FY21 & FY22 RHP AAP to HUD within the Disaster Recover Grants Reporting System (DRGR) on or before August 16, 2022.

Partner Coordination:

To increase coordination, the state has several housing and community development policy bodies it has consulted with since 2021, this includes the Interagency Council for Coordinating Homeless Programs (ICCHP) and the North Carolina Housing Partnership. The state also has the NC Plan Partners which oversees the planning, implementation, and reporting for HUD CPD programs. (REDD) consulted with representatives of ESG and HOPWA, public organizations, regional partners, and governmental professions within the behavioral health field that specialize in the area of substance use disorder and mental health services to discuss housing and community development needs associated to residential recovery from SUD. Partner coordination were held with, but were not limited to representatives from NC Department of Human and Health Services (NCDHHS), Land of Sky Regional Council, Centralina Regional Council two of 16 North Carolina regional councils (authorized by the General Assembly, Substance Abuse Advisory Council (SAAC), Appalachian Regional Commission (ARC), North Carolina Housing Finance Agency Supportive Housing, North Carolina Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, and Division of Public Health to name a few.

Subrecipient Management and Monitoring:

The state will comply with 24 CFR 570.489(m) relating to monitoring and management of subrecipients. Each sub-recipient that receives RHP funding will be monitored a minimum of once annually during the Program Year RHP project are undertaken. However, based on risk assessments of the subrecipients at the time of application, the sub-recipient may be subjected to additional monitoring visits during the Program Year that the subrecipient receives RHP funding. The staff of REDD will conduct the monitoring of the actual projects and applicants. Monitoring will be conducted for both a Programmatic and

Financial perspective for all aspects of the RHP and CDBG Programs. Monitoring will cover all areas the RHP and CDBG Programs (where applicable) in accordance with 24 CFR Part 570, et. Seq.; the applicable Uniform Administrative Requirements in accordance with 24 CFR 84 or 85, et. Seq.; and the applicable OMB Circulars for Non-Profits, Local and State Governments, and Institutions of Higher Education.

Activities will be monitored through site visits, file-reviews, and reporting on federal and state regulations (e.g., Davis-Bacon, Section 3, Fair Housing, etc.). Monitoring reviews, once completed, will identify both Findings and Concerns and will be presented, in writing, to the applicants within 30-calendar days of completion of the monitoring visit. Subrecipient will be expected to reply to and resolve all monitoring Findings and Concerns. Some findings and/or concerns, based on their nature (i.e., previous occurrences that cannot be corrected) cannot be resolved, but only acknowledged and procedures to prevent their reoccurrence in the future. Each subrecipient contracted to perform or deliver RHP funded programs, projects, or services will be held accountable for all the terms of each contract or sub-recipient agreement entered into.

Pre-Award/Pre-Agreement Costs:

Pre-award and pre-agreement costs incurred by the state, as the grantee of RHP, and selected subrecipients may be charged to the RHP grant. Subrecipients will be subjected to an administration cost limit to 10% of the awarded grant total. REDD will allow reimbursement of pre-award costs incurred prior to the effective date of the grant award that are essential to negotiations in anticipation of receiving the grant award. Planning grants are not eligible for RHP funds; therefore, pre-award costs associated to planning will be prohibited for reimbursement. The pre-award costs are also subject to following proper procurement regulations at 24 CFR 85.36. For eligible pre-award and administration costs, see OMB Circular 2 CFR 200.458.

Certifications

Recovery Housing Program 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 75.
- (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.

Signature of Authorized Official

Date

Assistant Secretary, REDD

Title

