DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-6225-N-01]

Notice of FY2020 Allocations, Waivers, and Alternative Requirements for the Pilot Recovery Housing Program

AGENCY: Office of Community Planning and Development, HUD.

ACTION: Implementation Notice for the pilot Recovery Housing Program, including allocations and applicable rules, waivers, and alternative requirements.

SUMMARY: This notice describes the program rules, waivers, and alternative requirements that apply to $25,000,000 for activities authorized under Section 8071 of the SUPPORT for Patients and Communities Act, entitled Pilot Program to Help Individuals in Recovery From a Substance Use Disorder Become Stably Housed, herein referred to as the Recovery Housing Program, or RHP. This pilot program authorizes assistance to grantees (states and the District of Columbia) to provide stable, temporary housing to individuals in recovery from a substance use disorder. The assistance is limited, per individual, to a period of not more than 2 years or until the individual secures permanent housing, whichever is earlier. The funds for fiscal year 2020 allocations described in this notice were made available by the Further Consolidated Appropriations Act, 2020, which was signed by President Trump on December 20, 2019.

This pilot program would support individuals in recovery onto a path to self-sufficiency. By providing stable housing to support recovery, RHP aims to support efforts for independent living. More specifically, RHP would provide the funds to develop housing or maintain housing for individuals. To maximize and leverage these resources, grantees should coordinate RHP-funded projects with other Federal and non-federal assistance related to substance abuse, homelessness and at-risk of homelessness, employment, and other wraparound services.

Section 8071 of the SUPPORT Act (Section 8071) required funds appropriated or made available for the Recovery Housing Program be treated as community development block grant (CDBG) funds under title I of the Housing and Community Development Act of 1974, unless otherwise provided in Section 8071 or modified by waivers and alternative requirements. The SUPPORT Act authorizes the Secretary to waive or specify alternative requirements to any provision of title I of the HCD Act, except for requirements related to fair housing, nondiscrimination, labor standards, the environment, and requirements that activities benefit persons of low- and moderate-income. This notice describes applicable waivers and alternative requirements to the CDBG program requirements at title I of the HCD Act and 24 CFR part 570 which have been found to be necessary to expedite or facilitate the use of RHP funds.

DATES: Effective Date: November 19, 2020**.**

FOR FURTHER INFORMATION CONTACT: Jessie Handforth Kome, Director, Office of Block Grant Assistance, Community Planning and Development, Department of Housing and Urban Development, 451 7th Street SW, Room 7282, Washington, DC 20410, telephone number 202-708-3587. Persons with hearing or speech impairments may access this number via TTY by calling the Federal Relay Service at 800-877-8339. Facsimile inquiries may be sent to Ms. Kome at 202-708-0033. (Except for the "800" number, these telephone numbers are not toll-free). Email inquiries may be sent to RecoveryHousing@hud.gov.

SUPPLEMENTARY INFORMATION:

I. Background

A. Formula and Allocations

The Further Consolidated Appropriations Act, 2020 (Pub. L. 116-94) ("FY 20 Appropriations Act") made available $25,000,000 for activities authorized under Section 8071

and required the Secretary to allocate the funds based on the percentages shown in Table 1 of the Federal Register Notice published on April 17, 2019 (84 FR 16027) (the "Formula Notice"). HUD published the allocations for the appropriated RHP funds to 25 grantees on HUD's website on February 13, 2020 at: https://www.hud.gov/program_offices/comm_planning/communitydevelopment/recovery_housing_program/.

The 25 grantees include 24 states and the District of Columbia. For grants authorized by the SUPPORT for Patients and Communities Act (Pub. L. 115-271, approved Oct. 24, 2018) ("SUPPORT Act"), the term "state" includes any state as defined in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302) (HCD Act) and the District of Columbia. As required by the SUPPORT Act, HUD allocated funds only to states with an age-adjusted rate of drug overdose deaths above the national overdose mortality rate, according to the Centers for Disease Control and Prevention.

The SUPPORT Act authorized the Secretary to use up to 2 percent of the funds made available under the FY 20 Appropriations Act for technical assistance to grantees. Therefore, 2 percent ($500,000) will be used by the Secretary to provide technical assistance to grantees. The remaining $24,500,000 was allocated following the percentages shown in Table 1 of the Formula Notice, pursuant to the FY 20 Appropriations Act.

Table 1: Recovery Housing Program FY2020 Allocations

Grantee	*Allocation Shares* per Formula Notice*	*FY2020 Allocation*
West Virginia	*6.47%*	$1,585,000.00

District of Columbia	*5.01%*	$1,226,000.00
Ohio	*5.00%*	$1,225,000.00
Pennsylvania	*4.90%*	$1,200,000.00
New Hampshire	*4.68%*	$1,148,000.00
Kentucky	*4.56%*	$1,116,000.00
Maryland	*4.31%*	$1,056,000.00
Massachusetts	*4.30%*	$1,052,000.00
Rhode Island	*4.26%*	$1,043,000.00
Delaware	*4.17%*	$1,022,000.00
Maine	*3.88%*	$951,000.00
Connecticut	*3.85%*	$944,000.00
New Mexico	*3.84%*	$940,000.00
Michigan	*3.67%*	$899,000.00
Tennessee	*3.63%*	$891,000.00
Florida	*3.56%*	$871,000.00
New Jersey	*3.49%*	$855,000.00
Indiana	*3.48%*	$853,000.00
Nevada	*3.46%*	$847,000.00
Missouri	*3.43%*	$839,000.00
Louisiana	*3.42%*	$838,000.00
Arizona	*3.28%*	$804,000.00
Oklahoma	*3.21%*	$787,000.00
Utah	*3.08%*	$755,000.00

Vermont	*3.07%*		$753,000.00
	Subtotal	*$*	*24,500,000.00*
	TA-Set Aside	*$*	*500,000.00*
	Total	$	25,000,000.00

** shares were slightly adjusted to evenly round all award amounts*

B. Submission Deadline and Reallocation

RHP Grantees must submit an RHP Action Plan, including the Form SF-424, application for federal funds, by **August 16, 2021**. The RHP action plan must meet the specific requirements identified in this notice under section II.H.

If a grantee receiving an allocation of funds under this notice fails to submit a RHP Action Plan for its allocation by no later than the August 16, 2021 deadline, or submits a RHP Action Plan for less than the total allocation amount, HUD may simultaneously notify the grantee of the reduction in its allocation amount and reallocate those funds in accordance with the SUPPORT Act's requirements.

II. Applicable Rules, Waivers, and Alternative Requirements

The SUPPORT Act requires amounts appropriated or amounts otherwise made available to grantees be treated as though such funds are CDBG funds under the HCD Act. Except as provided in Section 8071 or in this notice, the statutory and regulatory provisions governing the CDBG program shall apply to grantees.

The SUPPORT Act authorizes the Secretary to waive or specify alternative requirements to any provision of title I of the HCD Act necessary to facilitate or expedite the use of RHP

funds, except for requirements related to fair housing, nondiscrimination, labor standards, the environment, and requirements that activities benefit persons of low- and moderate-income.

As required by the SUPPORT Act, the Secretary has determined that the statutory and regulatory waivers and alternative requirements described in this notice are necessary to expedite or facilitate the use of RHP funds.

These waivers and alternative requirements are only applicable to the use of RHP funds and do not apply to CDBG funds used in conjunction with RHP funds or other sources of CDBG funds (i.e., from other grants or guaranteed loan funds) that are used for similar activities.

A. State Definition

Section 8071(g) provides for purposes of Section 8071, the term "state" includes the District of Columbia and any state as defined in section 102 of the HCD Act (42 U.S.C. 5302).

Under the HCD Act, the District of Columbia is a CDBG entitlement grantee, not a grantee under the state CDBG program. Therefore, only for the District of Columbia, HUD is waiving the regulations in 24 CFR part 570, subpart I and imposing the requirements in 24 CFR 570, subparts A, C, D, J, K, and O, to permit the District of Columbia to be subject to the entitlement CDBG regulations for its RHP grant, except as modified by the waivers and alternative requirements in this notice.

B. Selecting an Administrative Agency.

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

Grant Reporting (DRGR) system, and other federally funded programs supporting recovery from a substance use disorder. If the administrator role is shared between multiple agencies (such as those described in Section II.D below), HUD recommends that these agencies enter into interagency agreements that describe how they will share responsibilities for grant administration.

C. Mandatory Priorities Imposed by the SUPPORT Act

The SUPPORT Act requires all grantees to distribute RHP funds giving priority to entities with the greatest need and ability to deliver effective assistance in a timely manner. Grantees must use RHP funds in a manner that reflects these priorities. Grantees are required to include a description of how they will comply with this requirement in their RHP Action Plans, as described in section II.H. of this notice.

D. State Direct Administration (applies to all grantees except the District of Columbia).

The waivers and alternative requirements in this section permit a state grantee to use its RHP funds to act directly, subject to state law and RHP requirements, to carry out activities through employees, contractors, and subrecipients in all geographic areas within its jurisdiction, including entitlement areas and tribal areas.

HUD has determined that these waivers and alternative requirements will facilitate and streamline the use of RHP funds, particularly by nonprofits and other subrecipients that currently administer residential programs for persons in recovery from a substance use disorder. Permitting states to carry out activities directly will help the state to focus RHP funds towards projects that complement (but do not supplant) federal substance abuse-related assistance (e.g., State Opioid Response (SOR) Grants or Substance Abuse Prevention and Treatment Block Grants (SABG) awarded by the Substance Abuse and Mental Health Services Administration

(SAMHSA) of the U.S. Department of Health and Human Services (HHS)). For example, RHP funding could be used for eligible temporary housing costs in coordination with other counseling and medication-assisted treatment (MAT) services funded by other federal programs, or other wrap-around services such as employment programs by the U.S. Department of Labor under the Workforce Innovation and Opportunity Act. Additionally, grantees are encouraged to partner with other programs that may be assisting these same individuals either before or after their participation in an RHP-funded program, such as HUD's Continuum of Care (CoC) Program, Emergency Solutions Grants (ESG) program, Housing Opportunities for Persons With AIDS (HOPWA) Program, and also HUD-VASH, a joint program between HUD and the U.S. Department of Veterans Affairs (VA).

Requirements at 42 U.S.C. 5306(d) and 24 CFR 570.480(g) are waived to the extent necessary to allow a state to use its RHP grant to directly carry out activities eligible under this notice, rather than only distribute its RHP funds to units of general local government. For example, a state may also directly fund a public or private nonprofit entity as a subrecipient, may procure a for-profit entity to carry out the RHP activities, or may use state employees to administer RHP-funded activities. The waiver and alternative requirement do not apply to the District of Columbia, which can directly carry out activities under requirements applicable to entitlement CDBG grantees.

A state's proposal to act directly and to distribute or use RHP funds in entitlement areas must be published for public comment in its RHP action plan in accordance with its citizen participation plan. States carrying out projects in tribal areas through employees, contractors, or subrecipients must obtain the consent of the Indian tribe with jurisdiction over the tribal area.

While states may carry out RHP activities directly, states are not required to carry out activities directly and may use the existing authority under the HCD Act and state CDBG program regulations to develop a method of distribution (MOD) to distribute RHP funds to units of general local government, Indian tribes, and tribally-designated housing entities. At the state's discretion, the units of general local government eligible for RHP funds may include those participating in the Entitlement CDBG program.

To facilitate the use of RHP funds, HUD is granting the following waiver and alternative requirements when states carry out activities directly:

i. *Use of subrecipients by states (including nonprofits and tribes).* HUD is adopting the following alternative requirement that shall apply when states carry out activities directly: states carrying out activities through subrecipients must comply with 24 CFR 570.489(m) relating to monitoring and management of subrecipients. The definition of subrecipient at 24 CFR 570.500(c) applies when states carry out activities through 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 24 CFR 570.500(c) is modified to expressly include Indian tribes. Indian tribes that receive RHP funding from a state grantee must comply with the Indian Civil Rights Act (Title II of the Civil Rights Act of 1968, 25 U.S.C. 1301 et seq.). This conforming requirement is necessary because the state CDBG regulations do not anticipate states distributing funds through means other than a method of distribution to units of general local government.

ii. *Activities carried out by states in entitlement areas.* The provisions of 24 CFR 570.486(c) are waived to the extent necessary to allow states, 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, consistent with the waiver and alternative requirements in section II.D. HUD is granting this waiver to facilitate and expedite the use of RHP funds.

iii. *Recordkeeping*. When a state carries out activities directly, 24 CFR 570.490(b) is waived, and the state shall establish and maintain such records as may be necessary to facilitate review and audit by HUD of a state's administration of RHP funds under 24 CFR 570.493. Consistent with applicable statutes, regulations, waivers and alternative requirements, and other federal requirements, the records maintained by the state shall be sufficient to: (1) enable HUD to make the applicable determinations described at 24 CFR 570.493; (2) make compliance determinations for activities carried out directly by the state; (3) show how activities are consistent with the descriptions of activities in the RHP Action Plan in the DRGR system and with the requirements that apply to the use of RHP funds; and (4) demonstrate that monitoring standards and procedures are sufficient to ensure program requirements are met and provide for continual quality assurance and adequate program oversight. For fair housing and equal opportunity (FHEO) purposes, and as applicable, such records shall include data on racial, ethnic, and gender characteristics of persons and households who are applicants for, participants in, or beneficiaries of the program.

iv. *Change of use of real property*. For purposes of the RHP program, all references to “unit of general local government” in 24 CFR 570.489(j), shall be read as “state and unit of general local government.”

v. *HUD Review of State Activities*. HUD is waiving the requirements at section 104(e)(2) of the HCD Act (42 U.S.C. 5304(e)(2)) and the regulation at 24 CFR 570.480(c) to the extent necessary to permit the following alternative requirements. The reviews and audits described in section 104(e)(2) shall also include a review of whether the state has carried out RHP activities in a timely manner and in conformance with its certifications and the RHP grant requirements. The regulation at 24 CFR 570.480(c) shall be modified with respect to the basis for HUD determining whether the state has failed to carry out its certifications, so that the Secretary must find that procedures and requirements adopted by the state are insufficient to afford reasonable assurance that activities undertaken by units of general local government or the state were not plainly inappropriate to meeting the primary objectives of the HCD Act, Section 8071, this notice, and the state's RHP objectives.

vi. *Responsibility for review and handling of noncompliance*. HUD is waiving 24 CFR 570.492 and implementing the alternative requirement that the state shall make reviews and audits, including on-site reviews, of any designated public agencies, units of general local government, and subrecipients, as may be necessary or appropriate to meet the requirements of section 104(e)(2) of the HCD Act, as modified by this notice. In the case of noncompliance with these requirements, the state shall take such actions as may be appropriate to prevent a continuance of the deficiency, mitigate any adverse effects or consequences, and prevent a recurrence. The state shall establish remedies for noncompliance by any designated public agencies, units of general local government, and subrecipients.

vii. *Procurement*. HUD is waiving 24 CFR 570.489(g) only to the extent necessary to expand state procurement requirements to include all subrecipients in addition to units of general local government. Grantees must comply with the procurement requirements at 24 CFR 570.489(g) and shall establish requirements for procurement policies and procedures for units of general local governments and subrecipients consistent with the requirements at 24 CFR 570.489(g).

viii. *Means of Carrying Out Activities and Use of Subrecipients*. Activities directly carried out by states may be carried out, subject to state law, by the state through its employees, through procured contracts, or through assistance provided under agreements with subrecipients. A state is responsible for ensuring that RHP funds are used in accordance with all program requirements. The use of interagency agreements, subrecipient agreements, or contracts does not relieve the state of this responsibility. States are responsible for determining the adequacy of performance under all agreements and contracts covering the use of RHP funds, and for taking appropriate action when performance problems arise. States continue to be responsible for civil rights, labor standards, and environmental protection requirements, for compliance with all applicable requirements, including conflict of interest provisions in 24 CFR 570.489(g) and (h). HUD reminds states carrying out activities directly that all RHP grants remain subject to the provisions of 2 CFR part 200 that are incorporated by state CDBG regulations at 24 CFR part 570, subpart I, including the cost principles in 2 CFR part 200, subpart E. As a reminder, the cost principles require that costs be necessary and reasonable for the performance of the

grantee's RHP grant. This requirement applies to all costs charged to the grant, including residential rehabilitation and reconstruction costs.

ix. *Environmental Review*. According to the environmental review regulations at 24 CFR 58.4(b), when a state carries out activities directly, the state must submit the certification and Request for Release of Funds (RROF) to HUD for approval. While a state usually distributes CDBG funds to a unit of general local government and takes on HUD's role as the responsible entity in receiving certifications from grant recipients and approving RROFs, for RHP activities carried out directly by the state, the state must submit the certification and RROF to HUD for approval.

E. Administrative Costs Cap, Elimination of State Matching Funds, and Related Provisions.

The SUPPORT Act contains two requirements that modify existing CDBG requirements. Pursuant to Section 8071(c)(3), up to 5 percent of any RHP grant may be used for administrative costs by the grantee. Therefore, the total of all costs classified as administrative for a state, unit of general local government, and subrecipient(s) must be less than or equal to the 5 percent cap. Secondly, Section 8071(d)(2) provides that no matching funds are required for grantees to receive RHP grants.

In addition, to implement the requirements of the SUPPORT Act, HUD is limiting the eligible activities that grantees may carry out with RHP funds to those activities described in section II.L. For example, although allowed in the state CDBG program, a planning-only grant is not an eligible RHP activity.

HUD is also clarifying the inapplicability of CDBG requirements that conflict with the SUPPORT Act and imposing waivers and alternative requirements to modify the applicability of requirements related to administrative, management, planning, and technical assistance costs.

i. *Administrative Cost Cap 5 percent.* The requirements at section 106(d)(3) and (d)(6)(A) of the HCD Act (42 U.S.C. 5306(d)(3) and (d)(6)(A)) and the regulations at 24 CFR 570.200(g) and 570.489(a) are waived to the extent that they conflict with the Section 8071 provisions which establish a 5 percent cap on administrative costs with no match requirement, and section II.E of this notice which precludes planning-only grants. RHP grantees may expend up to 5 percent of the RHP grant and up to 5 percent of program income received for administrative costs. A nonfederal match for administrative costs is not required.

ii. *Technical Assistance Cost Cap 3 percent*. Section 106(d)(5) and (d)(6) of the HCD Act (42 U.S.C. 5306(d)(5) and (6)) and 24 CFR 570.489(a) are waived to the extent necessary to establish the following alternative requirement. In addition to the 5 percent of its RHP grant that a grantee may use for administrative costs, a grantee may use up to an additional 3 percent of the grant for technical assistance activities. Additionally, RHP grantees may expend up to 3 percent of program income received for technical assistance activities.

iii. *Consolidated plan requirements*. Section 104(a)-(c), and (e) (42 U.S.C. § 5304(a)-(c), and (e)) and 24 CFR 570.304, 24 CFR 570.485 are waived to the extent necessary to allow the grant process and RHP action plan requirements imposed by this notice.

F. Funding Activities in Entitlements and Tribal Lands.

To facilitate the use of RHP funds to address the need for stable, temporary housing for individuals in recovery from a substance use disorder in all areas of a grantee's jurisdiction, 24 CFR 570.480(g) is waived to the extent necessary for a state to carry out activities in all areas of its jurisdiction and to distribute RHP funds to entitlement and non-entitlement units of general local government, Indian tribes, or tribally designated housing entities within all areas of its jurisdiction. Furthermore, HUD is waiving 24 CFR 570.486(c) to allow a state to use RHP funds for an activity located in an entitlement jurisdiction without a contribution from the entitlement jurisdiction. Indian tribes that receive RHP funds from a state grantee must comply with the Indian Civil Rights Act (Title II of the Civil Rights Act of 1968, 25 U.S.C. 1301 et seq.).

Under the waiver and alternative requirements described in section II.D., states may carry out activities in all areas of its jurisdiction by carrying out activities directly or by distributing RHP funds using a method of distribution. At the state's discretion, the eligible units of general local government for RHP funds may include those participating in the Entitlement CDBG program.

For the purpose of the District of Columbia, the definition of subrecipients at 24 CFR 570.500(c) is also modified to expressly include Indian tribes. Indian tribes that receive RHP funding from a grantee must comply with the Indian Civil Rights Act. This alternative requirement provides the District of Columbia with requirements consistent with those applicable to the state grantees under RHP.

G. Pre-Award/Pre-Agreement Costs

To expedite and facilitate the use of RHP grant funds for eligible activities authorized by the SUPPORT Act, HUD is imposing the following waivers and alternative requirements:

i. The District of Columbia and its subrecipients are subject to the provisions of 24 CFR 570.200(h) for pre-award costs, except HUD waives 24 CFR 570.200(h) to require the effective date of the RHP grant agreement to be the date of HUD's execution of the RHP grant agreement. HUD is waiving 24 CFR 570.200(h)(1)(i)-(vi) and as an alternative requirement, the District of Columbia may reimburse pre-award costs in an amount not to exceed 25 percent of the grant, provided that the District of Columbia has described the pre-award costs in its RHP Action Plan and the costs comply with the RHP requirements, including applicable requirements at 2 CFR part 200 and Environmental Review Procedures stated in 24 CFR part 58.

ii. The provisions at 24 CFR 570.489(b) are modified to permit a state grantee to charge allowable pre-agreement costs incurred by itself, its recipients, or subrecipients to the RHP grant and require that all pre-agreement costs comply with RHP program requirements, including applicable requirements at 2 CFR part 200 and Environmental Review Procedures stated in 24 CFR part 58. Additionally, a grantee must include a description of pre-agreement costs to be reimbursed with RHP funds in its RHP Action Plan.

H. Overview of Grant Process and RHP Action Plan Requirements

Grantees must complete the following steps to access RHP grant funds:

1. The grantee develops the proposed RHP Action Plan and publishes it in accordance with the grantee's adopted citizen participation plan (CPP) it has established in accordance with 24 CFR 91.105 or 24 CFR 91.115 and this Notice.
2. The grantee provides opportunity for public comment and public hearings, if any, on the RHP action plan and responds to such comments in accordance with its CPP. The CPP may be amended in accordance with 24 CFR 91.105(a)(3) and 91.115(a)(3) concurrently to address RHP funds, and to allow no less than 15 calendar days of public comment and encourage participation by organizations interested in residential recovery programs for individuals with substance use disorder.
3. The grantee considers and summarizes public comments received in its RHP Action Plan and attaches a summary to its RHP Action Plan, which must include a summary of any comments not accepted and the reasons therefore;
4. The grantee submits its final RHP Action Plan to HUD via DRGR by August 16, 2021, which includes Standard Form 424 (SF-424), SF-424D (HUD collects these assurances for both construction and non-construction activities), and certifications;
5. HUD will review the RHP Action Plan in accordance with 24 CFR 91.500;
6. Once HUD accepts the RHP Action Plan, HUD and the grantee will enter into a grant agreement. HUD transmits the RHP grant agreement to the grantee, and the grantee signs and returns the grant agreement for HUD's signature;
7. HUD establishes the line of credit that can be accessed through DRGR; and
8. The grantee may draw down funds from the line of credit after the Responsible Entity completes applicable environmental reviews(s) pursuant to 24 CFR part 58 and, as

applicable, receives from HUD or the state the Authority to Use Grant Funds (AUGF) form and certification.

HUD is granting the following waivers and alternative requirements below for a grantee's RHP Action Plan to expedite the use of RHP grants. HUD is waiving 42 U.S.C. 5304(a)(1), 42 U.S.C. 5304(m), 42 U.S.C. 5306(a)(1), 42 U.S.C. 5306(d)(2)(C)(iii) 24 CFR 570.485, and 24 CFR 570.304 to the extent necessary to require a grantee to submit an RHP Action Plan separately from the consolidated plan covering other Community Planning and Development Programs, including CDBG. Under this waiver and alternative requirement, grantees do not need to reference the RHP program in the consolidated plan submitted via HUD's Integrated Disbursement and Information System (IDIS), unless the information included references other HUD programs. For example, if joint public comment and hearings are conducted by the grantee for RHP and CDBG, those meeting documents and comments may be uploaded for both RHP in DRGR and CDBG in IDIS. The RHP Action Plan will be separately submitted in DRGR and will be reviewed by HUD separately from any plan submissions made for other programs reported in IDIS. A grantee may prepare a single RHP Action Plan, including objectives and outcome measures, for its RHP allocation. In addition, RHP Action Plans may be submitted without updating the current consolidated plan's assessment, analysis, and strategy.

This waiver does not amend the CPP requirements or 24 CFR 570.486. HUD is imposing 24 CFR 91.505, as modified by this notice, to make the RHP Action Plan subject to the process provided for substantial amendments in a grantee's CPP. The CPP may be amended concurrently by grantees to allow no less than 15 calendar days of RHP public comment and to encourage participation by organizations interested in residential recovery programs for individuals with a substance use disorder. In addition to CPP requirements, HUD strongly encourages grantees to

seek feedback from their Single State Agency (SSA), the state agency responsible for administering SABG and SOR grants from SAMHSA. The directory for SSA contacts for each state and the District of Columbia can be found at https://www.samhsa.gov/sites/default/files/ssa-directory-04282020.pdf.

A grantee's RHP Action Plan must include the proposed use of all funds, criteria for eligibility, and how the use addresses the purpose of RHP funds to provide stable, temporary housing to persons in recovery from a substance use disorder. The RHP Action Plan must include the following:

i. *Standard Form 424* and *424D (HUD collects these assurances for both construction and non-construction activities)*

ii. *Program Summary:* A concise executive summary that identifies needs and specific goals for the grantee's RHP funds.

iii. *Resources:* A concise summary of the amounts of RHP funds and other federal and non-federal resources. Federal resources shall include any RHP program income expected to be available for RHP eligible activities, as well as other federal program funding for RHP eligible activities made available by the grantee. The RHP Action Plan must identify other state, local, nonprofit, or private resources expected to be made available in conjunction with the use of RHP funds for RHP eligible activities. HUD encourages grantees to review designated Opportunity Zone census tracts in their jurisdiction when considering the distribution of resources and placement of RHP projects. Where the grantee deems it appropriate, it may identify publicly owned land or property located within the grantee's jurisdiction that may be used to carry out the activities identified in the RHP Action Plan.

iv. *Administration Summary:* A concise summary of the role(s) of one or more of the grantee's agencies and departments in the administration of the RHP grant and contact information for these agencies and departments.

v. *Use of Funds:* A description of the use of funds that addresses the following:

(1) Awards to Communities by Method of Distribution (this element applies to grantees other than the District of Columbia). A statement of whether the grantee will distribute all or part of the RHP funds through a method of distribution and, if so, a description of the grantee's method for distributing RHP funds to any entitlement and non-entitlement units of general local government, Indian tribes, or tribally designated housing entities.

(2) Activities carried out directly. A statement of whether the grantee will use all or part of its RHP funds for activities to be carried out directly by the grantee, as described in section II.D., and, if so, a description of the eligible activities as described in section II.L. that will be carried out directly by the grantee. A grantee may carry out the activity with its own staff, procure a for-profit entity, or make a grant to a subrecipient.

(3) Eligible Subrecipients. A description of the types of entities or organizations that are eligible to become subrecipients. A grantee may choose to make public or private nonprofit entities eligible for RHP funding. A grantee may set other criteria related to the potential subrecipient's existing services, unmet need, experience, and past performance.

(4) Criteria for evaluation of applications and applicants. The grantee shall describe all criteria used to make funding choices, and describe the relative

importance of the criteria, where applicable. This is required for all funding decisions, including items (1) and (2), and eligibility decisions under item (3) above. The description of the criteria must provide sufficient information so that applicants will be able to comment on it, know what criteria and information their application will be judged on, and be able to prepare responsive applications. The criteria must include a description of how the grantee will give priority to:

(a) Entities with the greatest need. A grantee may solicit qualitative and/or quantitative information from applicants to demonstrate a need for the activities being proposed for RHP funding. A grantee shall consider both the projected demand for the proposed temporary recovery housing solution and the financial need for assistance.

(b) Entities with the ability to deliver effective assistance in a timely manner. For example, a grantee may consider an applicant's prior performance related to administering prior federal awards and/or collaborating with other federal programs, including both HUD and HHS programs.

vi. *Definitions:* Definitions must be adopted by grantees for the following terms included in the SUPPORT Act and this notice, which the grantee must adhere to when carrying out its RHP grant. Grantees may adopt definitions for the following terms used by other publicly funded programs that provide support for recovery from substance use disorders.

(1) Individual in recovery.

(2) Substance use disorder.

A grantee's definitions cannot exclude individuals with certain types of substance issues or co-occurring disabilities, or exclusively target a specific type of substance use disorder.

vii. *Anticipated Outcomes and Expenditure Plan:* The following information about outcomes and expenditures.

(1) Expenditures. A concise summary of how the grantee intends to comply with the requirement described in section II.J. that the grantee expends at least 30 percent of its RHP funds within one year from the date the funds are available to the grantee, and a concise summary of how the grantee intends to expend 100 percent of the RHP funds before the end of the period of performance. Additionally, this summary shall address administrative costs and describe how the grantee will expend no more than 5 percent of the RHP grant for its administrative costs.

(2) *Outcomes*. 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. Grantees must report the number of individuals assisted in RHP activities, and the number individuals able to transition to permanent housing through RHP-assisted temporary housing. Grantees should consider other outcome measures and are encouraged to engage with researchers to better understand other measurable impacts of RHP funding.

viii. *Citizen Participation Summary:* The grantee must include a summary of the citizen participation process for RHP, the public comments or views provided on the RHP Action Plan, and a summary of any of those public comments or views not accepted

and the reasons they were rejected. The summary shall address public comments and views received during any public hearing, if a hearing is required by the CPP. This includes virtual public hearings as permitted due to national or local health authorities' recommendations for social distancing and limiting public gatherings for public health reasons.

ix. *Partner Coordination*: A summary of coordination with partners. RHP grantees are encouraged to coordinate with other federal substance abuse-related assisted partners, such as SOR grantees and SABG grantees from HHS, as well as other partners potentially serving the same populations, such as HUD's CoC Program, ESG program, HOPWA program, and HUD-VASH. RHP grantees are also encouraged to consult with a range of residential recovery service providers, such as private, faith-based nonprofits, public nonprofits such as Public Housing Authorities, or other entities assisting individuals in recovery.

x. *Subrecipient Management and Monitoring:* A summary of the grantee's subrecipient oversight and management policies and procedures.

xi. *Pre-award/Pre-Agreement Costs:* The grantee must include a description of pre-award or pre-agreement costs to be reimbursed with RHP funds.

xii. *Certifications:* Each grantee must make the following certifications with its RHP Action Plan:

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

relocation assistance, and one-for-one replacement housing requirements of section 104(d) of the Housing and Community Development Act of 1974, as amended (42 USC § 5304(d)) and implementing regulations at 24 CFR part 42, as applicable, except where waivers or alternative requirements are provided.

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

(3) The grantee certifies that the RHP Action Plan is authorized under state and local law (as applicable) and that the grantee, and any entity or entities designated by the grantee, and any contractor, subrecipient, or designated public agency carrying out an activity with RHP funds, possess(es) the legal authority to carry out the program for which it is seeking funding, in accordance with applicable HUD regulations and the grant requirements. The grantee certifies that activities to be undertaken with RHP funds are consistent with its RHP Action Plan.

(4) The grantee certifies that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601 et seq.), and implementing regulations at 49 CFR part 24, except where waivers or alternative requirements are provided.

(5) The grantee certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135.

(6) The grantee certifies that it is following a citizen participation plan adopted pursuant to 24 CFR 91.115 or 91.105 (as imposed in notices for its RHP grant). Also, each unit of general local government receiving RHP assistance from a state must comply with the citizen participation requirements of 24 CFR 570.486(a)(1) through (a)(7) for proposed and actual uses of RHP funding (except as provided in *Federal Register* notices providing waivers and alternative requirements for the use of RHP funds).

(7) The grantee certifies that it is complying with each of the following criteria: (1) funds will be used solely for allowable activities to provide individuals in recovery from a substance use disorder stable, temporary housing for a period of not more than 2 years or until the individual secures permanent housing, whichever is earlier; (2) with respect to activities expected to be assisted with RHP funds, the RHP Action Plan has been developed so as to give the maximum feasible priority to activities that will benefit low- and moderate-income individuals and families; (3) the aggregate use of RHP funds shall principally benefit low- and moderate-income families in a manner that ensures the grant amount is expended for activities that benefit such persons; and (4) the grantee will not attempt to recover any capital costs of public improvements assisted with RHP grant funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless: (a) RHP grant funds are used to pay the proportion of such fee or assessment that relates to the capital costs of

such public improvements that are financed from revenue sources other than RHP; or (b) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, the grantee certifies to the Secretary that it lacks sufficient RHP funds (in any form, including program income) to comply with the requirements of clause (a).

(8) The grantee certifies that the grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations, and that it will affirmatively further fair housing.

(9) The grantee certifies that it has adopted and is enforcing the following policies, and, in addition, must certify that it will require local governments that receive grant funds to certify that they have adopted and are enforcing: (1) a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and (2) a policy of enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.

(10) The grantee certifies that the grant will be conducted and administered in conformity with the requirements of the Religious Freedom Restoration Act (42 U.S.C. 2000bb) and 24 CFR 5.109, allowing the full and fair participation of faith-based entities.

(11) The grantee certifies that it (and any subrecipient or administering entity) currently has or will develop and maintain the capacity to carry out RHP eligible activities in a timely manner and that the grantee has reviewed the requirements of the grant.

(12) The grantee certifies that its activities concerning lead-based paint will comply with the requirements of HUD's lead-based paint rules (Lead Disclosure; and Lead Safe Housing (24 CFR part 35)), and EPA's lead-based paint rules (e.g., Repair, Renovation and Painting; Pre-Renovation Education; and Lead Training and Certification (40 CFR part 745)).

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

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

I. Consistency with consolidated plan.

As previously described, HUD is waiving Section 104(a)-(c) (42 U.S.C. § 5304(a)-(c)), 24 CFR 570.304, and 24 CFR 570.485 so that RHP funds are not required to be consistent with a grantee's consolidated plan because grantees may not have considered the needs associated with this special purpose funding when developing their current consolidated plan, strategic plan, and needs assessment. In conjunction, 42 U.S.C. 5304(e), to the extent that it would require HUD to annually review grantee performance under the consistency criteria, is also waived.

J. Timeliness.

HUD is waiving the timely expenditure and obligation requirements of 42 U.S.C. 5304(e) and 24 CFR 570.494 and 570.902 and imposing the following alternative requirement: RHP funds will not be included in determining compliance with the requirements of 24 CFR 570.494

and 570.902. The RHP program is subject to the following requirements regarding the timely use of funds:

i. *30 Percent Expenditure in First Year*. Section 8071(c)(1) of the SUPPORT Act requires grantees to "expend at least 30 percent of such funds within one year of the date funds become available to the grantee for obligation." The date of the execution of the grant agreement will be used for this purpose.

ii. *100 Percent Expenditure by September 1, 2027.* All program funds must be expended before the end of the period of performance on September 1, 2027.

K. Two-Year Limitation per Individual.

RHP funds may only assist individuals in recovery from a substance use disorder for a cumulative period of not more than 2 years or until the individual secures permanent housing, whichever is earlier.

L. Eligible Activities.

Although the SUPPORT Act provides that RHP funds are treated as CDBG funds, not all CDBG eligible activities in section 105 of the HCD Act (42 U.S.C. 5305(a)) satisfy the purpose of RHP funds to provide stable, temporary housing to individuals in recovery from a substance use disorder. HUD is imposing the following waiver and alternative requirement to modify section 105(a) for the statutory purpose described in the SUPPORT Act.

The use of RHP funds is limited to the following eligible activities.

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

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

iii. *Lease, rent, and utilities*. HUD is waiving and modifying 42 U.S.C. 5305(a)(8), 24 CFR 570.207(b)(4), 24 CFR 570.201(e), and 24 CFR 570.482(c)(2) to the extent necessary to permit RHP funds to be used to make payments for lease, rent, utilities, and associated costs (e.g. fees), for the purpose of providing stable, temporary housing, on behalf of an individual in recovery from a substance use disorder in accordance with Section 8071 and this notice. Under this waiver and alternative requirement, such payments are not limited to 15 percent of the RHP grant, and individual may be assisted for up to 2 years or until the assisted individual find permanent housing, whichever is earlier. These payments may not be made directly to an individual. These payments may not have been previously paid from other sources; and the payments must result in either a new service and/or a quantifiable increase in the level of an existing service above that which has been provided in the 12 calendar months prior to approval of the RHP Action Plan. For example, a subrecipient currently operating a recovery group home may use RHP funds to rent an additional house and increase the number of persons served. In which case, the rent and utility costs of the additional house may be paid with RHP funds; however, the rent and utilities of the original house would not be an eligible cost under the RHP program. In this example, an individual may only stay in the temporary housing assisted

by RHP for a period of up to 2 years or until the individual finds permanent housing, whichever is earlier.

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

v. *Rehabilitation and Reconstruction of Multi-Unit Residential*. RHP funds may be used for rehabilitation or reconstruction of publicly- or privately-owned buildings and improvements with two or more permanent residential units that otherwise comply with 24 CFR 570.202(a) and section 105(a)(4) of the HCD Act (42 USC 5305(a)(4)) for the purpose of providing stable, temporary housing for individuals in recovery from a substance use disorder in accordance with Section 8071 and this notice.

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

vii. *Disposition of Real Property.* RHP funds may be used for disposition through sale, lease, or donation, or otherwise of real property acquired with RHP funds subject to 24 CFR 570.201(b) and section 105(a)(7) of the HCD Act (42 USC 5305(a)(7)), for the purpose

of providing stable, temporary housing for individuals in recovery from a substance use disorder in accordance with Section 8071 and this notice. Eligible costs may include costs incidental to disposing of the property, such as preparation of legal documents, fees paid for surveys, transfer taxes, and other costs involved in the transfer of ownership of the RHP-assisted property.

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

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

x. *Expansion of existing eligible activities to include new construction.* RHP funds can be used for new construction of housing, to the extent the newly constructed housing shall be used for the purpose of providing stable, temporary housing for individuals in recovery from a substance use disorder in accordance with Section 8071 and this notice. HUD is waiving 42 USC 5305(a) and 24 CFR 570.207(b)(3) and adopting alternative requirements to the extent necessary to permit new construction of housing, subject to the

same requirements that apply to rehabilitation activities under the provisions at section 105(a)(4) of the HCD Act (42 USC 5305(a)(4)) and 24 CFR 570.202(b).

xi. *Grant Administration.* Subject to the limitations described in section II.E of this notice, RHP funds may be used to pay administrative costs of the RHP program. These administrative costs include, but are not limited to, the costs related to the development and submission of the RHP Action Plan, costs associated with carrying out subrecipient monitoring and oversight, and costs associated with reporting to HUD.

xii. *Technical Assistance.* Subject to the limitations described in section II.E of this notice, RHP funds may be used to pay for the grantee's non-administrative costs associated with providing technical assistance to a nonprofit or a unit of general local government to successfully apply for and implement the RHP program, to the extent eligible under 24 CFR 570.201(p) and section 105(a)(19) of the HCD Act (42 USC 5305(a)(19)).

M. National Objective & Overall Benefit.

To facilitate the use of the RHP funds, the following waivers and alternative requirements modify several national objective criteria to be consistent with the purpose of Section 8071. All RHP activities must comply with the Limited Clientele National Objective as modified by this notice.

(i) *Expansion of Limited Clientele National Objective to include RHP-assisted housing*. HUD is imposing a waiver and alternative requirement to the limited clientele national objective criteria at 24 CFR 570.208(a)(2) and 570.483(b)(2)(i)(B) to the extent necessary to enable the use of the limited clientele national objective for acquisition, rehabilitation, reconstruction, or new construction activities assisted by RHP funds that provide stable, temporary housing to individuals in recovery from substance use disorder,

when at least 51 percent of the individuals benefitting are low- or moderate-income persons. Any cost or other limitations on the participation by beneficiaries in RHP activities must not be prohibitive for low-income persons. The RHP activities, when taken as a whole, must not benefit moderate-income persons to the exclusion of low-income persons.

(ii) *Modification of Limited Clientele Presumptions*. Persons in certain group categories may be presumed to be low- and moderate-income persons pursuant to the requirements at 24 CFR 570.208(a)(2)(i)(A) or 570.483(b)(2)(ii)(A). HUD is modifying the requirements at 570.208(a)(2)(i)(A) and 570.483(b)(2)(ii)(A) to add additional categories of groups of persons that, when served exclusively or in combination with groups of persons in other listed categories, may be presumed to benefit persons, 51 percent of whom are low- and moderate-income, barring any evidence to the contrary. Under this alternative requirement, the categories are expanded to include persons who meet the federal poverty limits or are insured by Medicaid.

(iii) *Overall benefit to Low- and Moderate-Income Persons.* Section 101(c) of the HCD Act (42 U.S.C. 5301(c)) establishes the primary objective of the HCD Act to be the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income. Unlike the CDBG program, RHP funds may not be used for activities to aid in the prevention or elimination of slums or blight, or activities designed to meet community development needs having a particular urgency. Therefore, all RHP funds must be used to support activities that benefit low- and moderate-income persons. Additionally, administrative and technical assistance expenditures are counted toward

low- and moderate-income benefit in the same proportion as RHP expenditures for other activities.

N. Program Income.

Income generated from the use of RHP funds is subject to 42 U.S.C. 5304(j), 24 CFR 570.489(e) (states), and 24 CFR 570.500 and 570.504 (District of Columbia) regarding program income. To expedite or facilitate the use of RHP funds, HUD is issuing the following alternative requirements to program income provisions at 24 CFR 570.489(e) and 24 CFR 570.504 as described below.

i. Definition of Program income. HUD is modifying 24 CFR 570.489(e)(1) (states) to modify the definition of "Program income" to include gross income received by subrecipients that was generated from the use of RHP funds. In addition, HUD is modifying 24 CFR 570.489(e)(2) (states) and 24 CFR 570.500(a)(4) (District of Columbia) to exclude from program income any income received and retained by a nonprofit operating within the grantee's jurisdiction whose primary mission includes serving individuals in recovery from substance use disorder. If a grantee chooses to require the nonprofit to return income generated from the use of RHP funds, the income returned by the nonprofit to the grantee would be defined as program income.

ii. Treatment of program income.

(1) Prior to closeout of an RHP grant, except as described in (2) below, a grantee must transfer program income to another open RHP grant or its annual CDBG program. Program income received by a grantee after closeout of all RHP grants must be transferred to the grantee's annual CDBG award. Once transferred to the annual program, the waivers and alternative requirements that apply to the RHP grant no longer

apply to the use of transferred program income. Rather, those funds will be subject to the grantee's regular CDBG program rules.

(2) Grantees other than the District of Columbia may require that any subrecipient pay RHP program income to the state unless the exception in 24 CFR 570.489(e)(3)(ii)(A) applies. The provisions of 24 CFR 570.489(e)(3)(ii)(A) are modified to add an additional requirement that the state must require a unit of general local government to return to the state program income generated from the use of RHP funds, if the program income will not be used to continue the RHP-eligible activity from which it was derived. Program income returned to the state must be used for additional RHP-eligible activities pursuant to a grantee's RHP Action Plan or transferred to the state's annual CDBG program as described in (1) above.

iii. All RHP program income and assets shall be treated as program income and assets of the grantee's annual CDBG program at the earlier of grantee closeout or the date the grantee's RHP appropriation account is canceled pursuant to section II.P. of this notice.

iv. Revolving loan funds prohibited. Because of the requirement to transfer program income to the annual CDBG grant program, grantees are prohibited from establishing revolving funds with program income generated from the use of RHP funds.

O. Reporting.

General reporting requirements for grantees can be found at 24 CFR 570.507 (District of Columbia) and 24 CFR 570.491 (state).

HUD is facilitating the use of the RHP funds by implementing reporting and review requirements specific to the purpose of RHP. HUD will use grantee reports to oversee

compliance with RHP grant requirements and perform risk analysis that may inform HUD's monitoring plans. The following reporting requirements apply to all RHP grants:

i. HUD requires each grantee to annually review and report on the use of RHP funds using the online DRGR system. To the extent feasible, HUD will configure DRGR performance measures to fit the purposes of the RHP program and the eligible activities described in section II.L. The annual performance report must include a comparison of the proposed versus actual outcomes for each outcome measure included in the RHP Action Plan. The grantee must explain, if applicable, why progress was not made toward meeting goals and objectives. The grantee must enter information in DRGR about the uses of RHP funds in sufficient detail to permit HUD's review of grantee data and allow HUD to assess compliance and risk. Required information includes, but is not limited to: the project name; activity; location; national objective; funds budgeted and expended; the funding source and total amount of any non-RHP funds expended for the same activity; numbers of properties and housing units; beginning and ending dates of activities; and numbers of low- and moderate-income persons or households benefiting from the activities.

ii. The annual performance report will include a financial report(s). Each grantee will enter information into DRGR on its obligations and expenditures, available cash, program income, and other financial information for the use of RHP funds as required by HUD. Grantees must use the DRGR system to generate and submit a form SF-425 federal financial report.

iii. Each RHP grantee must submit an annual performance report (including financial reports) as described in this notice no later than 30 days following the end of each federal

fiscal year, beginning 30 days after the close of the first federal fiscal year in which HUD and the grantee sign the RHP grant agreement and continuing until 30 days after the end of the last fiscal year in which the grant is open or fiscal year 2027, whichever comes earlier. HUD may extend the date of the first report for grant agreements signed by HUD and the grantee within 30 days of the end of the federal fiscal year. Reports must be submitted using HUD's DRGR system. HUD will provide grantees with guidance on how to submit performance reports in DRGR.

iv. Before submitting the performance reports to HUD, the grantee must provide reasonable notice to citizens and make the full annual performance report in accordance with 24 CFR 91.105(d) and 24 CFR 91.115(d), including the SF-425 federal financial report and the Consolidated Annual Performance and Evaluation Report, available for citizen comment for a period not less than 15 days. Performance reports must be available to the public in compliance with 24 CFR 91.105(d) and 24 CFR 91.115(d), including availability in a form accessible to persons with disabilities, upon request (DRGR generates a version of the report that the grantee can download, save, and post on the grantee's web site or share electronically).

v. HUD shall review the performance report and determine whether it is satisfactory. If a satisfactory report is not submitted in a timely manner, HUD may suspend access to RHP funds until a satisfactory report is submitted, or may withdraw and reallocate funding if HUD determines, after notice and opportunity for a hearing, that the grantee will not submit a satisfactory report.

P. Period of Performance and Closeout

Grantees must expend all RHP funds within the period of performance established by the RHP grant agreement. HUD is establishing a period of performance that begins on the date the grant agreement authorizes the grantee to begin to use RHP funds and ends on September 1, 2027, which is 29 days before the RHP appropriation account is cancelled in accordance with 31 U.S.C. §1552(a), 24 CFR 570.200(k), and 24 CFR 570.480(h). Grant funds are not available for obligation and expenditure after the period of performance.

HUD will close out RHP grants in accordance with the 24 CFR 570.489(o), which imposes the closeout requirements of 2 CFR 200.343. For the District of Columbia, to facilitate the use of grant funds in a timely manner, HUD is waiving the CDBG Entitlement regulation at 24 CFR 570.509 and imposing an alternative requirement that HUD will close out the RHP grant for the District of Columbia in accordance with grant closeout requirements of 2 CFR 200.343. This approach will allow for a single closeout approach for all RHP grantees.

Under the regulation at 2 CFR 200.343(a), the deadline for all grantees to submit financial, performance, and other reports is 90 calendar days after the end date of the period of performance or December 1, 2027.

Before HUD and the grantee enter a closeout agreement, the grantee must transfer all RHP program income and assets to its annual CDBG program, as discussed in section II.N. above.

III. Findings and Certifications

Paperwork Reduction Act

The information collection requirements in this notice have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C.

3501-3520) and assigned OMB Control Number 2506-0165. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance numbers for RHP grants under the SUPPORT Act are 14.218 (Community Development Block Grants/Entitlement Grants), 14.225 (Community Development Block Grants/Special Purpose Grants/Insular Areas, and 14.228 (Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii) (formerly CDBG Grant/Small Cities Program).

Finding of No Significant Impact

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). During periods in which HUD's offices are closed to the public due to coronavirus, the FONSI will be available online at hud.gov. During periods when HUD's offices are open to the public, the FONSI will be available for public inspection between 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW, Room 10276, Washington, DC 20410-0500. Due to security measures at the HUD Headquarters building, an advance appointment to review the FONSI must be scheduled by calling the Regulations Division at 202-708-3055 (this is not a toll-free number). Hearing or speech-impaired individuals may access this number through TTY by calling the Federal Relay Service at 800-877-8339 (this is a toll-free number).

Dated: 11/19/2020

JOHN GIBBS Digitally signed by JOHN GIBBS

John Gibbs

Principal Deputy Assistant Secretary for

Community Planning and Development

[BILLING CODE: 4210-67]