Docusign Envelope ID: 20BADD64-9FD5-4B78-87E9-47528739C7F4

NC DEPARTMENT of COMMERCE
RURAL ECONOMIC DEVELOPMENT

Josh Stein
GOVERNOR

Lee Lilley
SECRETARY

Reginald Speight
ASSISTANT SECRETARY

MEMORANDUM

To: Local Government Officials and Other Interested Parties

From: Lorenzo S. Claxton, Director Initial LC
Community Development Block Grant (CDBG) Program
Registered State Basic Agency (RSBA)

Date: **January 30, 2026**

Subject: 2026 Recovery Housing Program (RHP) – Notice of Funding Availability (NOFA)

Administering: North Carolina Department of Commerce (NCDOC)
Rural Economic Development (REDD)
301 North Wilmington Street,
4346 Mail Service Center,
Raleigh, North Carolina 27699-4346

Program Description: The Recovery Housing Program (RHP) is a pilot program, designed to assist individuals in recovery from a substance use disability (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 two (2) years or until the individual secures permanent housing, whichever is earlier. Funds made available through RHP will be treated as Community Development Block Grant (CDBG) funds and will be governed by CDBG regulations.

The State's RHP program will prioritize the selection of applicants with the greatest need and ability to deliver effective assistance in a timely manner. Applicants must demonstrate the capacity to expend at least 30% of RHP funds in the first year of receiving funds. Additionally, the State's RHP program will give priority to RHP eligible activities that rehabilitate, expand, or develop real property to create, preserve, or expand recovery housing units as described in FR-6225-N-01.

Docusign Envelope ID: 20BADD64-9FD5-4B78-87E9-47528739C7F4

Eligibility Guidelines:

All municipalities in North Carolina are eligible to receive Small Cities RHP funds including entitlement communities in the state that receive funds directly from the U.S. Department of Housing and Urban Development (HUD). Priority will be given to Tier 1 and 2 counties *(especially those with overdose rates over the national average)*. Applicants must be registered and active in SAM.GOV at time of application submission.

RHP project submissions must meet Low- and Moderate- Income (LMI) Persons to include the three pillars of CDBG compliance as follows.

1. **National Objective**
   Benefit to Low- and Moderate-Income (LMI) Persons Thru Limited Clientele Activities – For activities that benefit persons that are "presumed" to be of low and moderate income or are qualified based on data about family size and income.

2. **Eligible Uses and Activities**
   Use of funds only for the limited list of eligible activities specified to carry out the purpose of RHP.

   CDBG-RHP is a reimbursement program.

   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

   For additional information, please visit Recovery Housing Program (RHP) - HUD Exchange

3. **Connection to Program Purpose**
   Must provide stable, temporary housing for individuals in recovery from a substance use disorder.

Docusign Envelope ID: 20BADD64-9FD5-4B78-87E9-47528739C7F4

RHP criteria shown in the chart below and ***can earn up to 100 points*** based on the following elements. Applicants are responsible for determining and providing sufficient support documentation.

Section	Points Available	Notes
A. Executive Summary	Required	Must follow the specific format. No points awarded but mandatory.
B. Statement of Needs	Up to 25 points	Clearly define the housing recovery needs in the target area.
C. Project Description	Up to 32 points	Provide a detailed plan including goals activities, and implementation.
D. Projected Outputs & Outcomes	Up to 16 points	Quantify expected results and community impact.
E. Leveragability	Up to 12 points	Demonstrate ability to leverage over resources or partnerships.
F. Budget &Budget Narrative	Up to 5 points	Present a clear, justified, and realistic budget
G. Feasibility	Up to 5 points	Show that the project is achievable within the proposed timeline.
H. Organizational Capacity	Up to 5 points	Highlight experience, staffing, and infrastructure to manage the project.
I. Required Forms	Recommended	Include all attachments and supporting documentation

Applicants with project submissions proposing to assist individuals in recovery from SUD with stable, transitional housing within the Appalachian region of the State, should clearly state leveragability to the Appalachian Regional Commission's (ARC) Strategies and Initiatives within the Leveragability section of the application. Additional points could be offered to projects that leverage other funding sustainability, including State and County Opioid Funds and other service partnerships such as Medicaid or SOR.

Source of Funds: 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), Public Law 115–271

Docusign Envelope ID: 20BADD64-9FD5-4B78-87E9-47528739C7F4

Maximum Funds Amount:

$1,000,000 is the Amount Ceiling (Maximum)

Total Funding Available:

Fiscal Year	Funding Amount
FY 2025	$1,073,125

Funding Cycle:

Open until all funds are expended.

For Additional Information:

Application can be retrieved from www.commerce.nc.gov or by contacting Cynthia T. Jones, Grants Management Representative at (919) 814-4710 (office), (984) 301-4001 (mobile), (TDD 1-100-735-2962), or via email at cynthia.jones@commerce.nc.gov