

# Building Sustainable Recovery Housing and Recovery Capital through Employment

Dr. Ernie Fletcher  
Founder and Chief Medical Officer

Lori Baier, RN  
Director of Employment Services





# Who Are We?



The Fletcher Group Rural Center Of Excellence is supported by a HRSA grant to promote evidence-based recovery housing and services.



# Our Recovery Ecosystem Experience



- 18 Recovery Kentucky residences
- Created through unprecedented multi-agency teamwork and a willingness to think outside the box
- “Community As Method” approach promotes active participation in peer-based group living
- Remarkably effective in returning substance use victims to the community as productive members of society

# Fletcher Group RCOE Services



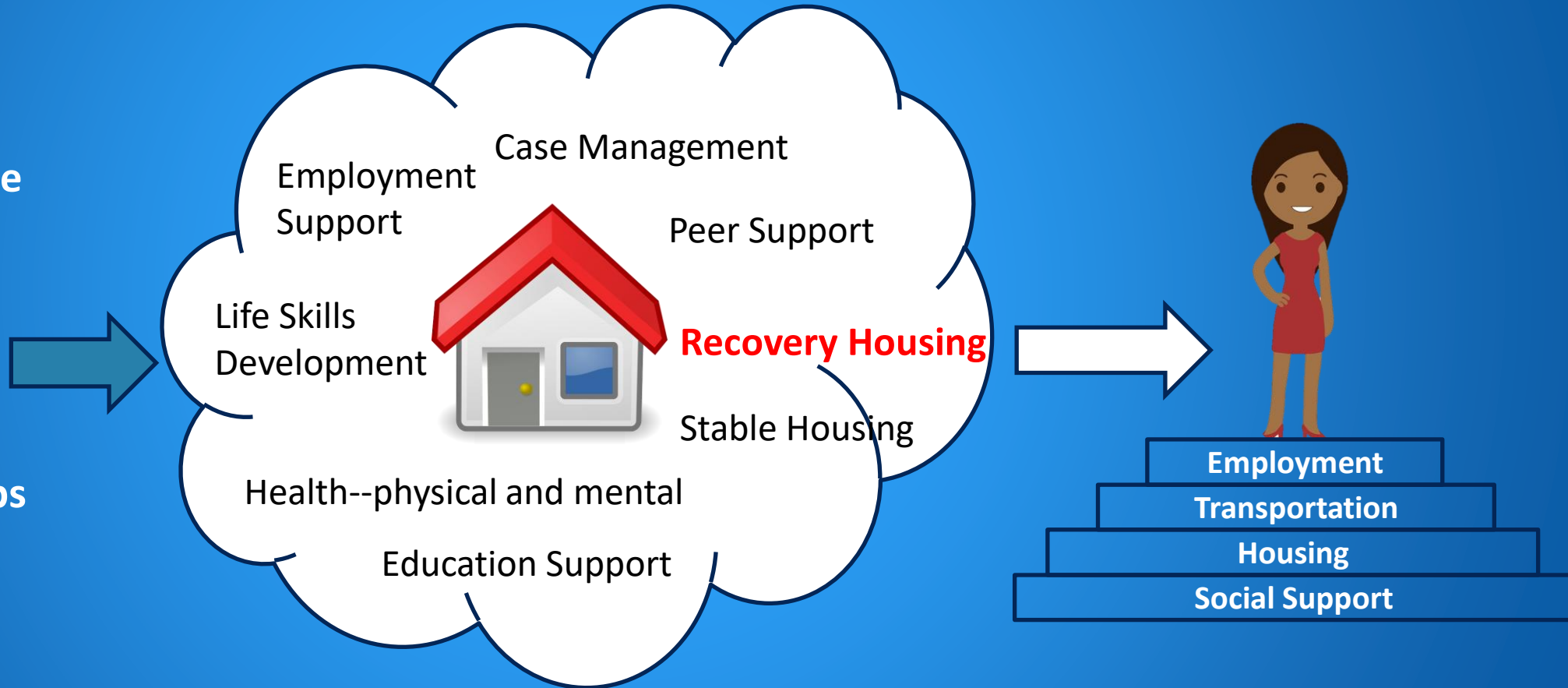
- 1) Over 1400 Technical Assistant Encounters Provided
- 2) Recovery Housing and Treatment Research
- 3) Over 64 Best or Evidence Based Practice Adopted by Clients

# A Recovery Ecosystem

## Full Continuum of Care

Referral Sources:

- Criminal Justice
- Treatment Providers
- Counselors
- Community Support Groups
- Self-directed



Building Recovery Capital

# ARC defines a Recovery Ecosystem as a linkage of:

- Public Health
- Recovery communities
- Peer support
- Healthcare
- Human services
- Faith-based communities
- Criminal justice
- Public safety
- Housing
- Transportation
- Education
- Employers



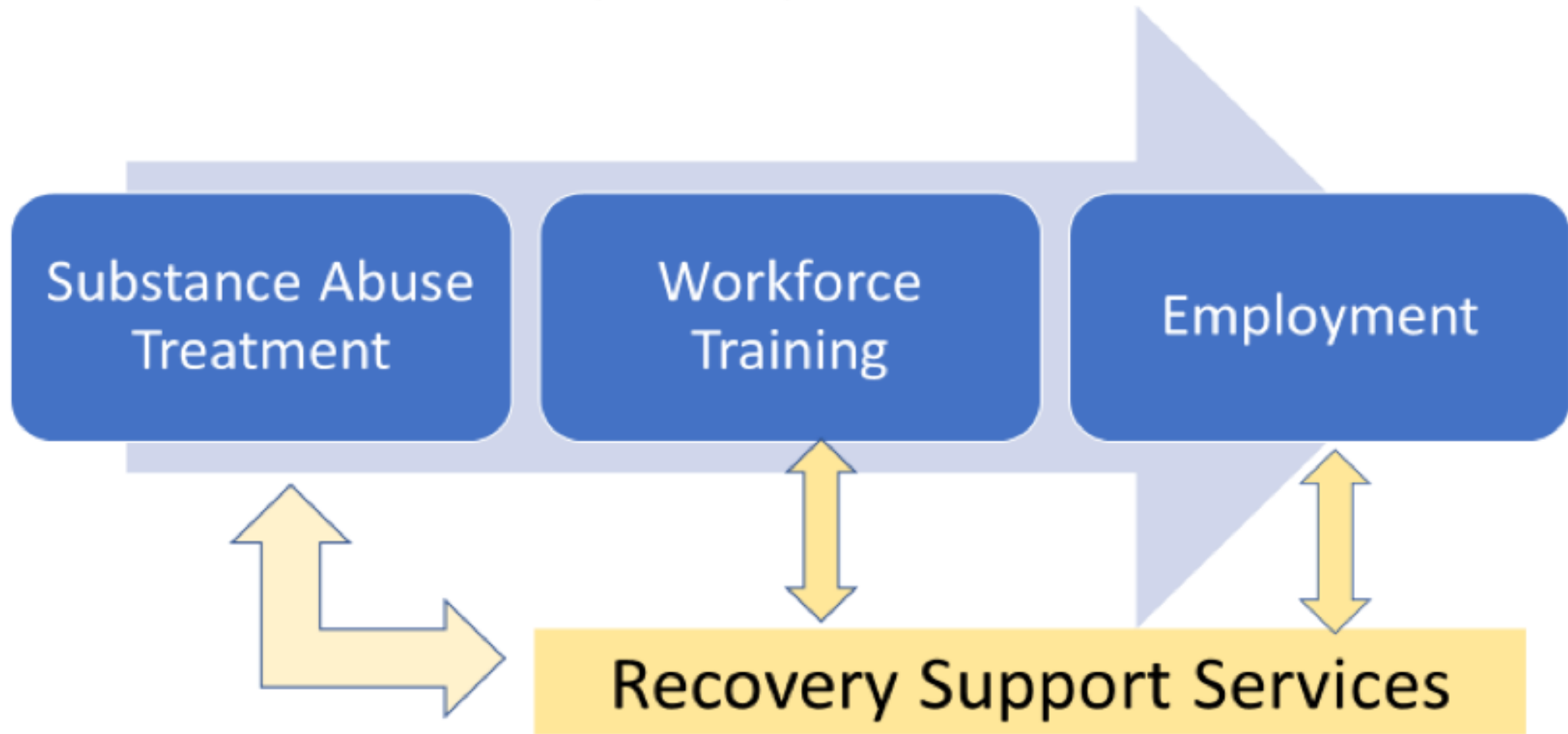


# MEANINGFUL EMPLOYMENT

*The Key To Lasting Abstinence and Recovery*



# The Road To Meaningful Employment



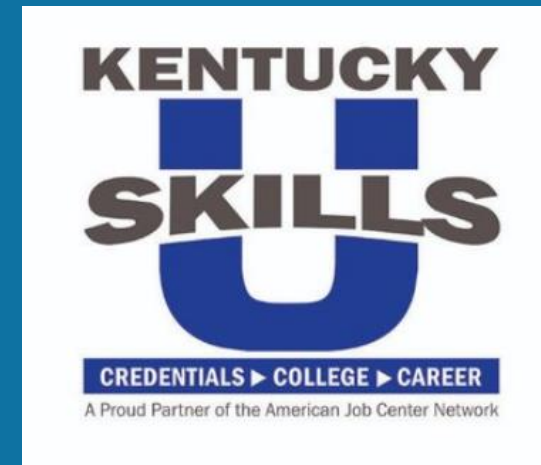


# RHOAR Partners



# Knowing The Need

- Facility staff, local KCTCS and SKILLS U staff, community partners and businesses form work groups at each location
- To predict interest and training needs, education and employment surveys are completed by each individual entering Phase 1 of the recovery program
- After Phase 1, they have the opportunity to pursue education and/or employment



# THE OPPORTUNITIES ARE ENDLESS

## **Some of Fletcher Group's Education and Employment Partnerships:**

- GED and employment readiness through KY Skills U
- Future Plans, USA
- The Training Center online Peer Support Certification
- SMARTS and Be Boss entrepreneurial training
- Thoroughbred Retirement Foundation Second Chance Program
- Taylor Made School of Horsemanship
- CDL, Lineman, and Construction certifications through KCTCS



# HOW WE MAKE IT HAPPEN

- Strong partnerships with other local grant holders
- Ongoing communication with our state Chamber of Commerce
- Our local career centers are like our family
- Funding through WIOA
- Utilizing navigators from local community colleges
- Accelerated Opportunity and Work Ready Scholarships
- Workforce Boards
- Business Associations

# Building Relationships is Key

- AppHarvest
- Triple G Construction
- Sekri
- Smithfield Foods
- Taylor Made Farms
- Pathways
- Fresh Start Health Centers
- Many, many more

# HOW THE MONEY WORKS



# Develop a Community Working Group

- Hospital Funds through ACA
- Fundraising and Foundations
- Economic Development
- Educational Funds
- Local Government Funds
  - Jails and Courts
  - Local Development Funds



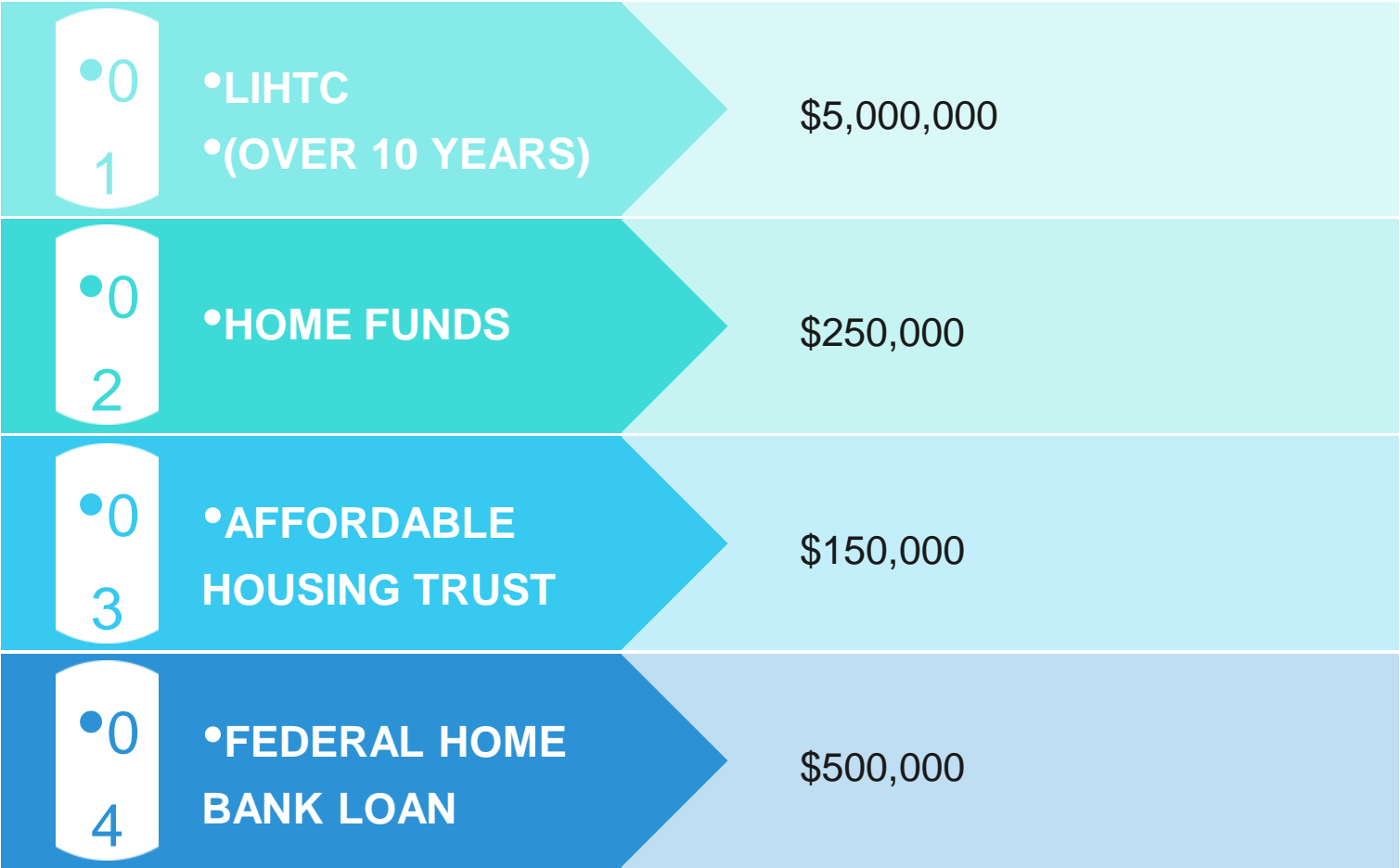
Regional Men's  
Recovery Center

Owensboro,  
Kentucky

**Construction Cost**  
**\$5.9 Million**

# How Debt-Free Construction Works

How **\$5.9 million** in  
construction costs were  
covered at the Regional Men's  
Recovery Center in  
Owensboro, Kentucky





## •WHAT'S A LIHTC?

•The Low-Income Housing Tax Credit is the key to debt-free construction.

### •INVESTOR

Investors who make a lot of money have to pay a lot of taxes (investors can include banks)

### •FEDERAL GOVERNMENT

Wants to help low-income residents live in a decent home

### •STATE HOUSING AUTHORITY

Administers program by issuing annual tax credits for ten years to developers of worthy projects

### •DEVELOPER

Can cover most construction costs by passing annual tax credits to the investor

### •COMMUNITY

Win-win for the project, the residents, the investor, construction workers and the local economy

# Gap Funding

(to cover the gap between equity and the total project cost)

- Federal Home Loan Bank (FHLB) funds
- State and Federal Housing Trust Funds
- Social Impact Bonds (**Results Ohio**)
- Other grants (ARC, EDA, CDBG, etc.) and USDA if designated as “rural”
- “New Markets Tax Credits” have also been used for recovery programs but provide less equity (ostensibly 39%, but in reality less) and restrict how much can go toward residences. As a result, they should be thought of as part of the CDFI application process “pipeline.”
- EB-5 capital <https://www.eb5capital.com/overview-and-history/>

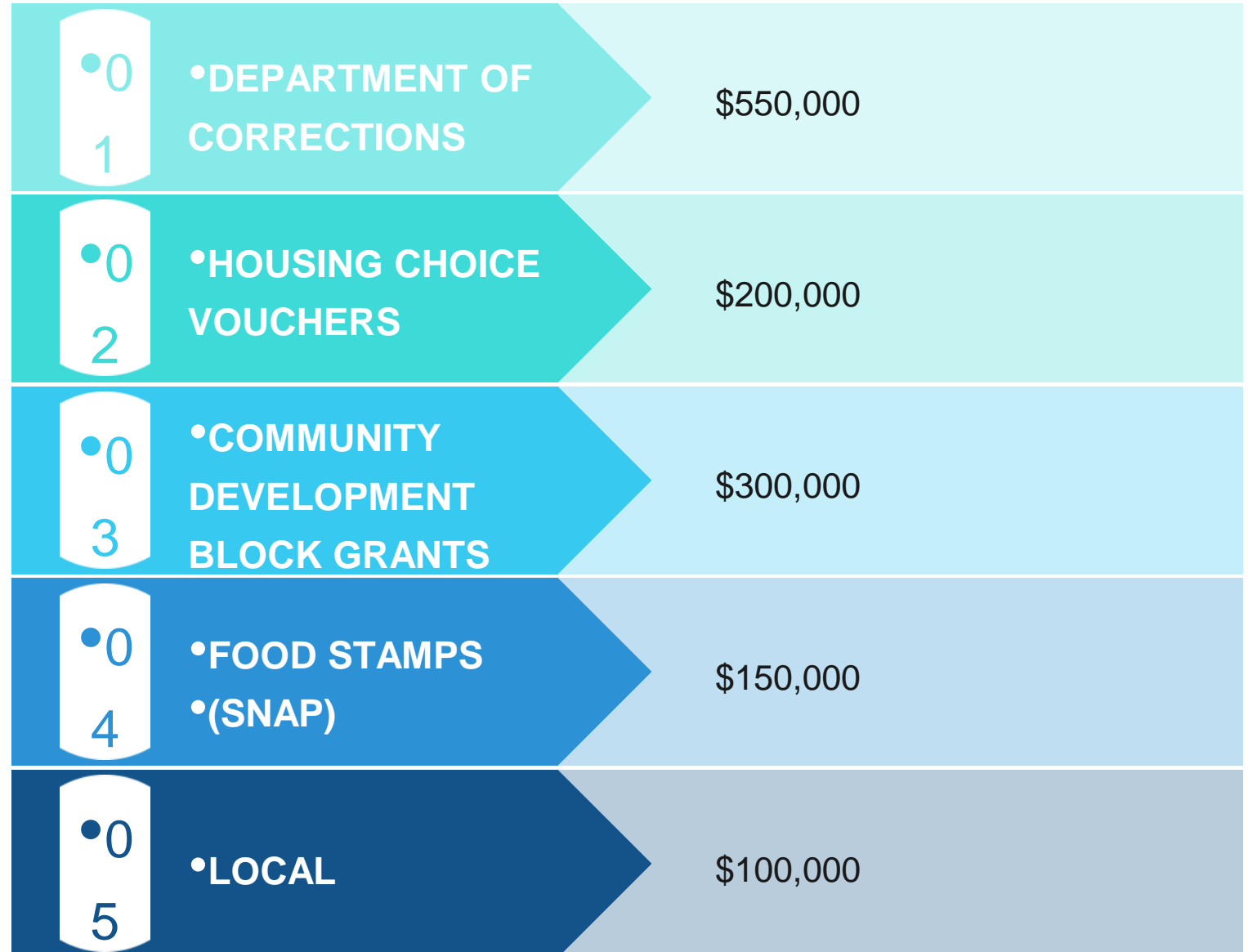
# Site Opportunities

- Qualified Census Tract? Key for “basis boost” in LIHTC application and necessary for New Market Tax Credits (NMTC)  
[https://www.huduser.gov/portal/sadda/sadda\\_qct.html](https://www.huduser.gov/portal/sadda/sadda_qct.html)
- Adopted Redevelopment Plan? (necessary for LIHTC in Kentucky QAP)
- Local Community and Political Support?
- Donated land often makes an LIHTC application more competitive
- Opportunity Zone? (may impact surrounding values, although not always a great fit for Recovery Housing)



## How Operational Day-To-Day Sustainability Works

How **\$1.3 million** in annual day-to-day operating costs are covered at the Men's Addiction Recovery Center in Bowling Green, Kentucky



# NARR Lower Levels

- The USDA offers a variety of resources for rural areas that meet their criteria <https://www.rd.usda.gov/programs-services/all-programs/community-facilities-programs>
- Acquire a list of homes for sale in need of rehabilitation
- Research Community Facilities grants and loans
- Assess Rural Tele-Health resources to enhance program services

# Other Sources for Operations

- Veteran Vouchers
- Regular Section 8
- Medicaid Outpatient Coverage (used with the RHOAR model)
- Social Impact Bonds and Pay For Success. (These are more nimble and can support social service operations and capital costs associated with construction.)
- SOR Grants
- Recovery Ohio support  
[https://content.govdelivery.com/attachments/OHOOD/2019/03/14/file\\_attachments/1173676/RecoveryOhio%20Initial%20Report.pdf](https://content.govdelivery.com/attachments/OHOOD/2019/03/14/file_attachments/1173676/RecoveryOhio%20Initial%20Report.pdf)
- Ohio Jobs and Family Services <https://jfs.ohio.gov/owd/WorkforceProf/Docs/OWDOpioidToolkit.stm>
- US House Appropriations Earmarks



## OUTCOMES & CERTIFICATION

- Wins the trust of stakeholders
- Key role in winning tax credits and other governmental assistance.
- Medicaid and Commercial Payers





Thank you!!

Questions?  
Thoughts?  
Suggestions?

For Technical Assistance  
please request via:

Fletchergroup.org at

<https://app.smartsheet.com/b/form/1c3042bb5e984fd6ac3898346fd77ef1>