

# Olmstead Housing Initiative

## Policies and Procedures

**Department for Behavioral Health, Developmental and Intellectual Disabilities**

**Division of Behavioral Health**

***Revised 1/10/2023***



## **Notice**

This manual serves as a reference for the Olmstead Housing Initiative (OHI), a partnership between the Department for Behavioral Health, Developmental and Intellectual Disabilities (DBHDID) and the Community Mental Health Centers, New Beginnings, And Wellspring.

This document is intended for informational purposes only and is subject to change without notice. To the best of our knowledge, the information in this publication is accurate. Changes, typos, and technical inaccuracies will be corrected in subsequent publications. Community Mental Health Centers, New Beginnings, Wellspring, and all affiliates assume no responsibility or liability for the accuracy or completeness of, or consequences arising from, such information.

Please contact DBHDID if you have questions or need additional assistance with materials within this manual.

## Table Of Contents

Overview: .....	4
Housing Access Assistance: .....	4
Eligible Populations: .....	5
Priority Population: .....	5
Income: .....	5
Referral Process: .....	5
Inspection Process: .....	7
Complaint Inspections: .....	7
Interim Payments Prior to Lease-Up: .....	7
Voucher/Rent Payment Process: .....	7
Deposits, Furniture, and Other One-Time Expenses: .....	7
Eligible Properties: .....	8
Interims: .....	8
Annual Re-Certifications: .....	9
Rent Increases: .....	9
Terminations: .....	10
Transfer Vouchers: .....	11
Move Outs: .....	11
Landlord Risk Mitigation: .....	11

## Overview

The Olmstead Housing Initiative (OHI) is a partnership between Department for Behavioral Health, Developmental and Intellectual Disabilities (DBHDID) and the Community Mental Health Centers, New Beginnings, Wellspring and KHC. The goal of this initiative is to address a pressing need for housing for people who are currently in, or at risk of entering, institutions, such as psychiatric hospitals or personal care homes, or who have a history of frequent institutionalizations. By moving individuals from institutional settings to living independently in communities of their choice, Kentucky can better serve this population and implement the mandates of the Olmstead decision. The Olmstead Housing Initiative is a 36-month Bridge program, which enables participants to become leased in permanent housing. Participants who cannot find permanent housing options in the 36-month time-frame may continue Olmstead Housing assistance upon approval of DBHDID until permanent housing can be secured.

The Olmstead Supreme Court decision in 1999 asserted that the civil rights of individuals with disabilities included the right to community-based care (as an alternative to long periods of institutionalization primarily based on limited state funding for community alternatives). DBHDID continues to implement a plan to ensure that individuals with serious mental illnesses who meet Olmstead criteria have viable transition plans that ensure community-based housing and services. Currently, the Cabinet for Health and Family Services is implementing a Settlement Agreement entered into with Kentucky Protection and Advocacy to transition individuals with serious mental illnesses (SMI) from personal care homes or to divert from entry into a personal care home.

In Kentucky, there are a number of individuals with SMI who need specialized housing resources to make the transition to the community. Through programs like the Olmstead Housing Initiative, DBHDID seek to address this need through the development of permanent supportive housing in the community.

## Housing Access Assistance

Referrals for the Olmstead Housing Initiative will only be accepted from contracted providers of the Department for Behavioral Health, Developmental and Intellectual Disabilities who must confirm that a full range of support services are in place in the community where the individual chooses to live. Assistance can come in the form of housing vouchers (rental assistance), payment of security and utility deposits, and other housing access expenses. For individuals receiving housing vouchers, the Olmstead Housing Initiative will send payments directly to landlords along with any security deposit, and send utility deposits directly to utility companies. Other payments will be provided through reimbursements to agencies upon provision of proof of payment for approved expenses.

Expenses will be limited to a maximum \$1,000.00 per household and may include any combination of the following:

- Security (Housing) deposits
- Utility deposits
- Household furnishings
- Moving expenses
- *1<sup>st</sup> Month's Rent*
- Pest eradication
- Expenses interfering with transitioning – i.e. unpaid previous utility bills, first month's rent

Interim rent (temporary housing) falls in a separate category and is in addition to the \$1,000.00 limit. Interim rent is allowed for up to 3 months and only when the housing belongs to the center/agency, or the center/agency itself rents a property to house an individual until suitable housing can be found.

## **Eligible Populations**

The target population for this initiative is individuals 18 years of age or older, with serious mental illness who meet the “Olmstead” definition (i.e., have been hospitalized longer than 90 days, those at risk of being institutionalized, as well as individuals with serious mental illness who have a history of frequent hospitalization and limited success living in the community). Currently, due to the above-referenced settlement agreement, referral priorities have been further defined:

### **Priority Population**

Persons served as a part of the settlement agreement between the Cabinet for Health and Family Services and Kentucky Protection and Advocacy will receive a priority for rental assistance through the Olmstead Housing Initiative.

## **Income**

In order to be eligible for assistance under this program, income shall be calculated in accordance with DBHDID’s adaptive Administrative Plan. Additionally, any income/benefits received from the Community Integration Supplement (CIS) **will be** counted as income. Other countable income includes, but is not limited to: pensions, employment income, KTAP, Social Security and Supplemental Income, unemployment, child support, and informal support (money given to a participant, a bill paid on behalf of a participant, or goods bought for a participant, on a fixed and regular basis.)

Some other incomes may be excluded from the rental calculations but still must be reported. Those include: SNAP benefits, foster care payments, Kinship Care, and On-the-Job Training income, for example.

Participants are required to report their income/benefits from any source within ten days of the income/benefit start date. DBHDID OHI staff will determine if the income or benefit should be counted or disregarded.

## **Referral Process**

1. Referrals will only be accepted from authorized sources within contracted providers of the Department for Behavioral Health, Developmental and Intellectual Disabilities. Referrals must be made on the approved OHI referral form and the referring agency is responsible for ensuring that all information is accurate. Electronic copies of the referrals are maintained by DBHDID.
  - a. Referrals are submitted to the Department. DBHDID determines which referrals meet Olmstead eligibility criteria, assigns priorities, and notifies referring agency staff of approved referrals. Referrals will not be accepted until they have approval from DBHDID staff assigned approval rights.
  - b. All referrals must be 18 years or age or older.
  - c. Referral information should include the referral’s name, date of birth, Olmstead eligibility, and the referring entity’s contact information (name, phone number, email address, and agency/agency position).
  - d. All referrals should specify the type of assistance requested (i.e. moving expenses, security and utility deposits, on-going rental subsidy, basic furnishings, interim rental assistance, repair reimbursement, and approved essential household goods).

- e. Referrals of eligible individuals for voucher assistance will be immediately processed if OHI vouchers are available, or placed on a waiting list maintained by the DBHDID. If a waiting list is necessary, individuals in the priority population will be placed at the top of the list.
2. When a voucher is available, DBHDID will notify the referring agency of the availability. Any property eligible and determined to be suitable for the Olmstead referral by the agency and participant is eligible under this initiative. All properties and assistance must comply with applicable OHI program requirements and DBHDID's adaptive Administrative Plan.
  - a. DBHDID will provide the referring agent with a Personal Declaration and an Authorization for Release of Information. The referring agency and the participant shall complete these documents and return them to DBHDID. DBHDID cannot move forward on the referral without this information.
  - b. Once the completed Personal Declaration has been approved, accompanied by any applicable income verifications, DBHDID will issue an Olmstead Housing Initiative Voucher.
    - i. The voucher will be county-specific, and will list the number of bedrooms and the maximum gross rent (rent amount plus utilities per the utility chart enclosed with the voucher) for which the participant qualifies.
    - ii. The rent the participant will pay cannot exceed the maximum gross rent.
    - iii. This voucher is good for 60 days while the participant searches for a property. Should a suitable property not be found within 60 days, two additional 30-day extensions (up to a maximum of 120 days) can be granted if the participant's case manager verifies that he/she has been actively searching for an eligible property.
  - c. A Briefing Certification, Briefing Work Sheet, and a Utility Chart will be included with the Voucher. The signed Voucher and Briefing Certification must be returned promptly.
  - d. Once an acceptable rental property is located, DBHDID will provide the participant and case manager a landlord packet to be completed by the landlord and the participant.
  - e. When completed, the landlord packet is returned to DBHDID OHI staff for processing.
  - f. If a participant has a state/legal guardian/conservator/power of attorney (POA) handling his/her affairs, the person legally responsible for the participant's financial affairs **must** sign all documentation on behalf of the participant throughout the referral, lease-up, and housing assistance process. This is not only required by law, but documents that the legal representative has knowledge of, and approves, the individual's transition to the OHI Program. The legal representative will be copied on all information sent to the participant from the DBHDID OHI staff.
  - g. If a lease-up packet is not returned for a referral four months after the voucher was issued, the referral will be de-activated. In order to re-activate the participant, new paperwork must be submitted which includes:
    - i. A current Personal Declaration
    - ii. Current income verification
    - iii. A new Authorization for Release of Information.

A new voucher will be issued at this point should the referral qualify for the program with the current supporting documents submitted.

## **Inspection Process**

1. Once DBHDID reviews the lease-up packet and determines the participant is eligible for the unit, DBHDID will request a Housing Quality Standards (HQS) inspection to be conducted by a Kentucky Housing Corporation (KHC) inspector. Properties must pass the HQS inspection prior to the participant moving into a unit.
2. The inspection will occur within 5 – 10 business days.
3. Once the unit passes inspection, the participant must move into the unit within 15 days.
4. In cases where the unit fails the initial HQS inspection, DBHDID will give the landlord an opportunity to make repairs. A second HQS inspection will be requested. If the unit passes at that time, the process continues with the participant moving in within 15 days.
5. If the unit fails a second inspection, the participant will need to find a new unit.

## **Complaint Inspections**

1. In the event that DBHDID or New Beginnings receives a complaint from a landlord or participant about landlord or tenant violations, DBHDID reserves the right to have KHC conduct a HQS complaint inspection.
2. Units that fail inspection for either landlord or tenant violations will have a re-inspection scheduled in order to cure the violations.
3. If the unit fails a re-inspection for landlord violations, the participant will be permitted to transfer to a new unit. If the unit fails for tenant violations, the participant will be terminated from the Olmstead program.

## **Interim Payments Prior to Lease-Up**

1. In order to facilitate the move from a personal care home, or other institution, as quickly as possible, the OHI program may allow interim rent payments for a maximum of three (3) months while the subsidy paperwork is being processed. This arrangement is dependent upon the willingness of the landlord, case manager or designated support staff person to accept this arrangement. It must be clearly understood that neither permanent subsidy, nor continued occupancy of the unit, is guaranteed. Should the participant decide to stay permanently in this property, the lease will not be effective until the property has passed a required inspection.
2. The referring agency will pay for the Interim Payments to the landlord, complex, or agency. DBHDID will reimburse the agency once a request for payment has been submitted.

## **Voucher/Rent Payment Process**

New Beginnings OHI staff will pay the landlord once each month, in accordance with the normal New Beginnings payment processes and standards. Should a lease-up process take place after the normal monthly check run by New Beginnings, a payment can be made to the landlord for the first month's rent at the agency's request. Proper landlord request and documentation will be required. A statement from the case manager should accompany this documentation verifying the participant does reside full-time in the unit.

## **Deposits, Furniture and Other One-Time Expenses**

OHI funds can be used to pay one-time expenses associated with moving to independent community living, including security and utility deposits and basic furniture. Other eligible one-time expenses are items such as moving expenses, *1<sup>st</sup> month's rent*, treatment for pest infestation, and debts owed to utility companies. Assistance with one-time costs can be given with or without an on-going rental subsidy. OHI will also pay for

essential household goods that are approved by the case manager. Documentation is required for payments made.

Payments for one-time costs must comply with the following:

1. For utility deposits, a signed statement from the utility company on company letterhead, or a receipt from the agency that they have paid the deposit on behalf of the participant is required.
2. For security deposits, a signed statement from the landlord, a copy of the lease, or a Request for Tenancy Approval form signed by both the landlord and the participant with the deposit amount included in the applicable space provided is required.
3. For furniture, an invoice from a furniture company showing the itemized cost of each piece that has been purchased by the agency on the participant's behalf is required. If already paid and delivered, a copy of the receipt showing delivery to the participant's address is required, along with a signature verifying delivery. Payment may be made to reimburse an agency for purchase of furniture.
4. For essential household goods necessary for household set-up, payment will be made to reimburse an agency for purchases made.
5. *For 1<sup>st</sup> month's rent, a receipt from the landlord indicating 1<sup>st</sup> month's rent on the receipt and a copy of the lease.*
6. *Moving expenses are expenses incurred to move furniture or other items. A receipt showing the delivery address of the participant and the items moved paid by the agency is required.*

Reimbursement requests must be sent to DBHDID no later than 60 days after the expense was incurred, and include all expenses incurred in the period in one submission. Multiple submissions in the same month for the same approved referral will not be accepted.

NOTE: No direct payments will be made to the participant for one-time expenses.

### **Eligible Properties**

Any property eligible for and determined to be suitable by the behavioral health agency and participant is eligible under this initiative. All properties and rental assistance payments must comply with all other applicable OHI program requirements and the DBHDID adaptive Administrative Plan.

### **Interims**

Once an individual has submitted their documentation for lease-up, they (or their legal representative) are required to report **any** other changes that happen in the household. Any change in income, household composition, or any other change that occurs prior to the lease-up, must be reported to and paperwork should be provided to DBHDID reflecting this change.

Once a participant has leased a unit, they are again responsible for reporting **any** changes made in their household. DBHDID OHI staff will provide the participant, or their legal representative, a Personal Declaration to be completed and returned, along with the accompanying documentation of the change, for delivery to KHC OHI staff.

Increased household changes (person moving in with participant) should be discussed with DBHDID prior to the person or persons moving into the unit. The landlord would also need to approve this change and make the necessary change on the lease.

Changes in income must be reported to DBHDID within 10 days. A decrease in income will result in an increased subsidy, to be effective the month following the reported change. For example, if a decrease is reported in April, the decrease would be effective in May and processed by New Beginnings OHI staff as an interim change for that month. If the change is an increase, then the participant would be given a 30-day notice of any increase in payment.

In either instance, a letter will be generated to the participant, copying the landlord, case manager (if there is one), and legal representative (if there is one). If there is no case manager, the participant would be responsible for reporting the change directly to DBHDID OHI staff. Failure to report a change timely can result in repayment due to KHC and possibly a termination of assistance.

### **Annual Re-Certifications**

When a participant has been in the program approximately 8-9 months after signing a lease, a re-certification packet will be sent to the participant requesting updated information for the next year. This packet will include the letter to the participant requesting the recertification information, the Personal Declaration, the Authorization for Release of Information, and a return envelope.

This packet must be completed and returned to DBHDID by the deadline noted in the letter. If the participant needs any assistance, they should contact their case manager, their legal representative, and/or DBHDID. Contact information is included on the annual recertification letter. All current verifications of income should be sent with the returned packet.

Once received at DBHDID, the file will be processed and a letter will be sent to the participant, the landlord, the case manager (if there is one), and the legal representative (if there is one). The letter will provide the effective date of the recertification and any payment changes for the participant or the landlord. The annual re-certification is effective twelve months after the original lease. If a lease begins April 12, the re-certification would be effective April 1 the following year. The letters requesting the information are sent out well in advance in order to allow the participant time to get the packet, complete the necessary forms and obtain the documentation needed, return the packet to DBHDID, and then allow DBHDID time to process the information. A 30-day notice will be given if the re-certification results in an increase in the participant's rent portion.

Every other year after move-in, an HQS inspection will be conducted in addition to the recertification packet to confirm that the unit still meets HQS standards. If the unit fails the HQS inspection, the complaint inspection process will be followed.

### **Rent Increases**

DBHDID may permit rent increases for rental periods subsequent to the first year of the lease. Rural Development properties may request rent increases at any time, provided they use the official USDA Rural Development Approval Letter. A landlord may make requests to New Beginnings for a rent increase either near the end of the initial lease period or after it has ended, but in any event must give DBHDID at least a 60-day notice. Additionally, New Beginnings must give the participant a 30-day notice of a rent increase for the unit. The landlord must submit a Request for Tenancy Approval with both the landlord and participant signatures. Rent increases must be reasonable. If the landlord has more units that are comparable with this unit, they need to be listed on the second page of the Request for Tenancy Approval in the applicable space provided.

The rent increase will be processed on the re-cert date:

1. If the request has been received 60 or more days before the first year is up, or

2. After the annual recertification as an interim change, especially in order to give the participants a 30-day notice of rent increase.

## **Terminations**

Participants may be terminated from OHI for the following reasons (DBHDID and New Beginnings is considered the housing authority in the below examples):

1. A participant or member of the household commits violent criminal activity;
2. A participant or member of the household commits any other criminal activity that threatens the health, safety, or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the rental premises;
3. It is determined that a household member has ever been convicted of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing;
4. A participant or household member commits fraud, bribery or other criminal act in connection with the housing program;
5. A participant or household member has engaged in, or threatened, abusive or violent behavior towards housing authority personnel;
6. A participant fails to supply any information that the housing authority determines is required in the administration of the program, or fails to provide true and complete information to the housing authority;
7. A participant fails or refuses to provide social security numbers for all household members, or fails or refuses to sign consent forms required by the housing authority;
8. The participant or household member is responsible for causing conditions in the home which constitute a breach of inspection standards;
9. A participant fails to allow the housing authority to inspect their home at a reasonable time and after reasonable notice;
10. A participant fails to notify the housing authority before moving out of their home;
11. A participant fails to give the housing authority a copy of an eviction notice received from the property owner;
12. A participant fails to use the home as their only place of residence;
13. A participant fails to notify the housing authority of absences from the unit, or fails to supply the housing authority with requested information relating to family absences from the unit;
14. A participant or household member owns or has an ownership interest in the unit;
15. The participant failed to timely report household income, failed to obtain permission from the housing authority before allowing other individuals to reside in the unit or failed to inform the housing authority when household members moved out of the unit;
16. A participant sublets or assigns the subsidized housing unit;
17. Rental assistance for OHI participants who are away from their unit due to institutionalization (e.g. hospitalization or hospitalization paired with incarceration) shall continue for up to 4 months in a rolling 12-month period. After the four-month period, if participants have not returned to their units, rental assistance will be terminated.
18. If the participant is incarcerated for more than 90 consecutive days, assistance will be terminated.

In the majority of the terminations listed above (but not all), the participant will receive a 30-day notice in their termination letter of intent to terminate. When a participant receives a termination notice, an informal review

process will be detailed in the letter where the participant may submit a written request for an informal review on the termination. Informal review requests will be addressed with the contract documentation manager, who will review the case and make recommendations. Recommendations will be sent to DBHDID for approval prior to replying to participants in writing.

### **Transfer Vouchers**

Participants may request to transfer from their unit after they fulfill their initial twelve-month lease. When a transfer is approved, the participant will be issued a Transfer Voucher following the same process as their original voucher. It is the responsibility of the participant to complete and return all necessary paperwork in a timely manner. If paperwork is not returned when due, the participant may lose the transfer voucher.

Other transfer requests may be approved on a case by case basis due to circumstances beyond the control of the participant or if the transfer supports a positive outcome for the participant and/or the landlord. Approval of transfer requests will be made by the DBHDID OHI staff in consultation with the participant's case manager.

### **Move-Outs**

Participants that wish to move from the unit, and/or discontinue their participation in the OHI Program, should give a 30-day notice to the landlord and copy their case manager (if there is one) and/or New Beginnings OHI staff. Participants, landlords, and case managers should always keep New Beginnings OHI staff informed on planned moves. Legal/State Guardians and powers of attorney should do this on behalf of the participant.

### **Landlord Risk Mitigation**

In order to maintain good landlord/provider relations, additional Olmstead Housing Initiative funding may be available, subject to review and approval by DBHDID, for two month's security deposit, and/or reimbursement for unit damages that exceed the security deposit. This additional funding is only available for persons assisted through the Cabinet's Settlement Agreement with Kentucky Protection and Advocacy, who are also receiving ongoing OHI rental assistance.

If a two-month security deposit is required to access a unit, the excess amount will be in addition to the \$2,000 expense per household.

For damage reimbursement, after an eligible person has vacated a unit, OHI will reimburse the provider up to \$2,000 for covering such costs for the landlord upon review and approval of DBHDID, and the submission of receipts showing repair costs. The process for requesting this reimbursement is as follows:

1. Within thirty (30) days of the tenant moving out, landlords would request from the provider a reimbursement for damages and provide documentation of repairs (up to \$2,000).
2. Providers pay the property owner and submit the request for reimbursement with back-up documentation to DBHDID.
3. DBHDID reviews the expenditures, and upon approval, sends the request with documentation to the referring agency.
4. DBHDID processes the reimbursement request to the provider.