

## 448 HOUSING

EFFECTIVE DATE: October 1, 2019

REFERENCES: A.R.S. § 36-550; 24 CFR 582, 24 CFR 583, and the following:

- Vulnerability Index-Service Prioritization Decision Assistance Tool (VI-SPDAT)
- ACOM Policy 448 Attachment A, AHCCCS Housing Application for Acquisition and/or Renovation or New Construction
- ACOM Policy 448 Attachment B, AHCCCS Housing Acquisition/Renovation Checklist,
- ACOM Policy 448 Attachment C, AHCCCS Declaration of Covenants, Conditions, and Restrictions
- ACOM Policy 448 Attachment D, AHCCCS Housing Acquisition and/or Renovation, or New Construction Operating and Funding Agreement,
- ACOM Policy 444, Notice of Appeal Requirements (Serious Mental Illness Appeals)
- ADSS-Operations Policy 446,-Grievances and Investigations Concerning Persons with Serious Mental Illness.

### **Purpose**

This Policy applies to Administrative Services Subcontractors (AdSS) of the Division of Developmental Disabilities (DDD, or the Division) to provide a guideline for the delivery of housing services, the development, implementation and management of housing programs and related funds for the eligible populations. [24 CFR Part 582 and 24 CFR Part 583]

### **Definitions**

- A. Arizona Department of Housing (ADOH) – A department established for state government in Arizona to assist in addressing needs for homes for working families. ADOH administers programs for Housing Partners who apply to the department for funding. The majority of the agency’s programs are federally funded. The agency is also home to the Arizona Housing Finance Authority and the Arizona Home Foreclosure Prevention Funding Corporation.
- B. Continuum of Care – A regional or local planning body that coordinates housing and services funding for homeless families and individuals as required by the U.S. Housing and Urban Development (HUD) Agency.
- C. Department of Housing and Urban Development (HUD) – A U.S. government agency created in 1965 to support community development and home ownership. HUD does this by improving affordable home ownership opportunities, increasing safe and affordable rental options, reducing chronic homelessness, fighting housing discrimination by ensuring equal opportunity in the rental and purchase markets, and supporting vulnerable populations.

D. Homeless (HUD Definition) – A person is considered homeless only when he/she resides in one of the places described below:

- In places not meant for human habitation, such as cars, parks, sidewalks, abandoned buildings (on the street)
- In an emergency shelter
- In transitional or supportive housing for homeless persons who originally came from the streets or emergency shelters
- In any of the above places but is spending a short time (up to 30 consecutive days) in a hospital or other institution
- Is being evicted within a week from a private dwelling unit and no subsequent residence has been identified and lacks resources and support networks needed to obtain housing
- Is being discharged within a week from an institution, such as a mental health or substance abuse treatment facility or a jail/prison, in which the person has been a resident for more than 30 consecutive days and no subsequent residence has been identified and the person lacks the resources and support networks needed to obtain housing
  - For example, a person being discharged from prison after more than 30 days is eligible ONLY IF no subsequent residence has been identified and the person does not have money, family or friends to provide housing.
  - Is fleeing a domestic violence housing situation and no subsequent residence has been identified and lacks the resources and support networks needed to obtain housing.

E. Homeless (Persons in these situations are not included in the HUD definition of or funding purposes) –

- Persons living in housing, even though they are paying an excessive amount for their housing, the housing is substandard and in need of repair, or the housing is crowded
- Persons living with relatives or friends
- Persons staying in a motel, including a pay-by-the-week motel
- Persons living in a Board and Care, Adult Congregate Living Facility, or similar place
- Persons being discharged from an institution that is required to provide or arrange housing upon release, or
- Wards of the State, although youth in foster care may receive needed supportive services which supplements, but does not substitute for, the state's assistance.

- F. Housing Acquisition and/or Renovation Programs – A housing program that provides State funding for the purchase and/or renovation of properties (house, condominium, duplex, apartment, new construction etc.). Eligible non-profit Housing providers work with the AdSS to locate properties, purchase and/or renovate them for the use of persons determined to have Serious Mental Illness following AHCCCS requirements, review and approval. The property is held for use of AHCCCS eligible members for an extended period of time through the use of filed Covenants, Conditions and Restrictions.
- G. Housing First – A Housing approach that works to quickly and successfully to connect individuals and families experiencing homelessness to permanent housing without preconditions and barriers to entry, such as sobriety, treatment or service participation requirements. Supportive services are offered to maximize housing stability and prevent returns to homelessness as opposed to addressing predetermined treatment goals prior to permanent housing entry.
- H. Housing Referral – A written authorization from the AdSS for the provision of covered services to an eligible member. The Housing Referral will constitute the agreement of the provider to provide services identified in the tenant’s Individual Service Plan. Housing Referrals will be in such form and format determined by the AdSS.
- I. HUD Housing Choice Voucher Program – The federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Individuals free to choose any housing that meets the requirements of the program and is not limited to units located in subsidized housing projects.
- Housing choice vouchers are administered locally by Public Housing Agencies (PHAs). The PHAs receive federal funds from the U.S. Department of Housing and Urban Development (HUD) to administer the voucher program.
- J. Independent Community Housing – A setting where a person can live either alone or with a roommate in a home or apartment without on-going daily supervision from behavioral health providers. Options include:
- HUD Section 8 programs through local Public Housing Authorities
  - Low-income subsidized housing through local non-profit organizations
  - Supportive Housing Programs funded with federal grants and administered by AdSS contracted housing providers
  - State subsidized rental units, and
  - Permanent Houses and apartments purchased with state funding.
- K. Public Housing Authority (PHA) – HUD funded unit of local government that provides independent housing for low-income individuals and families. Program includes Section 8, Housing Choice Vouchers, and low rent units.
- L. Rapid Housing – An intervention, informed by a Housing First approach that is a critical part of a community’s effective homeless crisis response system. Rapid re-housing rapidly connects families and individuals experiencing homelessness to permanent housing through a tailored package of assistance that may include the use of time-

limited financial assistance and targeted supportive services. Rapid re-housing programs help families and individuals living on the streets or in emergency shelters solve the practical and immediate challenges to obtaining permanent housing while reducing the amount of time they experience homelessness, avoiding a near-term return to homelessness, and linking to community resources that enable them to achieve housing stability in the long-term. Rapid re-housing is an important component of a community's response to homelessness. A fundamental goal of rapid rehousing is to reduce the amount of time a person is homeless.

- M. Section 8 – Section 8 is the more common name for the Housing Choice Voucher Program which is sponsored by HUD. Qualified applicants receive vouchers which are used to subsidize the cost of housing. These vouchers are awarded to individuals who meet certain income requirements. The goal of these programs is to provide affordable low-cost housing to low income occupants.
- N. Serious Mental Illness (SMI) – A condition as defined in A.R.S. §36-550 diagnosed in persons 18 years and older.
- O. Sponsor-Based Rental Assistance – Sponsor-based rental assistance provides a subsidy for rental assistance through contracts between the grantee and contracted sponsor organization. A sponsor may be a private nonprofit organization, or a community mental health agency established as a public nonprofit organization. Participants reside in housing owned or leased by the sponsor.
- P. Supporting Housing Services – Services, as defined in the AHCCCS Behavioral Health Services Guide, that are provided to assist individuals or families to obtain and maintain housing in an independent community setting including the person's own home or apartments and homes that are owned or leased by a subcontracted provider. These services may include:
- Utility subsidies
  - Relocation services to a person or family for the purpose of securing and maintaining housing
  - Employment services
  - Budget and finance counseling, and
  - Eviction prevention.
- Q. Supportive Housing – Housing, as defined in 24 CFR Part 583, in conjunction with supportive services are provided for tenants if the housing is safe and sanitary and meets any applicable State and local housing codes and licensing requirements in the jurisdiction in which the housing is located and the requirements of this part; and the housing is transitional housing; safe haven; permanent housing for homeless persons with disabilities; or is a part of, a particularly innovative project for, or alternative method of, meeting the immediate and long-term needs of homeless persons and families.
- R. Tenant-Based Housing – A scattered-site program in which the tenant holds the lease and is directly responsible to the owner of the property. This program is comparable to the HUD Section 8 Housing Choice Voucher Program, but with modifications to meet the

needs of adults determined to have a Serious Mental Illness.

- S. Traditional Housing – Housing services that facilitate the movement of homeless individuals and families to permanent housing. A homeless individual may stay in transitional housing for a period not to exceed 24 months.

### **Policy**

A. General Housing Contracts Requirements

For the populations of persons determined to have a SMI or other eligible populations served by the AdSS (contingent upon available funding) and who are able to live independently, the AdSS must provide a number of programs to support independent living, such as rent subsidy programs, supportive housing programs and other transitional housing programs. Independent living must be supported with provider owned or leased homes and apartment complexes that combine housing services with other covered behavioral health services. Housing programs must include rent subsidy programs, owner occupied home repairs, move-in assistance and eviction prevention programs coupled with needed supportive housing services to maintain independent living.

The Contractor AdSS must maintain a sufficient number of dedicated staffs of housing professionals with knowledge, expertise, experience and skills and require housing subcontractors to employ a sufficient number of staffs with knowledge, expertise and experience to participate in and administer a variety of affordable housing programs for members. The AdSS must:

1. Require housing subcontractors to employ a sufficient number of staffs with financial management, screening and referral skills, knowledge of federal wait lists, grant writing knowledge for applying for new funds, and supportive services as required by HUD to maintain current HUD grants as they come up for renewal, and to fund future grants.
2. Submit plans describing the AdSS housing programs and submit periodic reports on housing programs, as outlined in Contract.
3. Develop and submit an Annual Housing Needs Assessment, that includes:
  - a. A brief summary of the AdSS's Housing program history and/or current projects
  - b. The specific eligibility group for any proposed new program and/or use of funds (e.g. SMI, GMH/SA, High Cost/High Needs Members) to include:
    - i. A Program description
    - ii. Barriers, trends and accomplishments in housing identified during the reporting period
    - iii. Basis for need including supporting data and justification
    - iv. Plan for identification of program candidates, and
    - v. Collaborators.

4. Develop and submit for approval an Annual Housing Spending Plan for development, maintenance, use and acquisition of housing properties in a format specified by the Division and must at a minimum include:
    - a. Project descriptions separated by population and funding source
    - b. For each project the estimated number of new housing units and members housed and possible barriers
    - c. Evidenced based best practices to be used improve housing capacity in responding to unmet housing needs and related issues; i.e. assessment scores
    - d. All leveraged funds, their sources and collaborative efforts
    - e. Project timeframes, and
    - f. Monitoring and tracking process for each program.
  5. Ensure that providers identify, and screen individuals determined to have SMI that satisfy Section 8 criteria and refer the prospective tenant to contracted Public Housing Authority.
  6. Require providers to participate with the individual's treatment team in order to identify available housing units and to place the individual in an affordable appropriate living environment upon discharge from an institutional setting.
  7. Comply with, requirements in ACOM Policy 444 for appeals related to supportive housing services.
  8. Comply with AdSS Operations Policy Manual, Chapter 446 for Housing related grievances and requests for investigation for persons determined to have SMI.
- B. Division Requirements for State Funding Supportive Housing Programs

The Division supports permanent supportive housing and has adopted the Substance Abuse and Mental Health Services Administration (SAMHSA) model for permanent supportive housing programs.

1. The 12 Key Elements of the SAMHSA Permanent Supportive Housing Program are:
  - a. Tenants have a lease in their name, and, therefore, they have full rights of tenancy under landlord-tenant law, including control over living space and protection against eviction.
  - b. Leases do not have any provisions that would not be found in leases held by someone who does not have a psychiatric disability.
  - c. Participation in services is voluntary and tenants cannot be evicted for rejecting services.
  - d. House rules, if any, are similar to those found in housing for people who do not have psychiatric disabilities and do not restrict visitors or

- otherwise interfere with a life in the community.
- e. Housing is not time-limited, and the lease is renewable at tenants' and owners' option.
  - f. Before moving into Permanent Supportive Housing, tenants are asked about their housing preferences and are offered the same range of choices as are available to others at their income level in the same housing market.
  - g. Housing is affordable, with tenants paying no more than 30 percent of their income toward rent and utilities, with the balance available for discretionary spending.
  - h. Housing is integrated. Tenants have the opportunity to interact with neighbors who do not have psychiatric disabilities.
  - i. Tenants have choices in the support services that they receive. Tenants are asked about their choices and can choose from a range of services, and different tenants receive different types of services based on their needs and preferences.
  - j. As needs change over time, tenants can receive more intensive or less intensive support services without losing their homes.
  - k. Support services promote recovery and are designed to help tenants choose, get, and keep housing, and
  - l. The provision of housing and the provision of support services are distinct.
2. The AdSS must comply with the following requirements to effectively manage limited housing funds in providing supportive housing services to eligible individuals. See the AHCCCS Covered Behavioral Health Services Guide for additional information on Supportive Housing. The AdSS must:
- a. Accept all persons determined to have a SMI into a State Funded Housing Program subject to funding availability.
  - b. Utilize supportive housing allocations for eligible individuals and according to any restrictions pertaining to the funding source. For example, a particular allocation may require it be used for persons determined Title XIX/Non-Title XIX SMI persons, while another allocation may require it be used for those persons with GMH/SA eligibility.
  - c. Ensure safe and stable housing that is consistent with the member's recovery goals and be the least restrictive environment necessary to support the member. Shelters, hotels, and similar temporary living arrangements do not meet this expectation.
  - d. Not actively refer or place individuals in a Homeless shelter, licensed Supervisory Care Homes, unlicensed board and care homes, or other

- similar facilities.
- e. Provide the tenant with a 30-day notice at the time of the tenant's annual, recertification, if a rent payment is increased in state funded housing programs, The AdSS may charge up to, but not greater than, 30% of a tenant's income towards rent.
  - f. Not use supportive housing allocations for room and board charges in Residential Treatment settings. However, the AdSS may allow Residential Treatment settings to establish policies which require that persons earning income contribute to the cost of room and board.
  - g. Not use supportive housing allocations or other funding received from AHCCCS (including block grant funds) to purchase furniture. However, move-in assistance and eviction prevention services may be provided to those members in permanent housing. When move-in assistance is provided, assistance with deposits and payment for utilities must be prioritized over other methods of assistance, such as move-in kits or items consisting of pots and pans, dishes, sheets, etc. Subcontract with a non-profit organization that is eligible to serve as a grantee for HUD funded grant programs.
  - h. Ensure that their subcontracted providers doing business with agencies that have HUD grants, report data to the local Homeless Management Information System (HMIS) project manager on contract, to administer the HMIS data collection.
  - i. Ensure that contracted providers deliver a range of housing services and present available options for housing to persons determined to have SMI consistent with the individual's goals and needs in the Individual Service Plan.
  - j. Ensure that providers maintain all housing units currently in use, including units acquired through the State of Arizona housing funds specifically for members determined to have a SMI or other eligible populations served by the AdSS as funding permits.
  - k. Collaborate with State, County and local government agencies to support housing initiatives and resolve housing issues, concerns and complaints that affect members.
  - l. Develop new housing capacity, program initiatives and options when needed in collaboration with Division, ADOH and local HUD Continuum Of Care (COC).
  - m. Participate in the AHCCCS Quarterly Housing Meetings.
3. AdSSs awarded HUD funding are required to participate in the Homeless Management Information System (HMIS), a software application designed to record and store client-level information on the characteristics and service needs of homeless persons. The HMIS is used to coordinate care, manage program operations, and better serve clients.

4. The AdSS must develop and make available to providers the AdSS's contact information to receive additional guidance and requirements regarding these programs.
  5. AdSS housing programs are required to include specialized housing units to meet the needs of persons who are difficult to place in the community partly due to crime free/drug free ordinances and specific behavioral health related service need including substance use disorders.
  6. The AdSS must provide persons determined to have SMI who are discharged from the Arizona State Hospital, supervisory care homes or unlicensed board and care homes, with housing options that promote independent living.
  7. The AdSS must require providers to participate with the member's treatment team in order to identify available housing units and to place the member in an affordable appropriate living environment upon discharge from an institutional setting.
  8. The AdSS must advocate for persons determined to have SMI who are homeless and those released from Residential Treatment and Board and Care facilities to obtain housing units.
  9. The AdSS must develop and make available to the providers policies and procedures regarding specific housing programs/funding and related requirements.
- C. AdSS Monitoring Requirements of Subcontractors

The AdSS must monitor Housing subcontractors through the following activities:

1. Monitor providers for compliance with federal requirements of the SAMHSA Permanent Supportive Housing Fidelity Monitoring and HUD homeless grants.
2. Conduct regular inspections of housing units including tenant living situations to determine whether the individual has access to basic needs and whether the living environment is safe, secure and the least restrictive environment consistent with the treatment goals in the Individual Service Plan. Ensure contracted housing providers conduct these inspections also, and
3. Conduct a Housing Inventory of housing providers and tenants. This inventory must be submitted in the format and time required by the Division and must include:
  - a. The number and types of housing programs.
  - b. Number of units.
  - c. Fund source for those units, and
  - d. Populations served for each unit.

4. Develop and maintain an accounting system of all individuals in its housing program and of its housing and support service providers, and when requested or by Division Contract requirements, submit the data in a format approved by the Division.
5. Demonstrate that the AdSS's staff and provider housing program staff have received training and can demonstrate competency in the following:

Clinical & Administrative Managers will demonstrate:

Knowledge of the basic concepts found in the Federal Fair Housing Law and the Arizona Landlord Tenant Act as they apply to members and their contracted providers by passing a post-test conducted after an orientation session.

Behavioral Health Professionals (BHP's), Behavioral Health Technicians (BHT's) & Behavioral Health Paraprofessionals (BHPP's) will demonstrate competency, by passing a post-test after training, in the following areas:

- a. Knowledge of basic concepts found in the Arizona Landlord Tenant Act and Federal Fair Housing Laws describing the rights of tenants and landlords
- b. The general rights of members afforded by these laws, and
- c. The principles and availability of Housing support services.

Case Managers will demonstrate that they capably:

Understand the basic concepts found in the Arizona Landlord Tenant Act and Federal Fair Housing Laws describing the rights of tenants and landlords.

- a. Explain lease requirements and rights of tenancy to Members in language they understand and can act upon,
- b. Visit members and schedule service appointments at their homes consistent with the law,
- c. Determine eviction risk and arrange for skill and or support service assistance to Members in coordination with Housing Providers,
- d. Document and involve the Member in investigating complaints originated by the Member or Landlord, and
- e. Pass a post test conducted after training and thereafter during routine clinical supervision.

Housing Specialists and Case Managers will also demonstrate that they can capably conduct and use the current and emerging tools and best practices such as the Vulnerability Index-Service Prioritization Decision Assistance Tool (VI-SPDAT) by passing a post test conducted after Specialized Training program and thereafter during routine clinical supervision.

D. Requirements for Collaboration and Partnerships with Federal Housing Programs

1. The US Department of Housing and Urban Development (HUD) provides funding for adults who are homeless and disabled. On May 20, 2009, a law was enacted to reauthorized HUD's McKinney-Vento Homeless Assistance Programs which in part outlined assistance programs for the homeless. The bill, known as the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act, made numerous changes to HUD's homeless assistance programs to include the following:
  - a. Significantly increased resources to prevent homelessness,
  - b. Established incentives on the use of rapid re-housing programs, especially for homeless families,
  - c. A revised definition of "Permanent Supportive Housing" for people experiencing chronic homelessness to establish an industry standard, and to add "families" to the definition of "chronically homeless", and
  - d. The option for rural communities to apply under a different set of guidelines that may offer increased flexibility and assistance with capacity building.
2. The purpose of the COC Homeless Assistance Program is to reduce the incidence of homelessness in COC communities, by assisting homeless individuals and families in quickly transitioning to self-sufficiency and permanent housing, as authorized under Title IV of the McKinney-Vento Homeless Assistance Act.

The HUD HEARTH COC became effective August 31, 2012 and includes:

- a. Codifying the COC process
- b. Expanding the definition of homelessness,
- c. Focusing selection criteria more on performance,
- d. The HEARTH Act consolidates the programs formerly known as the Supportive Housing Program (SHP), the Shelter Plus Care (S+C) Program, and the Section 8 Moderate Rehabilitation for Single Room Occupancy (SRO) Program into one grant program: the COC program,
- e. The COC Program is designed to promote communitywide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness,
- f. The AdSS is required to work in collaboration with the Arizona Department of Housing (ADOH), the Division and all Arizona HUD COCs to ensure the revised requirements of the HEARTH Act are met, allowing Arizona to maximize the HUD COC Homeless Assistance Programs awarded

throughout the State including but not limited to the HUD Housing Choice Voucher Program, and

- g. AdSS's who administer the federal HUD Housing Choice Voucher Program must ensure the following:
  - i. Tenants pay 30% of their adjusted income towards rent.
  - ii. Vouchers are portable throughout the entire country after one year.
  - iii. Permanent housing is obtainable for individuals following program rules.
  - iv. The program is accessed through local Public Housing Authorities through a waiting list.
  - v. Initial screening is conducted by the Public Housing Authority; however, the final decision is the responsibility of the landlord, and
  - vi. A Crime Free - Drug Free Lease Addendum is required.

E. AHCCCS Requirements for State Housing Acquisition and/or Renovation Programs

The AHCCCS Housing Acquisition and/or Renovation program provides State funding for the purchase and/or renovation of properties (house, condominium, duplex, apartment, new construction etc.). The AdSS subcontracts with eligible non-profit Housing providers to locate properties, purchase and/or renovate them for the use of Division members in accordance with Division requirements, review and approval. The property is held for use of Division eligible members for an extended period of time through the use of filed Covenants, Conditions and Restrictions.

- 1. The following conditions apply:
  - a. The AdSS must administer the AHCCCS Property Acquisition and Renovation Program through subcontracts with or partnerships with non-profit entities that have the capacity, experience, and knowledge of low-income housing programs, available funding streams and resources for supportive housing for adults determined to have SMI, and other eligible populations served by the AdSS ( contingent upon available funding).
  - b. The AdSS must have prior approval from the Division if the property purchase and related approved costs are to be reimbursed with funds provided through the Division, and
  - c. For Acquisition and/or renovation of real property purchased by the AdSS's subcontractors with funds provided by the Division, excluding net profits earned under the Contract, the AdSS must complete the following:
    - i. Attachment A, the AHCCCS Housing Application for Acquisition and/or Renovation or New Construction

- ii. All required documents to include the funding source used, prior to the purchase of any new property leveraged with funds provided through the Division, and when applicable, a Notice of Real Property Transaction, which must include the following:
- Copies of Attachment C, AHCCCS Declaration of Covenants, Conditions, and Restrictions (CC&Rs) recorded with the County Recorder's Office (the CC&Rs will cover a period of extended as indicated in the CC&R table based on use and costs)
  - The funding source(s) used to purchase the property, specifically whether the purchase is to be made with funds provided through the Division and/or other matched funds
  - The financing arrangements made prior to purchase the property
  - Prior approval from the Division if the property purchase and related approved costs are to be reimbursed with funds provided through the Division
  - A deed containing the use restrictions and covenants, conditions, or restrictions that ensures the property is used solely for the benefit of members and that failure to comply with the use restrictions allows the State to take title to the property or otherwise enforce the restrictions, and
  - All documents as required in Attachment B, AHCCCS Housing Acquisition/Renovation Checklist.
- d. The Division requires that the AdSS adopt Attachment D, AHCCCS Housing Acquisition and/or Renovation, or New Construction Operating and Funding Agreement as minimum requirements for all agreements for Housing Acquisition and/or Remodel or New Construction made between the AdSS and Housing Contractors using State Funds.