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Notice

This manual serves as a reference for the Kentucky Housing Corporation’s administration of the Olmstead Housing Initiative (OHI).

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Please contact a KHC program representative if you have questions or need additional assistance with materials within this manual.

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Olmstead Housing Initiative Overview

The Olmstead Housing Initiative (OHI) is a partnership between Kentucky Housing Corporation (KHC) and the Cabinet for Health and Family Services, Department for Behavioral Health and Developmental and Intellectual Disabilities (DBHDID, or the Department). 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 is implementing a five-year plan to transition at least 675 individuals with serious mental illnesses from personal care homes to the community under an Amended Settlement Agreement (ASA) entered into with Kentucky Protection and Advocacy.

In Kentucky, there are a number of these individuals who need specialized housing resources to make the transition to the community. DBHDID believes that development of a housing plan can guide the Commonwealth in providing permanent supported housing units in the community over the course of the next several years.

Types of Assistance

Assistance through the Olmstead Housing Initiative comes in the form of rental assistance, payment of security and utility deposits directly to landlords and utility companies, respectively, for individuals receiving housing vouchers through the Olmstead Housing Initiative. Other payments will be provided through reimbursements to agencies upon provision of proof of payment for approved expenses.

Expenses will be limited to $2,000.00 per household and may include any combination of the following:

- Housing deposits
- Utility deposits
- Household furnishings ($1,000.00 maximum reimbursable)
- Moving expenses
- Pest eradication
- Expenses interfering with transitioning – i.e. unpaid previous utility bills, first month’s rent
Interim rent falls in a separate category and is in addition to the $2,000.00 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 ISA, referral priorities have been further defined (see Referral Priorities).

**Income**

In order to be eligible for assistance under this program, income shall be calculated in accordance with the KHC Administrative Plan for Housing Choice Vouchers. 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. KHC OHI staff will determine if the income or benefit should be counted or disregarded.

**Referral Priorities**

Initially, referrals will be classified as Interim Settlement Agreement (ISA) referrals or Non-Interim Settlement Agreement referrals, with the ISA referrals getting priority over the Non-ISA referrals. Referrals will be processed on a first-come, first-served basis. Once this initial list is processed, priorities will be considered in the following order:

A. Persons residing in a personal care home (PCH) and on the list of individuals targeted to move into the community.
B. Persons residing in a psychiatric hospital or nursing home over 90 days who are at risk of entering a personal care home upon discharge.
C. Persons who are at risk of entering a personal care home.
Referral Process

1. Referrals are made by a behavioral health professional who must confirm that a full range of support services are in place in the community where the individual chooses to live. 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 at the Department for Behavioral Health.
   a. Referrals are submitted to the Department. The Department determines which referrals meet Olmstead eligibility criteria, assigns priorities, and notifies KHC staff of approved referrals. KHC staff will not accept referrals until they have approval from the Department staff assigned approval rights.
   b. All referrals must be 18 years or older.
   c. Referral information should include the referral's name, last four digits of their Social Security number, whether or not they have a payee or legal/state guardian (and if so, contact information including name, phone number and address), and the referring agency's contact information (name, phone number, email address, and agency/agency position).
   d. All referrals should specify the type of referral being made. Those eligible are moving expenses, security and utility deposits, on-going rental subsidy, basic furnishings and approved essential household goods.
   e. Referrals of eligible individuals will be immediately processed if OHI vouchers are available, or placed on a waiting list maintained by the KHC OHI staff. Individuals on the waiting list will be categorized by the Referral Priorities policy listed above.

2. When a voucher is available, KHC OHI staff 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 Administrative Plan.
   a. The KHC OHI staff will provide the referring agency with a Personal Declaration and an Authorization for Release of Information. The referring agency and the participant completes these documents and returns them to KHC. KHC cannot move forward on the referral without this information.
   b. Once the completed Personal Declaration has been approved, accompanied by any applicable income verifications, KHC OHI staff 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, KHC staff 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 KHC 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 participant’s transition to the OHI Program. The legal representative will be copied on all information sent to the participant from the KHC 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

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 KHC reviews the lease-up packet and determines the participant is eligible for the unit, KHC will request a Housing Quality Standards (HQS) inspection to be conducted by a KHC inspector. Properties must pass the HQS inspection prior to the participant moving in the 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, KHC 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 KHC receives a complaint from a landlord or participant about landlord or tenant violations, KHC reserves the right to 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. The lease, should the participant decide to stay permanently in this property, 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. KHC OHI will reimburse the agency once a request for payment has been submitted.

Voucher/Rent Payment Process

KHC OHI staff will pay the landlord once each month, in accordance with the normal KHC payment processes and standards. Should a lease-up process take place after the normal monthly check run by KHC, 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.

Eligible Use of Funds

OHI funds can be used to pay one-time expenses associated with moving from a personal care home to independent community living, including security and utility deposits and basic furniture. Assistance with furniture is limited to $1,000. Other eligible one-time expenses are items such as moving expenses, 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. One-time costs include payments made:

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. KHC OHI can either pay the utility company directly, or reimburse the agency for their payment already paid.
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.

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. 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 will 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.

5. No direct payments will be made to the participant from KHC for one-time expenses.

6. All reimbursement requests must be sent to KHC no later than 60 days after the expense was incurred.

**Eligible Properties**

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

**Interims**

Once a participant has submitted their documentation for lease-up, they (or their legal representative) are required to report any other changes that occur 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 KHC reflecting this change.

Once a participant has leased a unit, they are again responsible for reporting any changes made in their household. KHC 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 KHC OHI staff 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 KHC OHI staff 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 OHI KHC Housing 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 KHC 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.

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

Once received at KHC, 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, 2015, the re-certification would be effective April 1, 2016. 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, obtain the documentation needed, return the packet to KHC, and then allow KHC time to process the information. A 30-day notice will be given if there-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**

KHC 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 KHC for a rent increase either near the end of the initial lease period or after it has ended, but in any event must give KHC at least a 60-day notice. Additionally, KHC 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 by KHC OHI for the following reasons:

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 KHC OHI staff in consultation with the participant's case manager and DBHDID.

Move-Outs

Participants who 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 KHC OHI staff. Participants, landlords and case managers should always keep KHC OHI staff informed on planned moves. Legal/State Guardians and powers of attorney should do this on behalf of the participant.

Contacts/Policies and Procedures Manual

Contact Information and the most recent copy of the Policy and Procedures Manual for OHI may be obtained on the KHC Olmstead webpage. The link to the KHC Olmstead website is http://www.kyhousing.org/Specialized-Housing/Pages/Olmstead-Housing-Initiative.aspx.