

## **RECOVERY KENTUCKY ADMINISTRATIVE MANUAL INTRODUCTION**

The Recovery Kentucky Administrative Manual is a tool to guide all Recovery Kentucky Programs when they prepare to open their new facility. It can be referred to by existing centers when administrative questions arise. It is Kentucky Housing Corporation's desire to assist the new and existing Recovery Kentucky Programs as much as possible when opening a new center, and continue to assist in an advisory role during the operation of the Recovery Kentucky Programs.

## RECOVERY KENTUCKY ADMINISTRATIVE MANUAL

### SECTION I - PRIOR TO CONSTRUCTION CLOSE-OUT

Prior to the close-out of construction and the leasing up of units, the following steps must be completed for each Recovery Center. These steps are not in any sequential order, but all steps must be completed in a timely manner. Kentucky Housing Corporation (KHC) has created a Recovery Training Team consisting of staff from various areas within the Corporation who have the knowledge to train Recovery Center staff members on the different administrative and programmatic requirements necessary for each subsidy resource involved in the financing of the centers.

Mike Townsend, administrator, KHC Recovery Kentucky Program, will serve as the main contact for all of the Recovery Centers. Mr. Townsend will be responsible for the tracking and oversight of the progress of each Recovery Center prior to initial lease-up. He will also be responsible for setting up and coordinating all administrative trainings for Recovery Center staff. You can contact Mr. Townsend, or his assistant, at the following:

Mike Townsend:      Phone: 502-564-7630, ext. 715. Or TTY 711  
                                 Fax: 502-564-5650  
                                 Email: [mtownsend@kyhousing.org](mailto:mtownsend@kyhousing.org).

Each Recovery Center will receive separate training from the Department for Local Government (DLG). This training will consist of a review of the Community Development Block Grant (CDBG) Program guidelines and how to complete and submit the draw request for reimbursement of eligible funds. A representative from the DLG staff will contact each Recovery Center to establish an on-site meeting date.

In addition, it is highly recommended that each Recovery Center coordinate and run local donation campaigns for the purpose of stocking needed supplies and clothing for future residents. This can be done by creating a Clothes Closet within the center, working with churches, community groups, and local agencies and businesses. Sponsorships of rooms can also bring in necessary items from the surrounding community and help get them involved in the Program.

A tracking checklist of each step is provided for use by each Recovery Center:

**Tracking SpreadSheet - Prior to Construction Close-Out**

Steps	Information Submission Date	Approval / Completion Date
Determination of Unit Designation		
Submission of DOC Application		
Agency Application for Food Stamps		
Approval of Lease Agreement		
Approval of Tenant Selection Plan		
MOA with the Administrating PHA		
Income Determination		
Execution of HAP		

## 1. **Determination of Unit Designation**

The KHC Recovery Kentucky Program will work with each Recovery Center to ensure the proper designation/selection of units is completed prior to lease-up. All Recovery Centers will be required to designate and number their units in the same order.

- Each center will have Low-Income Housing Tax Credits (Housing Credit) Program units. The number of units may vary from center to center for programs built after 2012.
- Several of the Housing Credit units may be designated as either project-based or non-project-based units.
- A prorated number of Project-Based Section 8 units (prorated in accordance to the amount of HOME Investment Partnership Program (HOME) funds provided to the project) will have HOME funds assistance provided as well. These HOME units cannot be fixed and can only float to units that have Project-Based Section 8 assistance.

The KHC Recovery Kentucky Program will work with each Recovery Program to ensure the proper unit designation has been made.

## 2. **Complete Application with Department Of Corrections (DOC) and Establish Operational Rules**

The DOC application will need to be prepared and submitted by each nonprofit service provider for each Recovery Program at least three months prior to the completion of construction. The application is accessible online at: <http://corrections.ky.gov/depts/SupportServices/CM/Pages/RecoveryKentucky.aspx>

### Operational Rules:

- Each center will be responsible for initiating contact and working with the DOC and local Probation/Parole officer for their area. Each center will receive a per diem payment for up to 50 DOC referrals, plus an additional per diem for ten clients that have been referred to the recovery program by the DOC on behalf of the Drug Court. This per diem is limited to a certain amount of maximum days (192) that the DOC will pay the recovery program. The per diem for men is \$31.61 and the per diem for women is \$32.64.
- DOC Clients must be referred by the DOC office responsible for this function in order to qualify for the DOC per diem payments made on behalf of the clients. Clients coming from other legal jurisdictions, who do not go through the DOC referral process, will not be eligible for the per diem payment.
- When the executive/program director is hired, it is their responsibility to contact the branch manager for Probation and Parole to arrange a meeting with the district supervisor. The Contract Management Branch within DOC will assist with identifying the appropriate Probation and Parole Branch

Manager and providing contact information to the executive /program director.

- Clients will be referred to the centers from the DOC's eligible client Waiting List.
- The executive/program director has the right to prescreen the DOC clients before accepting them into the recovery program. Each program is encouraged to accept eligible clients, but those that do not meet the recovery program's guidelines for eligibility may be refused. This includes income ineligibility, violent offenders, those that were charged with Methamphetamine manufacturing and distribution in, or on, a HUD subsidized property, and those listed on the National or Kentucky Sex Offender List.
- The DOC shall try to ensure that DOC referred residents will bring at least a 30-day supply of medication. This does not pertain to local jails. It is recommended that each Recovery Program establish a relationship with a local healthcare facility that can assist the potential client in receiving their necessary medication and medical needs, including helping those who qualify to sign up for health insurance under the Affordable Care Act.
- Each Recovery Kentucky Program will conduct an inventory of the incoming client's personal belongings, listing the eligible items in their File, and have the client sign to attest to the correctness of the inventory. Each client is allowed a limited amount of eligible items and must make arrangements to store any overages, whether at the program's property, or elsewhere.
- Each Recovery Kentucky Center is required to report the number of DOC clients and the number of available beds to the DOC every day, Monday through Friday, including holidays, by 9:30 EST, for DOC clients. This information shall be reported to the Contract Management Branch via e-mail or fax.
- Clients are not allowed to obtain employment while in the recovery program until they reach Phase 2 of the program. At this time (or before if they have other non-wage income), the client may be responsible for rental payments based on his/her income. DOC per diems pay for services and do not include room and board.
- The client may also be eligible for Food Stamp assistance while in the program. The responsible staff person will collect the necessary information from the client and initiate the application. Food Stamps are also discussed elsewhere in the Admin Plan.
- The DOC will complete two inspections per year, along with separate drop-in visits. The first inspection will be announced and each facility will receive the Inspection Checklist. The second inspection will be unannounced.
- In the event a DOC client is asked to leave the program or chooses to leave the program of their own accord, they, (or the program, if the client leaves

without notice), must contact their probation/parole officer immediately, informing them of the termination or discharge.

- All Recovery Kentucky executive/program managers are required to attend a Directors' Meeting quarterly, at a pre-announced location. These meetings are held at the individual centers on a rotating basis. Topics of discussion include the database, housing, DOC requirements, funding of programs, staffing issues, the Recovery Kentucky Outcome Studies conducted by the University of Kentucky, and other relevant topics as needed.
- All Recovery Kentucky Programs are required to delegate one to three staff members who will work on (at least one) and back-up (at least one) the database information for their center. New programs will be trained by the Frankfort HMIS Team on entry procedures and responsibilities. The Team will contact the center to arrange the trainings and database set up for the center.

### **3. Application for Food Stamps**

Three months prior to the initial opening, each Recovery Program should submit the address and/or post office box for the location of the facility to the KHC Recovery Kentucky Administrator. This information will be forwarded to the U.S. State Alcohol and Drug Authority (Division of Mental Health and Substance Abuse, Department of MH and MR Services) to be sent to the Department of Agriculture in Atlanta designating the Recovery Center as a substance abuse center that is in compliance with Part B of Title XIX of the Public Health Services Act. A copy of the letter to the Department of Agriculture should accompany the Food Stamp Application form.

Once the food stamp application is approved by the Atlanta office, the Recovery Center will be referred to a local food stamp office operated through the Kentucky Cabinet for Health and Family Services for food stamp allocation on behalf of the eligible participants.

### **4. Approval of Lease Agreement**

All Recovery Programs are required to submit their lease agreements to KHC for review and approval. All leasing documents must be submitted to the attention of Mike Townsend, no later than one month prior to opening. KHC will review the leasing agreement and ensure that the following prohibited lease provisions are not included within the lease.

#### **Prohibited Lease Provisions:**

- Consent by the tenant to be sued, to admit guilt, or to make a judgment in favor of the manager in a lawsuit brought in connection with lease.
- Agreement by the tenant that the landlord may take, or hold, the tenant's property, or may sell such property without notice to the tenant and a court

decision on the rights of the parties. This provision does not apply to disposition of personal property left by a tenant who has vacated a unit.

- Agreement by the tenant not to hold the manager, or management agent, legally responsible for any action or failure to act, whether intentional or negligent.
- Agreement by the tenant that the manager may institute a lawsuit without notice to the tenant.
- Agreement by the tenant that the manager may evict the tenant family (1) without instituting a civil court proceedings in which the family has the opportunity to present a defense, or (2) before a decision by the court on the rights of the parties.
- Authorization to the manager to waive the tenant's right to a trial by jury.
- Authorization to the manager to waive the tenant's right to appeal a court decision or waive the tenant's right to sue to prevent a judgment from being put into effect.
- Agreement by the tenant to pay lawyer's fees or other legal costs whenever the manager decides to sue, whether or not the tenant wins.

## **5. Tenant Selection Plan**

The Tenant Selection Plan should be a written policy to ensure new tenants are selected in conformance with the owner's policies, and all applicable federal requirements. This plan must be completed and approved prior to the leasing-up of units. The plan will need to be submitted and reviewed by KHC.

The Tenant Selection Plan should describe the criteria that will be used to identify eligible tenants. The plan should include the following:

- Be consistent with the purpose of providing housing for very low-, low-, and moderate-income families depending, upon the funding source(s) attached with the development.
- It should be related to the program requirements and the applicant's ability to comply with the terms of the lease. Specifically, the HOME regulations limit the incomes of the households that may occupy HOME-assisted units, same as the Project-Based Section 8 and Housing Credit programs. In addition, the owner cannot refuse to lease HOME-assisted units to tenants receiving rental assistance, including Section 8 certificates and vouchers.
- The plan should be in compliance with all federal requirements, including Fair Housing and Equal Opportunity.

- The plan should also describe the procedures that will be used to review applications from prospective tenants.
- The procedures should provide for a written Waiting List from which tenants will be selected based on the Recovery Program's stated preferences.
- A rejected applicant must be given prompt written notification informing him/her of the program's grounds for rejection.

**6. Memorandum of Agreement (MOA) with the Administrating PHA**

Prior to the opening of each Recovery Program, a Memorandum of Agreement (MOA) must be executed with the administrating Public Housing Authority (PHA). This MOA will allow the Recovery Program to receive training on how to conduct client briefings for all residents who will be receiving Project-Based assistance at their Recovery Program.

KHC will contact each recovery program that will have KHC serving as their PHA and will provide them with a copy of the MOA for their review and signature. If a local PHA will be administering the housing for a new Recovery Kentucky Program, KHC will work with that program and the local PHA, ensuring that this document has been signed.

**7. Income Determination Training**

Prior to each recovery program accepting residents, Recovery Kentucky Housing staff will receive training from KHC Rental on how to conduct third-party income verification determinations. KHC will contact each Recovery Program to arrange a date for the training.

**8. Execution of HAP Contract**

Within two-three weeks of the initial lease-up of units, each Recovery Program must submit the following documentation in order to initiate the execution of the HAP contract. This contract must be completed to ensure the delivery of Project-Based Section 8 assistance. The following information will need to be sent to KHC:

- A. Approved Tenant Selection Plan (if not previously submitted)
- B. Maintenance Agreement
- C. HQS Inspections
- D. Certificate of Occupancy
- E. W-9
- F. Agency Authorization

Upon review and approval of these documents, the HAP will be forwarded to the Recovery Program staff for review and signature.

## SECTION II - STEPS TO LEASING UP UNITS

The following guide breaks down the administrative responsibilities directly related to each section of the Recovery Kentucky Program. This is only a guide for administrative staff and may be redesigned to better suit the work flow of each Recovery Center.

### **Prior to Admission/Admission**

#### **1. Collect the following information from the resident**

- PHA Personal Declaration (specific to Recovery Centers)
- HUD Authorization for Release of Information Form
- PHA Authorization for Release of Information Form
- Proof of Date of Birth/Citizenship
- Social Security Number

The PHA Personal Declaration statement requires specific information necessary for the Project-Based Assistance Program. **This document also requires the resident indicate if he or she (1) owes money to HUD, (2) is on the State/National Sex Offender Registry, and (3) if the applicant has been arrested for the manufacture or production of Methamphetamine on a federal housing property. Applicants must have paid, or have signed a current repayment contract with the agency owed, in order to qualify for housing assistance and admittance to the Program.**

**Please also add these three questions to the Initial Phone Screening and Intake Procedures prior to the applicant's admission to the program. These are three critical criteria that could make them ineligible to receive subsidy assistance through this Program; and would therefore be ineligible for the Recovery Kentucky Program.**

Individuals who enter the program without a form of identification, will be assisted by Recovery Program staff in trying to obtain this information. The Required Document Verification Guidelines should be used in determining acceptable forms of proof.

#### **2. "Pencil Test" for Income Eligibility**

In order for a resident to be eligible to receive assistance through the Recovery Kentucky Program, their total household income, including assets, must not exceed 60 percent of the area median income.

Prior to admission to the program, KHC recommends the Recovery Kentucky program staff conduct an informal income verification calculation to determine if the potential resident will be within the income guidelines of the program. Actual third-party income verification will be conducted later by the housing coordinator. If a potential resident has income that appears to exceed the 60 percent area median income, then, formal income verification can be requested to determine whether or not the client is eligible for admittance to the Program.

### **3. Food Stamp Application**

It is important to begin the Food Stamp application process as early in the Program as possible. Program staff will be working closely with the local Food Stamp office, submitting the required documentation on behalf of the client. Food Stamp cards should be turned into the office to be swiped and tracked by the Program staff.

### **4. Project-Based Section 8 Referral Process**

The PHA will require a statement from the Recovery Program that refers each program participant for rental assistance. This statement should identify the facility as a long-term, residential recovery facility that is used to address the drug-free regulation stipulated by HUD.

### **5. Income Certification Process**

Recovery Program housing staff will conduct third-party verifications of income, assets, and allowances utilizing their verification forms and HUD's hierarchy of acceptable methods.

- Informal support will be counted as income.
- Income from the absent spouse will be counted as income, unless the program participant documents his/her estrangement from the spouse, and that the spouse provides no income to the program participant.

When all required information is gathered by the Recovery Program, it will be forwarded to the PHA with a checklist cover sheet. All information must be submitted at the same time, as the PHA cannot process partial paperwork.

### **6. Zero "0" Subsidy Determination**

If at any time the participant's income increases and his/her total tenant required portion covers the full amount of gross rent, no payments will be made by the PHA/HUD, and the Recovery Program may:

- Amend the HAP Contract to inactivate the unit until such time that the client vacates the unit. The program may then request to reactivate the unit.
- Move the individual to an unassisted unit.

### **7. Determination of Unit Designation**

Upon final determination of income, the PHA will forward the Recovery Program a third-party income verification form. This documentation is necessary for unit selection. For clients who will be located in a non-project-based unit, this documentation is required prior to occupancy.

For all non- project-based and project-based residents, after documentation of income is received from the PHA, the resident will be required to sign a Tenant Income Certification (TIC) form as a requirement of the Housing Credit program. This information must be kept in the resident's file at all times.

**8. Project-Based Section 8 Voucher Issuance**

For a Project-Based Statement of Family Responsibility (SFR) to be issued to an applicant for the project-based units, the address of the unit the applicant will be residing in must be identified. This information must be provided to the PHA prior to issuance of the SFR.

PHA staff will calculate the program participant's portion, prepare the SFR and brief the family. Recovery Program staff will have the option to brief upon being trained if they have an executed Memorandum of Agreement.

- Until all units have been occupied, PHA staff will conduct briefings weekly. This will assure Housing Credit compliance is met timely.
- As each Recovery Program opens, PHA staff will plan to conduct briefings routinely. Briefings conducted by PHA staff, with Recovery Center staff present, will serve as training for on-site staff who can eventually take over this responsibility.

**9. Unit Lease-Up**

When the Recovery Program is ready to move a family into an assisted unit, they will forward all leasing documents to the PHA utilizing a checklist cover sheet. Please see the Tenant-Based Rental Assistance guidelines for unit lease-ups, interim changes, inspection process, and transfers between rooms.

**10. Program Regression**

When a resident is set back in the program as a result of the Community's suggestion, it is a temporary set-back and they are not discharged from the room or the Program. If they are discharged from the Recovery Program and allowed to re-enter the Program, starting the program all over again from the beginning, they are terminated from their lease and they must vacate the room. The Recovery Program staff is required to notify the local PHA of this type of move as soon as possible.

**11. Additional Administrative Requirement**

At the end of each Recovery Center's fiscal year, each Recovery Program must submit a copy of their Audited Financial Statement. This information needs to be submitted within 60 days of receipt to the following address:

Compliance Department  
Kentucky Housing Corporation  
1231 Louisville Rd.  
Frankfort, KY 40601

## **Rental Housing Administrative Procedures**

**Please note that all Recovery Kentucky Program Housing Coordinators are required to attend a Program Start-Up Training with the KHC Rental Program Staff prior to the Program's acceptance of clients to the center.**

All individuals who are determined to be candidates for rental assistance will complete an application for housing. This application should be supplied by the Program staff and submitted to the housing coordinator. The housing coordinator will place that applicant on the waiting list. Applicants will be required to provide proof of Social Security numbers and birth dates as part of the eligibility process. As it could take several days to obtain this information, it is suggested that these documents be requested early in the process, preferably at admission.

Acceptable documentation of Social Security number are:

- Copies of the **front and back** of the official Social Security card.
- An official document issued from the Social Security Administration that contains the number.

Acceptable documentation of birth date include:

- Birth Certificate
- Hospital Letter
- Valid Driver's License
- Medical Card
- School Records
- Other Official Documents

When there is a vacancy within the Program , the housing coordinator will process the required documents to determine applicants as eligible for occupancy of the vacant unit.

The Eligibility Packet consists of the following:

- Eligibility Checklist
- Recovery Information Required
- Relative Restriction Rule
- Landlord Certification of Change in Household
- Personal Declaration (New Family Member)
- Personal Declaration (Existing Family Member)
- Income Verifications
- Self-Certification form or N/A
- Asset Verifications or N/A
- Medical Expense Verification or N/A
- Verification Tracking Summary (required for all packets)
- KHC Authorization for Release of Information
- HUD Authorization for Release of Information
- Verification of Social Security Number (front and back)
- Birth Certificate (Copy)
- Verification of Citizenship (Declaration of Section 214 Status Form)

- Owner Referral Notice
- Debts Owed to Public Housing Agencies and Terminations
- Contact Information Supplement (92006)

An Eligibility Packet must be submitted to KHC for each applicant. These packets must be received and processed before an applicant can be considered a tenant of the Center. Final approval/denial will be determined by KHC staff. The applicant and housing staff will be notified in writing of the decision.

All documents pertaining to rental assistance can be accessed through the KHC Web site at [www.kyhousing.org](http://www.kyhousing.org). Program housing staff have access to this Web site as well as the required password.

For questions concerning rental eligibility and procedures, please contact KHC's Rental at toll-free in Kentucky 800-633-8896 or 502-564-7630, extension 769.