I. PURPOSE

This Policy applies to RBHA Contractors and provides guidelines for: 1) the delivery of AHCCCS Housing Program (AHP) services; 2) coordination with the AHCCCS Housing Administrator and other housing programs; and 3) process for development, implementation and management of housing programs and related funds for the eligible populations through the Arizona SMI Housing Trust Fund (HTF).

This Draft Policy will replace the current ACOM Policy 448 available on the AHCCCS Contractor Operations Manual website. There may be additional revisions to this Policy.

II. DEFINITIONS

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.

CONTINUUM OF CARE (COC)
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.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)
U.S. government agency supporting community development and home ownership by improving affordable home ownership opportunities, increasing safe and affordable rental options, reducing chronic homelessness, and fighting housing discrimination by ensuring equal opportunity in the rental and purchase markets, and supporting vulnerable populations.

HOMELESSNESS
For purposes of this policy, persons experiencing homelessness includes persons who:
1) Do not have a fixed, sustainable, or appropriate nighttime residence including:
   a) The primary nighttime residence is a public or private place not meant for human habitation;
   b) Is living in a shelter designated to provide
temporary living (including homeless shelters, transitional housing, hotels paid for by charitable organization or government program); or
c) Is exiting an institution and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution and who lack a safe, sustainable permanent or transitional housing destination for discharge that may result in a return to a place not meant for human habitation;
d) Persons formerly experiencing homelessness under a, b, or c above but who most recently resided in in Permanent Supportive Housing for SMI or GMH/SU members and require housing support per their provider and/or service plan;
e) Any individual or household who: (i) Is fleeing, or is attempting to flee, domestic violence; (ii) Has no other residence; and (iii) Lacks the resources or support networks to obtain other permanent housing.

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.). 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.

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.

HOUSING REFERRAL
A written authorization from the MCO or a provider for the provision of covered services to an eligible individual. The Housing Referral shall constitute the agreement of the provider to provide services identified in the tenant’s treatment plan. Housing Referrals will be in such form and format determined by the AHCCCS Housing Administrator.
| **HUD HOUSING CHOICE VOUCHER PROGRAM** (FORMERLY SECTION 8) | 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. 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. In many cases, individuals are free to choose any housing that meets the requirements of the program and are not limited to units located in subsidized housing projects but HCV vouchers may also be site based to a specific project as well. |
| **PUBLIC HOUSING AUTHORITY (PHA)** | Housing Choice Vouchers (HCV) are administered locally by Public Housing Authorities (PHAs). The PHAs receive federal funds from the U.S. Department of Housing and Urban Development (HUD) to administer the voucher program. |
| **RAPID RE-HOUSING (RRH)** | An intervention, informed by a Housing First approach that is a critical part of a community’s effective homeless crisis response system. RRH 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. |
| **SERIOUS MENTAL ILLNESS (SMI)** | A condition as defined in A.R.S. §36-550 diagnosed in individuals 18 years of age and older. |
| **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. |
| **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.

**TRANSITIONAL 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.

**III. POLICY**

**A. Scope of Coverage**

This Policy specifies Contractor duties related to AHCCCS Housing Programs (AHP) and the AHCCCS SMI HTF.

1. AHP includes the following program elements funded by Non-Title XIX/XXI SMI Housing General or Supported Housing Funds:
   a. Scattered Site Program – AHP funds utilized to provide housing subsidy vouchers to allow members to identify and lease housing in community. The program serves individuals determined SMI as well as GMH/SUD members,
   b. Community Living Program – AHP funds used to provide rental subsidies in fixed site or group leased facilities purchased with AHCCCS SMI HTF to house individuals determined SMI. This includes some specific units dedicated to members also participating in intensive service programs (e.g., Assertive Care Teams (ACT)),
   c. Bridge Housing Programs – As part of special collaborative programs with local Housing Authorities or other housing subsidy voucher programs, AHCCCS provides short term rental subsidy while member applies for and secures permanent voucher for long term/permanent housing subsidy,
   d. Eviction Prevention and Housing Support Activities – AHP funding can provide limited support for other housing related expenses beyond Permanent Supportive Housing rental subsidies. Key activities may include emergency rent assistance or eviction prevention, housing move in kits (not to include furniture), reimbursement to landlords for member caused damages, landlord recruitment efforts, and move in and/or utility deposits, and
   e. Special Projects – Through partnerships, AHCCCS provides operational support and/or administrative funding to support Continuum of Care, Public Housing Authority partnerships, or other housing subsidy programs that are dedicated to serving individuals determined SMI and receiving services through the RBHA.

2. AHP and the AHCCCS Housing Administration services described herein do not include or cover any licensed behavioral health residential or other long term care facilities, grant funded housing programs, or housing funds provided directly to the Tribal Regional
Behavioral Health Authorities. The policies and standards specified in this Policy apply only to the Arizona State funding sources as specified in this Policy. AHCCCS does receive grant funding that may provide housing subsidy or assistance; however, grant related housing funding standards are guided by, and subject to eligibility standards and processes included in the respective grant agreements and AMPM Policy 320-T1. AHP funding shall not be used for room and board charges in residential treatment settings.

3. AHCCCS SMI HTF activities include the process for RBHAs and their providers to apply for AHCCCS SMI HTF to acquire, construct, and/or rehabilitate properties for the purpose of creating additional affordable housing units for individuals determined SMI. If AHCCCS elects to deploy SMI HTF resources to support housing subsidies, they will be considered AHP funds and be administered through those processes.

B. General AHCCCS Housing Program Requirements

For the populations of individuals determined SMI or other eligible populations served by the Contractor (contingent upon available funding) and who are able to live independently, AHP shall provide a number of programs to support independent living, such as rent subsidy programs, supportive housing programs and other transitional housing programs. Independent living shall be supported with provider owned or leased homes and apartment complexes that combine housing services with other covered behavioral health services. Housing programs shall 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.

1. AHCCCS Housing Administrator Duties

AHP Housing resources will be administered by a statewide contracted AHCCCS Housing Administrator. The AHCCCS Housing Administrator will be responsible for establishing processes and providing the following AHCCCS Housing Administration functions statewide:

a. Utilize supportive housing allocations for eligible individuals and according to any restrictions pertaining to the funding source,

b. 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 within the Contractor’s Geographic Service Area(s) (GSA) that is eligible to serve as a grantee for HUD funded grant programs.

c. Perform all Housing Administrator duties specified in the AHCCCS Housing Administrator Scope of Work and the AHCCCS Permanent Supportive Housing Guide and other related documentation, including but not limited to:
i. Soliciting and receiving housing applications from providers for individuals/households eligible for AHP housing. Accept applications from all individuals determined to have a SMI into a State Funded Housing Program subject to funding availability,

ii. Coordinating with MCOs and providers to verify eligibility documentation,

iii. Overseeing housing waitlists including prioritization based on AHCCCS identified standards and matching to AHP vacancies,

iv. Conducting briefings, overseeing voucher issuance and housing search processes,

v. Rent subsidy determinations including utility allowances, verification of tenant income and rent contribution,

vi. Pre-tenancy activities such as reviewing proposed leases, conducting rent reasonableness determinations, and conducting Housing Quality Inspections,

vii. Establishing Housing Assistance Payment contracts (HAP) with landlord establishing monthly subsidy payments,

viii. Issuing monthly subsidy payments to landlords,

ix. Conducting annual re-certifications and re-inspections. 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 Contractor may charge up to, but not greater than, 30% of a tenant’s income towards rent,

x. Ensuring compliance with all relevant legal standards (e.g. Fair Housing, Equal Access, VAWA, ARTLA),

xi. Establishing financial oversight and monitoring infrastructure to ensure the AHP is operated within its budget parameters, that all funds are appropriately expended and recorded, and that all AHP financial obligations are paid in a timely manner,

xii. Conduct outreach and maintain relationships with landlords, property managers and owners to ensure adequate supply of housing options for AHP participants;

xiii. Ensure operation of housing within housing first and SAMHSA Permanent Supportive Housing Standards,

xiv. Provide members and owners with prompt, professional service, and

xv. Gather and provide fiscal and programmatic reporting on AHCCCS housing programs.

d. Administer other AHP housing activities including eviction prevention, move in support, and payment of participant caused damages, and
e. Develop and make available to providers the AHCCCS Housing Administrator’s contact information to receive additional guidance and requirements regarding these programs.

2. Contractor Duties

Contractors shall maintain a sufficient number of dedicated staff of housing professionals with knowledge, expertise, experience, and skills as specified in Contract, to coordinate with the AHCCCS Housing Administrator and providers to expedite housing processes. The Contractor shall:
a. Require housing subcontractors to employ a sufficient number of staff 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,
b. Submit plans describing the Contractor’s housing programs and submit periodic reports on housing programs and programmatic outcomes, as specified in Contract,
c. Develop and submit an Housing Needs Assessment for the Geographic Service Area under their responsibility as specified in Contract and that includes:
   i. The specific eligibility group for any proposed new program and/or use of funds (e.g. SMI, GMH/SU, High Need/High Cost members) to include:
      a) Barriers, trends and accomplishments in housing identified during the reporting period,
      b) Basis for need including supporting data and justification, recommendations for changes in AHP priorities or target populations and
      c) Description of housing supportive service coordination and outcomes.
d. Ensure that providers assess, identify, and screen individuals that have housing needs including persons experiencing homelessness and other eligibility criteria established for AHP, and
e. Require providers to participate with the individual's treatment team in order to secure documentation, identify available housing units as part of housing search process, and to place the individual in an affordable appropriate living environment upon discharge from an institutional setting.

C. AHCCCS Requirements for State Funding Supportive Housing Programs

AHCCCS 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. Contractors shall comply with the following requirements to effectively manage limited housing funds and maximize programmatic outcomes in providing supportive housing services to eligible individuals.

3. Contractor shall:
   a. Work with AHCCCS Housing Administrator to 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,
   b. Not actively refer or place individuals in a Homeless shelter, licensed Supervisory Care Homes, unlicensed board and care homes, or other similar facilities,
   c. Not use supportive housing allocations for room and board charges in Residential Treatment settings. However, the Contractor may allow Residential Treatment settings to establish policies which require that persons earning income contribute to the cost of room and board,
   d. Participate in the local HUD Continuum of Care 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,
   e. 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 Homeless Management Information System (HMIS) data collection for that GSA,
f. Ensure that contracted providers deliver a range of housing services and present available options for housing to individuals determined to have SMI consistent with the individual’s goals and needs in the Individual Service Plan,
g. Ensure that providers maintain all housing units currently in use in the GSA(s), 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 Contractor as funding permits,
h. Collaborate with State, County and local government agencies to support housing initiatives and resolve housing issues, concerns and complaints that affect members,
i. Develop new housing capacity, program initiatives and options when needed in collaboration with AHCCCS, ADOH and local HUD Continuum Of Care (COC), and
j. Participate in the AHCCCS Housing Meetings.

4. Contractor 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. Current specialized housing is housing specifically designed to provide and accommodate the following services or conditions including, but not limited to:
   a. Housing for females with co-occurring disorders who are homeless,
   b. Apartment complexes for individuals determined to have SMI who have criminal backgrounds and who are released from jail with a major biological disorder,
   c. Housing for individuals determined to have SMI who are Deaf or hard of hearing,
   d. Housing for individuals determined to have SMI who have sexualized behaviors and are in need of on-site support
   e. Gender based house model living for older females determined to have SMI,
   f. Apartment complex housing and services for individuals age 18-25 who are transitioning from the children’s behavioral health system to the adult behavioral health system,
   g. Respite homes for individuals with developmental disabilities who are determined to have SMI (joint AHCCCS, DES/DD program),
   h. Homes that specialize in dialectical behavioral therapy,
   i. Housing for persons with limited English proficiency, and
   j. Housing suited to meet medical needs of individuals with diabetes and other chronic diseases.

5. Contractors shall provide individuals 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 including AHP referrals.

6. Contractors shall advocate for individuals determined to have SMI who are homeless and those released from Residential Treatment and Board and Care facilities to obtain housing units.
7. Contractors shall 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. Contractors shall develop and make available to the providers policies and procedures regarding specific housing coordination and related requirements.

D. Contractor Monitoring Requirements of Subcontractor

1. The Contractor shall monitor Housing subcontractors through the following activities:
   a. Monitor providers for compliance with federal requirements of the SAMHSA Permanent Supportive Housing Fidelity Monitoring and HUD homeless grants, and
   b. Demonstrate that the Contractor’s staff and provider housing program staff have received training and can demonstrate competency in the following:

   **Clinical and Administrative Managers 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.

   **BHP's, BHT's and BHPP's demonstrate** competency, by passing a posttest after training, in the following areas:

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

   **Provider Case Managers 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 and:

   1. Explain lease requirements and rights of tenancy to Members in language they understand and can act upon.
   2. Visit members and schedule service appointments at their homes consistent with the law.
   3. Determine eviction risk and arrange for skill and or support service assistance to Members in coordination with Housing Providers.
4. Document and involve the Member in investigating complaints originated by the Member or Landlord.

5. Pass a posttest conducted after training and thereafter during routine clinical supervision.

**Housing Specialists and Provider Case Managers demonstrate** 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) or other AHCCCS approved acuity tool by passing a post test conducted after Specialized Training program and thereafter during routine clinical supervision.

**E. 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 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 Continuum of Care (COC). 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.

3. 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 COC Program became effective August 31, 2012 and includes: codifying the COC process; expanding the definition of homelessness; focusing selection criteria more on performance; and requires Contractors to work in collaboration with the Arizona Department of Housing (ADOH), AHCCCS 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.

4. Contractors who administer the federal HUD Housing Choice Voucher Program shall ensure the following:
   a. Tenants pay 30% of their adjusted income towards rent,
   b. Vouchers are portable throughout the entire country after one year,
   c. Permanent housing is obtainable for individuals following program rules,
   d. The program is accessed through local Public Housing Authorities through a waiting list,
   e. Initial screening is conducted by the Public Housing Authority; however, the final decision is the responsibility of the landlord, and

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

The AHCCCS SMI HTF funds the AHCCCS Housing Acquisition and/or Renovation program provides State funding for the purchase and/or renovation of properties (e.g., house, condominium, duplex, apartment, new construction etc.). Eligible non-profit Housing providers work with the RBHA Contractor to locate properties, purchase, and/or renovate them for the use of individuals 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.

1. The following conditions apply:
   a. Contractors shall 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 Contractor (contingent upon available funding),
   b. Contractors shall have prior approval from AHCCCS if the property purchase and related approved costs are to be reimbursed with funds provided through AHCCCS, and For Acquisition and/or renovation of real property purchased by the Contractor’s subcontractors with funds provided by AHCCCS, excluding net profits earned under the Contract, the Contractor must complete the following:
      i. 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 AHCCCCS, and when applicable, a Notice of Real Property Transaction, which shall include the following:

1) Copies of the AHCCCCS 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,

2) The funding source(s) used to purchase the property, specifically whether the purchase is to be made with funds provided through AHCCCCS and/or other matched funds,

3) The financing arrangements made prior to purchase the property,

4) Prior approval from AHCCCCS if the property purchase and related approved costs are to be reimbursed with funds provided through AHCCCCS,

5) 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

6) All other pertinent documents as required by AHCCCCS.

c. AHCCCCS requires that the Contractor adopt the AHCCCCS 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 Contractor and Housing Contractors using State Funds.

d. To obtain the documents specified above contact the AHCCCCS Director of Housing Programs.