Developing Policies and Procedures for Rental Assistance under BHBH

September 25, 2023

DHCS Welcome

Laurice Artap, Unit Chief

Behavioral Health Bridge Housing Section

Behavioral Health Expansion Branch

Community Services Division

Department of Health Care Services

Participant Introductions

» Introduce yourself in the Chat!

- Name

- Agency and/or Organization

- Location

Poll

Goals for Today's Webinar

» **Primary Goal**: Promote understanding of *the required elements* that must be included in Rental Assistance Policies and Procedures under the BHBH Program.

» **Secondary Goal**: Introduce key decision points and sample policies that can be used to inform Policy and Procedure development.

Acronyms

» **BHBH Program**: Behavioral Health Bridge Housing Program (pronounced BB)

» **DHCS**: California Department of Health Care Services

» **HUD**: U.S Department of Housing and Urban Development

» **RA**: Rental Assistance

» **P+Ps**: policies and procedures

Agenda

Welcome and Introductions

BHBH Rental Assistance Overview

BHBH Rental Assistance Policies and Procedures
- Participant Eligibility
- Property Selection
- Calculating Rental Assistance
- Supportive Services
- Fraud, Waste, and Abuse Prevention

Questions and Discussion

Closing

Alex Michel

Meadow Robinson

Alex Michel

- A Senior Policy Analyst at Homebase, where she works with Bay Area Continuums of Care to provide technical assistance, training, and support to communities as they work to advance their capacity to center and address the needs of unhoused community members.
- Her work also includes social justice advocacy serving unhoused communities, advancing houselessness and housing policy, and grassroots organizing throughout Southern California.

Meadow Robinson

- A Senior Directing Attorney at Homebase, where she supports Bay Area communities in their efforts to end homelessness by assisting with grant application and compliance, training design and facilitation, and strategic planning.
- Her work also includes research, data collection, and technical assistance strategy development.

Sherri Downing

Sherri Downing

- A Senior Consultant II for Advocates for Human Potential, Inc. where she manages a portfolio of technical assistance and training contracts related to homelessness and housing
- Her work includes projects focused on Permanent Supportive Housing, Housing First, Harm Reduction, and the issues that lead to and sustain homelessness.
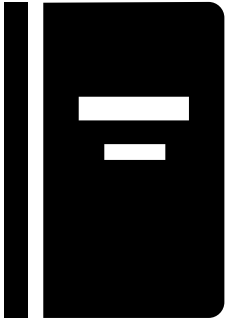
What Is Rental Assistance?

» One of the primary ways of providing housing support for eligible populations.

» Most federal rental assistance is funded by HUD and managed by state and local entities.

- Three major programs — Housing Choice Vouchers, Section 8 Project-Based Rental Assistance, and Public Housing — assist about 84 percent of the households receiving federal rental assistance.

- USDA operates the Section 521 Rural Rental Assistance Program.

- There are other federal, state, and local rental assistance programs.

» Rental assistance consists of rental payments (or subsidies) made to the landlord or property manager on behalf of the tenant in either scattered–site or project-based housing.

» BHBH Program rental assistance may be short- or medium-term.

Getting Started

County BHAs **must** submit policies and procedures to AHP for approval before they can receive BHBH Program rental assistance funds.

DHCS | CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES
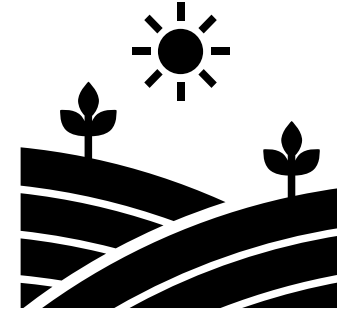
BEHAVIORAL HEALTH Bridge Housing

Requirements and Purpose of P&Ps

- P&Ps will include prevention of fraud, waste, and abuse, and the documentation required for use of Rental Assistance.
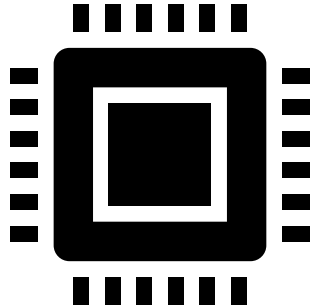
- P&Ps will assist BHAs with running and administering their programs and will help prevent fraud and misuse of funds.

- P&Ps also help BHAs ensure compliance, provide guidance when decisions need to be made, and encourage consistency.

Rental Assistance P&Ps Must Address...

The RFP states that rental assistance P&Ps address six broad categories:

» Calculation of rental assistance

» Clear eligibility requirements for people and units

» Fraud prevention

» Payments to property owners/managers

» Supportive services and resources for those receiving rental assistance

» Access to onsite supportive services

Creating P&Ps

» Creating your policies and procedures must be deliberate and well thought-out.

» Each program decision point will have lasting implications for the program and the people served.

» P&Ps bring uniformity to the program and reduce the risk of unwanted events.

Additional Considerations

» There's no need to reinvent the wheel.

» Are you involved with other rental assistance programs?

» If so, can you leverage what you already know or have in place?

It's a Balancing Act

» Getting people into housing as quickly as possible

» Reducing risk

» Preventing fraud and abuse

DHCS
CALIFORNIA DEPARTMENT OF
HEALTH CARE SERVICES

BEHAVIORAL HEALTH
Bridge Housing
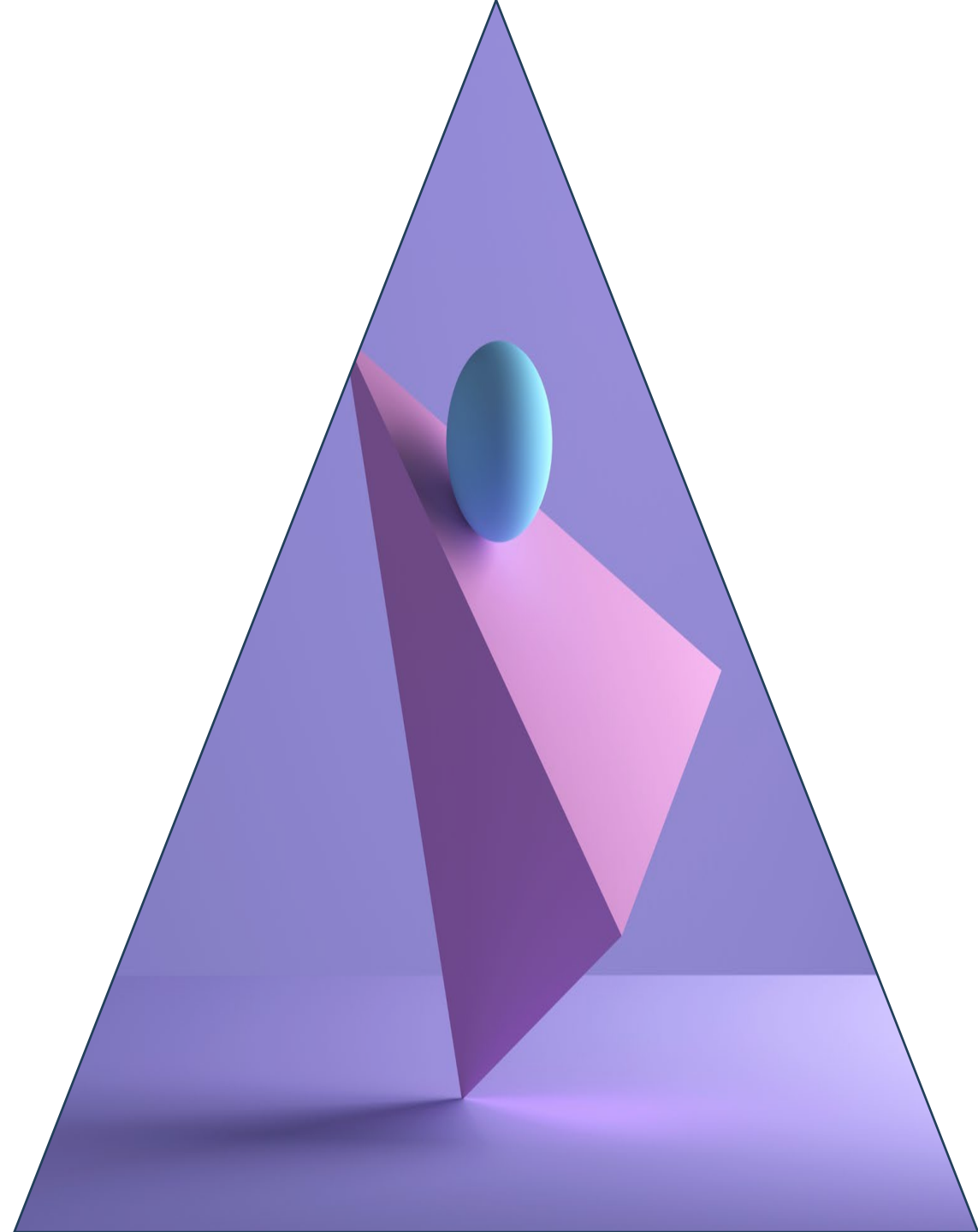
Eligible Rental Assistance Costs

» BHBH rental assistance has more flexibility than other rental assistance programs in terms of housing types.

» Rental subsidies must be combined with easy access to clinical and supportive behavioral health care.

» Payments must be made on behalf of program participants, directly to the landlord or property manager.

BHBH Allows Innovation

- Tiny homes

- Master-leased buildings or units

- Motels/hotels

- Duplexes or large single-family homes

- Scattered site units

- Shared housing

Rental Assistance Policies and Procedures: Required Elements

Participant Eligibility

Participant Eligibility

» Participants must be experiencing **homelessness and** have a **serious behavioral health condition** (serious mental illness (SMI) and/or substance use disorder (SUD)).

» Policies must articulate both the **eligibility criteria and** a clear **process for verification** of participant eligibility.

Homelessness Definition

The definition of people experiencing homelessness is based on the U.S. Department of Housing and Urban Development (HUD) definition of "homeless," with the following modifications:

» If exiting an institution, people are considered homeless if they were experiencing homelessness immediately prior to the institutional stay, regardless of length of stay.

» The time frame for imminent loss of housing has been extended from 14 days to 30 days.

Participant Eligibility: Homelessness Criteria

» Individual/family lacks adequate nighttime residence.

» Individual/family with a primary residence that is a public or private place not ordinarily used for habitation.

» Individual/family living in a shelter.

» Individual exiting an institution (including incarceration) into homelessness.

» Individual/family who will imminently lose housing in next 30 days.

» Unaccompanied youth and homeless families and children and youth defined as homeless under other federal statutes.

» Individuals fleeing intimate partner violence (page 18, RFA).

DHCS
CALIFORNIA DEPARTMENT OF
HEALTH CARE SERVICES

BEHAVIORAL HEALTH
Bridge Housing

Participant Eligibility: Homelessness Verification

EXAMPLES

» **Third-party documentation** is verification from a person or entity other than the intake staff or person seeking assistance (e.g., HMIS record, referral).

OR

» **Intake or outreach worker observations** must identify the intake worker making the observations and must be signed and dated as true and complete.

AND

» **Self-certification** from the person seeking assistance.

Program Decision Point
Which methods of verification will your program use?

DHCS
CALIFORNIA DEPARTMENT OF
HEALTH CARE SERVICES

BEHAVIORAL HEALTH
Bridge Housing

Serious Behavioral Health Condition

1. The individual has one or more of the following:

- Significant impairment.

- A reasonable probability of significant deterioration in an important area of life functioning.

- A need for Medi-Cal Specialty Mental Health Services (SMHS) regardless of presence of impairment (for individuals under age 21).

AND

The individual's condition, as defined in a, b, and/or c, is due to either of the following:

- A diagnosed mental and/or substance-related or addictive disorder, according to the current edition of the DSM and ICD.

- A suspected mental and/or substance-related or addictive disorder that has not yet been diagnosed.

OR

2. The individual has **at least one** of the following:

- At least one diagnosis from the current edition of the DSM for substance-related and addictive disorders, except for tobacco-related and non-substance-related disorders.

- At least one suspected diagnosis from the current edition of the DSM for substance-related and addictive disorders, except for tobacco-related and non-substance-related disorders.

OR

3. The individual is a CARE Program participant, regardless of whether they meet the criteria in (1) or (2).

Participant Eligibility: Serious Behavioral Health Condition Verification

1. **Written diagnosis of the serious behavioral health condition by a professional** (clinical or medical) licensed by the state to diagnose and treat identified condition

2. **Written documentation from the Social Security Administration** (SSA) of the behavioral health disorder

3. **Observations of serious behavioral health symptoms recorded by intake staff** within days of application for assistance and accompanied by the verification above

Eligibility Policy Example

The XYZ County Behavioral Health Agency (BHA) Behavioral Health Bridge Housing (BHBH) Program will use the following strategies to verify eligibility for its BHBH Program, which are listed in order of preference.

Homelessness

» *Third-party documentation* **OR**
» *Intake or outreach worker observations* **AND**
» *Self-certification*

Note: Observations must identify the intake worker making the observations and must be signed and dated as true and complete. Self-certification should identify the individual or head of household providing the self-certification, be signed, and dated with a statement that it is true and complete, verified, and signed by the intake staff.

Serious Behavioral Health Condition

» *Written diagnosis* of the serious behavioral health condition by a professional
» *Written documentation* from the Social Security Administration (*SSA*)
» Observation of serious behavioral health symptoms recorded by intake staff

Note: Observations should be documented in writing, signed, and dated with a statement that it is true and complete, verified and signed by the intake staff. Self-certifications should be signed, and dated with a statement that it is true and complete, verified, and signed by the intake staff.

Property Selection

1. Housing Unit Standards

» Policies must articulate:

- What constitutes acceptable housing quality for use in the BHBH Program.

» Assessing units to determine eligibility means ensuring that they meet the Emergency Solutions (ESG) habitability standards for permanent housing and when possible and as applicable, should meet CoC Housing Quality Standards (HQS).

Program Decision Point
What standards will your BHBH Program use for unit inspections/eligibility?

2. Unit Eligibility Documentation

» Documentation of unit compliance with minimum standards should include documentation of the unit's habitability (e.g., description and pictures) and/or inspection reports and evidence unit as described is available for this individual's residency.

» Policies must articulate:

- The actions that will be taken if conditions change or there is reason to believe the unit would no longer pass inspection.

- Whether the requirements are the same for short-term and mid-term, and if there are differences, they should be articulated in the policy.

Program Decision Point
Determine whether eligible units for use in short- or mid-term rental assistance are the same, or if there are fewer requirements for the short-term units.

3. Inspections

» Inspections are not required by BHBH Program prior to move-in. County BHAs may require them.

» County BHA must have access for inspections and policies regarding procedures for inspecting units.

» Reasons for inspection may include:

  • Minimum housing quality

  • Housing access and confirmation that the individual receiving BHBH support has access to the unit as described

» For more information, see: ESG Emergency Shelter and Permanent Housing Standards and Codes and Standards.

Program Decision Point
What is the process for inspecting units?

Calculating Rental Assistance

Calculating Rental Assistance

» Policies must articulate:

1. **Duration of payments** (short- or mid-term) – *How long will the program offer rental assistance?*

2. **Use of Rent Reasonableness (RR) or Fair Market Rent (FMR)** as the limit on how much rent can be paid for a given unit – *What standard will the program use to determine maximum rent for a unit?*

3. **Rental Amount/Participant Contribution** – *How much rental assistance will the program provide? Will the Participant be required to contribute?*

4. **Payments are made on behalf of participants and documented**

1. Duration of Payments

» **Short-term** (less than 90 days) rental assistance

» **Mid-term** (90 days to 2 years, with the possibility of a 1-year extension) rental assistance.

Program Decision Point
Determine the maximum number of months of rental assistance available through your program.

DHCS
CALIFORNIA DEPARTMENT OF
HEALTH CARE SERVICES

BEHAVIORAL HEALTH
Bridge Housing

Considerations - Duration of Payments

» **Considerations**

- **Vulnerability of population program is serving**

    - What model would result in better engagement with services/case management staff?

- **Availability of next permanent housing option**

    - Can the participant transition in place?

    - Is there PSH or other voucher programs available?

- **Suitability of housing type**

    - Would short-term stays be more suitable within the housing type (e.g., tiny homes)?

- **Desired outcomes: number of participants served (by year)**

    - How does the term of the rental assistance program (and associated turnover rate) compare with the number of people the program aims to serve?

2. Rent Reasonableness or Fair Market Rent

Rent Reasonableness (RR)

» Rent for assisted units must be reasonable compared to rents paid for unassisted units: In a similar location, of a similar size, quality, and amenities.

» Benefits of RR

   » Ability to pay higher rent (in most cases)

Fair Market Rent (FMR)

» HUD-established estimate of gross rent

» Based on a standard calculation and updated annually

» Benefits of FMR:

   • Standardized, doesn't require additional paperwork

Program Decision Point
Choose to
use RR **or** FMR

Rent Reasonableness vs. Fair Market Rent Riverside-San Bernardino-Ontario

2023	Efficiency Apartment/Studio	1-Bedroom Apartment	2-Bedroom Apartment or House	3-Bedroom Apartment or House
Reasonable Rent	$1,456	$1,809	$2,210	$2,852
Fair Market Rent	$1,281	$1,398	$1,751	$2,376

Recommended steps before making a policy decision:
1. Visit the HUD FMR webpage, review the FMRs for your program area.
2. Use Zillow, Craigslist, and other sources to compare three similar units to get a sense of the Rent Reasonableness standard in your program area.
3. Compare and determine which payment standard amount better serves your program.

Rent Reasonableness: Checklist Example

- Links to checklist examples:
  - HUD Sample Form 1
  - HUD Sample Form 2

RENT REASONABLENESS CHECKLIST AND CERTIFICATION

24 CFR 574.320 (a)(3) Rent reasonableness. The rent charged for a unit must be reasonable in relation to rents currently being charged for comparable units in the private unassisted market and must not be in excess of rents currently being charged by the owner for comparable unassisted units.

	Proposed Unit	Unit #1	Unit #2	Unit #3
Address				
Number of Bedrooms				
Square Feet				
Type of Unit/Construction				
Housing Condition				
Location/Accessibility				
Amenities Unit: Site: Neighborhood:				
Age in Years				
Utilities (type)				
Unit Rent Utility Allowance Gross Rent				
Handicap Accessible?				
Most Recently Charged Rent For Proposed Unit		Reason for Change		

FMR or RR in Shared Housing Policy Example

Sample Policy: Calculate the rental portion for the individual/family. Determine both the **FMR or RR**/Payment Standard for the family unit size (the number of bedrooms allowed) AND the family's pro-rata share based on the number of bedrooms occupied in the shared space. The allowable rent is capped at the lesser of FMR/Payment Standard or pro-rata share.

- **Example (using FMR)**

  - John rents one room in Steve's three-bedroom house, and shares common areas (living room, kitchen, bath). Steve charges John $400 per month including utilities. ⬜

  - The FMR/Payment Standard in the area for a three-bedroom unit is $1,200 per month. The FMR/Payment Standard for a one-bedroom unit is $525.

  - John's total maximum allowable rent would be the lesser of:

    - The pro-rata share of one-third of $1,200 = $400

    - The one-bedroom FMR/payment standard = $525

  - John may rent this unit because he is being charged $400 for rent and utilities, which, in this example, is the same as the pro-rata share.

3. Rent Amount/Participant Contribution

» Counties may offer **shallow subsidies up to a specific dollar amount** or choose to use **a formula based on a contribution of BHBH participant income**.

» If BHBH Programs require that **participants with income contribute towards their rent, the BHBH Program must determine the protocols for participant contribution**.

Program Decision Point
Will the program use income as a basis for rent contribution or use a set dollar amount?

DHCS
CALIFORNIA DEPARTMENT OF
HEALTH CARE SERVICES

BEHAVIORAL HEALTH
Bridge Housing

Participant Contribution: Examples

1. The participant will pay a **fixed percentage of the rent** (e.g., 25 percent of the monthly rent or $540 of a monthly rent of $1,800) while engaged in the BHBH Program. (not income-based)

2. The participant will pay a **fixed amount toward rent** (e.g., $650/month regardless of total rent cost) while engaged in the BHBH Program. (not income-based)

3. The participant will pay a **fixed percentage of their gross or adjusted gross income** (e.g., 30 percent of their income). If a participant has <u>no income</u>, there is **no expectation that the participant will pay any portion of the rent**. (income-based)

Participant Contribution: Not Income-Based Scenarios

» BHBH Program unit costs $1,800.

- **Scenario #1**: If client contribution is based on **fixed percentage of the rent** (e.g., 25 percent), participant will pay $450/monthly rent.

- **Scenario #2**: If client contribution is based on a **fixed amount toward rent** (e.g., $650/month), participant will pay $650/monthly rent.

DHCS
CALIFORNIA DEPARTMENT OF
HEALTH CARE SERVICES

BEHAVIORAL HEALTH
Bridge Housing

Participant Contribution: Income-Based Scenarios

» **Income-Based Scenario #1**: Participant Jane Doe has a monthly adjusted gross income of $500.

- If policy uses a **fixed percentage of participant income** (e.g., 30 percent of income) to calculate participant contribution, Jane Doe would pay a fixed amount of $150/monthly rent.

- Implication for program: Determine income verification procedures.

» **Income-Based Scenario #2**: Participant Jane Doe has no monthly income

- If policy uses a **fixed percentage of participant income** (e.g., 30 percent of income) to calculate participant contribution, Jane Doe would pay $0/monthly rent.

- Implication for program: Determine income verification procedures.

4. Payments Made on Behalf of Participants and Documented

» BHBH Programs must make payments directly to owners or managers on behalf of BHBH participants and must document those payments.

» Policy Considerations:

- <u>Process</u> — Electronic or hard copy payments?

- <u>Documentation</u> — What elements should be included for adequate tracking?

  - E.g., address of the unit, name of the eligible household member, total amount of rental assistance, the period covered, dates payments were disbursed, transaction/check number, and payment address.

DHCS | CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES | BEHAVIORAL HEALTH Bridge Housing

Supportive Services

Supportive Services

» BHBH Program requires that rental assistance programs have **policies for provision of supportive services and housing navigation services** to assist participants and potential participants.

» **Engagement and Access to Behavioral Health Services**

- Progressive engagement and removing barriers to access behavioral health services.

» **Supportive Services**

- Examples of supportive services may include peer support, employment assistance, transportation assistance, and group and individual activities that promote a sense of purpose and community participation.

Housing Navigation - Required

» BHBH rental assistance is short and mid-term in length.

» All BHBH participants **must have access to housing navigation services**.

» Housing navigation may be provided to access housing using BHBH rental assistance **AND** for accessing long-term affordable Housing Navigation Services.

- Assist people find, move into, and retain ongoing affordable housing.
- Eliminate or reduce the impact of personal housing barriers such as criminal records, poor credit, or prior housing judgments due to eviction.
- Assist with transportation needs, application fees, and/or utility payments.

Supportive Services and Housing Navigation: Policy Example

The XYZ County Behavioral Health Agency (BHA) Behavioral Health Bridge Housing (BHBH) Program will ensure that voluntary housing navigation and supportive services are available to assist BHBH Program participants. The XYZ BHA BHBH Program will provide supportive services as requested to individuals receiving rental assistance, including assistance to remove barriers and help obtain longer-term rental assistance or other affordable housing. XYZ will also ensure that participants have access to onsite supportive services at the housing site or through a home visit component.

Supportive services for people receiving BHBH rental assistance will be coordinated with existing systems of care and will not supplant services provided through alternative existing funding sources. BHBH Program funds will be used for supportive services as the funding source of last resort.

Note: Services covered by Medi-Cal cannot be paid for with BHBH Program funding. BHBH funds cannot be used as a match for Medi-Cal services. Counties must leverage Medi-Cal to the greatest extent possible, through use of California Advancing and Innovating Medi-Cal (CalAIM) programs including Enhanced Care Management, as well as the housing-related community supports.

Fraud, Waste, and Abuse Prevention

Fraud, Waste, and Abuse Prevention

» The BHBH Program requires that rental assistance programs have policies in place for fraud prevention, including **regular audits and clear documentation of all payments made using BHBH Program funds**.

» Fraud prevention is accomplished by implementing **policies and protocols designed to detect, deter, and resolve deceitful or inappropriate use of funds**. Part of this equates to making sure there is comprehensive documentation of revenue and expenses. Policies and protocols are also needed that will work to prevent fraud, abuse, and waste.

Fraud, Waste, and Abuse Prevention:
Policy Example

The XYZ County Behavioral Health Agency (BHBH) Program is committed to preventing fraud, waste, and abuse from occurring and to developing an anti-fraud culture. To achieve this, the BHA and the Program will comply with the requirements of Government Accounting to develop and maintain effective controls to prevent fraud, waste, and abuse.

The BHA and the Program will ensure that if fraud occurs, a vigorous, prompt investigation will take place. The BHA and the Program will take appropriate disciplinary and legal actions in response to fraud, including the possibility of termination, restitution, and forwarding information to authorities for potential prosecution.

Fraud, Waste, and Abuse Prevention:
Policy Example cont'd

To curb and prevent waste and abuse, the BHBH Program has established an accounting system that includes the following accounting record elements:

» *Chart of accounts: A list of account names and the numbers assigned to each.*

» *Cash receipts journal: A chronological listing of when funds were received, in what amounts, and from what sources.*

» *Cash disbursements journal: A chronological listing of how much was paid, when, and to whom.*

» *Payroll journal: A chronological listing of payroll amounts, benefits, and payroll taxes.*

» *General journal: A record of all non-cash transactions.*

» *General ledger: A comprehensive depiction, with details by account, of the activities recorded in each account of an organization. Entries transferred to the general ledger are cross-referenced to the applicable subsidiary journal or supporting documentation to permit tracing of any financial transaction, thereby creating what is called an audit trail.*

Fraud, Waste, and Abuse Prevention:
Policy Example cont'd

The XYZ County Behavioral Health Agency (BHA) Behavioral Health Bridge Housing (BHBH) Program has established a Monitoring and Compliance Process that ensures compliance with BHBH Program rules and requirements. Monitoring will occur for BHBH Program and any subrecipients. Monitoring will include the following elements:

» **Risk Assessment**: *This process provides the basis for developing a monitoring strategy. This includes identifying how each grantee will be monitored, establishing a schedule that reflects recipient needs, indicating a method of monitoring (desk audit or on-site program monitoring), describing the monitoring scope (program, finance, both) and projected time for completion.*

» **Desk Audit**: *Desk audits are focused examinations of documentation and financial systems surrounding the BHBH Program. They are usually conducted virtually. Desk audits facilitate and produce an evaluation of the recipient's capacity to manage the award. Desk reviews can also serve as a preliminary step before an on-site visit takes place.*

» **On-Site Program Monitoring**: *Site visits typically occur at the recipient's office or program location, although they can be done virtually if there are scheduling or traveling issues. Site visits are used to review recipient capacity, performance, and compliance. They provide the monitoring agency with access to offices and facilities, documentation, financial records, physical assets, written policies and procedures, audit compliance records, and internal controls.*

» **Corrective Action**: *In cases where areas of concern are identified, the monitoring entity will develop and enforce a corrective action plan with sub-grantee agencies. Corrective action plans clearly outline the concern or finding, site the regulation, and define action steps needed to correct identified issues.*

DHCS | CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES

BEHAVIORAL HEALTH Bridge Housing

Questions?

Poll

Behavioral Health Bridge Housing Resource Library

BEHAVIORAL HEALTH BRIDGE HOUSING PROGRAM

FOUNDATIONS FOR SUCCESS

KICKOFF LEARNING COLLABORATIVE

FOR

CALIFORNIA COUNTY BEHAVIORAL HEALTH AGENCIES

10.17.2023 - 10.20.2023 | VIRTUAL

SAVE THE DATE

DHCS BEHAVIORAL HEALTH Bridge Housing

Registrations Open This Week!

Schedule, Speakers, and Topics will be sent out this week along with a Registration Link.

DHCS CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES | BEHAVIORAL HEALTH Bridge Housing

Real Estate Office Hours

Starting Oct 2, 2023

Mondays 1pm – 3pm

Thursdays 11am – 12pm

25 min sessions