

**STATE OF CONNECTICUT
DEPARTMENT OF DEVELOPMENTAL SERVICES**

Procedure No: I.C.PR.002

Subject: Community Based Housing Subsidy Program

Section: Services and Supports

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Effective Date: Upon Release

A. Purpose

This procedure establishes a process by which individuals may participate in the Community Based Housing Subsidy Program, which assists persons with developmental disabilities to meet the housing costs attributable to the rental of a community-based residence.

B. Applicability

Any person who is eligible for residential services provided by the Department of Developmental Services and who does not have sufficient income from (earned and unearned sources) and assets to pay for his or her total housing costs may be eligible to receive a community-based housing subsidy. Persons who have assets that exceed Department of Social Services (DSS) asset limits for recipients of state supplement or incomes that exceed HUD Section 8 very low-income limits are not eligible to receive community-based housing subsidies. New housing subsidy applicants will be added based on the availability of current year funding.

C. Definition

Client: This refers to a person admitted to, or authorized by, the Department of Developmental Services to receive residential services funded or partially funded by the Department of Developmental Services.

Capacity: This refers to a level of intellectual functioning, understanding, memory and judgment sufficient to enable a person to understand the nature and effects of his acts relative to a particular transaction.

Housing Costs: This refers to those costs normally attributable to the acquisition, retention, use and occupancy of a subsidized community based residence including, but not limited to:

1. rent or other periodic payments for use and occupancy
2. security deposits
3. utilities
4. insurance
5. costs related to "routine" maintenance and repair

Program participant: This refers to a client who is certified to participate in the community-based housing subsidy program.

Related Party: Related Parties means persons or organizations related through marriage, ability to control, ownership, and family or business association. Past exercise or influences of control need not be shown. Only the potential or ability to directly or indirectly exercise influence or control needs to exist.

D. Implementation

1. Application For Community-Based Housing Subsidy Program Process (commonly referred to as the DDS rent subsidy program)
 - a. The Community-Based Housing Subsidy program may be considered after all other funding options that assist people with developmental disabilities to pay monthly housing costs have been pursued

including HUD Section 8. After the residence is secured, the DSS state supplement (cash assistance) will be obtained if the client is eligible.

- b. A Regional Director (or designee) shall determine the appropriateness of providing a community-based housing subsidy to support the person to meet his or her housing costs and if there is housing subsidy funding available.
- c. Support staff shall assist any eligible person(s) to complete an application to receive a community-based housing subsidy.
- d. The Regional Director (or designee) must review and approve all applications to the Community-Based Housing Subsidy program.
- e. A new application must be completed each time an individual on the Community-Based Housing program moves, even when moving into a residence that was previously approved for subsidy.
- f. Housing subsidy is available for individuals who live in a location that meets the requirements of the Community-Based Housing Subsidy Program. The program cannot guarantee a housing subsidy for individuals who are already living in a location that has not gone through the application process and been approved for housing subsidy.

2. **Certificate of Participation**

All recipients of community-based housing subsidies must have a Certificate of Participation in place to certify that the person is authorized by the Regional Director to receive a housing subsidy. Copies of the Certificate of Participation should be distributed to the recipient, the landlord, and the Commissioner and a copy should be maintained in the recipient's Community-Based Housing Subsidy file. The distribution of the Certificate of Participation to the landlord requires written authorization of the consumer or personal representative.

3. **Eligible Residences**

A community-based housing subsidy may be used to support a person to live in any home that adheres to the following:

- a. Consumer must view and participated in the decision to approve a residence
- b. The home must meet state and local fire and safety standards.. Safety requirements include, but are not limited to: hard wired smoke detectors on every level and in or near each bedroom, ground fault circuit interrupter (GFCI) outlets within 6 feet of a water source, adequate escape routes such as exits, operable windows, single motion door locks (see Housing Safety Inspection section).
- c. Residential structures that may be subsidized under the Community-Based Housing Subsidy program include, but are not limited to: single, two or three family homes, duplexes, apartments, condominiums, and mobile homes.
- d. Residences that have more bedrooms than the number of persons who live in the home and share the housing expenses are not allowed. For example, one person may not rent a two or three bedroom apartment. Exceptions may be granted by the assistant regional director based on the specialized needs of the subsidy recipient. Any exceptions must be documented on the application along with the rationale for the exception.
- e. In the event that a person moves out and there are more bedrooms than the number of people living in the location, DDS and the provider will make every effort to find a new roommate. If a roommate can not be found before the lease is up, the client will need to find a new apartment. If a new apartment is not found, the provider will be responsible to pay for the missing roommate's share of the housing costs unless an exception is approved by the region.

- f. Clients who need an extra bedroom because they have a child will need to be granted an exception by the assistant regional director.
- g. Family members who own the building that is rented to the client will need to be granted an exception by the assistant regional director.
- h. Private Providers, who plan to have an office in a client's apartment, must first get approval from the region and will incur associated costs as agreed to by the region.
- i. Property owned or sublet by private support providers or a consumer's family member requires adherence to the department's Related Party Ethics Protocols, and approval by the Deputy Commissioner.
- j. The rent or other periodic payments for use and occupancy of the home must be 130 percent or less than the fair market rent for the area as established by the Department of Housing and Urban Development (HUD). Fair market rents, as defined by HUD, include the cost of rent and basic utilities. Basic utilities include: heat, hot water, electricity, and cooking fuel.
- k. The Commissioner may grant an exception based on a written request by the Regional Director that demonstrates one of the following:
 - i) Higher housing costs in the area based on a review of at least two comparable properties. The housing costs of the proposed residence must be within 10 percent of the comparable properties.
 - ii) An inability to meet the specialized needs of the eligible person in housing that is within the cost guidelines and evidence that the housing costs of the proposed residence are within 10 percent of at least two comparable properties in the area.

4. Housing Safety Inspection

- a. Each provider is responsible for conducting a safety inspection of the proposed housing prior to the individual moving in. The homes must comply with state and local fire and safety requirements. The provider must complete the rent subsidy property inspection checklist and submit it to the regional rent subsidy coordinator. DDS will be responsible for the inspection and completion of the checklist for individuals who self-direct their services and hire their own staff. Rent subsidies cannot be approved until safety deficiencies are corrected. Persons who currently reside in their own homes and who become eligible to receive a community based housing subsidy must have their home inspected and approved prior to the receipt of a housing subsidy.
- b. Current housing subsidy recipients who move to a new residence must complete a new application and have the new residence inspected and corrections completed before the consumer can resume receiving a housing subsidy. DDS or the provider agency support staff need to make arrangements in a timely manner to ensure that the consumer's housing subsidy continues uninterrupted. If an inspection and corrections are not made, the consumer cannot receive a housing subsidy.
- c. The regional designee will notify the provider, through written correspondence of any improvements or modification that are required to bring the home/apartment up to safety requirements. Any recommended improvements to rental property are the responsibility of the landlord. When modification(s) of the home/apartment to comply with safety requirements are completed it will be the agency's responsibility to provide written certification (signed by the Executive Director for the private sector) or (by a DDS manager for the public sector) that the work has been completed, and/or a regional staff person may visit the site to verify that the work was completed.

5. Financial

- a. Subsidy Amount

- i) The monthly housing subsidy for most recipients equals the person's total monthly housing costs less than 45 percent of his or her adjusted monthly income. Wages are adjusted by a disregard of 20 percent.
- ii) For people who are not working, unearned income is reduced by a 10 percent disregard.
- iii) The minimum after rent income for subsidy recipients is \$400 and the maximum after rent income is \$600. Exceptions are recipients of state supplement benefits from DSS. These persons are eligible for a housing subsidy equal to the difference between their total monthly housing costs and their DSS shelter cost allowance
- iv) All persons who receive a community-based housing subsidy must make a financial contribution towards their monthly housing costs. If entitlements are not in place after 2 months, projected entitlement amounts will be used in the calculations until actual entitlements are secured. Adjustments will be made to correct any over or under payments.
- v) In cases where a person's regular source of income is disrupted, the person may receive a full housing subsidy that covers their total monthly housing costs until an additional source of income is in place. Any full housing subsidies that extend beyond two consecutive months must be approved by the Regional Director or designee. If entitlements are not restored after 2 months, projected entitlement amounts will be used in the calculations until actual entitlements are secured. Adjustments will be made to correct any over or under payments.

b. Security Deposits

- i) Subsidy recipients who have sufficient assets to pay their share of a required security deposit should pay the deposit out of personal funds.
- ii) After pursuing all other resources, persons who do not have sufficient assets to pay a required security deposit on rental property may apply to the Community-Based Housing Subsidy Program for assistance to pay the security deposit (availability based on current years funding).
 - (a) Security deposits must be returned to the department within a period of up to three years of date of receipt. A repayment schedule will be determined by the region.
 - (b) Security deposits may be returned in monthly or lump sum payments. The balance of any security deposit funds owed to the department must be returned in a lump sum payment whenever the security deposit is refunded to the subsidy recipient or the person becomes ineligible to receive a housing subsidy.
 - (c) Regional staff should maintain a copy of the application form and records of returned security deposit funds in the subsidy recipient's Community-Based Housing Subsidy file.
- iii) In cases where funds to secure a rent are needed on short notice, the person may request an advance from regional funds established to support persons with a developmental disability who live in the community. These funds should be reimbursed when the person receives the first month's housing subsidy payment.

d. Outstanding Security Deposits

- i) Subsidy recipients are responsible for repairs or payment of the cost of any repairs necessary due to damages beyond the normal wear and tear of a subsidized residence.
- ii) Any portion of the security deposit withheld by the landlord or rental agent due to damages to the residence is the financial responsibility of the subsidy recipient.
- iii) The recipient is responsible for reimbursing the housing subsidy fund for any portion of the security deposit that was paid with housing subsidy funds and withheld due to damages unless the assistant regional director determines that the person does not have sufficient income or assets to reimburse the housing subsidy account and cannot be held responsible for damages caused to the residence.

6. Subsidy Maintenance

a. Income Verification Form (IVF)

Community-Based Housing Subsidy Program regulation requires submission of IVF (which verify both income and housing costs) at least monthly

All income verification forms must be submitted by the 10th of each month. Appropriate backup documentation is required for all requests for reimbursement and must be attached to the IVF. The program reimburses for current monthly charges. Back-up documentation for utility bills must include a breakdown of monthly charges. The program does not reimburse for past due balances.

At the discretion of the regional Community-Based Housing Subsidy Program, proof of earned and unearned income may need to be attached to the IVF. Proof may include but is not limited to pay stubs, entitlement paperwork and banks statements.

If support staff is negligent in making timely submission of this required paperwork, the region may withhold funding. Failure to submit an IVF for three consecutive months will result in a loss of subsidy for the individual and he/she will be required to submit a new application. Community-Based Housing Subsidy Program staff will review the situation that led to the failure to submit the IVF before restarting the rent subsidy. Restarting the rent subsidy will be subject to the availability of the current years funding.

b. Allowable Housing Costs

Costs that may be subsidized include, but are not limited to, the following:

- i) Rent or other periodic payments for the use and occupancy of the residence, including monthly payments for mutual housing and limited equity cooperatives
- ii) Security Deposits
- iii) Utilities including heat, hot water, electricity, gas, water, and sewage
- iv) Personal liability insurance coverage
- v) Costs relating to routine maintenance and repair of the residence such as refuse and snow removal and lawn care. Refuse removal is included in DSS award under the category of "other miscellaneous needs" and should not be included in DDS subsidy for DSS recipients.

c. Payment of Periodic Housing Costs

Housing subsidy recipients who do not have sufficient income or assets to pay for periodic housing costs, including maintenance and repair of the home or annual insurance premiums may receive an adjusted subsidy to cover these periodic housing costs. The adjusted housing subsidy payment shall be documented on the Income Verification form or Computation form and reviewed by the Assistant Regional Director (or designee).

d. Liability Insurance

All persons who receive a community-based housing subsidy shall have a minimum of \$100,000 in personal liability insurance. DDS will not reimburse yearly costs in excess of \$120 for personal property and liability insurance. Insurance policies must be renewed yearly and submitted for the Community-Based Housing Subsidy Program's files.

d. Leasing

- i) If a lease is required to secure rental housing, the regional director shall make a determination regarding the recipient's capacity to execute the lease. This determination may be made based on the recommendations of the person's interdisciplinary team.

- ii) A subsidy recipient who is determined to have the capacity to execute a lease may sign the lease on his or her own behalf. If the person is determined to lack the capacity to execute a lease or if a guardian or conservator has been appointed, arrangements must be made for the lease to be signed by the guardian or conservator or another party who is not an employee of the State of Connecticut.
- iii) The State Of Connecticut, the Department of Developmental Services, and any of its employees shall have no responsibilities as lessees or any other interest in property that is subsidized under the Community-Based Housing Subsidy Program.
- iv) All subsidized residences must be occupied within 45 days of the effective date of the lease.
- v) Leases will be renewed on an annual basis unless a different time period is agreed to by both parties. If a lease is not required, the program requires that a rental agreement be obtained that identifies but is not limited to the address, rental amount, who is responsible for the utilities and the time span of the agreement. Copies of a signed lease and or rental agreement must be submitted for the Community-Based Housing Subsidy Program's files.
- vi) In the situation where a housing subsidy recipient moves to a new location that may result in overlapping leases, that individual can only receive a rent subsidy for one location in a month.

E. References

Connecticut General Statutes, Section 17-218(c)
Regs. Conn. Agencies – DDS, Sections 17a-218-1 through 17a-218-7

F. Attachments

Attachment A: Community-Based Housing Subsidy Program Application
Attachment B: Rent Subsidy Property Inspection