

## Office of Health Transformation **Increase Access to Housing**

### **Governor Kasich's Budget:**

- *Sustains recent increases in state funding to support affordable housing.*
- *Prioritizes federal, state and local housing resources for at-risk populations.*
- *Enables more Ohioans to avoid entering an institution unnecessarily.*
- *Establishes an Ohio Housing Trust Fund reserve.*

### **Background:**

For people with severe and persistent mental illness or substance use disorders, individuals with developmental disabilities, and older adults with cognitive and physical health limitations, access to stable, affordable housing is often the key factor in being able to live in the community and avoiding long term institutional care. It is about more than having a roof overhead – an array of housing supports is required. Across this spectrum, some people may require group settings with higher levels of on-site supervision and support, others with moderate needs may be able to live in an apartment but with support available on premises, and many need only rental assistance and the availability of community based services.

Significant investments have already been made for housing for special populations, but significant gaps remain. Opportunities exist within state administered housing programs to better target resources to people with disabilities, and Medicaid expansion provides opportunities to free up resources within the behavioral health system to better assure housing needs are met. Aligning resources in this manner will help close housing support gaps for people who are homeless or at risk of homelessness, and avoid unnecessary and expensive placements into nursing homes and other long-term care facilities, hospitals and prisons.

### **First Four Years:**

Over the past four years, much has been done to expand access to safe and affordable housing. Nearly all of the initiatives described below required significant partnership among the Ohio Housing Finance Agency, Development Services Agency, the Interagency Collaborative on Housing and Homelessness, the Ohio Department of Mental Health and Addiction Services (MHAS), and other Office of Health Transformation cabinet agencies.

- ***Exceeded HOME Choice goals.*** In 2008, Ohio Medicaid established a program to Help Ohioans Move, Expanding Choice (HOME Choice) with a goal to transition 2,000 residents of institutions into home and community-based settings. As of 2014, more than 5,000 people have achieved greater independence through HOME Choice, and

Ohio's program currently ranks first nationally in transitioning individuals with mental illness into community based settings and second in overall in transitions completed.

- ***Assisted individuals with mental illness who want to leave institutions.*** MHAS created the [Recovery Requires a Community](#) program to provide state resources that will enable people diagnosed with serious mental illness who are in an institutional setting and wish to live in the community to do so. Recovery Requires a Community is not a permanent housing subsidy but, in combination with HOME Choice, can act as a transitional bridge until other options are available. It can be used for housing assistance, debt elimination, supplemental independent living assistance and other services a person needs to remain in a community setting. The program is meant to “fill the gap” when no other resources can meet the need of the individual. Since it was created in July 2013, 214 Ohioans have returned to the community with support from Recovery Requires a Community.
- ***Provided additional rent subsidies to keep Ohioans out of institutions.*** MHAS administers the [Residential State Supplement](#) (RSS) subsidy program to help prevent premature or unnecessary institutionalization by supplementing a person's income, paying monthly allowable fees (or “rent”) for accommodations, supervision, and personal care services at eligible community residences (Adult Care Facilities, Adult Foster Homes, Residential Care Facilities and Assisted Living). Approximately 89 percent of RSS recipients have a mental health diagnosis, and 19 percent are over age 60. Governor Kasich's 2015 mid-budget review allocated an additional \$7.5 million to expand and improve the RSS program. In addition, MHAS provided RSS [Quality Payment Program](#) payments directly to operators of facilities that house RSS residents to improve the quality of care in the facility and promote community integration.
- ***Linked residents of adult care facilities to mental health and addiction services.*** MHAS created an [Incentive Program](#) that provides a cash supplement to licensed Adult Care Facility/Adult Foster Home operators that facilitate linkage of the homes' residents with local mental health or substance use disorder providers as needed. In 2014, there were 315 homes that provided housing for 5,880 clients who benefit from this initiative.
- ***Assisted adult care facilities make critical repairs.*** Funding from the [Ohio Housing Trust Fund](#) was used to assist eligible, licensed Adult Care Facilities with structural and life safety repairs. In 2012, the Ohio Housing Finance Agency and Ohio Housing Trust Fund managed by Development Services Agency provided \$1 million to assist 114 facilities make structural and life safety repairs to improve the quality of the living environment. The [Ohio Housing Finance Agency](#) allocated an additional \$300,000 in 2013 that provided funding to 36 more facilities to complete structural and life safety repairs.
- ***Added recovery housing beds.*** In 2015, MHAS provided \$10 million in funding to strengthen and expand housing options for Ohioans in recovery from addiction. The funding, comprised of \$5 million in operating funds set aside in the 2015 mid-budget review and \$5 million appropriated in the 2015-2016 Capital Budget, is helping to

increase Ohio's [Recovery Housing](#) capacity by nearly 660 beds and provide technical assistance for Ohio's emerging [recovery housing network](#).

- ***Provided supportive housing for prisoners reentering the community.*** The Ohio Department of Rehabilitation and Corrections expanded funding for the Returning Home Ohio program. This program provides stable supportive housing in selected counties for individuals reentering the community from prison who have a serious mental illness and are homeless or at risk of homelessness. A study of the program by The Urban Institute found a significant increase in the participation in and use of behavioral health services, while also finding a decrease in rates of recidivism.
- ***Piloted housing subsidies for individuals involved in mental health courts.*** As part of the Attorney General's Task Force on Criminal Justice and Mental Illness, \$215,250 was awarded to expand the Home for Good program. In partnership with the Ohio Housing Finance Agency, the award created a pilot to offer rent subsidy to individuals involved in mental health courts in Hamilton County. In addition, Ohio Medicaid awarded \$415,000 for Hamilton and Cuyahoga counties to pilot using HOME Choice for eligible individuals with criminal backgrounds that make it difficult to use other housing subsidies.

### **Executive Budget Proposal and Impact:**

The Executive Budget continues the Kasich Administration's commitment to increase access to affordable housing as a strategy to avoid unnecessary institutional placements, and to support Ohioans who take personal responsibility to restore their lives, contribute to a community, and move out of poverty. Over the next two years, the Governor's Offices of Health Transformation and Human Services Innovation will align federal, state and local resources to support housing and employment efforts for priority populations, including those with behavioral health disorders, involved with criminal justice system, at risk of entering an institution, and transition age youth. Working together, the state agencies and community partners will:

- ***Sustain funding for Residential State Supplement enrollment.*** MHAS will continue its efforts to improve the RSS program, consistent with recommendation made by a [legislative review panel](#). Specifically, MHAS will work to improve the quality of RSS housing, streamline program management, and reduce disparities in the level and quality of services provided to RSS residents. The Executive Budget provides \$15.0 million in both 2016 and 2017 to sustain the RSS program at current levels.
- ***Expand recovery housing capacity.*** The Executive Budget provides \$2.5 million in both 2016 and 2017 to increase the state's recovery housing capacity. The investment builds on progress made in 2015 by providing start-up funds for capital operating costs as additional recovery residences are established throughout Ohio.

- **Increase job opportunities and supports for youth at risk of homelessness.** The federal Workforce Innovation and Opportunity Act (WIOA) provides funding to help job seekers access employment and support services to succeed in the labor market. A portion of WIOA funds (15 percent) are set aside in the Governor’s Discretionary Fund to carry statewide employment and training activities for youth, adults, and dislocated workers. A critical focus for these funds in Ohio will be to support at-risk youth ages 16-24 as they transition to adulthood and employment. A portion of WIOA discretionary funds will be used to support these youth in permanent supportive housing as they gain employment. In addition, the Ohio Departments of Job and Family Services and Mental Health and Addiction Services will partner to improve training for home/housing providers and youth services providers about the special needs and risks of transitional age youth.
- **Pilot a subsidy for housing providers that support low-income persons with disabilities.** Ohio Medicaid will use \$1 million annually from existing federal Money Follows the Person funds to increase the supply of housing for persons with disabilities living below 18 percent of the area’s gross median income. Ohio Medicaid will partner with the Ohio Housing Finance Agency to provide five years’ worth of Project Based Rental Assistance to developers who increase the supply of Americans with Disabilities Act (ADA) accessible units in affordable housing developments from 10 percent (the current requirement to receive Low Income Housing Tax Credits) to 25 percent of total units. The purpose of the subsidy is to fill the gap between a 50-percent Low Income Housing Tax Credit unit rent and 30 percent of the tenant’s gross income. During the five year pilot, Ohio Medicaid will work with the Office of Health Transformation to seek additional funding for this type of rental subsidy through other state agencies.
- **Establish an Ohio Housing Trust Fund reserve.** The Ohio Housing Trust Fund (OHTF) was established in 1991 to serve housing needs for Ohio’s military veterans, senior citizens, people who are homeless, people with disabilities, and working families. Since 2003, the Ohio Housing Trust Fund has been supported by a fee tied to documents recorded at the county level up to a maximum annual appropriation of \$50 million. The Executive Budget amends the OHTF statute to create a \$15 million reserve fund for the trust fund with fees received above the \$50 million cap. Once the \$15 million reserve amount is reached, any additional revenues would revert to the GRF. The reserve will be used to fill the gap in years when revenues fall below \$50 million.
- **Provide outreach and supportive services to chronically homeless individuals.** MHAS was awarded a \$3.6 million through a federal Cooperative Agreement to Benefit Homeless Individuals (CABHI) in 2014 to provide programming and services for individuals who are chronically homeless. MHAS will leverage these funds to support existing Projects for Assistance in Transition from Homelessness (PATH) in Hamilton, Cuyahoga, Franklin, Montgomery and Summit counties. The goal is to reach 820 participants in these programs over the next three years.

- ***Provide supportive housing for individuals with disabilities.*** Early in 2015, the federal government will announce funding awards to states for Supportive Housing for Persons with Disabilities (HUD Section 811 grants). If Ohio is awarded funds, OHFA and Ohio Medicaid will coordinate with other state agencies and local partners to develop and subsidize rental housing with the availability of supportive services for low-income adults with disabilities.
- ***Designate Development Services to Administer National Housing Trust Fund Program.*** The National Housing Trust Fund (NHTF) provides revenue to build, preserve, and rehabilitate housing for people with the lowest incomes. Ohio is expected to receive up to \$25 million from this source in 2015. Governor Kasich will designate the Development Services Agency to administer the NHTF program in Ohio, and the Ohio Housing Finance Agency will participate as a sub-grantee to allocate the program dollars.
- ***Expand Medicaid benefits that support beneficiaries remaining in stable housing.*** Ohio Medicaid will seek a state plan amendment under section 1915i of the Social Security Act to provide a special waiver program for adults with SPMI with income up to 225 percent of poverty (300 percent of the Federal Benefit Rate) who are not eligible under another Medicaid category and who meet diagnostic and needs assessment criteria established by the state. The purpose of the waiver is to protect these individuals from changes in disability determination (see Simplify Eligibility Determination) that otherwise might cause them to lose benefits. The creation of the waiver creates an opportunity to identify home and community based services needed by this population, including certain housing supports under the 1915i authority.

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