



# NC DEPARTMENT OF **HEALTH AND HUMAN SERVICES**

Olmstead / Transitions to Community Living

## **Transition to Community Living Housing Guidelines**

Effective 10/24/2022

Current Version 4/28/2025

## Revision Summary

Date	Revision Version	Revision Type	Comments
12/1/2018	1.0.0	Minor	Transition of Bridge Housing Transitional Program funding from North Carolina Housing Finance Agency (NCHFA) to Local Management Entities-Managed Care Organizations (LME-MCOs) <ul style="list-style-type: none"> <li>Documentation of transition date for historical purposes</li> </ul>
4/4/2019	1.0.0	Major	Updated Community Living Assistance (CLA) Process <ul style="list-style-type: none"> <li>Definitions and limitations for CLA ongoing or CLA temporary</li> <li>Included Active application with other entitlements requirement</li> <li>CLA funding should not be used for guidance updated</li> <li>Minor updates in CLA sections</li> </ul>
4/4/2019	1.0.0	Major	New Bedroom Size Policy <ul style="list-style-type: none"> <li>Process to request waiver</li> <li>Limits to waiver requesting larger units</li> <li>Automatic denial of waiver</li> </ul>
10/2022	1.0.0	Major	Transition Year Stability Resource (TYSR) Funds <ul style="list-style-type: none"> <li>Update in cost of eligible items</li> <li>Expanded to cover re-housing cost</li> </ul>
10/2022	1.0.0	Major	Transition to Community Living Voucher (TCLV) Voucher Calculation <ul style="list-style-type: none"> <li>Increase in allowable rental rate</li> <li>Yearly Fair Market Rent (FMR) Comparison</li> </ul>
10/2022	1.0.0	Major	Risk Mitigation Tools <ul style="list-style-type: none"> <li>Tenancy preservation</li> </ul>

10/2022	1.0.0	Minor	Bridge Housing <ul style="list-style-type: none"> <li>Increased weekly cost</li> </ul>
11/15/2022	1.0.0	Minor	TYSR for Rehousing-Incentive Plan
11/15/2022	1.0.0	Major	Live In Aide language
8/29/2024	1.0.0	Minor	Small Area FMR <ul style="list-style-type: none"> <li>Identified how to find</li> </ul>
8/29/2024	1.0.0	Minor	Security Deposit language

8/29/2024	1.0.0	Major	Risk Mitigation updates <ul style="list-style-type: none"> <li>Increased from \$3000 to \$3500</li> </ul>
8/29/2024	1.0.0	Minor	Tenant out of housing language <ul style="list-style-type: none"> <li>Minor edits</li> </ul>
8/29/2024	1.0.0	Major	<i>National Standards for the Physical Inspection of Real Estate</i> (NSPIRE), Housing Inspections and Quality assurance checks
8/29/2024	1.0.0	Minor	CLA language update
8/29/2024	1.0.0	Minor	TYSR language update on restricted items to purchase and clarified TIP rehousing
8/29/2024	1.0.0	Major	(b)(3) Community Transitions Funding and 1915(i) Community Transitions Funding
8/29/2024	1.0.0	Minor	Subsidy reimbursement Language
2/19/2025	1.0.0	Major	TYSR documentation requirements <ul style="list-style-type: none"> <li>Page 14</li> </ul>
2/19/2025	1.0.0	Major	CLA documentation requirements and clarification of minor benefits in calculation <ul style="list-style-type: none"> <li>Page 17</li> </ul>
2/19/2025	1.0.0	Major	TCL position on Multi-Unit Assisted Housing with Services (MUAHS) <ul style="list-style-type: none"> <li>Page 13</li> </ul>
2/19/2025	1.0.0	Minor	Bridge Housing Guidance <ul style="list-style-type: none"> <li>Page 21 – Clarified services and support expectations</li> </ul>
2/19/2025	1.0.0	Minor	Registered Nurse / Occupational Therapist (RN/OT) Evaluator Team task clarification <ul style="list-style-type: none"> <li>Page 24-25</li> </ul>
4/28/2025	1.0.0	Major	Removed b(3) funding guidance <ul style="list-style-type: none"> <li>Page 18</li> </ul>
4/28/2025	1.0.0	Major	Added information from Community Living Voucher Program Portal (CLiVe) guidelines regarding rent increases <ul style="list-style-type: none"> <li>Page 29</li> </ul>
4/28/2025	1.0.0	Minor	Added clarifying language for Emergency Housing Funds <ul style="list-style-type: none"> <li>Page 19</li> </ul>
4/28/2025	1.0.0	Minor	Added clarifying language for CLA and calculating minor benefits <ul style="list-style-type: none"> <li>Page 16</li> </ul>

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## **Purpose and Use of Guidelines**

The TCL Housing Guidelines provide a blueprint for implementing, funding, and operationalizing the housing component of the Department Of Justice (DOJ) Settlement Agreement for access to community-based supportive housing. This manual serves to support Local Management Entities-Managed Care Organizations (LME-MCOs) staff or staff employed under contract with the LME-MCO to take adequate steps to assist individuals with housing slot numbers in transitioning to safe, quality, and sanitary housing in the community.

## **Transitions to Community Living (TCL) Overview**

On August 23, 2012, the State of North Carolina signed a Settlement Agreement with the United States Department of Justice (DOJ) concerning community integration of individuals with severe mental illness (SMI) and severe and persistent mental illness (SPMI) in or at risk of entry into adult care homes. As outlined in the Department of Justice Settlement Agreement, the State has agreed to 1) develop and implement effective measures to prevent inappropriate institutionalization and 2) provide adequate and appropriate public services and supports identified through person-centered planning in the most integrated setting appropriate to meet the needs of individuals with SMI or SPMI. The response initiative in North Carolina is known as Transitions to Community Living (TCL) which provides eligible adults living with serious mental illnesses the opportunity to choose where they live, work, and play in North Carolina. This initiative promotes recovery through providing long-term housing, community-based services, supported employment and community integration.

## **Affordability: Rental Assistance and Vouchers**

Transitions to Community Living offers several mechanisms to provide access to affordable housing and rent assistance to individuals with income as low as Supplemental Security Income (SSI). The Transitions to Community Living Voucher (TCLV) is the most common mechanism used. The TCLV provides rent assistance to assist people with behavioral health disabilities to either be diverted from, or transition out of restrictive settings, so that they can live in the community of their choice. TCLV is not an entitlement program. Approvals and payments are based on available funding. For more detailed information about TCLV, see TCLV Assistance section on page 7.

Other rental assistance used to support individuals in Transitions to Community Living include but are not limited to the following:

- Project Based Rental Assistance (PBRA) is rental assistance attached to a property and therefore an individual must apply directly with the property to receive the assistance. Examples of PBRA are -
  - Key Rental Assistance, state funded rental assistance only available to properties participating in the Targeting Program.
  - Project-Based Section 8
  - Rural Development Rental Assistance
- Tenant Based Rental Assistance (TBRA) is rental assistance that is portable, and the individual may apply to any rental housing of their choice, as long as the landlord will agree to accept the voucher and meet certain program conditions. Examples of TBRA are -

- HUD Continuum of Care Program
- HUD Housing Choice Voucher (Section 8)
- Veterans Administration Supportive Housing Voucher (VASH)
- Emergency Housing Voucher
- Mainstream Voucher

## **Transitions to Community Living Voucher (TCLV) Assistance**

Transitions to Community Living Voucher is state TBRA for eligible TCL participants. TCLV is not an entitlement program and approvals/payments are based on available funding.

TCLV subsidy pays the difference between the tenant portion of rent and the actual unit rent, up to 120% of fair market rent. Fair market rent is determined by HUD. Permissible rent is capped at 120% fair market rent unless there is an approved waiver from NCDHHS. Subsidy amounts that exceed 120% fair market rent require waiver approval by NCDHHS.

The minimum required TCLV subsidy amount per TCL individual is \$100 regardless of tenant rent calculation.

The minimum required tenant rent share is \$100 regardless of tenant rent calculation.

The TCLV subsidy pays additional monthly rent fees for necessities (including trash and pest control) if these fees do not cause the rent amount to exceed 120% fair market rent. However, the TCLV subsidy cannot pay for additional monthly fees for non-necessities (including pet deposits, cable/internet, and washer/dryer).

If a household signs a lease for a housing unit that exceeds 120% of fair market rent without prior approval by NCDHHS, the household and LME-MCO must assume responsibility for the full amount of rent in order to continue leasing the unit. NCDHHS will not reimburse the LME-MCO for the unit.

## **FMR Waiver Request**

A waiver request is only required when the total monthly rental amount exceeds 120% of the fair market rent. The waiver must be approved by NCDHHS prior to tenant signing lease or moving into a unit. The FMR Waiver process is automated in CLIVE, and the waiver justification must include the following details in order to be considered:

- Affordable housing options reviewed with TCL participant and reason(s) for non-acceptance.
- Targeted Units reviewed with TCL participant and reason(s) for non-acceptance.
- Negotiation strategies with landlords to lower requested rental amount.

## **Locating FMR**

Federal law requires that HUD publish final FMRs for use in any fiscal year on October 1 – the first day of the federal fiscal year (FY). FMRs for each fiscal year can be found by visiting HUD’s website at <https://www.huduser.gov/portal/datasets/fmr.html> and clicking on the current “FY20XX FMR Documentation” link toward the middle of the page. This page allows individuals to search for FMRs by selecting their state and county from the provided list. Clicking on “Next Screen” allows individuals to view the current and previous year FMR for the county/metropolitan statistical area (MSA).

## **Locating Small Area FMR**

In metropolitan areas, HUD defines Small Areas using ZIP codes within the metropolitan area. Using

ZIP codes as the basis for FMRs provides tenants with greater ability to move into “Opportunity Neighborhoods” with jobs, public transportation, and good schools. They also provide for multiple payment standards within a metropolitan area, and they are likely to reduce the need for extensive market area rent reasonableness studies. HUD hopes that setting FMRs for each ZIP code will reduce overpayment in lower-rent areas.

Small Area FMRs for each fiscal year can be found by visiting HUD’s website at <https://www.huduser.gov/portal/datasets/fmr/smallarea/index.html> and clicking on the current “FY20XX FMR Documentation” link toward the middle of the page. This page allows individuals to search for FMRs by selecting their state and county from the provided list. Clicking on “Next Screen” allows individuals to view the current and previous year FMR for the county/metropolitan statistical area.

### **Security Deposits**

The Subsidy Administrator will pay all security deposits on behalf of individuals with a Transition to Community Living Voucher. Security Deposit funds will be deposited in an account specified by the owner/management agent, who is responsible for transferring the security deposits into the appropriate trust account to comply with North Carolina Real Estate Trust Account law. The security deposit will revert to the tenant upon move out and settlement of the security deposit disposition. In the event of damages or unpaid rent, the security deposit will be used as a first line of payment to satisfy the balance, and if fully used, will not be returned to the member.

### **Tenant Portion of Rent Calculation**

The tenant portion of rent for a TCL individual is 25% of their monthly gross household income. The size of the rental unit (1BR, 2BR, etc.) is not a factor in the tenant’s rent portion. If an individual’s income is \$0, the \$100 minimum tenant portion can be paid through Special Assistance – In Home or Community Living Assistance (see page 16). The tenant rent portion should never exceed 25% of income. If it does exceed 25% due to subsidy portion exceeding fair market rent, LME-MCOs may request a waiver for a maximum subsidy override.

### **Tenant Portion of Rent Calculation with Other Household Members**

If a TCL individual has a spouse who is not a TCL individual, then the *Tenant Household Composition and Income Summary form* should include combined household income for the purpose of tenant rent and subsidy calculation. This form is located in CLIVE, under the resources, reference documents section.

If the spouse is also a TCL individual, then the Tenant Household Composition and Income Summary form should not include combined household income. For the purpose of tenant rent and subsidy calculation, spouses are treated as roommates with an individual record and housing slot number for each person — Each record has only the individual’s income and half of the rent.

### **TCL Roommates**

If a TCL individual has one or more non-spouse TCL roommates, the actual unit rent will be divided equally among roommates prior to calculating TCL voucher(s). The individual’s income is not combined with the income of their roommate(s). Only the TCL individual’s income is entered into CLIVE.



## **Non-TCL Roommates**

TCL individuals may choose to live with individuals who do not participate in the program. The individual(s) who do not participate in TCL must have sufficient resources to pay for an equal share of the actual unit rent. This includes TLC individual's adult (18+ years old) children.

Program guidelines exclude a TCL individual's minor children from this requirement. NCDHHS must approve any other exception.

## **Tenant Out of the Housing for 90+ Days**

Transition to Community Living strongly encourages tenants to seek appropriate medical care and treatment and recognizes that tenants may experience extended hospital stays or other extended absences. However, the TCLV guidelines treat a failure to reside in housing and disconnection of utilities for a period exceeding 90 consecutive days as a program policy violation that may lead to termination of Housing Assistance Payment (HAP) if there is no plan for the tenant to return to the unit in a reasonable amount of time.

If a tenant is out of housing for more than 90 consecutive days with a plan to return, a NCDHHS waiver request is required. The waiver request must be made at 30-day increments until tenant returns to unit. The waiver request must include the reason(s) subsidy payment should continue and how the utilities will be maintained during this period to meet Housing Quality Standards.

As a best practice, LME-MCO will ensure the following steps are completed for the landlord/property management company to regain possession of the housing unit.

1. LME-MCO or assigned team member should complete a walk-through of the unit looking for hazards including -
  - Is the stove turned off?
  - Are electronics unplugged?
  - Do fire hazards exist?
  - Is food left out?
  - Does refrigerated food need to be thrown out?
  - Does the tenant have a pet that needs to be removed?
2. LME-MCO or assigned team member should work with tenant to request that the landlord permit an early termination of the lease and return keys if possible. When the tenant has left possessions in the unit, apply the NC Landlord-Tenant Law regarding tenant abandonment. Click [https://www.ncleg.net/enactedlegislation/statutes/pdf/bychapter/chapter\\_42.pdf](https://www.ncleg.net/enactedlegislation/statutes/pdf/bychapter/chapter_42.pdf) for more information regarding landlord tenant law.

The TCL or TCLV program does not pay for removal of possessions and cleanup. Reimbursement for removal of possessions or cleanup might be available to the landlords through the TCLV special claims process if the expense is more than the security deposit.

### **Note:**

The move-out date entered in CLIVE should be the date the tenant gives verbal or written notice of relinquishment of possession of the premises OR date known by LME-MCO tenant is no longer paying rent/disconnected utilities, confirmation from guardian tenant is not returning to the unit.

## **The Preferred Unit Size and Cost**

The preferred unit size for a TCL individual is a one-bedroom unit. Units exceeding one bedroom per household member require a waiver from NCDHHS. If multiple TCL participants choose to live in a unit together, the preferred unit size is one bedroom per participant. Units exceeding one bedroom per TCL individual will require a waiver from NCDHHS. If a one- or two-bedroom unit cannot be identified for a single person household and a waiver for a 3+ bedroom unit must be requested, the request must:

- Be approved by the LME-MCO TCL or Housing Manager.

**AND**

- Not exceed 120% of the 2BR FMR for that county.

## **Live-in Aides**

An individual participating in TCL may require a live-in aide. NCDHHS uses the following definition of a live-in aide for the TCLV Program. A live-in aide is an individual who meets all the following criteria:

- Resides with one or more elderly individuals, near-elderly individual(s), or individual(s) with disabilities.
- Is determined to be essential to the care and well-being of the individual(s).
- Is not obligated for the support of the individual(s).
- Would not be living in the unit except to provide the necessary supportive services to a specific individual.
  - The live-in aide was not part of the household prior to receiving program assistance.
  - There is no other reason for the aide to reside in the unit (e.g., the individual can demonstrate they have a previous residence they left in good standing). (A spouse, domestic partner and the like cannot be a live-in aide because of this requirement.)
  - The aide and the individual maintain separate finances.

A relative of the tenant who was not part of the household prior to the tenant receiving TCL housing assistance may serve as a live-in aide if that relative: 1) meets all the above requirements and 2) completes live-in aide affidavit and verifications forms.

Generally, live-in aides, whether they are a relative of the tenant or not, may not bring other family members with them to live in the unit. NCDHHS may allow exceptions on a case-by- case basis. In these situations, NCDHHS approval for any additional family member(s) to live in the unit must be obtained prior to adding the live-in aide to the household. One additional bedroom, to be shared by the live-in aide and any NCDHHS-approved family member(s), is allowed; however, NCDHHS may approve the tenant to have more than one extra bedroom in limited circumstances; further documentation may be required.

The live-in aide qualifies for occupancy only as long as the individual needing supportive services requires the aide's services and remains a tenant. Live-in aides do not qualify for continued occupancy if these two requirements are not met.

Property management companies/landlords are encouraged to use lease addendums that deny occupancy to live-in aides after the tenant is no longer living in the unit. The addendum must

establish that a live-in aide is not eligible to remain in the unit once the tenant moves out, regardless of the circumstances of the tenant's departure. The live-in aide addendum may give the property manager the right to evict a live-in aide who violates any of the lease terms. The Live-in Care Attendant Affidavit and Live-in Care Attendant Verification form are available in CLIVE.

The screening of live-in aides at initial occupancy, and added to the household after initial occupancy, involve the same screening activities. Live-in aides should be screened for the same criteria established for other applicants except for criterion regarding the ability to pay rent on time because live-in aides are not responsible for rent payments.

Live-in aides are not considered household members when calculating total gross household income. Under TCL guidelines, however, live-in aides are considered household members when determining the unit size the household is eligible for and the FMR.

### **Deceased Head of Household (Single Person Household)**

Housing Assistance payments (HAP) will continue for up to 30 days after landlord reports the deceased to LME-MCO, assuming notification is timely, and landlord has gained possession of the unit. The maximum 30-day grace period allows time for the deceased's family to remove the individual's belongings from the unit.

After the death of tenant, as a best practice the steps below should be followed to ensure the landlord/property management company regains possession of the unit:

1. LME-MCO and/or provider should look for hazards including:
  - Is the stove turned off?
  - Are electronics unplugged?
  - Do fire hazards exist?
  - Is food left out?
  - Does refrigerated food need to be thrown out?
  - Does the tenant have a pet that needs to be removed?
2. LME-MCO should submit death certification and return keys if possible.
3. If there is no family to remove tenant's possessions in the unit, apply the NC Landlord- Tenant Law regarding tenant abandonment. Click [https://www.ncleg.net/enactedlegislation/statutes/pdf/bychapter/chapter\\_42.pdf](https://www.ncleg.net/enactedlegislation/statutes/pdf/bychapter/chapter_42.pdf) for more information about landlord tenant law.

Landlord may file a special claims request for any other eligible expenses associated with the death of the tenant/move out; however, death of a tenant does not constitute abandonment of unit. LME-MCOs may seek approval from NCDHHS for reimbursement of HAP beyond 30 days if the unit has not been placed in lawful possession of the landlord/property management company. For more detailed information on risk mitigation claims, see Risk Mitigation Claims section starting on page 26.

#### **Note:**

The move-out date entered in CLIVE should be the date the tenant is no longer living in the unit.

### **250 Unit Exception Policy**

Housing units within the settlement agreement are expected to be scattered site housing, where no more than 20% of the units in any development are occupied by individuals with a disability known to the State, except as set forth below, which is referred to as the 250 exception:

1. Up to 250 Housing Slots may be in disability-neutral developments, that have up to 16 units, where more than 20% of the units are occupied by the individuals with a disability known to the State.
2. More than four tenants with a disability known to the State will be residing in the housing location. i.e., a 10-unit apartment complex with five tenants with a disability known to the State; a five-plex with all units occupied by tenants with a disability known to the State.

### **Individual Housing Review Criteria**

To qualify for the 250 exception in rental housing, NCDHHS housing staff would assess the housing unit for the requirements above as well as the following criteria:

- Desired residence of the prospective tenant, with all rights of tenancy.
- May not require participation in services as a condition of tenancy, to obtain housing, or to receive rental subsidy.
- Current documentation that the unit has passed a standard HQS inspection or, after Oct 1, 2024, the Physical Inspection of Real Estate (NSPIRE) standards. Have NCDHHS approval, documented through the standard waiver process.

### **Housing Development Review Criteria**

To qualify for the 250 exception in housing developed using Community Living Housing Funds, Integrated Supportive Housing Program Funds, or other housing developed utilizing State funding, NCDHHS housing staff would assess the new or proposed housing development by the threshold 250 exception criteria (above) as well as the following criteria:

- Receipt of financing commitment from Community Living Housing, Integrated Supportive Housing, or other capital funding from NCHFA.
- Vicinity and accessibility of the housing development to health care and supportive services, transportation, groceries, etc.
- Receipt of written support of the respective LME-MCO's TCL Manager. This written approval of support shall include documented plans for services, supports, referrals, etc.
- Shall be operated as deeply affordable rental housing with some type of rental subsidy to ensure that the disabled household is charged 25-30% of their income toward rent.
- Shall execute a lease with the disabled household offering full rights of tenancy.
- Shall not require participation in services as a condition of tenancy, to obtain housing or to receive rental subsidy.
- Have NCDHHS written approval.

## **New Housing Inspection Standards as of October 1, 2025**

HUD's Real Estate Assessment Center (REAC) assists in improving housing quality by performing accurate, credible, and reliable assessments of HUD's real estate portfolio. REAC's primary mission is to

provide our customers with independent, actionable assessments that advance risk-informed decisions about the condition of the nation's affordable housing portfolio.

The new *National Standards for the Physical Inspection of Real Estate* (NSPIRE) model prioritizes health, safety, and functional defects over appearance. It implements inspections that better reflect the true physical condition of the property. The NSPIRE model supports the adoption of sound, year-round maintenance practices.

HUD's approach to standards development follows a clearly defined core set of principles: people-centered design, a focus on efficiency, science-based rationales, continuous collaborative improvement, and streamlined operations (HUD.gov, accessed 2/1/2024, [https://www.hud.gov/program\\_offices/public\\_indian\\_housing/reac/nspire](https://www.hud.gov/program_offices/public_indian_housing/reac/nspire))

Beginning October 1, 2025, NCDHHS will require a passed inspection utilizing the NSPIRE inspection tool and checklist. LME-MCOs will ensure that all inspectors (internal or external) are trained in this model and certified to complete NSPIRE inspections.

## **Housing Inspections Quality Control for TCLV Tenancies**

Each LME-MCO is required to ensure that each tenancy can pass inspection (either via current Housing Quality Standards or future NSPIRE standards) and that the individual is able to live in a safe tenancy. NCDHHS has partnered with the Housing Collaborative to complete quality assurance checks regarding inspections completed by LME-MCOs or their designated inspectors. The Housing Collaborative will complete at least five (5) quality assurance checks per LME-MCO, per month. Tenancies which fail to meet passing standards on the quality assurance checks will be staffed internally with NCDHHS and the respective LME-MCO staff to address the concerns and ensure the tenancies are able to pass inspection.

## **Discharge Settings from Adult Care Home or State Psychiatric Hospital**

The Department does not support discharges from Adult Care Homes (ACHs) or State Psychiatric Hospitals (SPHs) to Multi-Unit Assisted Housing with Services (MUAHS). MUAHS are not licensed adult care homes or licensed assisted living facilities and are not inspected or monitored by state or county regulatory agencies. A listing of MUAHS can be found on the Division of Health Service Regulation (DHSR) at <http://info.ncdhhs.gov/dhsr/acls/multiunitfac.html>.

While individuals may choose to reside in these settings, the intent of the TCL program is for individuals to be in permanent supportive housing in their own homes or apartments in the community. If this is a member's preference, it is expected that they can make an informed decision and that the LME/MCO transition team would need to ensure that all additional supports in the community are presented (i.e. bridge, enhanced bridge, etc.)

## **Overview Transition Year Stability Resource (TYSR) Funds**

TYSR funds are intended to support individuals when moving to community-based supportive housing. TYSR funding is only available during a person's transition year and must not be identified/used as part of a person's ongoing support plan.

TYSR is modeled after the Money Follows the Person Transition Year Stability Funds Demonstration Service. TYSR is not an entitlement program and approvals/payments are based on available funding. TYSR funding will provide reimbursement for up to \$2,500 per person for one-time start-up costs such as:

- Basic cell phone if Lifeline is not available (not to exceed \$100)
- Basic small appliances
- Basic Television (not to exceed \$250)
- Essential furnishings (Bed, mattress, sofa, etc.)
- Household items (towels, sheets, dishes, etc.)
- Moving expenses (truck rental, movers, one-time gas card purchase of up to \$50, etc.)
- One-time non-utility hookups
- Utility deposits

TYSR funding is intended to be flexible to adequately meet a person's specific living needs. If an individual has a specific transition need that is not clearly outlined above, the LME-MCO is encouraged to ask for clarification. The individual should review his or her budget and prioritize expenses to maximize the benefit of the TYSR funds. If the funds are not sufficient, the individual is encouraged to seek assistance from other organizations. Access to any remaining funds can be used to facilitate a necessary move, as determined by the LME-MCO, and approved by NCDHHS, within the one-year period.

Reimbursements for TYSR are subject to meeting documentation requirements established by NCDHHS. Items without documentation as to the purpose and payment may be denied for reimbursement. NCDHHS retains authority over final approval.

### **Documentation Requirements:**

- **Staff are expected to complete the Individual Expense Verification report monthly for each participant receiving assistance through TYSR**
- **All purchases must have a receipt**
- **All receipts must be signed by the participant receiving the assistance,**
- **The Individual Expense Verification reports and all receipts must be kept on file by the TP.**
- **Staff must complete the monthly tracking log to account for all TYSR expenses each month**
- **The tracking log must be submitted to DHHS by the 20<sup>th</sup> of each month**
- **DHHS may conduct a review of documentation minimally quarterly.**

TYSR funding can be accessed once a housing slot number is identified and up to one-year after tenancy is established. All invoices must be submitted and approved by NCDHHS within 30 days of the

one-year time limit. Invoices for TYSR received after this date shall not be paid. The maximum reimbursement for any individual shall not exceed \$2,500.

TYSR funding will not provide for costs such as:

- Gift cards
- Initial Security Deposit\*
- Ongoing living expenses (rent, utility bills, cable bills, etc.)
- Recreational electronics (DVD/Blu-ray players, smartwatches, wireless headphones, video game consoles, etc.)
- Previous debt, judgments, or liens

*\*Additional security deposit due to rehousing within the one-year timeframe, as approved by NCDHHS, is an acceptable use of any remaining TYSR funding if no other funding source is available.*

All tangible items (furnishings, etc.) acquired using this funding become the personal property of the participant.

### **TYSR for TCL Performance Plan**

For LME-MCOs meeting eligibility requirements for the Transitions to Community Living Performance Plan, up to \$2,000 is available for each participant for support in re-housing to community-based supportive housing.

*\*The maximum number of persons eligible for this assistance per year is 70 across all LME-MCOs. These funds are separate from TYSR and there is no timeline associated with length of time in program applicable. Each LME-MCO receives a specific allocation for their portion.*

### **Community Living Assistance Payments (CLA)**

CLA is intended to assist individuals who do not qualify, or have not yet qualified, for Special Assistance – In Home (SA-IH) – to assist with ongoing community living health and safety expenses, including rent. CLA is not an entitlement program and approvals/payments are based on available funding.

CLA support can begin on or after the individual has moved into the community. CLA payments can be classified into two categories of funding:

1. Ongoing CLA, exceeding four months, because the individual is not qualified for SA-IH when he/she is not living in an Adult Care Home. Ongoing CLA is considered income in the rent payment calculation if it is the only source of income after four months from initial move-in and the Subsidy Administrator must enter an interim income recertification tenancy update in CLIVE to ensure that the Housing Assistance Payment (HAP) and tenant portion of rent is accurate.

**Note:**

For Targeting/Key if the other income is under \$300 a portion of CLA will be counted to meet the income requirements.

2. Temporary CLA, not to exceed four months, because the individual is changing Medicaid County of origin and/or SA-IH payments are likely to be delayed. Temporary CLA is NOT

considered income in the rent payment calculation.

The combination of the individual's income plus CLA shall not exceed the rate set by the legislature for the SA-IH Program. CLA payments should begin no later than the day the individual moves into supportive housing. CLA may begin once the lease is signed, to assist with the tenant portion of the first month rent. When calculating a member's CLA benefit, income from child support or a minor's SSI is not counted as income as long as these payments are made to the child.

Anyone applying for CLA MUST have an application on file for SA-IH. If the individual is determined not eligible for SA-IH, the LME-MCO shall document the reason and document continued attempts made to gain eligibility. The outcome of a SA-IH application must be documented. If SA-IH is approved, the CLA stops once those payments begin. If there is an overlap of CLA and SA-IH funding, the individual must pay back the excess CLA funds.

There should be an active application or pending appeal for Social Security, Veterans benefits, Survivors and Disability Insurance (RSDI), Railroad Retirement, Black Lung, Worker's Compensation, a union or private employer pension, a civil service pension or other entitlements for which they may be eligible. Failure to apply or appeal denials may result in ineligibility for CLA funding. There should be an update every four months of where the individual is in the application or appeal process for SSDI, SSI or other funding sources. The update should be detailed with dates and an explanation in the comments section of the TCL Economic Worksheet.

CLA is intended to support the individual in a community setting by providing funding to meet health and safety needs including rental assistance for permanent housing, but an individual may, on rare occasions, use his/her CLA funds for temporary housing if necessary. Use of CLA for temporary housing shall be time limited, not to exceed 28 days, and shall require NCDHHS approval every seven days that the individual occupies temporary housing. Justification as to why temporary housing is needed, including evidence of permanent housing efforts, shall be provided in writing at every review. Individuals participating in the Bridge Housing Program are not subject to the NCDHHS approval every seven days as they have been approved for the period they are in the Program. Reimbursements for CLA are subject to meeting documentation requirements established by NCDHHS. Items without documentation as to the purpose and payment may be denied for reimbursement. NCDHHS retains authority over final approval.

Temporary housing can be any creative use of short-term housing when including the following:

- RV rental
- Short-term apartment lease
- VRBO/ Air BNB
- Staying with family or friends.

**Note:** CLA funds for temporary housing should only be used if Bridge Housing or Enhanced Bridge Housing is not available.

CLA funding may be suspended if the individual is away from the program for longer than 90 days. Temporary leave (short term hospitalization, incarceration, etc.) can be granted. If the leave lasts longer than 90 days, the LME-MCO must alert NCDHHS for review of possible termination of CLA



funding.

CLA funding shall not be used for:

- Alcohol, tobacco products or illegal drugs
- Cable bills
- Debt repayment
- Life insurance not designed as irrevocable for burial expenses
- Non-essential home repairs or modifications
- Purchase of automobiles
- Purchase of entertainment items such as televisions, stereos, etc.
- Purchase for others (gifts, bail bonds, etc.)
- Purchase repayment

CLA funding may be suspended or terminated if the individual receiving funding uses the funding for ineligible items or misrepresents income and/or expense information on the CLA worksheet.

**Documentation Requirements:**

- **Staff must complete the Individual Worksheet for any participant receiving CLA assistance.**
- **The worksheet shall be updated on the status of any pending benefits.**
- **Participants that have received benefits and are not experiencing any changes from one month to the next, can be updated once every four months.**
- **The participant receiving CLA assistance and the staff completing the worksheet must sign the worksheet each month.**
- **Copies of the signed worksheets shall be kept on file by the TP**
- **The monthly tracking log must be completed to include all participants receiving CLA assistance each month and submitted to DHHS by the 20<sup>th</sup> of each month.**
- **The monthly tracking log will include information on pending benefits and be updated no less than every four months.**
- **DHHS may conduct a review of documents minimally every four months.**

## **1915(i) Community Transitions Funding**

Community Transition provides funding for a one-time initial setup of expenses for a beneficiary with an I/DD, SMI, SPMI or severe SUD who is transitioning from an institutional or other approved setting, into their own private residence where the beneficiary is responsible for their own living expenses. An institutional or other approved setting can include a state developmental center, community intermediate care facility (ICF-IID), nursing facility, licensed group home, alternative family living (AFL) facility, foster home, adult care home (ACH), State Operated Healthcare Facility, or a Psychiatric Residential Treatment Facility (PRTF). Community Transition can support a beneficiary being diverted from entry into ACHs or any institutional level of care due to preadmission, screening, and diversion efforts, provided that the beneficiary is moving to a living arrangement where the beneficiary is directly responsible for their own living expenses. Funds can be used in conjunction with Transition Year Stability Resource Funding (TYSR) and Money Follows the Person (MFP) start-up funds. Vendors, suppliers and commercial businesses can be paid directly by the LME-MCO as appropriate.

Covered Community Transition items and services are:

1. Security deposits that are required to obtain a lease on an apartment or a home;
  2. Essential furnishings, which can include -
    - A. furniture,
    - B. window coverings,
    - C. food preparation items,
    - D. bed,
    - E. bath; and
    - F. linens.
  3. Moving expenses required to occupy and use a community domicile;
  4. Set-up fees or deposits for utility or service access, including -
    - A. telephone;
    - B. internet;
    - C. electricity;
    - D. heating; and
    - E. water.
  5. Services necessary for the beneficiary's health and safety, such as one-time pest eradication and one-time cleaning prior to occupancy.
- Community Transition must be furnished only to the extent that the beneficiary is unable to meet such expense, or when the support cannot be obtained from other sources or services. The following limitations or requirements apply -
- a. If a beneficiary lives with a roommate, Community Transition services cannot

duplicate items that are currently available.

b. Community Transition may not be provided to beneficiaries on the Innovations Waiver.

c. Community Transition services may not be provided by family members.

d. Community Transition expenses cannot exceed \$5,000.

e. Service is available up to three (3) months in advance of a beneficiary's move to an integrated living arrangement, and up to 90 consecutive days post move in date.

f. Service is only provided to a beneficiary once per five- (5-) year period.

g. Community Transition may not be provided to a beneficiary residing in an Institution for Mental Disease (IMD) regardless of the facility type.

Additionally, 1915(i) Community Transition does not cover the following -

a. monthly rental or mortgage expenses;

b. repairs to a property;

c. regular or recurring utility bills or fees associated with lawn care, property facilities, homeowners' associations;

d. regular or recurring pest eradication;

e. household appliances (exception a microwave);

f. recreational items such as televisions, gaming systems, cell phones, compact disc (CD) or digital video disc (DVD) players and components;

g. food or groceries;

h. care management services or activities; and

i. service and maintenance contracts and extended warranties.

## **Emergency Housing Funds**

Emergency housing funds are part of an allocation to LME-MCOs and are intended to assist with emergency situations for individuals who have a supportive housing slot. Emergency funds are not an entitlement program and approvals/payments are based on available funding.

Emergency funds are to be used for one-time payments in emergency situations for each participant each fiscal year. There is no all-encompassing definition for "Emergency Situation." The LME-MCO is responsible for managing the emergency funds; however, the LME-MCO shall have written NCDHHS approval for expenditures totaling more than \$1,500 for any one individual. These funds can be used for up to an additional \$500 per TCL member for technology purchases as well to preserve a tenancy.

## **Pre-Tenancy Emergency Funding**

Pre-Tenancy Emergency Funding is to be used for one-time payments for barriers identified prior to an individual moving into supportive housing. The fund may only be used for housing related expenses which, if not resolved, will result in the individual being unable to obtain or maintain housing. There is no all-inclusive list to housing barriers. Pre-Tenancy Emergency Funds may be used for items posing a barrier to obtaining/maintaining housing, such as, but not limited to, the following.

- Cost associated with obtaining needed information and documents (government issued ID, birth certification, etc.)

- One-time home preparation such as allergen control, application fee, criminal record check (one), credit check (one)
- Occupational therapy evaluations (not otherwise covered)
- Rehabilitation engineering evaluation and assistive technology (not otherwise covered).

Pre-Tenancy Emergency Funds shall not be used to fund non-housing related barriers including the following.

- Credit card debt
- IRS payments
- Liens
- Past due liabilities
- Previous civil judgments
- Restitution

The LME-MCO can pay up to \$600 for the sole purpose of paying off directly related housing barriers (such as outstanding utility bills resulting in the utility provider refusing to establish new service or prior rents owed resulting in a denied application) which if not paid will prevent the person from moving into a new unit. There must be documentation of the barrier. An LME-MCO must receive a waiver from NCDHHS to exceed the \$600 limit.

### **Post Tenancy Emergency Funding**

Emergencies in which Post Tenancy Emergency Funding may be expended are limited to situations which may result in the individual losing housing within the following 30 days if the situation is not remedied. Post Tenancy Emergency Funding situations may include moving expenses due to loss of housing through no fault of the tenant, remedies for uninhabitable housing (not paid by the landlord and or renter's insurance), unpaid rent due to loss of employment/disability benefits. Post Tenancy Emergency Funding may also be used in time of disaster with a declared State of Emergency and NCDHHS approval.

### **Emergency Funding Documentation**

Reimbursements for Emergency Funding are subject to meeting documentation requirements established by NCDHHS. Items without documentation as to the purpose and payment may be denied for reimbursement. NCDHHS retains authority over final approval.

Emergency funds are not intended to support ongoing needs. Emergency funds do not take the place of TYSR or CLA and are not meant to cover expenditures made in excess of TYSR or CLA limits. LME-MCOs shall not exceed the limit of emergency funds specified in the allocation letter.

### **Bridge Housing Transitional Program**

The Bridge Housing Program provides short-term housing opportunities to individuals participating in the TCL program who are awaiting transition to permanent supportive housing and who are in immediate need of interim housing. The goal of the Program is to increase utilization of integrated, community based, independent housing for TCL participants.

### **Basic Eligibility**

1. The individual must have a documented SMI or SPMI diagnosis.
2. The individual must need immediate housing, discharging from or at risk of entering an adult care home, family care home, State Psychiatric Hospital, or other institutional setting or residing in a place not fit for human habitation/substandard housing/precariously housed.
3. The individual must have an approved initial housing slot prior to accessing the Program.

### **Program Requirements**

1. Services for the individual shall be established prior to the individual moving into interim housing to a high degree of weekly frequency with the majority of those services occurring outside the interim location to expedite housing transition and connect the individual into a support network.
2. The interim location chosen shall have basic food preparation and storage facilities or there will be a plan in place to address how the individual will obtain food.
3. The individual shall be assisted in signing up for CLA and SA-IH.
4. Tenancy supports (Transition Management Services (TMS), Community Support Team (CST), Peer Support, Assertive Community Treatment (ACT), and any other needed support or mental health services shall begin upon the individual entering the Program.
5. The individual should apply for any housing opportunities they may qualify for, including their local Housing Choice Voucher Program, Housing and Urban Development (HUD) Continuum of Care Supportive Housing Program, Veterans Administration Supportive Housing, NCDHHS-funded housing options, etc.
6. Data for the individual in the Program shall be documented in the NCDHHS TCL Database (TCLD) as bridge housing.

### **Timelines**

1. The LME-MCO should be focused on moving the individual into permanent supportive housing within 90 calendar days.
2. The initial period authorized is for up to 90 calendar days of interim housing.
3. Within five days of the 75<sup>th</sup> day, LME-MCO will assess the status and request approval by the 75<sup>th</sup> day if additional time beyond the 90 days will be necessary. If additional time beyond 90 days is needed, the LME-MCO shall request approval from NCDHHS for a one-time extension of up to 30 calendar days.
4. NCDHHS will send notification of the approval/denial within two business days of receipt of the extension request.
5. The funds for the Program shall not be accessed beyond 90 calendar days for each individual episode in the Bridge Housing Program, without permission from NCDHHS.
6. Once an individual moves into supportive housing, the LME-MCO shall immediately cease using Program funds for housing.

### **Allowable Housing Types:**

90-day interim housing can include the following: traditional hotel, extended stay hotel and short-term lease apartment.

### **Note:**

In no event may the LME-MCO use Bridge Housing funds to fund permanent supportive housing.

## **Financials**

1. The LME-MCO can authorize for the base cost of the interim housing up to \$500 per week per individual without additional NCDHHS approval. Any amount over \$500 per week per individual requires a written justification and NCDHHS approval.
2. The LME-MCO will complete and sign the Bridge Housing Program Payment Requisition form upon receipt of the final itemized bill.
3. The LME-MCO will submit the requisition form, all itemized bills with proof of payment and other required documentation (SA-IH Economic Worksheet and Resource Certification Attestation or income verification) to NCDHHS within 30 days of the individual moving into permanent supportive housing or ceasing to be in the Bridge Housing Program, whichever is first.
4. NCDHHS shall process the request for reimbursement within two business days by reviewing all documentation to ensure accuracy and if documentation is incomplete or inaccurate, this timeframe may be extended.
5. LME-MCOs will be reimbursed for the base cost of the interim housing. Additional expenses (such as cell phone, Wi-Fi, technology fees, food, etc.) incurred while at the interim housing locations shall be reimbursed through TYSR funds.

## **Enhanced Bridge Housing**

The Enhanced Bridge Housing model is short-term housing with no pre-determined minimum set stay, and targeted duration of stay up to 180 days; when an individual is transitioning or is being diverted from an institutional setting (e.g. ACH, group home, hospital, etc.) and has agreed to a permanent housing option but could benefit from community inclusion planning and skill building activities due to complex needs (i.e., long-term institutional stays, medically fragile).

## **Basic Eligibility**

1. The individual must be TCL eligible and have a documented SMI or SPMI diagnosis.
2. The individual must need immediate housing, discharging from or at risk of entering an adult care home, family care home, State Psychiatric Hospital, or other institutional setting or residing in a place not fit for human habitation/substandard housing/precariously housed
3. The individual must have an approved initial housing slot prior to accessing the Program.

**AND**

1. The individual is in the process of obtaining permanent housing, but needs assistance and/or extra time for skill-building activities (i.e., managing health status) to better foster their success in the community determined by DLA-20

**OR**

1. The individual needs time to resolve symptomatic behavior through intensive community-based interventions to move in, or be re-housed into permanent housing

## **Timelines**

1. The LME-MCO should be focused on moving the individual into permanent supportive housing within 180 calendar days.
2. Within five days of the 165<sup>th</sup> day, the LME-MCO will assess the status and request approval by the 165<sup>th</sup> day.
3. If additional time beyond 180 days is needed, the LME-MCO shall request approval from NCDHHS for a one-time extension of up to 30 calendar days including the following:
  - Date entered Bridge Housing Program
  - List of Rental Subsidies applied (application dates, denials, pending status)
  - Support Services referrals (status and dates)
  - Unique situation needing to be addressed / Challenges (actions, status, and dates)
  - Re-Assessment through DLA-20
4. NCDHHS will send notification of the approval/denial within two business days of the extension request.
5. The funds for the Program shall not be accessed beyond 180 calendar days for each individual episode in the Enhanced Bridge Housing Program.
6. Once an individual moves into supportive housing, the LME-MCO should immediately cease using Program funds for housing.

### **Allowable Housing Type**

Established written agreement for set aside units in apartment style, single-family homes, Single Room Occupancy (SRO) building, OR extended stay hotel model with basic food preparation and storage facilities that fosters the individual's ability to see themselves in an independent living situation.

### **Staffing (Onsite)**

- Qualified Professionals (Part-Time) for each program:
  - Program/Logistics Coordinator – schedules community activities & skill building activities; lead weekly team meetings; addresses program/tenancy issues.
  - Housing Navigation Coordinator (2) – assist individuals with housing plans, housing location, housing barriers; review weekly progress for continuation in program.
- 2 Peer Supports (FTE) for each program:
  - Facilitate individual and group skill building activities: money management; activities of daily living; personal health, wellness and recovery; community integration.

### **Registered Nurse and Occupational Therapist Evaluator Team (PRN):**

- Established/Hired staff within each LME-MCO.
- Complete assessments and provide support for members that are medically fragile or have significant chronic health issues.

- Develop a treatment plan with member to help them relearn activities of daily living in a new way or adapt the environment.
- Connect the person with needed specialty care as per the orders of the individual's primary physician informed by the RN/OT Evaluation Team and other physical and functional health assessments.

### **Contract Agency Capacity**

- Assess potential for success in independent housing with access to supports and services determined necessary, appropriate, and available.
- Provide individuals access to supports and services on an ongoing basis in the Enhanced Bridge Model.
- Coordinate appropriate supports and services through community providers to meet the individual's needs.

### **Expected Outcomes**

- The individual should demonstrate improved proficiency in skills required for the IADL(s) as outlined in the individualized service plan.
- The individual successfully transitions to permanent supportive housing with adequate individualized services in-place.
- Decreased rates of separation from permanent housing.
- Decreased number of members returning to adult care homes.
- Improved whole-person health and community engagement.
- Increased number of members receiving supported employment (competitive employment).
- Higher percentage of transition into permanent housing for one year or longer.

### **Onsite Skill Building Activities/Services:**

- Intensive Person-Centered Services (in-place upon entry) and skill building activities that are accessible 24 hours per day along with housing to create a more stable environment.
- Home & Self Care (ex. personal hygiene, housekeeping, pest management, medication management, disability-informed room organization.).
- Community Inclusion Planning (ex. transportation training, relationship development, health/wellness activities).
- Food & Nutrition Management (ex. cooking safety, food preparation and storage, food resources, comparative grocery shopping)
- Money Management (ex. creating budget, debit/credit card utilization, understanding federal benefits, smartphone usage).
- Employment and Education Development (ex. career interest, skills identification, virtual job sampling, volunteer training, GED, professional skill certifications and degrees)
- Self-Advocacy & Empowerment (ex. communication skills, managing feelings/triggers, tenancy rights, medical self-advocacy).
- Community Activity selection, sampling, virtual engagement, and in-person community activity



## Financials

LME-MCOs will be reimbursed for the following:

- Cost of housing/utilities
- Start-Up
- Skill building activities (individual or group)
- Training materials (e.g., curriculum, computers, notebooks)
- Transportation (e.g., bus passes, Uber/Lyft)
- Technology (i.e., internet, phone)
- Assistive technology
- Home modifications
- Unit damage/cleaning (up to \$2,500 per unit)

The LME-MCO will submit Enhanced Bridge Housing Plan outlining activities and cost to NCDHHS prior to implementing Enhanced Bridge Housing model. NCDHHS will review within two business days for housing setting, skill building activities, staffing and cost for approval.

1. The LME-MCO will complete and sign the Bridge Housing Program Payment Requisition form upon receipt of the final itemized bill.
2. The LME-MCO will submit the requisition form, all itemized bills with proof of payment and other required documentation (SA-IH Economic Worksheet and Resource Certification Attestation or income verification) to NCDHHS-Division of Mental Health/Developmental Disabilities/Substance Use Services (DMH/DD/SUS) within 30 days of the individual moving into permanent supportive housing or ceasing to be in the Enhanced Bridge Housing Program, whichever is first.
3. NCDHHS-DMH/DD/SUS will process the request for reimbursement within 14 business days by reviewing all documentation to ensure accuracy and completeness for reimbursement. If documentation is incomplete or inaccurate, this timeframe may be extended.

## **TCL Risk Mitigation Tools**

The risk mitigation tools outlined below are available to all landlords/owners/agents who rent housing to Transitions to Community Living Individuals regardless of rental assistance type.

Once the tenant permanently vacates the unit, the landlord/owner/agent may file a claim to be reimbursed for the following:

- Damages
- Unpaid tenant rent
- Rent loss due to unit abandonment
- Successful eviction costs

The landlord/owner/agent must submit all claim types on a maximum of one *Risk Mitigation Claims Requisition Form* after tenant move out. The claim must be submitted and approved no later than 12 months from the tenant's move out date to be eligible for reimbursement. All risk mitigation claims are subject to approval by the LME-MCO.

Please see the Risk Mitigation section within the *TCLI Housing Policy and Procedure Manual* located in the CLIVE System Reference Documents library for more detailed information documentation requirements.

## **Reimbursement of Damages After Tenant Move Out**

The landlord/owner/agent must have a policy of conducting unit inspections at least annually to be eligible for reimbursement of unpaid damages. Reimbursement caps and rates of reimbursement are subject to whether the landlord files an insurance claim. See below.

### Damages

When a tenant permanently vacates the unit and the landlord/owner/agent does not file an insurance claim, the landlord/owner/agent can file a risk mitigation claim at the reimbursement rate of 100% of the documented damages caused by the individual (minus normal wear & tear, security deposit funds and tenant repayment plan payments\*), not to exceed \$3,500.

If the cost of damages exceeds \$3,500 (minus normal wear & tear, security deposit funds and tenant repayment plan payments) and it is determined that the excessive damages are due to lack of ongoing clinical and tenancy support, NCDHHS may request the LME-MCO assume responsibility for up to 10% of the unreimbursed cost (deductible, disallowed cost).

## **Reimbursement of Unpaid Tenant Portion of Rent and Late Fees**

If a tenant permanently vacates the unit, the landlord/owner/agent can file a reimbursement claim for any uncollected tenant portion of rent and late fees during the period of occupancy minus the security deposit, not to exceed three months of the tenant portion of rent plus late fees. The reimbursement is contingent on the landlord having notified the Subsidy Administrator within seven days of issuing each delinquency notice to the tenant.

## **Reimbursement for Vacancy Due to Tenant Abandonment of Unit**

If the tenant abandons a unit, the landlord/owner/agent can file a reimbursement claim for the full unit rent for the rent obligation during the remaining lease period after tenant/participant abandonment of the unit, or until the unit is re-rented, whichever is sooner, not to exceed two months' rent. If the tenant has a roommate and the roommate abandons the unit, the remaining TCLV individual will have their subsidy recalculated as a single person household. A tenant death or eviction does not constitute abandonment.

## **Reimbursement for Successful Eviction Costs**

If the tenant has repeated property rules infractions and/or lease violations, the landlord/owner/agent must provide three opportunities for intervention to correct infractions/violations, prior to eviction proceedings. To be eligible for reimbursement of eviction costs, the landlord/owner/agent must timely notify the LME-MCO of tenant property rules infractions and/or lease violations. The reimbursement claim cannot exceed \$1,000, and will only be paid if the landlord prevails in the eviction action.

## **TCL Tenancy Preservation**

Tenancy preservation aims to preserve the tenancy of an individual and/or the existing relationship with a landlord. The landlord/owner/agent may request funding by filing a Tenancy Preservation Claim to address concerns related to the tenancy.

Tenancy Preservation Claims may be filed for the following:

- Repairs to the unit above normal wear and tear
- Replacement of missing or tenant-damaged appliances
- Damage to common areas
- Utility restoration
- Pest Treatment

Landlords/owners/agents should exhaust all potential remedies prior to utilizing this funding, including having the tenant seek other resources to pay for the repairs, or establishing repayment plans with the tenant.

### Tenancy Preservation Claims Eligibility

- Claim must be above \$500
- Landlord/owner/agent should establish a \*repayment plan with tenant for damages for \$500 or less
- One-time claim during a tenancy for each tenant/household
- Landlord/owner/agent must have a policy of conducting unit inspections at least annually
- Landlord/owner/agent must provide the tenant an opportunity for remediation
- Landlord/owner/agent must promptly notify the subsidy administrator of tenant damages
- Reimbursement caps and rates of reimbursement are subject to whether the landlord/owner/agent files an insurance claim (see below)

#### *Examples of Claim Eligibility*

Example 1

\$300 in damages
+ 150 appliance replacement
<hr/>
\$450
not eligible for Tenancy Preservation Claim-Landlord/owner/agent should establish a *repayment plan with tenant

Example 2

\$1050 in damages
- 500 tenant *repayment plans
<hr/>
\$ 550
Eligible for Tenancy Preservation Claim-Landlord/owner/agent should submit a claim for \$550

## **Reimbursement for Damages Related to Preserving Tenancy/Landlord Relationship**

### Claim (No Insurance Claim Filed)

When preserving the tenancy and the landlord/owner/agent does not file an insurance claim, the landlord/owner/agent may file a tenancy preservation claim for reimbursement at a rate of 75% of the documented damages caused by the individual (minus normal wear & tear and minus tenant \*repayment plan payments) not to exceed \$1,250.

### Claim (Insurance Claim Filed)

When preserving the tenancy and the landlord/owner/agent files an insurance claim, the rate of reimbursement is 100% of the total unreimbursed portion (deductible, disallowed costs) & (minus normal wear & tear and minus tenant \*repayment plan payments) not to exceed \$1,250.

## **Reimbursement for Utility Restoration Related to Preserving Tenancy/Landlord Relationship**

When preserving the landlord/owner/agent relationship, a landlord/owner/agent may file a Tenancy Preservation Claim for reimbursement at a rate of 75% of the documented utility restoration not to exceed \$600.

## **Reimbursement for Pest Treatment Related to Preserving Tenancy/Landlord Relationship**

When preserving the landlord/owner/agent relationship, a landlord/owner/agent may file a Tenancy Preservation Claim for reimbursement at a rate of 75% of the documented pest treatment expense not to exceed \$600.

### ***\*Repayment Plans***

If the claim is \$500 or less, the landlord/owner/agent should establish a repayment plan with tenant.

If the claim exceeds \$500, the landlord/owner/agent should establish a repayment plan with tenant for unreimbursed costs after a tenancy preservation claim and/or insurance claim is paid.

Repayment plans should be reasonable based on tenant income.

Please see the Tenancy Preservation section within the *TCL Housing Policy and Procedure Manual* located in the CLIVE System Reference Documents library for more detailed information on documentation requirements.

## **Hold Fees**

The Subsidy Administrator may make payment to an owner in exchange for taking a unit off the market for up to two months if a participant has a short-term barrier to entering a lease, but the lag time is unacceptable to the landlord. Hold fee reimbursement cannot take place before a hold fee is provided to a landlord.

Please see the *TCL Housing Policy and Procedure Manual* in the CLIVE System Reference Documents library for more detailed information about payment and reimbursement of hold fees.

## **12-Month Window to Request Reimbursement for Subsidy Payments**

Reimbursements for ongoing subsidy payments and landlord's special claims must be submitted and approved within 12 months of the event type entered in CLIVE.

HAP reimbursement requests submitted more than 12 months after the payment due month will not be paid (e.g., if a requisition is submitted in January 2023 for 14 months of Ongoing Subsidy payment [November 2021 through December 2022], the LME-MCO will not receive payment for November or December 2021 because these months are outside of the 12-month payment window for submittal and approval).

LME-MCOs should contact NCDHHS staff if LME-MCOs would like to request reconsideration due to extenuating circumstances. Requests must be received by NCDHHS within 15 months of date of claim.

## **Data Entry Timeframes**

LME-MCO staff should enter household information and upload required documents related to unit events within 30 days of the event, for review and approval by North Carolina Housing Finance Agency compliance staff to document program compliance. Failure to upload all documents and enter necessary data in CLIVE within 30 days of event, will result in noncompliance and possible subsidy payment suspension.

## **Annual Rent Increase**

Landlords must submit a request for rent increases to LME-MCOs in accordance with the terms of the lease and HAP Agreement. Approved rent increases are effective and implemented in accordance with the terms of the lease and the HAP agreement. LME-MCOs are encouraged to negotiate the amount of the rent increase proposed by the landlord. Approved rent increases should not impact the tenant rent portion unless there has been a determination of a change in tenant (household) income, or if the subsidy is already at FMR. LME-MCOs must provide notice to the tenant and landlord of a change to the total rent, tenant portion of rent or subsidy amount at least 30 days before the effective date of the rent increase.

## **Review and Approval of Rent Increase Requests**

LME-MCOs may approve rent increases of 3% or less without review or approval from DHHS. Rent increases greater than 3% require an additional review of rent reasonableness and FMR. Provided the rent increase does not exceed 120% FMR and rent reasonableness, the increase may be approved by the LME-MCO without further review or approval by DHHS. DHHS requires a waiver request when a rent increase exceeds 3% and exceeds 120% FMR and rent reasonableness.