

**2016**  
**N.J. DIVISION OF MENTAL HEALTH & ADDICTION SERVICES**  
**RENTAL SUBSIDY PROGRAM POLICY**

**Introduction:**

The N.J. Division of Mental Health & Addiction Services (DMHAS) currently funds four (4) types of rental subsidies through the Supportive Housing Connection (SHC). These are defined as follows:

1. Tenant Based – These rental subsidies travel with the consumer from unit to unit within the state of New Jersey and “belong” to the consumer as long as a DMHAS contracted provider is willing to administer the subsidy on their behalf. Should the consumer choose a different provider while subsidized, and the second provider agrees to handle the subsidy, that subsidy will be re-allocated to the second agency. Should the consumer no longer require the subsidy, the subsidy will return to DMHAS for redistribution.
2. Project Based – These subsidies cover a specific housing unit, and subsidize the rent for any consumer living in the unit. Should the consumer leave the unit, the subsidy remains with the unit.
3. Sponsor/Tenant Based – These subsidies remain with a specific provider agency program (RIST, PACT, etc.) but can travel from unit to unit with the consumer – as long as the consumer remains in the provider agency service area, and continues to receive services from that particular program element.
4. Sponsor/Project Based – These subsidies remain with a specific provider agency program (RIST, PACT, etc). They also subsidize and remain with a specific housing unit that is leased or owned by the provider agency. In order for the unit to continue to be subsidized, the consumer must remain in the specific provider agency program. They can refuse program services and remain in the unit based on the lease, but the unit will not be subsidized by DMHAS.

In all cases, the consumer shall have a lease directly with the landlord and live in the apartment on a full time basis. If a particular consumer is unable to hold a lease, the DMHAS housing unit should be contacted for permission to have the Provider Agency (PA) hold a master lease. In all cases of a master lease, the consumer SHALL have a signed lease with the PA. No other agreement will take the place of a signed lease.

**Eligibility for DMHAS rental subsidies:**

1. Rental Subsidies may be provided to individuals with serious mental illness served by DMHAS contracted community provider agencies. Tenant based consumers will be required to pay 40% of their adjusted gross income towards the rent. Project based consumers will be required to pay 30% of their adjusted gross income toward the rent. Consumers may maintain their subsidies for a period of up to six months if hospitalized.

2. Provider agencies are responsible for ensuring that all individuals receiving the DMHAS Rental Subsidy apply for mainstream Section 8 vouchers, State Rental Assistance Programs, and other permanent subsidized housing opportunities when these waiting lists open. Consumers who refuse to apply or participate in these programs will be removed from the DMHAS rental subsidy program.
3. Consumers must agree to be present for a minimum of one apartment visit quarterly by the community provider agency. DMHAS staff may accompany provider agency staff during these visits. **If a consumer is refusing services, they must allow monthly apartment visits and discuss progress toward wellness and recovery goals.**
4. Both Tenant Based and Project Based Subsidies are based on the Gross Annual Household (combined marital or domestic partner) Income. Therefore, “**significant others sharing the bedroom**” are not allowed to live in the unit, unless they pay half (1/2) the full rental cost. Other individuals are not allowed to live in the unit without consent from DMHAS.
5. **Consumers shall be given a copy of this Program Policy** and sign the current DMHAS Rental Subsidy Client Agreement at initiation of the subsidy and also when the annual subsidy application is being completed.

#### **Securing apartments and submitting applications:**

1. Apartments must be leased and a rental subsidy application submitted to the Supportive Housing Connection (SHC) within **90** days of a tenant-based subsidy award or the subsidy will return to DMHAS for use by another agency and/or consumer. The tenant must also live in the apartment on a full-time basis to retain the subsidy.
2. Consumers without children are entitled to a one-bedroom unit. There are no exceptions, including two-bedroom units under the one-bedroom Fair Market Rent (FMR) schedule. No consumer may be placed into a unit which exceeds the current FMR used by the DMHAS Housing Office.
3. DMHAS rental subsidies cannot be used to rent from family members. DMHAS rental subsidies cannot be used in Level A+, A, B, C, RHCF's, Boarding Homes, Residential Healthcare Facilities, or Rooming Houses. DMHAS does not pay additional “fees” for having pets in the unit.
4. DMHAS subsidies cannot be used outside the State of NJ. Project and Sponsor Based subsidies stay with the provider agency and do not move with the consumer.

5. An SHC Tenant Information Worksheet and income documents shall be submitted to the SHC: (1) after a consumer is referred for a rental subsidy and receives an SHC Welcome Packet; (2) annually based on the lease date, and (3) when there is a change in income (**more or less than \$100 per year**).
6. If a consumer refuses to provide required documents, a **“Warning of Termination”** letter will be sent by the SHC and copied to DMHAS. If a consumer fails to comply or provide required documents, a **“Termination of Rental Subsidy”** letter will be sent to the consumer and copied to DMHAS.
7. Security deposits paid by DMHAS may be used by the consumer for one-time purpose only, if there are no other means of obtaining a security deposit. If the consumer relocates with the subsidy, returned deposits shall be supplied as part of the new deposit required. Consumers shall be required to pay the difference. If the security deposit is lost due to eviction, damage, etc. the consumer shall pay the entire deposit on any new unit.

#### **Loss of Rental Subsidy**

1. If the consumer refuses to provide required documentation and/or refuses to allow housing inspection or visits and refusal continues after written “Warning of Termination of Rental Subsidy” indicating the subsidy is in jeopardy, the SHC shall contact the DMHAS Housing Office for further instruction.
2. The Housing Office may direct the SHC to terminate subsidies for subsidy and/or lease violations.

#### **Apartment Inspections, Annual Re-inspections, and Renewal Applications:**

1. Rental units must meet Housing and Urban Development (HUD) Quality Standards. SHC staff will inspect the unit for appropriateness **prior** to leasing the unit. The SHC will re-inspect annually ensure these standards continue to be met.
2. The process for renewal is the same as a new application. The SHC shall confirm rent is within the Fair Market Rent (FMR) per county. DMHAS will not pay a subsidy in which the rent is above the FMR and this should be discussed with the landlord, if necessary. Any municipality within the State of New Jersey may adopt an ordinance controlling rent increases. If you feel the rent increase is excessive, your municipal clerk can tell you if a rent control ordinance exists, and if there is a rent increase limit.

#### **Children:**

The Provider Agency must request an exception, to the one (1) bedroom subsidy, in writing to DMHAS. **No consumer may be placed into a larger unit without prior written approval from DMHAS.**

1. A copy of a birth certificate(s) or legal documents must be submitted to DMHAS in order to verify parentage/legal guardianship. Documents submitted must include sex and ages (or birthdates) of children. Documents must also be submitted proving that the consumer has full residential custody of the children.
2. If a child age 18 or older has permanent residence with their parent/guardian, that child must be a full-time High School student or enrolled full-time in college, in order for the family to be considered for an extra bedroom for that child. Documentation of current full-time high school/college education must be submitted to the DMHAS in order to be considered for a separate room.
3. Once the child reaches the age of 18, documentation must be provided proving the child continues to be a full-time high school/college student.
4. If the child is not a full-time high school/college student, SHC staff must notify the subsidy recipient that the subsidy will be lowered to the maximum one-bedroom FMR rate at the time of lease renewal. (If the consumer is in a three-bedroom apartment due to the presence of other younger children, the subsidy will be lowered to the two-bedroom rate.)
5. When adult children move out, or minor children are permanently removed from the home, the consumer shall be required to locate a one (1) bedroom apartment at the end of the lease period. Failure to notify the SHC may result in permanent loss of rental subsidy.

### **Evictions:**

1. The Provider Agency shall intervene to avoid evictions of subsidy recipients whenever possible.
2. An eviction may cause the consumer to forfeit their DMHAS rental subsidy. If a consumer is being evicted, the Provider Agency shall call the DMHAS Housing Office to discuss the case and receive further instructions. On a case-by-case basis, a decision may be made to allow the consumer to use the subsidy in another unit.
3. Sponsor and Project Based Subsidies stay with the agency and if the consumer leaves the program or unit for any reason, they will be automatically removed from the subsidy program. The Provider Agency must notify the DMHAS Housing Office immediately when this occurs.

### **Re-use of vacated Rental Subsidies:**

1. DMHAS rental subsidies belong to the individual for whom the initial application was submitted and processed. Should that individual no longer require/receive the DMHAS subsidy (he/she received a Section 8 voucher, moved out of state, deceased, etc.) the agency shall contact the DMHAS Housing Office **immediately** to notify Housing staff. DMHAS will notify the SHC to stop payment of the rental subsidy.
2. If the agency has a vacant rental subsidy (Project or Sponsor-Tenant based), they must submit a referral for a consumer to use such subsidy to the DMHAS Housing Office. DMHAS will approve the use and notify the SHC to send a Welcome Packet.
3. If the agency serves a consumer in emergent need of a rental subsidy and does not have Project Based or Sponsor-Tenant based subsidy available, a written request for a subsidy should be submitted to the Housing Office at DMHAS. Requests for rental subsidies must be submitted using the DMHAS Subsidy Request Form.
4. Decisions regarding awarding of recycled rental subsidies will be made by the Division within one month of request. If a subsidy is not awarded during that time, the consumer will not receive a subsidy. No waiting list for rental subsidies is maintained, and an email update regarding the situation should be sent to the Housing Office if the need for a subsidy remains.

### **One Time Funding:**

1. An itemized list of purchases and costs must be maintained by the provider agency. New subsidy recipients may be entitled to one-time funds in the amount up to \$3000 for furnishings, up to \$300 for utility start-up costs and a security deposit equal to one and a half month's rent. Consumers are not to be given checks, cash, credit or gift cards for the one-time start-up purchases. Providers and consumers should shop together to purchase the following minimum furnishings if needed: bed, chest of drawers, couch, living room table(s), bathroom accessories/towels, bedding, kitchen table and chairs, cooking items, vacuum, alarm clock, lamp(s). Within the \$3000 allowance, groceries/cleaning supplies/paper goods can be purchased up to \$300. Entertainment items (TV, radio, stereo, etc.) can be purchased up to a total of \$300; computer equipment up to \$400; and bicycles up to \$150. An apartment application fee may also be paid with these funds. One-time funds must be spent within 30 days of the signing of the lease and cannot be carried over past that time for continued use.

2. In most cases, the agency managing the rental subsidy has accruals in the course of the year which can cover the above mentioned start-up expenses. If, however, accruals are not realized, DMHAS will provide one-time funds as enumerated above.

**Documentation:**

1. Provider agencies should assist consumers in providing all required forms and income documents to the Supportive Housing Connection in order for the consumers to maintain their rental subsidies. It is suggested that copies of all such forms and documents be kept in the consumer record/file. The annually signed Consumer rental subsidy agreement should be attached to the consumer service agreement (if applicable) and maintained in the consumer record.
2. The PA shall assist consumer in applying for General Assistance, Unemployment Benefits, Supplemental Security Income and Social Security Disability benefits in order to obtain the highest benefit possible. **In cases of denial, appeal paperwork shall consistently be submitted until the issue is resolved. Documentation indicating these applications and appeals, have been made, shall be submitted with other SHC required documents in order to continue on the subsidy program.**