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Short Title: Blue Ribbon Comm. Recs./Supportive MH Housing.

(Public)

Sponsors:

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April 4, 2013

A BILL TO BE ENTITLED

AN ACT TO REQUIRE THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO ESTABLISH A SUPPORTIVE HOUSING PROGRAM FOR INDIVIDUALS TRANSITIONING FROM INSTITUTIONAL SETTINGS TO INTEGRATED COMMUNITY-BASED SETTINGS, TO CLARIFY HOW FUNDS APPROPRIATED TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR THE ESTABLISHMENT AND OPERATION OF THIS PROGRAM SHALL BE USED, AND TO CREATE A COMMUNITY LIVING HOUSING FUND WITHIN THE HOUSING FINANCE AGENCY TO INTEGRATE INDIVIDUALS WITH DISABILITIES INTO COMMUNITY-BASED SUPPORTED HOUSING.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Chapter 122C of the General Statutes is amended by adding a new Article to read:

"Article 1B.

"Transitions to Community Living.

"Part 1. North Carolina Supportive Housing Program.

"§ 122C-20.5. Definitions.

The following definitions apply in this Article:

- (1) In-reach activities. – Education and information provided by the Department or an LME/MCO by individuals who are knowledgeable about community services and supports to residents of adult care homes or State psychiatric hospitals about the benefits and financial aspects of clinically appropriate, community-based supportive housing in an integrated setting. The term includes all of the following: (i) facilitating and accompanying residents' visits to supportive housing apartments, (ii) assessing residents' interest in supportive housing, (iii) exploring and addressing residents' concerns about moving to supportive housing, (iv) reviewing residents' housing preferences, and (v) providing opportunities for residents to meet with other individuals with disabilities who are living, working, and receiving services in integrated settings, their families, and community providers. This term does not include education or information provided by adult care homes.
- (2) Individual with serious mental illness or SMI. – An individual who is 18 years of age or older with a mental illness or disorder that is described in the Diagnostic and Statistical Manual of Mental Disorders, Fourth Edition, that



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1 impairs or impedes functioning in one or more major areas of living and is
2 unlikely to improve without treatment, services, supports, or all three. The
3 term does not include a primary diagnosis of Alzheimer's disease or
4 dementia.

5 (3) Individual with serious and persistent mental illness or SPMI. – A person
6 who is 18 years of age or older who meets one of the following criteria:

7 a. Has a mental illness or disorder that is so severe and chronic that it
8 prevents or erodes development of functional capacities in primary
9 aspects of daily life such as personal hygiene and self-care, decision
10 making, interpersonal relationships, social transactions, learning, and
11 recreational activities.

12 b. Is receiving Supplemental Security Income or Social Security
13 Disability Income due to mental illness.

14 **"§ 122C-20.6. Department to establish statewide supportive housing program for**
15 **individuals transitioning into community living; purpose.**

16 The Department of Health and Human Services, in consultation with the North Carolina
17 Housing Finance Agency, shall establish and administer a tenant-based rental assistance
18 program known as the North Carolina Supportive Housing Program. The purpose of the
19 program is to transition individuals diagnosed with serious mental illness or serious and
20 persistent mental illness from institutional settings to more integrated community-based
21 settings appropriate to meet their needs. Under the program, the Department, in consultation
22 with the North Carolina Housing Finance Agency and LME/MCOs, shall arrange for program
23 participants to be placed in housing slots available through the program with all the rights and
24 obligations created by a landlord-tenant relationship.

25 **"§ 122C-20.7. Administration of housing subsidies for supportive housing.**

26 The Department may enter into a contract with a private vendor to serve as the housing
27 subsidy administrator for the North Carolina Supportive Housing Program with responsibility
28 for distributing rental vouchers and community living vouchers to program participants based
29 on a formula developed by the Department.

30 **"§ 122C-20.8. Eligibility requirements for NC Supportive Housing Program.**

31 The Division of Aging and Adult Services shall adopt rules to establish eligibility
32 requirements for the program. The eligibility requirements shall, at a minimum, include income
33 eligibility requirements and requirements to give priority for program participation and
34 transition services to individuals diagnosed with serious mental illness or serious and persistent
35 mental illness who are currently residing in institutional settings. The Division may adopt
36 temporary rules necessary to implement this Article.

37 **"§ 122C-20.9. In-reach activities for supportive housing.**

38 The Department shall have ongoing responsibility for developing and distributing a list of
39 potentially eligible program participants for each LME/MCO by catchment area. Upon receipt
40 of this information, each LME/MCO shall have ongoing responsibility for prioritizing the list
41 of individuals to whom it will provide in-reach activities in order to (i) arrange an in-person
42 meeting with potentially eligible participants to determine their eligibility and level of interest
43 and (ii) report back to the Department on the LME/MCO's recommended list of program
44 participants on a daily basis. Upon receipt of an LME/MCO's recommended list of program
45 participants, the Department shall make a final determination of eligibility.

46 **"§ 122C-20.10. Allocation of supportive housing slots to LME/MCOs.**

47 The Department shall annually determine the number of housing slots to be allocated to
48 each LME/MCO as follows:

49 (1) Each year, the Department shall distribute at least fifty percent (50%) of the
50 housing slots available through this program equally among all LME/MCOs.

1 (2) The Department shall award additional housing slots to LME/MCOs based
2 on local need, as determined by the information provided by LME/MCOs to
3 the Department in accordance with G.S. 122C-20.9.

4 **"§ 122C-20.11. Transition of program participants into housing slots.**

5 The LME/MCO shall develop a written transition plan for each individual determined to be
6 eligible and interested in participating in the North Carolina Supportive Housing Program. The
7 transition plan for the approved housing slot shall identify at least all of the following:

8 (1) Available housing units that meet the individual's needs.

9 (2) Any transition services that will be necessary for the individual, including,
10 but not limited to, a one-time transition stability payment, not to exceed two
11 thousand dollars (\$2,000) per individual, for up-front move-in costs
12 approved by the Department or the housing subsidy administrator.

13 (3) Solutions to potential barriers to the individual's successful transition to
14 community-based supported housing.

15 (4) Any other information the Department deems necessary for the individual
16 program participant's successful transition into community-based supported
17 housing.

18 **"§ 122C-20.12. Transition services.**

19 LME/MCOs shall provide individualized transition services to program participants within
20 their respective catchment areas for the 90-day period following the individual's transition into
21 a housing slot provided through the program.

22 **"§ 122C-20.13. Tenancy support services.**

23 The Department or the housing subsidy administrator shall provide ongoing tenancy
24 support services to program participants.

25 **"§ 122C-20.14. Approval of landlords and housing units.**

26 The Department shall develop an application process for owners of housing units seeking to
27 participate in the program as landlords. The application process shall, at a minimum, include an
28 inspection of the owners' selected housing units and a requirement that owners receive
29 educational information from the Department about the North Carolina Supportive Housing
30 Program prior to being approved as landlords.

31 **"§ 122C-20.15. Annual reporting on NC Supportive Housing Program.**

32 Annually on October 1, the Department shall report to the General Assembly on the number
33 of individuals within each catchment area who transitioned into housing slots available through
34 the North Carolina Supportive Housing Program during the preceding calendar year. The report
35 shall include a breakdown of all funds expended by each LME/MCO for transitioning these
36 individuals into the housing slots.

37 **"§ 122C-20.16. NC Supportive Housing Program not an entitlement.**

38 The Department shall not be required to provide housing slots to individuals beyond the
39 number that can be supported by funds appropriated by the General Assembly for this purpose.
40 The supportive housing program established under this Part, whether administered by the
41 Department or a private entity, is not an entitlement, and nothing in this Part shall create any
42 property right."

43 **SECTION 1.(b)** By no later than June 30, 2013, each LME/MCO shall transition at
44 least 15 eligible individuals to community-based supported housing slots available through the
45 North Carolina Supportive Housing Program established under G.S. 122C-20.5.

46 **SECTION 2.** Funds appropriated to the Department of Health and Human Services
47 for the 2013-2015 fiscal biennium to develop and implement housing, support, and other
48 services for people with mental illness pursuant to the Department of Justice settlement
49 agreement shall be used as follows:

50 (1) The sum of one million seven hundred forty-five thousand two hundred
51 eighty dollars (\$1,745,280) for fiscal year 2013-2014 and the sum of three

1 million one hundred twenty thousand thirty-seven dollars (\$3,120,037) for
2 fiscal year 2014-2015 shall be used to establish and operate the North
3 Carolina Supportive Housing Program authorized in Article 1B of Chapter
4 122C of the General Statutes.

5 (2) The sum of one million four hundred forty thousand dollars (\$1,440,000) for
6 fiscal year 2013-2014 and the sum of one million five hundred forty
7 thousand dollars (\$1,540,000) for fiscal year 2014-2015 shall be used for
8 program administration for the North Carolina Supportive Housing Program
9 authorized in Article 1B of Chapter 122C of the General Statutes.

10 (3) The sum of six hundred fifty thousand dollars (\$650,000) for fiscal year
11 2013-2014 and the sum of one million two hundred sixteen thousand dollars
12 (\$1,216,000) for fiscal year 2014-2015 shall be used to provide one-time
13 transition stability funds, not to exceed two thousand dollars (\$2,000) per
14 individual, to cover the cost of up-front move-in costs for individuals placed
15 in housing slots available through the North Carolina Supportive Housing
16 Program authorized in Article 1B of Chapter 122C of the General Statutes.

17 (4) Any funds appropriated for the 2014-2015 fiscal year that are not used for
18 the purposes set forth in subdivisions (1) through (3) of this section shall be
19 used to provide a comprehensive array of services that individuals need to
20 transition to and be maintained in the community.

21 **SECTION 3.** Chapter 122E of the General Statutes is amended by adding a new
22 section to read:

23 **"§ 122E-3A. Community Living Housing Fund.**

24 (a) Definitions. – The following definitions apply in this section:

25 (1) Catchment area. – As defined in G.S. 122C-3.

26 (2) Targeted units. – Units within Low Income Housing Tax Credit
27 developments that are specifically designed to facilitate the inclusion of
28 individuals with disabilities.

29 (b) Creation and Source of Funds. – The Community Living Housing Fund is
30 established within the Housing Finance Agency to pay for the transition of individuals
31 diagnosed with severe mental illness or severe and persistent mental illness as defined in
32 G.S. 122C-20.5 from institutional settings to integrated, community-based supported housing
33 and to increase the percentage of targeted housing units available to individuals with
34 disabilities for use in the North Carolina Supportive Housing Program under Article 1B of
35 Chapter 122C of the General Statutes. Beginning with fiscal year 2013-2014, any unexpended,
36 unencumbered balance of the amount appropriated to the Transitions to Community Living
37 Fund established pursuant to Section 10.23A(d) of S.L. 2012-142 at the end of each fiscal year
38 shall not revert but shall be transferred and made available to the Community Living Housing
39 Fund.

40 (c) Use of Funds. – The North Carolina Housing Finance Agency, in consultation with
41 the Department of Health and Human Services, shall be responsible for administering the
42 Community Living Housing Fund. The monies in the Fund shall be available for expenditure
43 only upon an act of appropriation by the General Assembly and only for the following
44 purposes:

45 (1) To provide permanent community-based housing in integrated settings
46 appropriate for individuals with severe mental illness and severe and
47 persistent mental illness.

48 (2) To support an increase in the number of targeted units for individuals with
49 disabilities located in housing projects funded by the Housing Finance
50 Agency from ten percent (10%) to fifteen percent (15%). The additional
51 targeted units funded shall be made available to the Department of Health

1 and Human Services for use in the North Carolina Supportive Housing
2 Program under Article 1B of Chapter 122C of the General Statutes. Priority
3 for funding of the additional targeted units shall be given to units to be
4 located in catchment areas identified by the Department of Health and
5 Human Services, in consultation with the North Carolina Housing Finance
6 Agency and LME/MCOs, as having the greatest need for targeted units.

7 **SECTION 4.** The Transitions to Community Living Fund established pursuant to
8 Section 10.23A(d) of S.L. 2012-142 terminates on June 30, 2020, and any balance remaining
9 on that date shall revert to the General Fund.

10 **SECTION 5.** Section 2 of this act becomes effective July 1, 2013. The remainder
11 of this act is effective when it becomes law.