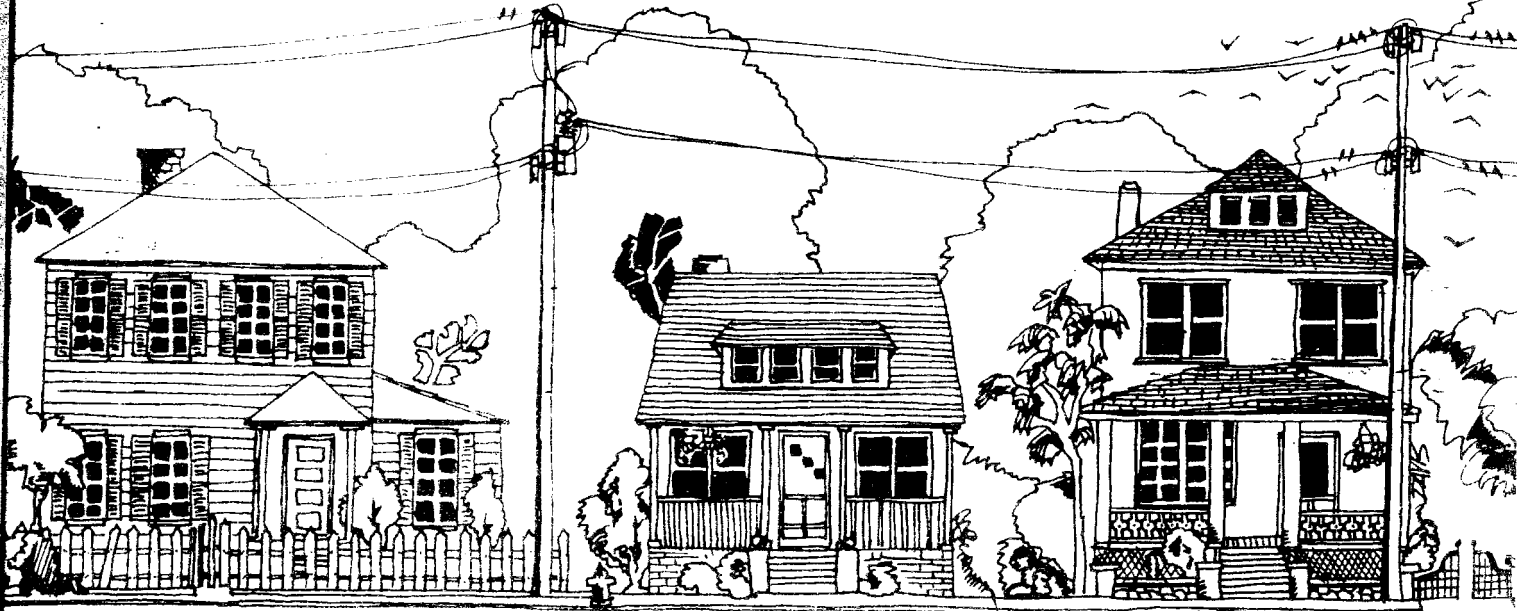
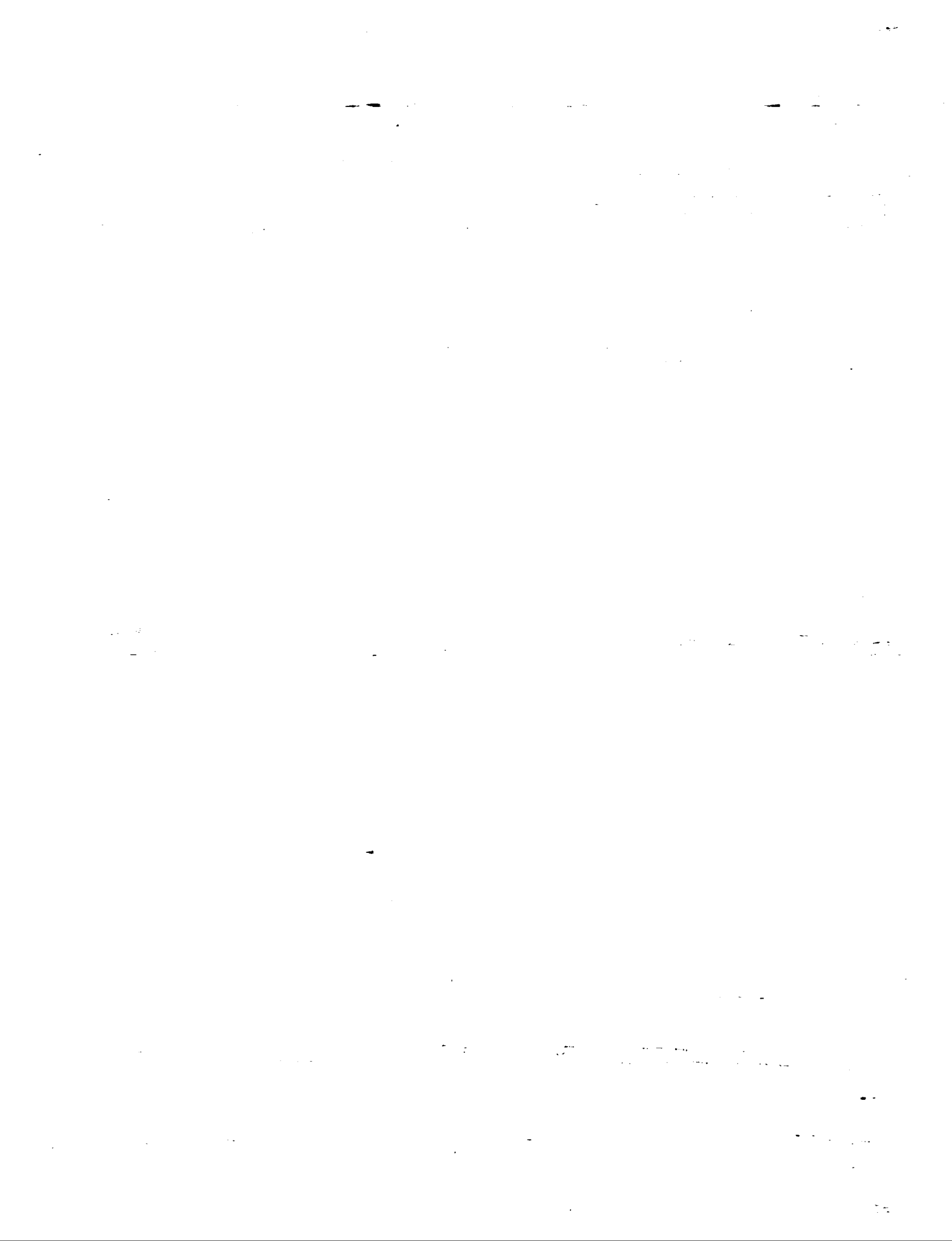


National Institute of Mental Health

a guide to
federal
housing programs
for the
mentally disabled



U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Public Health Service
Alcohol, Drug Abuse, and Mental Health Administration



ADDENDUM TO THE SECOND PRINTING

January 1980

The movement to develop housing opportunities for those who are seriously disabled by mental illness has continued to gain momentum since the original printing of this guide in 1977. There has been a broad range of experimentation with various resources and approaches described in the guide, particularly in using Section 8 subsidies and establishing State Mental Health Authorities as a housing agency. Patricia Roberts Harris, Secretary of HUD when the guide was first developed, is now Secretary of Health, Education, and Welfare, a fact which has both increased the sensitivity of DHEW to the housing needs of the mentally ill and accelerated the process of collaboration with HUD.

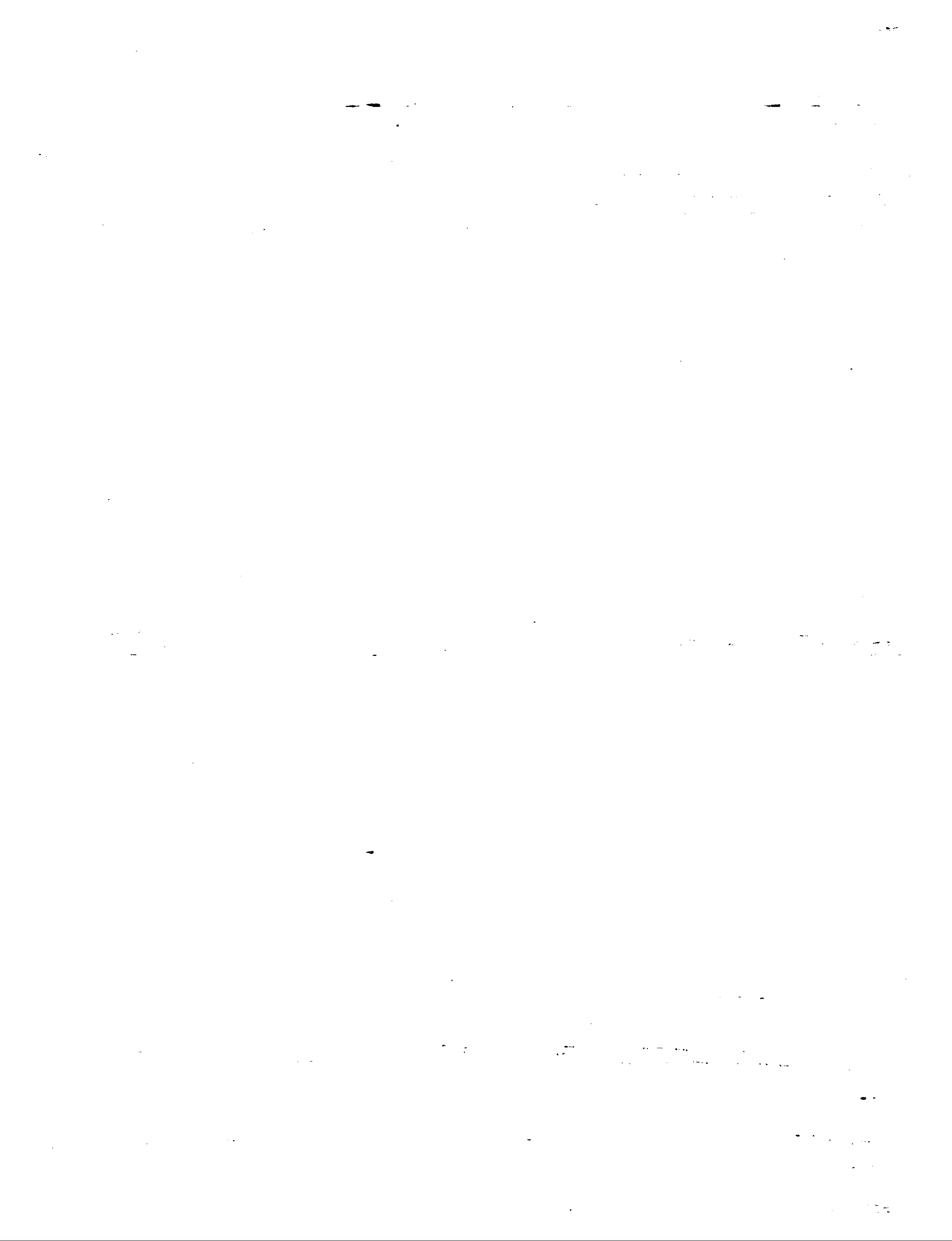
1. The Departments of Housing and Urban Development and of Health, Education, and Welfare have launched a joint Demonstration Program for Deinstitutionalization of the Chronically Mentally Ill. This program combines HUD's Section 202 and Section 8 programs with DHEW Medicaid service funds to develop group homes and apartment programs. This program is in its third year; we anticipate that by mid-1980, a total of \$65 million in construction and renovation funds, \$13 million in rent subsidies, and an as yet unspecified level of Medicaid dollars will have been awarded to approximately 200 non-profit sponsors through the demonstration. These funds will be used to develop about 2,000 units of housing with related support services for approximately 3,000 residents.

2. HUD has revised its Section 8 regulations to allow for Independent Group Residences. HUD's new Moderate Rehabilitation Program under Section 8 also has relevance for developers of housing for the disabled.

3. HUD has established a Congregate Services Program, one of the changes initiated by significant legislative change in 1978. In addition, Public Housing Authorities can now contract with mental health programs to develop housing linked with services. A sample contract is available from the HUD office listed below.

4. The Community Support Program (CSP) in NIMH which sponsored development of this guide book and is integrally involved in the design, operation, and evaluation of the HUD/HEW Demonstration Program now contracts with 19 States and localities across the country to assist them in developing community support systems. CSP also is developing a national technical assistance strategy in the areas of housing and community support and will continue to collaborate with HUD in initiatives which promote housing linked with services.

(Continued on inside back cover)



A GUIDE TO FEDERAL HOUSING PROGRAMS
FOR THE MENTALLY DISABLED

by

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Mary Ann Allard
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Human Services Research Institute

U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
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Alcohol, Drug Abuse, and Mental Health Administration

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"Under Title VI of the Civil Rights Act of 1964, recipients of Federal financial assistance are prohibited from discriminating on the basis of race, color or national origin in federally assisted programs and activities. Discrimination against qualified handicapped persons on the basis of physical or mental handicap in federally assisted programs is also prohibited by Section 504 of the Rehabilitation Act of 1973."

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The review panel set up by the National Institute of Mental Health for this project also assisted in reviewing numerous drafts. They included William TenHoor, the convener; Mark Lawrence, St. Elizabeths Hospital, Washington, D.C.; Toyo Biddle, DHEW; Judy Turner, Leslie Scallet, and Robert Arrindell of NIMH. Finally, Al Condeluci of the Pittsburgh United Cerebral Palsy Association and Bernie Unger of the General Accounting Office were thoughtful and supportive consultants.

As the authors of the guide, we take responsibility for any errors or misinterpretations which may have been overlooked in the short space of 2 months which we had to cover the wide range of Federal housing possibilities.

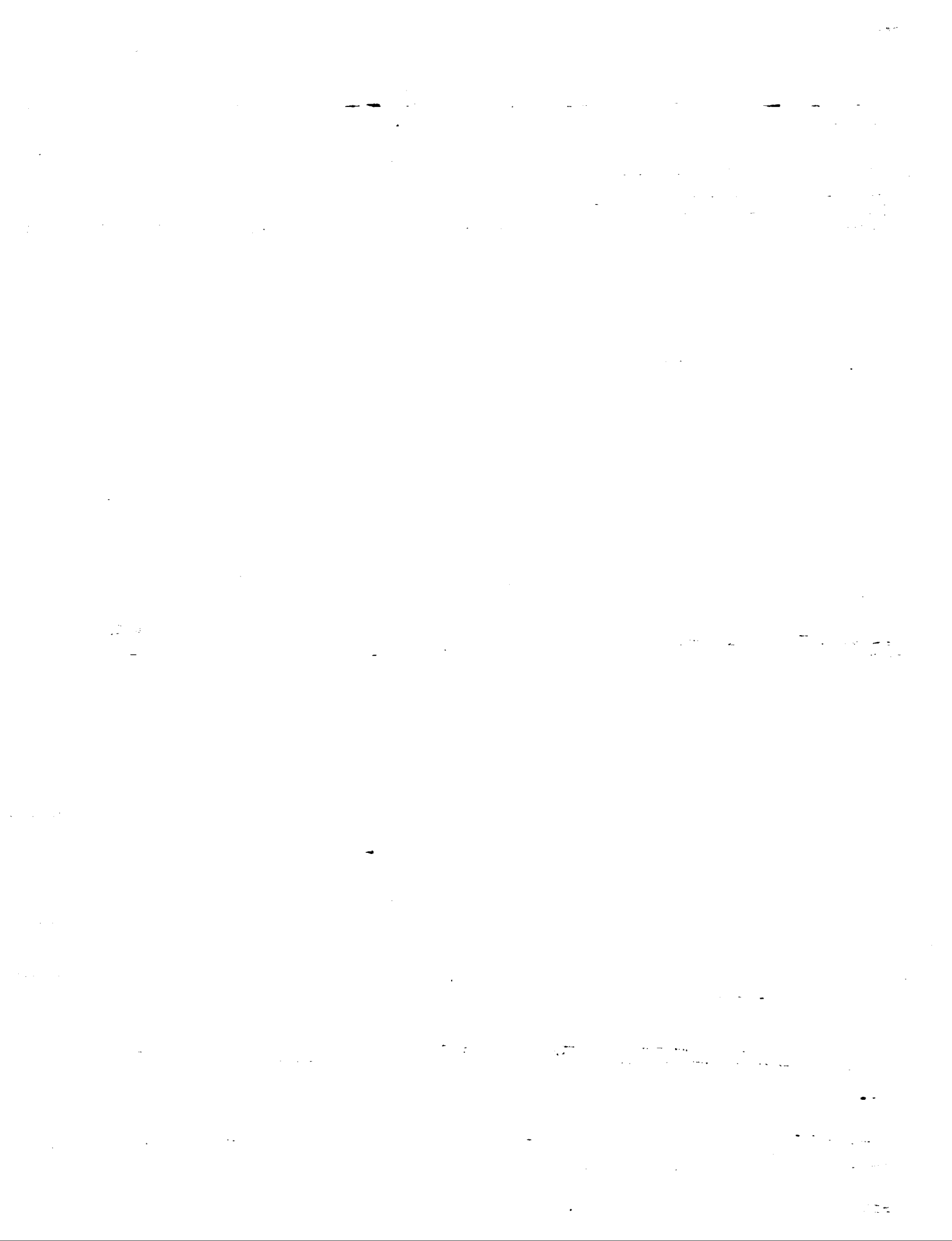
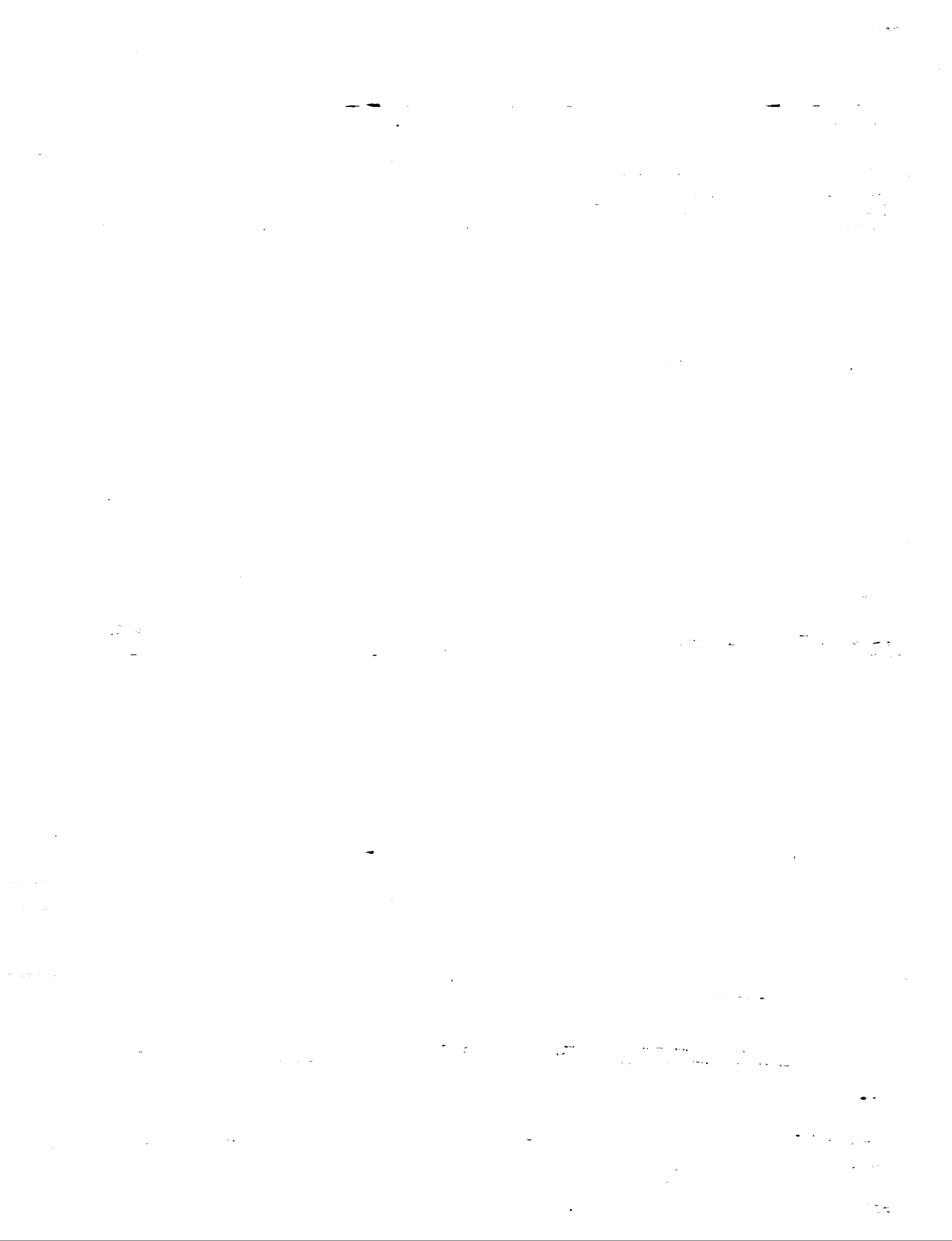


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INTRODUCTORY REMARKS

JOSEPH A. CALIFANO, JR., SECRETARY

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

We are pleased to make available this guidebook on Federal housing programs for the mentally disabled. It is designed to provide specific information concerning provisions of various Federal housing programs and their potential for assisting in development of residential options for people disabled by mental health problems. Though intended primarily for program development staff of State and local mental health and rehabilitation agencies, the guidebook should also be useful to individual clinicians, parents' organizations, citizen groups, and others involved in community care.

The need for collaboration between providers of housing and mental health services has been documented in a recent report by the General Accounting Office entitled: "Returning the Mentally Disabled to the Community: Government Needs to Do More." This report pointed up the lack of adequate community living opportunities for people being "deinstitutionalized" from mental health facilities. The report also highlighted potential for assistance through the Department of Housing and Urban Development in meeting these needs.

At the same time, Congress has recognized the need for mental health agencies to become more concerned with housing issues. Public Law 94-63, which amended the Community Mental Health Centers Act, has specific implications for housing-related activities at both the State and local levels.

At the State level, Title I calls for a new type of mental health plan designed not only "to eliminate inappropriate institutional care of people with mental health problems," but also "to assure availability of appropriate noninstitutional care." Clearly, this goal implies attention to community living arrangements. As part of an effort to help States develop workable arrangements of this kind, the National Institute of Mental Health (NIMH) is initiating a small pilot program -- the Community Support Program (CSP). Through CSP contracts, State mental health agencies will design strategies for stimulating "comprehensive community support systems" at the local level. Such systems will be designed to bring together the full range of needed opportunities and services -- with housing as an important component.

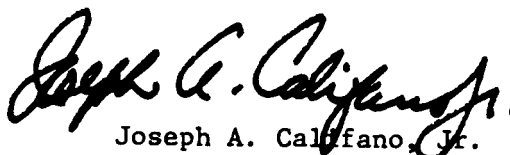
At the local level, federally funded community mental health centers are now required under P.L. 94-63 to develop "programs of transitional halfway house services," designed either to serve as an alternative to hospitalization or to help people moving to a higher level of independence.

According to NIMH guidelines, such programs are not limited to halfway houses, per se. They may include cooperative apartments and other similar approaches particularly appropriate for possible Federal housing assistance.

Until recently, few mental health agencies had any experience in use of Federal housing assistance. This has been true in part because mental health providers were not aware of opportunities that existed, and in part because certain aspects of Federal housing laws and policies do not readily lend themselves to the types of programs most needed by the mentally disabled. For these and other reasons, active collaboration between the mental health and housing fields is a relatively new and untested idea at present.

Recent dialogue between mental health and housing agencies at the Federal level gives us much encouragement about the opportunities to forge workable linkages that will measurably expand the housing options available to citizens with disabling mental health problems. The task will not be easy. Special efforts must be made to avoid new forms of exclusion of the mentally disabled -- even in "community" settings. Emphasis must be given to developing small scale, normalizing environments.

Those in the mental health field have moral, legal and programmatic responsibility to begin moving in this direction. We hope this guidebook will be a step toward translating possibilities into effective programs that better meet the needs of our mentally disabled citizens.



Joseph A. Califano, Jr.

INTRODUCTORY REMARKS

PATRICIA ROBERTS HARRIS, SECRETARY

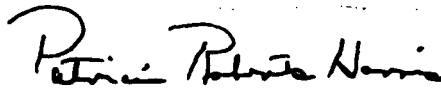
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

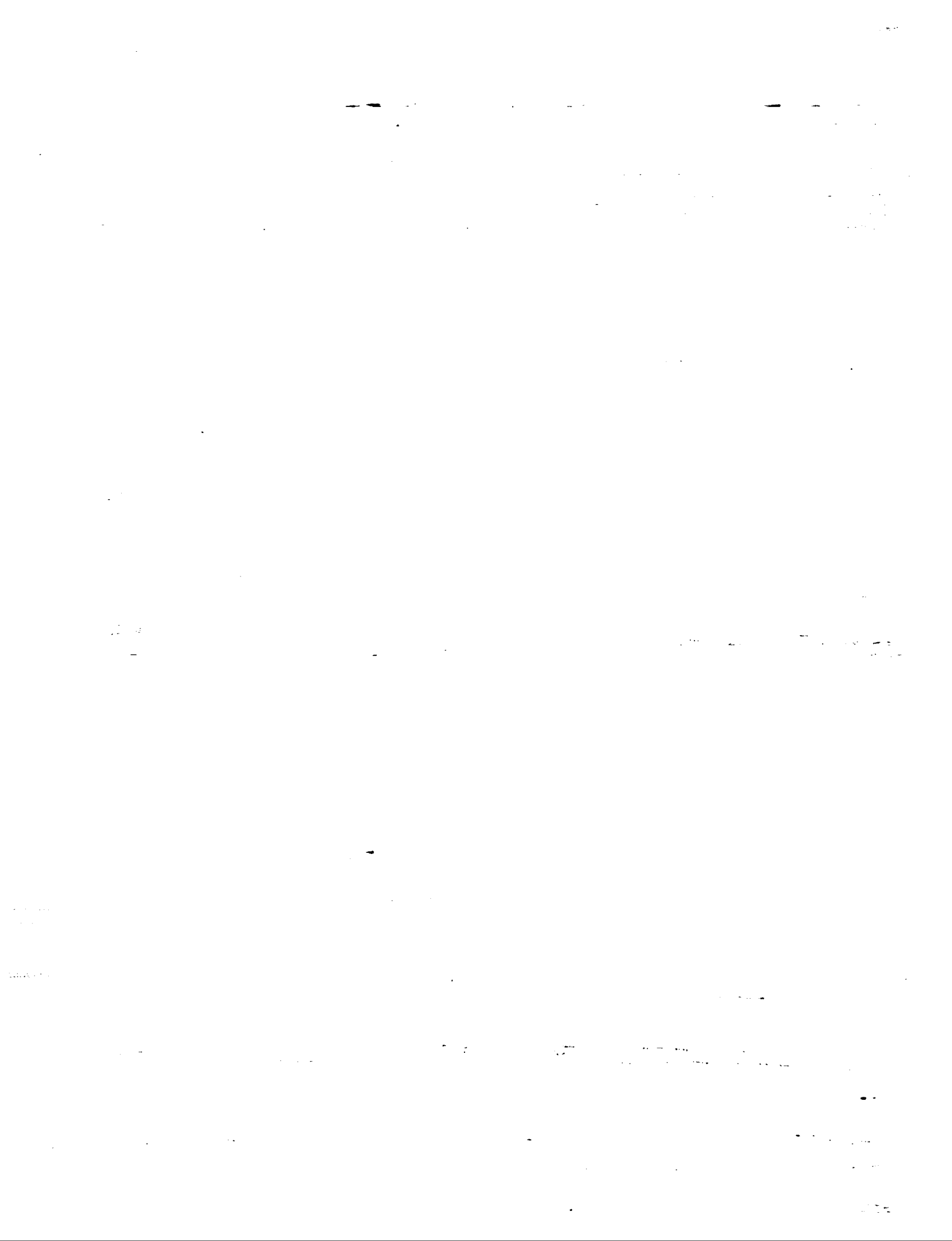
We at the Department of Housing and Urban Development are pleased to cooperate in the preparation of this guidebook. We believe that mentally handicapped individuals should be permitted to lead more normal lives in our communities, and that we can aid significantly in the realization of this goal by assuring that adequate shelter is provided.

The extension of such assistance to the mentally handicapped is a relatively new area in HUD. The 1974 Housing and Community Development Act, P.L. 93-383, made Federal housing programs more accessible to mentally handicapped individuals. This Act removed the term "physical" as a modifier of handicapped, and our General Counsel's Office ruled that the mentally ill are eligible recipients of assistance under the Section 8 and the traditional Public Housing programs. We believe that other HUD housing programs and assistance for community facilities may also be available for the mentally handicapped.

Our Department has recently responded to the General Accounting Office report, "Returning the Mentally Disabled to the Community: Government Needs to Do More." In our response, we indicated our commitment to move vigorously in the area of deinstitutionalization by removing past impediments to progress and providing stronger central office leadership. Toward these ends, on June 6, 1977, we created a new Office of Independent Living in the Office of the Assistant Secretary for Housing, our major housing production division. We will be publishing soon an amendment to the current Section 8 existing housing program. Small group homes and community residences with shared kitchen and bathroom facilities will be eligible and viable housing options under the amendment. We also have been consulting with the National Institute of Mental Health in recent months to explore methods to expand and coordinate our mutual efforts.

This guidebook has been reviewed by staff in our Office of Policy Development and Research and in our Office of Housing for basic accuracy. While we cannot certify to every statement made regarding Federal housing programs, we believe the document will be a useful tool for those beginning the process of securing shelter for mentally handicapped citizens. We also hope it will serve to familiarize housing officials with some of the needs and opportunities in the mental health field.


Patricia Roberts Harris



HOW TO USE THE GUIDE

The following guide is designed to provide the reader with specific information about the requirements and provisions of various federal housing assistance programs and their direct relevance to the creation and support of residential options for the mentally ill. Additionally, the guide provides a series of strategies which will be useful to state and local mental health agencies in their pursuit of federal housing funds. The appendices include important supplemental materials and references. The following is a chapter by chapter description of the contents of the guide.

Chapter I: Descriptive Overview of Potentially Relevant Federal Housing Provisions

A thorough reading of this chapter will be necessary for those who are unfamiliar with federal housing programs. It is organized according to specific areas of housing assistance and lists the legislative authorization and level of appropriation where appropriate. The authors have purposely devoted one entire chapter to program descriptions since there are many complex provisions and qualifications which apply in each area.

Even though this chapter is fairly detailed, it should be viewed as an introduction to federal housing assistance. There are many more subtle distinctions and requirements which the reader may only fully understand after reading some of the additional materials in the bibliography.

It is suggested that you read through this chapter once and then refer back to appropriate sections as individual programs are mentioned in Chapter II. In this way the reader who is new to this area will have the funding assistance descriptions fresh in his or her mind.

Many of the words and phrases used in Chapter I may be unfamiliar. These more technical terms are italicized and are defined in the Glossary. It may be important to consult the Glossary while reading this chapter since many of these terms are used throughout the report.

Chapter II: Funding Alternatives for Specific Residential Options

In this chapter, specific HUD funding options are linked to a range of alternative community living arrangements. These types of residential programs are grouped under generic categories:

individuals living alone or with a roommate(s), individuals living in small groups, and individuals living in care facilities.

The following is a list of the various residential options included in each category, with a brief operational description and an example of existing programs in each case:

-- Individuals living alone or with a roommate(s)

1. Individual/shared private home or apartment--An independent living situation with little or no direct agency supervision where clients require only periodic visits from agency staff--if at all.

2. Cooperative apartment--A living arrangement in an apartment facility which is supervised by professional or paraprofessional staff living in a separate or adjacent apartment or living off the grounds of the facility. Cooperative apartments may be single units, grouped in a cluster in the complex, or scattered throughout the building(s). Cooperative apartment living may include a rehabilitation and training component, and the degree of direct supervision varies with the level of disability of the client. Supervision may be tapered off as the client's ability to live independently increases. (Example: St. Louis Community Homes Program, St. Louis, Missouri; Fountain House, New York, New York)*

-- Individuals living in small groups

1. Halfway house--A group residential program usually housing from sixteen to twenty-five residents which is staffed by professional or paraprofessional staff who live in the facility. Halfway houses provide a therapeutic and rehabilitative environment, a homelike atmosphere, supervision (if needed) in activities of daily living, and the opportunity for community involvement. Although most halfway houses are transitional

* See: Hilary Sandall, M.D., "Community Alternative in Mental Health Care," Paper Victories and Hard Realities, ed. Valerie J. Bradley and Gary J. Clarke (Georgetown University Health Policy Center: Washington, 1976); also, John Goldmeier, Ph.D., New Directions in Aftercare: Cooperative Apartment Living, Mental Health Study Center, National Institute of Mental Health, Adelphi, Maryland.

short-term, some allow for indefinite stays. (Examples: Horizon House, Philadelphia, Pennsylvania; Woodley House, Washington, D.C.)*

2. Group home--A group home is a smaller living arrangement set up specifically to create a family-like environment. Supervision is provided by live-in staff who assist the residents in the development of self-help and social skills. Supervision may be reduced as the client becomes more independent. Residents are encouraged to engage in activities outside the home. A group home placement is usually seen as a transitional step, but some residents may live in such facilities indefinitely. (Example: Central Bergen Community Mental Health Center, Paramus, New Jersey)

3. Lodge--A small group living arrangement in which the residents participate in cooperative living and work arrangements. Lodges are supervised by staff in the early stages with the expectation that the facility will be managed solely by the client group. Residence in a lodge is by and large long term.**

4. Board and Care--In this case, an individual provides room and board and general oversight in return for a payment from the client. The caretaker usually is providing these services in his or her own home.***

* See: Raymond H. Glasscote, et al., Halfway Houses for the Mentally Ill: A Study of Programs and Problems, Washington, D.C., The Joint Information Service of the American Psychiatric Association and the National Association for Mental Health, 1971.

** See: G.W. Fairweather, et al., Community Life for the Mentally Ill: An Alternative to Institutional Care (Chicago: Aldine, 1969).

*** Some innovative work has been done in training of board and care operators. A curriculum for this purpose was developed in California utilizing both television and classroom instruction. For more information on these materials, titled "New Directions in Community Care," contact Larry Fielder, 1662 Kearney Street, San Francisco, California, 94133; or Dr. Stuart Cooney, Instructional Television Consortium, California State College at Sonoma.

-- Individuals living in care facilities

1. Intermediate care facility--A residential program which is licensed by the state to provide health-related care and services to disabled persons who do not require intensive medical care in a skilled nursing home or hospital. Residents of ICF's require periodic but not twenty-four hour nursing care. ICF's can be certified facilities under Title XIX under the Social Security Act.

2. Skilled nursing facility--An inpatient facility for disabled persons who require skilled nursing and related medical care or intensive rehabilitation. SNF's provide twenty-four hour nursing supervision and each resident is under the care of a physician. Such facilities cannot be primarily for the care of the mentally ill. SNF's can also be certified under Title XIX as well as Title XVIII of the Social Security Act.

There is one remaining category of programs which the authors have chosen not to include in Chapter II--individuals living in large, segregated, non-medical facilities. Although HUD funding is available for the development of large complexes for the elderly and the handicapped, such a facility would in essence constitute a "mini-institution" if it was populated solely by the mentally ill. This is not to say that some special populations, such as the physically handicapped or elderly mentally ill, could not benefit from placement in a more generic facility of this kind.

In reading Chapter II, it should be kept in mind that the reader's capacity to utilize a specific federal program will depend on the scope and complexity of the project or activity, and on the characteristics of the clients to be served. It is incumbent on the reader initially to determine the type of residential program he or she is interested in before consulting the range of HUD options available. Each of the programs requires varying amounts of time, money, and sophistication so that the reader must also take into account his or her resources and commitments before pursuing a particular option.

It should also be noted that the funding options and residential alternatives included in Chapter II are only a portion of the programs and resources needed for a total support system. Case management, medical care, income maintenance, resocialization, medication supervision, vocational rehabilitation, etc, are all potentially significant services which an individual may require.*

* For a description of a program designed to train returning

The development of a comprehensive support service plan, however, will be a persuasive element in any negotiations with local housing authorities, state public housing agencies, HUD area offices, or landlords. Depending on the type of funding pursued, each of these entities will be reassured by the active presence of responsible support services agencies. Such agencies should be capable of providing the necessary level of supervision over the client's well-being in the living arrangement.

This chapter is divided into three major sections which coincide with the generic living arrangements described. Each of these sections is further broken down into actions which an individual client or agency can take to secure housing. These actions include assisting single clients to find housing, developing small group living arrangements in existing facilities, constructing new housing, and so forth.

Under each of these approaches are specific funding options which can be used to pursue the particular course of action. Each option refers the reader back to Chapter I for a more detailed discussion of the specific funding program. Options include summary statements regarding the funding source, auspices, eligibility, prerequisites, and the appropriate section in Chapter III which outlines strategies for securing funds.

Almost every funding option is accompanied by one or more hypothetical or actual examples of the application of the housing assistance program being discussed. At the conclusion of each option is a statement of particular advantages or disadvantages to the approach.

The Table of Contents may be useful to the reader in selecting those portions of Chapter II which will be most relevant to his or her concerns.

Chapter III: Funding and Advocacy Strategies for State and Local Agencies

This final chapter summarizes various strategies which state and local agencies can apply to the process of securing funds and in the development of residential programs. It includes sections on other avenues of federal funding, the role of the

institutional residents in the skills of community living, see: Mary Ann Test, Ph.D. and Leonard Stein, M.D., "Practical Guidelines for the Community Treatment of the Markedly Impaired Patient," Mendota Mental Health Institute, Madison, Wisconsin.

state mental health authority, participation in the local housing planning process, steps necessary to secure housing assistance payments, advice on building, and suggestions on zoning and other residential restrictions.

Appendices

- A. Glossary--This is an alphabetized list of all the italicized words that appear in Chapter I of the guide.
- B. Bibliography--The bibliography includes an annotated list of relevant housing publications and literature on residential programs.
- C. A list of key people in HUD area and regional offices.
- D. A list of State Housing Finance and Community Affairs Departments.
- E. A table showing the regional allocations of Section 8 and new traditional public housing funds.
- F. A list of relevant projects cited in the guide with names and addresses.
- G. Letter of Opinion from the Office of the General Counsel of HUD affirming the eligibility of the mentally ill for Section 8 and traditional public housing programs.

CHAPTER I

DESCRIPTIVE OVERVIEW OF POTENTIALLY RELEVANT FEDERAL HOUSING PROVISIONS

Introduction

In August 1974, President Ford signed the Housing and Community Development Act (Public Law 93-383) which signalled a major breakthrough for handicapped persons seeking Federal housing assistance. The 1974 law broadened accessibility to such programs by expanding the definition of "handicapped"* and by requiring local communities to include the needs of disabled persons in housing assistance plans. Although the Act did not mandate housing as an entitlement for the handicapped, it did reaffirm their eligibility for such programs.

Though the definition of handicapped was broadened in the Act, the eligibility of persons with emotional and psychiatric disabilities was not specifically spelled out. To date, many localities have been reluctant to include the mentally ill as an eligible group, and HUD and regional office personnel have also raised questions about the intent of the Act regarding the mentally ill. Inquiries have resulted in a clarification of eligibility in this area. On November 8, 1976, HUD's Assistant General Counsel's Office for Public Housing issued a "letter of opinion" recognizing the eligibility of mentally ill persons in HUD's Section 8 rent subsidy program and traditional public housing (see letter in Appendix G).

The letter affirms the intent of HUD to include mentally ill persons under the definition of (1) "disability" (defined in Section 233 of the Social Security Act) and (2) "handicapped" as provided for in Section 3(2) of P.L. 93-383 which states that a handicap is an impairment which is (1) expected to be of long, continued duration; (2) substantially impedes his/her ability to live independently; and (3) could be improved by more suitable housing conditions. It is anticipated that HUD will soon issue regulations further clarifying the eligibility of the mentally ill for purposes of all relevant Federal housing programs. Until that time, the eligibility of mentally ill persons has been sufficiently delineated to provide a sound basis for pursuing housing assistance for this group of handicapped persons.

*The definition was changed with the removal of the term "physical" as a modifier of handicapped, and with the addition of the developmentally disabled as a specifically eligible group.

This chapter is a necessary preface to the guide since it familiarizes the reader with the variety of available federal housing programs and the specific requirements for securing funding under each. An understanding of these provisions is an important prerequisite to matching client housing needs to particular forms of assistance--a discussion of which is included in the following chapter.

The chapter describes eight federal housing programs:

- A. Community Development Block Grant Program
- B. Housing Assistance Payments Program (Section 8 rent subsidies for existing, newly constructed or substantially rehabilitated housing)
- C. Traditional Public Housing
- D. Section 202
- E. Section 235 home ownership subsidy program and V.A. home loans for disabled veterans
- F. Section 515 rural loans
- G. HUD/FHA Mortgage insurance programs
- H. Intermediate care and skilled nursing facilities

It closes with a discussion of state housing agency programs.

A. Community Development Block Grant

Legal Authorization: Title I, P.L. 93-383

Appropriation: Approximately \$3.1 billion for FY1977

One of the more significant mandates in P.L. 93-383 is the development of a local *community* development program. There are two components of this mandate: (1) a three-year community development (CD) program, and (2) a local housing assistance plan (HAP).

Funds for *community development (CD)* are allocated as *block grants* to eligible units of government. Eighty percent of all funds are distributed to metropolitan areas and twenty percent to non-metropolitan areas based on a formula which includes population, poverty, and extent of housing overcrowding.

1. Community Development Activities

Communities may include the following eligible activities in their CD applications--the funding of which is contingent on HUD's final approval:

-- Acquisition, construction, rehabilitation or installation of neighborhood facilities, parks, playgrounds, and other recreational facilities, senior

centers, and *centers for the handicapped*.

- Removal of material and architectural barriers.
- Payment of non-federal (local match) funds required to obtain a federal grant-in-aid program, which is part of the CD program, and which is an otherwise eligible activity under the CD program.
- Support for any activity currently being carried out as part of a Model Cities program funded by HUD.
- Payment of reasonable administrative costs and charges related to planning and execution of community development and housing activities.
- Development of public services in the designated CD area for which other funds are inadequate and/or unavailable, which are important for the support of other CD or other community service programs (such as day care, drug abuse, health, etc.)

As mentioned in the above list, centers for the handicapped have recently been made an eligible activity in the CD program. New regulations were published in the Federal Register, Volume 42, No. 74, Part III, on April 18, 1977. According to the regulations, the term "'center for the handicapped' shall mean any single or multipurpose facility which seeks to assist persons with physical, mental, developmental and/or emotional impairments to become more functional members of the community by providing programs or services which may include, but are not limited to, recreation, education, health care, social development, independent living, physical rehabilitation and vocational rehabilitation; but excluding any facility, the primary function of which is, to provide residential care on a 24-hour day basis (such as a group home or halfway house)."

Although there are numerous activities that can be included in a CD application, other types of activities are not eligible for CD assistance. Generally, all public works, facilities and site or other improvements are ineligible unless specifically mentioned in Federal Regulations (see Federal Register, Volume 41, No. 12, January 19, 1976). For example, hospitals, nursing homes, and schools are not eligible under a CD block grant, but certain medical and/or vocational services could be included under CD if they are part of a center for the handicapped or senior center.

Other activities that are ineligible for CD assistance include: equipment, operational or maintenance expenses, and construction of any permanent residential structures. (See National

Association of Housing and Redevelopment Officials [NAHRO] A Chart Book on How to Plot a Local Community Development Course for more detailed information.)

All activities sponsored under a CD program must be publicly-owned. However, in the supplementary information section of the April 18 regulations, HUD recognized "that many services provided by centers for the handicapped have traditionally been performed by private groups and non-profit agencies. Although ownership of a center for the handicapped assisted under this Part cannot be vested in such a private group or non-profit agency the operation of such a facility on behalf of a public body by private or non-profit groups would be acceptable."

2. Local Housing Assistance Plan (HAP) (Title I and Section 213 of Title II, P.L. 93-383)

When communities apply for a block grant, they must submit a CD application which includes a *Local Housing Assistance Plan (HAP)*. All funds for CD block grants or for any of HUD's subsidized programs (e.g., public housing, home subsidy programs, Section 202 and Section 8) are contingent on an approved local housing assistance plan. A HAP requires:

- a survey of local housing conditions;
- a determination of local housing needs, including those of the elderly and the handicapped.
- specific, realistic annual goals for providing various kinds of housing assistance to low-income families, including the elderly and handicapped.
- identification of general locations for proposed assisted housing;
- provision for citizen participation in the development of the plan.

Once a local HAP has been developed, it is submitted as a part of the CD grant application to the HUD area office for approval. Applications for all HUD programs (Section 8, Section 235, public housing, and Section 202) are subject to review by the area office and must be consistent with the needs identified in the HAP.

Housing sponsors applying for federal assistance do not need to be included in the local HAP if: