

Recovery Housing Development Guidebook



Ohio Recovery Housing

www.ohiorecoveryhousing.org

Table of Contents

Introduction	2
Definition of Recovery Housing	2
Laws Pertaining to Recovery Housing	3
Administrative and Operational Considerations	3
Recovery Supports	7
Physical Property	10
Staffing	13
Developing your Organization’s Policies and Procedures	16
Build your Policy and Procedures Manual	18
Resident Lease Agreements	20
Orientation Process	21
Appendix—Additional Resources	22
Best Practice Resources and Guidance	22
Worksheets, Samples and Checklists	24



Introduction

This document is a guide to assist persons interested in the development of housing that provides a sober living environment for those in recovery from substance use disorders. It is also a supplement to the [OhioMHAS Quality Housing Criteria](#). Operators who wish to pursue local, state or federal funding are required to ensure they adhere to the OhioMHAS Quality Housing Criteria; however even those who don't may find this guidebook helpful to ensure they are satisfactory housing operators and business owners.

This guide provides information, best practice guidance and available resources. However, this guide is only a starting point. It is not possible for this guide to include all the information and knowledge you will need to operate effective recovery housing. Using this guide is also not a guarantee of success or funding from OhioMHAS ADAMHS Boards or certification by Ohio Recovery Housing. In addition to using this guide, you will also likely need to consult with experts such as accountants and attorneys.

Recovery housing is only one component of the continuum of care for people with substance use disorders. To be successful, you must develop relationships with other organizations that provide services and supports. Before you get started, ensure you fully understand what is involved in starting, owning and operating a recovery residence.

Definition of Recovery Housing

Recovery housing means housing for individuals recovering from alcoholism or drug addiction that provides an alcohol and drug-free living environment, peer support, assistance with obtaining alcohol and drug addiction services, and other alcoholism and recovery assistance ([ORC 340.01](#)). It is important to note that **recovery housing is not treatment**. Residents in recovery housing can stay in recovery housing for as long as needed and as long as they are following the house rules, guidelines and are making appropriate payments for rent and fees.

In Ohio there are three different levels of recovery housing. These levels of housing differ depending on the organizational structure of the house, as well as the level of support and services that are offered within the house:

Level 1: *Peer-led, democratically run homes that include community/house meetings, on-site and off-site support groups and outside clinical services. No on-site paid staff. Generally single-family residences.*

Level 2: *Homes that include a structured, peer-accountable, and highly supportive setting. Involvement in clinical treatment services is available and encouraged. Primarily single-family residences, but can include other types of dwellings. This environment must include at least one staff position.*

Level 3: *The highly structured setting offers supervised living and qualified staff who are connected to a larger, often clinical organization. Support services include life-skill development, such as budgeting, and employment skills. Community providers may offer services on-site for residents. Peer support and recovery action planning are still the central focus of support.*

You can use the ["What Level Are We?"](#) quiz to determine what level of recovery housing your future home may be.

Laws Pertaining to Recovery Housing

Recovery Residences are not certified or licensed by the State of Ohio. There is a voluntary certification offered by Ohio Recovery Housing (ORH), which is encouraged by the Ohio Department of Mental Health and Addiction Services (OhioMHAS). Learn more about the process and other technical assistance offered by [ORH](#).

OhioMHAS does, however, require adherence to their [OhioMHAS Quality Housing Criteria](#) for operators to access funds available through the Alcohol Drug and Mental Health (ADAMHS) Boards or directly available through OhioMHAS. Many of the directives included in this document are included in the Criteria, with additional instructions given in this guidebook for clarification.

Operators of recovery housing must follow all laws pertaining to [Ohio Landlord Tenant Law](#) and Federal [Fair Housing Law](#).

Operators of recovery housing must also follow all local zoning, building and municipal codes in their communities. Operators should contact their [local government](#) to learn more about these laws.

Administrative and Operational Considerations

As a recovery housing operator, you will be operating a business and must ensure that you have an appropriate business plan, budget and organizational structure.

Create a Mission Statement

Having a well-defined mission statement will help you stay focused as you develop your business plan. A mission statement will also help you communicate to your future residents and your community what you are accomplishing through the operation of the recovery house. Consider the following when developing your mission statement:

- Why does your recovery house exist?
- Who does your recovery house seek to serve?
- How do you plan on serving your target audience?
- What is your role in your community?

Identifying your Organization's Structure

You will want to determine your business' legal structure. You can form your organization as a for-profit or non-profit organization. If you decide to form the organization as a for profit business, it can be formed legally as a Sole Proprietor, Partnership, Limited Partnership, Limited Liability Company, C-Corporation or S-Corporation. Definitions of these business structures are available through the [IRS](#).

Many recovery residences are structured as 501c3 nonprofit corporations. If your organization is registered as a 501c3 nonprofit corporation, you are expected to abide by [Ohio Revised Code 1716](#), the [Ohio Charitable Trust Act](#) and the [Ohio Charitable Organizations Act](#). You are responsible for all legal expectations of operating as a non-profit including reporting, maintaining records, providing financial data, etc. Instructions or questions on how to become a charitable organization and responsible operations should be directed to the [Ohio Attorney General's Office](#).

Recovery Housing Development Guidebook

Because the formation of your business has legal and tax consequences, it is suggested that you consult with a qualified accountant or attorney to discuss these options and learn more about what you need to do to ensure that your organization is registered with the appropriate entities and is in compliance with all laws and regulations.

Employer Identification Number (EIN)

Once you have decided upon your legal structure, you will be able to apply for an Employer Identification Number (EIN), which is a unique, nine-digit number assigned by the IRS to small businesses. You can apply for your EIN [online](#). The principal officer, general partner, grantor, owner or trustee must have a valid Taxpayer Identification Number (Social Security Number, EIN or Individual Taxpayer Identification Number) to use for the online application. The online process will issue you an EIN immediately.

State Registration

You will also be required to register your business with the Ohio Secretary of State, whereupon you will be issued State of Ohio Incorporation documents. Register online [here](#). Contact the Ohio Secretary of State, Business Services division with any questions.

Establish a Business Bank Account

Establish a bank account that is for your organization. Be sure to keep this bank account separate from your personal account. Use this account only for your official business related to your organization.

Establish Fiscal Policies

It is recommended that you consult with an accountant or an attorney to establish fiscal policies and procedures. These policies and procedures will help you ensure that you are appropriately tracking your income and your expenses. These fiscal policies should also include internal controls to help protect you against potential fraud.

If you decide to operate as a non-profit organization, you should also have policies that address issues such as conflict of interest, budgeting and financial reporting. An accountant or attorney can help you develop these policies. The [Ohio Association of Non-Profit Organizations](#) also has sample fiscal policies and documents that you can use as templates.

You will also need an accounting system that allows you to implement the fiscal policies as designed. When designing your accounting system ensure that you are able to quickly produce receipts for residents. You should also be able to produce a resident statement of account upon request. An accountant can help you develop an appropriate system.

Insurance

You will need adequate insurance not only that protects the home, auto and business from damages but also protects you legally. You will want to review your automobile insurance (if you are transporting residents), homeowner's insurance, general liability insurance and worker's compensation insurance. In addition, you may want to consider whether you need to purchase health insurance for yourself or offer health insurance for your employees. Consult with an insurance agent to ensure that you have coverage for your insurance needs.

Develop a Business Plan and Budget

One of the most difficult parts of running a recovery home is determining a budget. The following information is provided to help you get started, but should not be considered a complete or comprehensive list. You will likely have additional considerations depending on your operations and community.

Determine your Start-up Costs

There are many costs to consider when you are starting recovery housing. The list below will help you see what costs you need to account for to start the recovery house. What you will need may vary depending on your target population and the specific supports you will be providing.

- Costs associated with acquiring the house
- Costs associated with property improvements (see physical property section for minimum requirements)
- Zoning, permits and inspections (see physical property section for suggested inspections)
- Furniture
- Appliances
- Starting supplies (cleaning supplies, linens, toiletries, food)
- Office supplies (paper, pens, file folders, cabinets)
- Computer and software
- Printer
- Start-up costs for a bank account and checks
- Operator and/or staff training
- Reserve of funds for initial vacancies
- Reserve of funds for unexpected expenses

Determine your On-going Costs

You will also have ongoing expenses associated with operating your recovery house. The list below is to help you get started with what you will need to account for on an ongoing basis.

- Mortgage or rent payments
- Insurance payments
- Property and other taxes
- Bank and account fees
- Utilities (water, gas, electricity, Internet, cable)
- Trash pick-up or removal
- Cleaning supplies
- Toiletries
- Office supplies
- Transportation costs
- Marketing and promotion costs
- Costs of any resident activities and house meetings
- Salaries for staff
- Set aside for a prudent reserve

Determine How Much to Set Aside for a Prudent Reserve for On-going Maintenance and Unexpected Expenses

Operating recovery housing involves financial risk. You can help mitigate this risk by setting aside a specific amount each month to develop a prudent reserve of funds. This fund can be used to make major repairs or ongoing maintenance that may be needed. You should also consider that you may need a reserve of funds for emergencies or unexpected expenses.

Consider the following major expenses when determining how much to set aside on a regular basis to cover major or unexpected expenses.

- The condition of the property and when to replace or repair the roof, windows, siding, driveway/ parking lot, etc.
- The condition of appliances and when to replace them
- The condition of the paint, flooring and furniture and if they will need to be replaced or repaired
- The condition of the furnace, water heater, air conditioner, etc. and when they will need to be replaced or repaired
- How often you will have a vacancy and expected duration of vacancy
- How often you will have a resident who will not be able to meet their financial obligation

Establish your Operating Budget

Examine your total start-up costs, monthly maintenance costs and potential revenue to determine if you have enough funds to establish and support a business. Establish a budget that is both a short-term budget and a long-term budget for major on-going expenses.

Use the Ohio Capital Corporation for Housing Asset Management Tools

Ohio Capital Corporation for Housing (OCCH) and OhioMHAS have developed the Recovery Housing Project Toolkit and Proforma Spreadsheet, available online [here](#). This guide can be helpful in navigating funding applications, including those offered by OhioMHAS. Once you have a general idea of your expenses, the toolkit and accompanying spreadsheet can help you further construct your recovery house project and answer additional budgeting questions.

- Will the population I intend to house be able to afford this rent? If not, are there other sources of revenue available that I can seek out to offset the cost?
- Are there adjustments that can be made to the budget so as not to jeopardize the integrity of the home?
- Are staff costs appropriate?

Identify Revenue Sources

As an operator of an organization, you must closely manage your budget to ensure that you have enough revenue to cover your expenses. Funding opportunities for recovery housing are limited and funding is not guaranteed. Many operators charge fees to residents to cover the costs of expenses. However, many people who need this recovery support are low-income and may not be able to afford a fee. Each funder has its own requirements and process for your organization to receive funding. Understanding any expectations of funders prior to program development can help save time and money.

Possible funding opportunities may include:

- Fees paid by residents
- [Ohio Capital Corporation for Housing Bridge Financing](#)
- Alcohol Drug and Mental Health (ADAMHS) Board funding
- [OhioMHAS Capital Planning](#)
- [Federal Home Loan Bank Affordable Housing Program \(AHP\)](#)
- [Ohio Housing Finance Agency \(OHFA\) Housing Development Gap Financing \(HDGF\)](#)
- Private foundation grants or funds
- Donations (for eligible entities)

Additional funding opportunities may periodically be made available through OhioMHAS. You can be notified by signing up for the monthly [e-Update newsletter](#).

Prohibition Against Patient Brokering

[H.R. 6](#), passed in September 2018, includes language which specifies that those who knowingly and willingly pay or receive kickbacks for referring an individual to a recovery home or clinical treatment facility may be fined or imprisoned. (Section 8122).

Operators shall not participate directly or indirectly through the use of another person, entity or technology, referring or recommending a resident or other individual to a provider in exchange, or anticipation of an exchange, for any economic benefit, including but not limited to, a rebate, refund, commission, preference, patronage dividend, discount or other item of value.

Recovery housing may have multiple funding sources. As the recovery housing operator, it is important that you understand how your operation is funded, and if there are any public dollars being provided to you. It is recommended that if you enter into any contacts or agreements where someone else is paying the fees for residents that you have such agreements reviewed by an attorney with expertise in health care fraud laws to ensure that you are in compliance with laws regarding health care fraud, anti-kickbacks and patient brokering.

Recovery Supports

While the business and organizational planning is often the most daunting part of starting a recovery house, you must also work to ensure that you are ready and able to establish an appropriate recovery environment in the home that provides an environment free from alcohol and illicit drug use, peer support and connection to treatment and recovery supports in the community.

Creating and Maintaining an Environment Free of Alcohol and Illicit Drugs

A major component of recovery housing is maintaining an environment free of alcohol and illicit drug use. Strategies must be appropriate and reasonable for the level of housing and the target population of residents. You must develop written policies that address key aspects of ensuring an environment free from drugs and alcohol. It is highly recommended that you have these policies reviewed by an attorney to ensure you are also in compliance with Ohio Landlord Tenant and other applicable laws.

Develop Strategies to Ensure an Environment where Relapse is Prevented

Your house must provide an environment that is designed to prevent relapse and appropriately address relapses if they do happen. Everything you do at your home should keep in mind that you are maintaining an environment free from alcohol and illicit drug use. Below are specific strategies for you to consider to ensure that relapse is prevented whenever possible.

- What specific actions you take to prevent relapse (such as noticing warning signs, connection or referral to additional services and supports, regular check-ins with residents)
- What specific actions you take to ensure alcohol or illicit substances do not enter the home. This strategy should include a list of specific items that are prohibited in the home and policies about any searches of resident property, as well as what actions will be taken if a resident does bring a prohibited item into the home
- What emergency procedures are in place if a resident does experience a relapse
- The actions the operator will take to address the relapse. The operator must consider the rights of the resident, as well as the health and safety of the other residents in the house
- How you will make naloxone available and accessible to residents and staff. Free naloxone kits and rainings are available in many communities through [Project DAWN](#)

All of the above issues should be written down and presented as protocol. This protocol should be shared with all potential and new residents prior to the resident moving in or making any payments.

Decide How Prescribed Medications Will be Handled in the Home

Recovery homes do not dispense, prescribe or assist residents directly with their medications. However, recovery residences must ensure that any prescribed medications that are brought into the house are being taken by the resident for their prescribed purpose. This includes medications that are prescribed as a part of medication-assisted treatment (MAT) or medication-assisted recovery (MAR).

Depending on the level of support offered in your home, you may implement a variety of strategies to ensure that residents are appropriately managing their own medications. At minimum your houses medication policy should address:

- How all medications should be stored. It is highly recommended that all medications be stored in a locked location, especially any prescribed controlled substances.
- How the house will require residents to track their medications. It is highly recommended that the house implement strategies such as medication logs and observing as residents counting their own medication.
- What happens if a resident's medication is used inappropriately or goes missing.

More information and [best practice guidance on MAT](#) in recovery housing can be found on the Ohio Recovery Housing website. There is also a [free online training](#) for operators of recovery housing about implementing best practices for MAT.

Decide What Expectations There Will be for Residents

Recovery housing provides an environment of recovery and accountability for residents. Depending on the target population and the level of support you are seeking to provide, you will need to determine what expectations there will be for residents. These expectations may also be referred to as house rules or house

Recovery Housing Development Guidebook

guidelines. It is essential that you involve your residents in the ongoing discussion and development of your house's expectations, rules and guidelines. This can be done by establishing a resident council and appointing resident leaders within the home. As you are just getting started, be sure to consult people in recovery who have lived in recovery housing as you develop your resident expectations, and consider having such individuals serve on your board of directors. Resources in Ohio include [Ohio Citizen Advocates for Addiction Recovery](#) and your local peer run organizations, as well as other organizations listed in the "Build partnerships with other organizations" section below.

Develop a Resident Rights Statement

As a recovery housing operator, you will be creating a culture and environment in your home that is respectful of the rights of people in recovery and a culture that supports recovery. Residents not only need to understand what is expected of them when they live in a recovery home, but they should also know what they can expect and how they can expect to be treated when living in your recovery home. At minimum, residents have all of the rights that are offered to them under the law. All recovery residences seeking to meet the OhioMHAS Quality Housing Criteria should ensure resident rights as consistent as possible with [OAC 5122-30-22.1](#). Operators may want to consult an attorney to draft rights and grievances procedures that are consistent with this law.

Determine What Recovery Supports Will be Available

Recovery residences must provide recovery supports within the home. Recovery houses do not offer treatment services, but they are expected to offer connection to treatment services if the resident has a need and desire for treatment services.

Create a list of defined supports that your house will provide to residents. At minimum, recovery houses provide:

- Peer support
- Resident-driven recovery planning
- Connection and referral to community resources
- House meetings
- An environment supportive of long-term recovery

Level 3 recovery houses are also required to have a weekly schedule of recovery support activities and formal life skills development activities.

Your house may also provide transportation, food, employment connection services, recovery coaching or formal referrals or other services and supports.

Develop a Strategy for Person-Centered Recovery Planning

As a recovery housing operator, you must be prepared to support residents no matter what pathway to recovery they choose. You must also establish a culture in your house that is supportive of residents and their chosen pathway to recovery. These pathways can include but are not limited to 12-step programs, peer recovery supports, medication-assisted treatment and/or faith-based recovery programs.

You will be ensuring that residents have person-centered recovery plans. These plans are not treatment plans, but ways for residents to identify and achieve recovery goals. Depending on the level of your house,

Recovery Housing Development Guidebook

you will be taking a more active role in assisting the residents in the development and execution of these plans. The recovery house will also provide a supportive environment, peer support, and accountability for residents as they work to achieve the goals identified in the plan.

There are many different ways for you and your residents to engage in this type of planning and support, and you should identify a strategy to ensure that you are capable of providing this support to residents.

Helpful tools and resources to examine as you determine how you will develop person-centered recovery planning and create a culture supportive of recovery in your home include:

[SAMHSA Evidence Practice Resource Center](#)
[Research on recovery housing](#)
[Resources available through SAMHSA Partners for Recovery](#)

Build Partnerships with Other Organizations

Recovery housing is one component of a continuum of care for people with substance use disorders. As a recovery house operator, you will be responsible for ensuring that if a resident needs treatment, recovery services or other supports, that you are able to connect him/her/them to those supports in the community.

You should become familiar and develop partnerships with other organizations and community members. A great way to build partnerships with other organizations is to look for opportunities to become involved in the local recovery community, such as participating in local recovery coalitions or task forces. Participation in these groups will allow you to build relationships with your community and learn more about the resources to help your residents.

Partners to consider include

- [ADAMH Boards](#)
- Recovery support organizations or groups
- [Peer-run organizations](#)
- [Drug courts](#) and re-entry task forces
- [Departments of public health](#)
- Substance abuse and/or mental health treatment providers
- Social service providers (child and family services offices, domestic violence groups, workforce development agencies, etc.)
- Housing partners (local and statewide homeless task force, affordable housing advocates, fair housing advocates, etc.)
- Hospitals

Physical Property

A major component of the recovery environment is the physical property itself. There are many considerations when selecting the property that will become a recovery house among them are the legal requirements surrounding whether or not the building you have chosen can be utilized for this purpose. It is highly suggested that you ensure that the potential location of your recovery house is appropriate before acquiring the property.

Identify an Appropriate Location

A tool developed by OneEighty in Wooster for use in locating community properties is available for your use in the Appendix. Other items to be considered when identifying the property are listed below.

- Is the neighborhood safe and drug-free?
- Is public transportation available nearby?
- What treatment and recovery services are in the area?
- Is the neighborhood well-maintained?
- How much parking is available for residents?
- Are there street parking restrictions?
- Is there outdoor space available and accessible for residents?
- What medical facilities are available?
- Are there spiritual/religious centers nearby?
- Is shopping convenient?
- Are there other community resources nearby?
- Are there employment opportunities available?



Ensure the Property Meets All Zoning, Building and Fire Safety Codes.

Recovery housing must meet all zoning, building and fire safety codes. Consult with your project architect, the local building code enforcement office or the Ohio Department of Commerce for assistance with the items listed below.

Zoning

Consult with local zoning and housing departments to determine what type of building use is allowed in what zones. Zoning classifications vary by jurisdiction, so it is necessary to research restrictions in the community in which you are located. Be very clear about the zoning and/or building restrictions in the neighborhood(s) in which you are planning to locate and don't be afraid to ask questions.

Building Codes

Two building codes govern the design and construction requirements for all buildings in the State of Ohio, Ohio Building Code (OBC) and Residential Code of Ohio (RCO). 'Recovery Houses' are not defined in either and may fall into either of these codes. Consult OhioMHAS' [OBC Guidance Document](#) for additional information on this topic. [Ohio Administrative Code 4101:1-1-01](#) provides instructions as to change in use to a building or structure and the requirement for a Certificate of Occupancy prior to use. When the occupancy type of a building is changed or when an addition or new building is completed, documentation that matches its current use must be obtained before the structure can be legally occupied.

In addition to the state building codes, your local community may also have codes specific to jurisdictions that you must follow. Local communities usually have codes pertaining to occupancy, rooming house rules/registration and other regulations that may go beyond the state or federal laws.

You should contact your local building code enforcement office to learn more about any building codes that apply to you, either by the state or in the local community. You should inquire on how you can obtain a Certificate of Occupancy (which in some areas may be called a certificate of use or certificate of appropriateness).

Some localities do not oversee this process and may refer you to the State of Ohio Board of Building Standards.

Ensure you have Appropriate Inspections.

To meet the OhioMHAS housing criteria and be eligible for funding, fire and safety inspections must be completed annually (or as otherwise dictated by your local municipality) and dated by certified inspectors.

In addition, the structure must at a minimum:

- Meet Housing and Urban Development (HUD) [Housing Quality Standards](#) (HQS) as completed by an authorized inspector; or
- Have a completed home inspection showing no structural defects; or
- Have a completed Ohio Recovery Housing (ORH) dwelling inspection checklist. The ORH dwelling inspection is available to those who already have or are seeking ORH associate certification.

Even if your home is not going to be receiving funding from OhioMHAS, you should consider having the home inspected for fire safety on a regular basis.

Meeting the OhioMHAS Quality Housing Criteria for Physical Property

All recovery housing in the state of Ohio needs to follow all zoning, building, fire safety and health-related codes. The following additional requirements refer to the OhioMHAS Quality Housing Criteria, which is required for all recovery housing that is funded by OhioMHAS or local ADAMHS boards.

Recovery housing operators need to ensure the physical setup of the home allows all individuals adequate privacy and safety. The physical space should also contribute to the establishment of a positive recovery culture, be supportive of peer support interactions and be home-like as opposed to institutional in nature.

The elements listed below are required within the OhioMHAS Quality Housing Criteria, however OhioMHAS has created a reasonable accommodation process should your setting have difficulty meeting an individual component.

- Houses should have all elements of a typical home such as kitchen, dining room, laundry, living room and bedrooms.
- The physical layout should be reasonable, so residents have freedom to use the common areas as they wish and do not require residents to follow a strict schedule.
- No more than two adults per bedroom (documented accommodation may be provided by OhioMHAS). Children are not included in this count for OhioMHAS purposes, but be aware that children and infants often are considered for occupancy purposes.
- No more than 16 adults (including staff who live on site) total living in a single-family structure (Documented accommodation may be considered by OhioMHAS. OhioMHAS reserves the right to evaluate all Recovery Residences in excess of 16 adults to ensure they are in compliance with the entirety of the Criteria prior to any funding approval).
- Recovery housing that is operated in an apartment type structure must have 450 square feet for individual unit.
- A minimum of 70 square feet for the first bed and 50 square feet for each additional bed shall be allotted in each bedroom.
- There must be at least one sink, one toilet and one shower per six residents.
- Each resident must have his/her/their own personal item storage space and food storage space in areas where they can access them at any time.

Ensure a Home-like Environment

A part of building an effective recovery environment is ensuring that the physical space is appropriate and matches the culture and mission of your organization. It is important that you set up the physical space and establish a house culture for use of the space that promotes mutual respect and peer support interactions. To meet the OhioMHAS Quality Housing Criteria:

- If individuals share bedrooms, every effort should be made to ensure that residents have a choice in their roommate.
- Residents should have access to the common areas of the house at any time.
- There should be a clear policy about visitors and guests. Residents should have a reasonable expectation of having guests at reasonable hours, while also allowing the operator to maintain appropriate occupancy of the home and the safety of the recovery environment.

You should also consider the following elements to create a home-like environment:

- Furniture in the home should be in good condition and appropriate for a home-like environment.
- Residents should have a key code or a key to the house.
- There should be enough space in the dining room and living room for all of the residents to gather.

Staffing

If you are operating a Level 3 recovery house, you are required to have staff in residence at the recovery house. If you are operating a Level 2 recovery house, you are required to have a house manager, and this person is typically a staff person, but could also be the owner of the house acting as the house manager. While Level 1 houses are peer-run, the operator will have responsibilities related to maintenance of the building, ensuring a positive recovery environment in the home, as well as being available for maintenance requests and emergencies.

Ensure Compliance with Labor and Tax Laws

It is highly suggested that you consult with an attorney to ensure that your house is following all state and federal labor and tax laws. If you are a non-profit organization, you should also ensure that you are in compliance with charitable law regarding volunteers if you plan to use volunteers in your organization.

Determine your Staffing Needs

In a previous section, you created a list of recovery supports that your recovery home would provide. For each listed recovery support, determine the following:

- Who will be responsible for ensuring that recovery supports is delivered?
- How many hours per week will be required to provide recovery supports?
- Who will supervise this activity and ensure that recovery supports are provided?

Examine this list to determine how many staff positions you will need, and if it is possible to fill the staff positions with the resources you have available.

Employment Practices

After determining your staffing needs, you should develop job descriptions and employment applications

for your potential employees.

Individuals working at your recovery house should complete an employment application and be thoroughly vetted prior to hire. Essential elements of hiring practices include:

- Job descriptions—each employee should have a job description. This needs to include:
 - Position title
 - Who the person reports to and supervisory obligations
 - Job duties
 - Purpose of position
- Employment application. This application should ask questions that will help you determine if the person is qualified for the job.
- Hiring protocol. This should include how the organization ensures that a person is qualified for a particular position. This protocol should include, at minimum, a review of the employment application, employee interview and checking employee references. You are required to follow all laws regarding background checks. See section below regarding background checks.
- Staff training—Once individuals are hired, you should have a process for ensuring that all staff understand organizational policies and procedures and other related training for their specific role in your organization.
- Staffing plan—You can use the chart you used previously to determine your staffing needs. This chart should tell you how you plan to ensure that the services and supports you offer at your recovery house are appropriately staffed. You should also have a plan in case there is a vacancy or if a staff person is unable to make it to work on any given day.

As you develop your employment policies and practices, keep in mind that recovery housing is meant to provide peer support and be resident-driven. You should ensure that your hiring and employment practices ensure that staff selections are made based on recovery principals and that staff are expected to model recovery principals to residents.

Background Checks

Background checks should be conducted as required by federal, state and local law on all staff, including volunteers who may have direct and regular interaction with residents. It is up to you as an organization to create a policy concerning background checks that is in compliance with local, state and federal laws. This includes federal laws that protect the applicant from discrimination based upon race, national origin, sex, or religion, disability, sexual orientation, genetic information and age. The Equal Employment Opportunity Commission (EEOC) enforces these laws. You need to consider:

- If background checks are performed
- Who is subject to background checks?
- Which background checks will be performed?
- How often checks will be performed
- How the organization will respond to the results of the background check

It is highly recommended that you contact an attorney to assist you in understanding these laws as you develop your policy.

Wages, Payroll and Employer Taxes

Hiring employees means you have the responsibility of processing payroll and accounting for taxes. Part of your staffing policy and procedure should be tracking work schedules and monitoring time so you can process payroll. State and Federal labor laws set minimum wage. More information on the current minimum wage can be found at the [Ohio Department of Commerce](#). You can choose to pay hourly or a salary so long as the total amount paid divided by the total number of hours worked is equal to at least the minimum wage. Federal law requires you to pay overtime pay for time worked over 40 hours each work week for non-exempt employees. Contact the [US Department of Labor](#) with any questions.

Workers' Compensation insurance provides wage replacement and medical benefits to employees injured in the course of employment. Contact the [Ohio Bureau of Workers' Compensation](#) to determine what amounts, if any, you are required to pay.

Taxes

As a business and employer, you are required by law to pay state and federal taxes. Below is a brief list of the taxes you can expect to pay:

Federal:

- Federal Insurance Contributions Act (FICA): Social Security tax and Medicare tax.
- Self-Employment Contributions Act (SECA): Social Security tax and Medicare tax for those individuals who work for themselves.
- Federal Unemployment Tax Act (FUTA): A tax used to fund state workforce agencies.

State:

- Collected based on income; higher the income, the higher rate an individual pays in taxes.

State Unemployment Insurance Taxes are funds used to pay employees who lose their job through no fault of their own. You are required to pay unemployment insurance taxes under the Ohio unemployment compensation law if you meet either of the following requirements:

- You have at least one employee in covered employment for some portion of a day in each of 20 different weeks within either the current or the preceding calendar year; or
- You paid wages of \$1,500 or more to employees in covered employment in any calendar quarter within either the current or the preceding calendar year.

Forms to complete:

- Ohio Employee Withholding Certificate [Form IT4](#): Determines income bracket for state taxes.
- IRS form [W-4](#): Determines income bracket for federal taxes. New form should be completed if marital status or number of dependents changes.
- [I-9 form](#), Employment Eligibility Verification: Determines citizenship.
- IRS form [940 or 940-EZ](#): Pays FUTA

You can register your account, pay unemployment insurance taxes and report wages paid to employees on a quarterly basis on the Ohio Department of Job and Family Services [website](#). Questions regarding this program can also be submitted via this website.

Employment tax payments are paid to the [Ohio Department of Taxation](#), which is responsible for the

collection of employer withholding, unemployment compensation and workers' compensation payments. Use the [Ohio Business Gateway](#) as a quick and easy way to register, file and pay your taxes online.

You may also have to pay property taxes and any taxes that are levied by your county or city.

Developing your Organization's Policies and Procedures

Written policies and procedures are necessary documents for your organization. These policies and procedures help you make consistent and appropriate decisions, as well as articulate culture, expectations and resources to residents and your community. You should have these policies and procedures in place prior to the official establishment of your recovery house.

During the previous sections in this document, you developed protocols and made decisions concerning several policies, including mission statement, fiscal policies, recovery planning policies, and relapse prevention and relapse planning protocols. There are also additional policies and procedures that you should create prior to opening your recovery house. It is important that these policies be written and that everyone in your organization understand and follow them consistently.

Emergency and Disaster Planning Policies

You should think about what should happen if there was an emergency or disaster.

A good emergency policy includes the following:

- Contact information for who should be contacted in case of an emergency.
- What residents and/or staff should do in an emergency.
- Information on responding to specific types of emergencies, such as fire, natural disaster, medical emergency, resident relapse.
- How to proceed if the house cannot be inhabited and staff/residents need temporary shelter elsewhere.

These policies should apply 24/7. You should also consider having a written policy and procedure for ensuring that any safety equipment mentioned in the above policies are in good working order. This includes checking fire extinguishers, checking batteries in smoke/carbon monoxide detectors and all other safety equipment on a frequent, scheduled basis. The checks of equipment should be documented and recorded.

More information on how to create a disaster plan is available at [ready.gov](#).

Grievance Procedures

Residents who have a concern or a grievance should have a way to formally express their concerns and have them addressed by the operator. It is highly encouraged the residents, staff and operators work together to resolve any concerns informally prior to engaging in a formal grievance process. However, if the resident feels that the concern cannot be handled informally, he/she/they must be able to engage in a formal process. This policy should outline a process by which a resident is able to bring forward a concern regarding the denial or abuse of any resident's rights, what you are committed to doing to address and respond to the concern, and how you will keep documents and records related to the concern. This policy should include clear timelines for both you and the resident related to grievances.

Recovery Housing Development Guidebook

Grievances must be allowed to be referred to a parent organization, if applicable. Names and contact information of such organizations should be provided with the grievance policy.

While recovery houses are not required to become licensed by the OhioMHAS, if the recovery house seeks to have state or local funding, they are required to have grievance policies that meet similar standards to the [“Resident Rights and Grievance Procedure” \(5122-30-22.1\)](#) and [“Client Rights and Grievance Procedures” \(5122:2-1-02\)](#).

This means that residents must be able to submit a grievance to you in writing, that there is a clear process for filing a grievance and that this process is communicated (both in oral and written form) to all residents in the home. The information must be accessible in a place where it is easily seen, and copies must be available to residents when requested. While grievances are not anonymous, they should be confidential. Grievances should record, in writing, the date, time, description of the incident and any names of people involved. As an operator, you need to respond in writing to a resident letting him/her/them know you have received his/her/their grievance, your plan for reviewing or investigating the grievance, your timetable for completing this review, and your contact information.

You should be able to complete your review or investigation and provide a written response. If this is not possible, you need to inform the resident and provide a reason why the investigation can't be completed within this timeframe. At your conclusion, you will need to provide appeal information to the resident should he/she/they be dissatisfied with your decision.

You need to keep all written records of grievances for at least three years. It is highly recommended that you contact an attorney to assist you in understanding these laws as you develop your policy.

Neighbor Concerns

As a recovery house, you will be a part of your local neighborhood. You can avoid concerns from neighbors by having clear resident expectations that address neighborhood issues, such as parking, smoking, trash, noise and language. However, you should be prepared if a neighbor has a concern and the neighbor attempts to contact you or one of your residents about his/her/their concern.

It is recommended that you develop a plan for how you would like these questions and concerns to be handled. Your neighbor concerns policies should include:

- The name and contact information for the person responsible for handling neighbor concerns.
- The amount of time a neighbor can expect to hear back from that person.
- How residents are expected to interact with neighbors who have concerns.

All neighbor concerns should be addressed promptly and professionally.

There are laws that protect people in recovery from discrimination. If you would like to know more about these laws, you can receive brief advice on federal fair housing law issues from the [Coalition on Homelessness and Housing in Ohio](#) or Ohio Recovery Housing.

Resident Selection

As an operator, you need to have clear policies around referrals and accepting new residents. These policies should clearly outline:

Recovery Housing Development Guidebook

- Your resident selection process—what factors you consider when selecting a resident and ensuring that the level of support you offer in the home is appropriate for the resident
- Your non-discrimination policy and how you will comply with federal fair housing and other non-discrimination laws
- How you will make a responsible referral to another recovery home if a person is not selected to move into your home,
- Your waiting list policy for instances when you have more people applying for housing than capacity.

Confidentiality

An element of operating a recovery home is allowing for residents to have a reasonable expectation of confidentiality. Recovery housing may have multiple funding sources. As a recovery housing operator, it is your responsibility to understand what requirements you have with your associated funding sources. If you or your organization provide treatment services, partner with treatment services providers, provide health care services or partner with health care services providers, you may be subject to legal requirements regarding how resident information can be collected, stored and shared.

All residents should feel safe and comfortable living in the home and participating in recovery activities, peer support and working on their recovery goals. Your confidentiality policy should outline:

- What the house will do to ensure resident information is private. At minimum, keep resident records in a locked cabinet with access restricted to designated individuals and password protected computer
- What expectations are for residents with regards to privacy and confidentiality

If your house has agreements concerning releases of information with health care professionals, ensure that you read these agreements carefully and that you have a confidentiality policy that is consistent with your agreements.

Requests for Maintenance

As a property owner, residents will likely have maintenance issues and requests. Having a good policy and procedure in place for residents to make these requests will save you time and resources, and help residents understand how to report small requests before they turn into major problems. You should tell residents:

- Who to report maintenance requests to
- Have a plan appropriate for addressing such requests
- You must ensure that any requests concerning pests or rodents are addressed immediately

Build your Policy and Procedures Manual

Now that you have developed your organization's policies, it is time to put them all together into a comprehensive location. Having all of your policies in one location will help you keep track of your policies and procedures and ensure that they are on hand for easy reference. You may choose to have a manual or handbook for residents with all policies and procedures that pertain to them, and another manual for you as the operator and any staff members.

Policies and procedures you should include in your resident manual include:

- Mission and goals—see page 3
- Description of services provided—see page 9

Recovery Housing Development Guidebook

- Description of population served—see page 2
- Resident capacity
- Emergency contact information
- Emergency policies—see page 16
- Disaster plan—see page 16
- Resident rights and grievance procedures—see page 16
- Non-discrimination policies and procedures—see page 18
- Move-in procedures and resident selection process—see page 18
- Waiting list—see page 18
- Staffing policies—see page 13
- Confidentiality documentation—see page 18
- Relapse policy and procedures—see page 8
- Medication handling—see page 8
- Housing conditions and requests for maintenance

Operators may also want to consider the following as part of the resident packet:

- Verification of income or statement of no income
- Authorization to run a credit check, if required
- Checklist of unit condition before or at time of occupancy
- Procedures for requesting and making repairs, including request forms and completion and/or time estimate forms
- Resident council agreement or arrangement
- Procedures and/or forms related to notice of intent to enter or inspect premises

The following policies pertain to the operators of the house. You may choose to have a separate manual for you as the operator and any staff that includes the policies listed above as well as the following

- Fiscal policies—see page 4
- Operating budget: Short-term (monthly) and long-term (three-to ten-year) budgets should be created to ensure sustainability and fiscal responsibility—see page 6.
- Building maintenance: This policy document should indicate needs for upkeep and maintenance that ensures compliance with applicable laws. This policy may be created in collaboration with the operating budget to account for the management and operation of the housing, as well as unexpected replacement or maintenance items.
- Resident records: Homes must make every effort to keep resident information secure. Information about who has access should be included in a policy.
- Staffing policies and procedures—see page 13

Refer to Ohio Recovery Housing (ORH) [standards](#) and the National Association for Recovery Residences (NARR) [standards](#) for guidance on appropriate policies and procedures. You may also contact Ohio Recovery Housing for technical assistance or support if you need help developing a specific policy or procedure.

Resident Lease Agreements

Once you have your business plan and budget, your property is ready, you have plans for an effective recovery environment, and you have compiled all of your policies and procedures, you are ready to put together your lease agreement. The lease agreement will likely refer to much of the information addressed earlier in this document.

Leases, housing or resident agreements refer to written agreements between residents and owners/operators. The agreement must be written, in compliance with state and local landlord-tenant law, Fair Housing, non-discrimination policies and must be legally enforceable by both parties. It is not allowable to offer or require a waiver of these rights, either in written or verbal form. It is strongly advised that you use legal counsel to review your lease and any requirements contained therein.

A lease is a mutually agreed upon document, the main purpose of which a landlord agrees to provide a safe and clean space to a tenant. The tenant agrees to pay rent on time and live by the rules of the house. Below is a list of items that leases for recovery homes should include, at a minimum.

- The name of the operator, address of the property and the name of the resident
- The length of the agreement
- The list of recovery supports provided (see page 9)
 - Language that makes it clear that residents have opportunities to make informed choices about who they engage with regarding recovery supports.
- Clear Financial expectations.
 - Rent—how much the rent is, when it is due, what happens if payments are late.
 - Rent Deposits—If a deposit was made, in what amount, when it was due, and when and how a resident can request his/her/their deposit back.
 - Additional fees—If the house charges fees for any other services, such as food, transportation or utilities, these must be made clear. If fee changes are made after a resident moves in, amendments must be included to the lease and both the operator and resident must be in agreement to the terms.
- Resident property—what happens if a resident leaves property in the home after the end of the lease agreement
- Termination procedures
 - When and how the operator may end the agreement and steps an individual can follow to request a review of appeal of the termination of residency (As a landlord, you must comply with [ORC Chapter 1923](#))
 - When and how the resident may request to end the lease agreement
- Consent to release information (if applicable)
- Statement of resident rights (see page 24)
- House rules or resident expectations—these clearly outline what is expected of residents (see page)
- House policy on visitors (see page 31)
- Grievance procedures (see page 28)
- Change of terms—when and how the operator or resident may change the terms of the agreement
- Signature of both the operator and the resident
- Date of signature

Orientation Process

While your resident lease agreement will contain much important information, you must also have a defined orientation plan which ensures that residents are informed of everything they need to know to live safely and comfortably in the home. **You are responsible for ensuring that each resident fully understands all policies and procedures before moving into the home or making a payment to you.** You should dedicate a significant amount of time when the resident moves in to ensure that he/she/they is aware of the following:

- The lease agreement and all the terms and conditions
- Introductions to staff and other residents—ensuring residents know who to go to if they have a question or need something.
- Tour of home—review of condition of property prior to move-in.
- All house rules—including rules on curfews, prohibited items not allowed in the home, house chores, etc.
- How the house maintains a drug- and alcohol-free living environment
- How medications should be stored and recorded, if applicable
- Expectations around house meetings and other recovery activities
- Confidentiality policies and expectations
- Emergency and disaster procedures
- An introduction to the neighborhood and any neighborhood rules (such as parking)
- Collection of emergency contact information for the resident
- Grievance policies and procedures
- Relapse prevention protocol and relapse plan
- Recovery planning expectations and goals
- Requests for maintenance and repairs
- Policy regarding visitors or guests
- Where the resident manual is in the house



Appendix—Additional Resources

These additional resources have been made available by organizations not affiliated with the Ohio Department of Mental Health and Addiction Services or Ohio Recovery Housing. Some resources are not specific to recovery housing, but may be helpful to you as you seek to establish a successful organization. The resources listed are general in nature and are no substitute for specialized advice from a professional such as an attorney or CPA

Best Practice Resources and Guidance

The following resources provide best practice guidance and advice on specific topics:

1. [Considerations for business structure](#)—This blog post outlines helpful considerations for you as you consider which business structure is most appropriate for your organization.
2. [Guide to Reasonable Accommodation in Housing Under the Fair Housing Act](#)—This provides you more information about your obligations as a housing provider to provide reasonable accommodations under the Federal Fair Housing Act.
3. [Disability Rights Ohio—Housing Accommodations and Modifications for people with disabilities](#)—This resource provides answers to frequently asked questions about modifications in housing for people with disabilities.
4. [Ohio Attorney General Resources for Nonprofits](#)—The Ohio Attorney General offers publications, trainings and other resources for nonprofit organizations.
5. [Ohio Capital Corporation for Housing Green Development Companion](#)—This companion outlines green elements that you can consider having in your recovery housing project. Green elements are not only positive for the environment, but may also save you operational costs.
6. [Ohio Recovery Housing Best Practice Guidance on MAT in Recovery Housing](#)—This guidance provides operations information and best practices on MAT in recovery housing.
7. [Ohio Department of Mental Health and Addiction Services Guidance on Building Codes](#)—This provides guidance on how recovery housing operators can approach the Ohio Building Code.
8. [Ohio Recovery Housing Toolkit for Handling NIMBY issues](#)—This guide provides information and advice about how to handle potential NIMBY (not in my backyard) issues.
9. [American Society of Addiction Medicine—Primer on 42 CFR Part 2](#)—This guide provides information on 42 CFR Part 2, a law that covers privacy protections afforded to alcohol and drug abuse patient records.
10. [HIPAA for Professionals—U.S. Department of Health and Human Services](#)—This site describes covered entities and their responsibilities under HIPAA, a law that covers privacy and security related to health care information.
11. [U.S. Small Business Administration—Guide to Writing a Business Plan](#)—The U.S. Small Business Administration provides this guide for individuals seeking to establish a small business in the U.S. This guide is not specific for recovery housing, but it does cover all elements of a business plan that can be applied to many types of small business, including recovery housing. Use this guide in conjunction with the Ohio Recovery Housing Cost estimate Worksheet and the [OCCH Recovery Housing Project Toolkit](#).
12. [Ohio Capital Corporation for Housing Recovery Housing Project Toolkit](#)—This toolkit provides details about how to approach recovery housing projects which seek to use Ohio Department of Mental Health and Addiction Services capital funds.
13. [Workbook on how to create a mission statement](#)—This workbook outlines an exercise that you, your board of directors, your community or other partners can use to help you develop an effective mission statement for your organization.
14. [William White Papers Recovery Capital Scale and Plan](#)—This guide and plan can be used to help residents establish a basic resident-centered recovery plan.

Recovery Housing Development Guidebook

15. [University of Vermont Extension Tool for Developing a Staffing Plan](#)—You can use this exercise to help you develop a staffing plan for your recovery home.
16. [Employers Resource Association \(ERA\)](#)—This is a nonprofit, human resources consulting organization that provides training, compliance, consulting and salary surveys to over a thousand employers. Visit to learn more about becoming a member and having free unlimited access to ERA's HR Hotline, Employee Handbook Template and HR Central Library to answer all of your employment questions.

Samples and Checklists

Completing these checklists and sample documents will assist in helping you develop policies and procedures. It is highly recommended that you carefully review any sample documents to ensure that they accurately reflect your practices. Having practices that do not match written policies places your organization at risk. It is also recommended that your policies are reviewed by legal experts to ensure you are in compliance with fair housing, landlord tenant, confidentiality and other laws.

The following are provided as starting points and are not comprehensive of all factors that need to be considered for policies. As the operator, the ultimate responsibility for ensuring appropriate policies and compliance with such policies is up to you.

1. [Resident Records Checklist](#)
2. [Sample Communicable Disease Policy](#)
3. [Sample Emergency Policy](#)
4. [Sample Good Neighbor Policy](#)
5. [Sample Grievance Policy](#)
6. [Sample Lease Guidance](#)
7. [Sample Maintenance Request Form](#)
8. [Sample Notice of Intent to Enter and Inspect Premises](#)
9. [Sample Resident Relapse Policy](#)
10. [Sample Resident's Right](#)
11. [Sample Safety Equipment Checklist](#)
12. [Sample Visitor Policy](#)
13. [Sample Medication Log](#)
14. [Recovery Housing Cost Estimate Worksheet](#)
15. [House Selection Criteria](#)

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