

U.S.DepartmentofHousingandUrbanDevelopment
OfficeofPublicandIndianHousing

PHAPlans

5YearPlan UpdateforFiscalYears2000 -2004
&
AnnualPlanforFiscalYear2003(7 -1-2002to6 -30-2003)

**MONTANADEPARTMENTOFCOMMERCE
HOUSINGASSISTANCEBUREAU
836FRONTSTREET
POBOX200545
HELENA,MT59620 -0545**

PHANumber: MT901

**NOTE:THISPHAPLANSTEMPLATE(HUD50075)ISTOBECOMPLETEDIN
ACCORDANCEWITHINSTRUCTIONSLOCATEDINAPPLICABLEPIHNOTICES**

**PHA Plan
Agency Identification**

PHAName: Montana Department of Commerce Housing Assistance Bureau

PHANumber: MT901

PHAFiscalYearBeginning:(mm/yyyy) 07/2002

Public Access to Information

Information regarding any activities outlined in this plan can be obtained by contacting:(select all that apply)

- Main administrative office of the PHA
- PHA development management offices
- PHA local offices

Display Locations For PHA Plans and Supporting Documents

The PHA Plans (including attachments) are available for public inspection at:(select all that apply)

- Main administrative office of the PHA
- PHA development management offices
- PHA local offices
- Main administrative office of the local government
- Main administrative office of the County government
- Main administrative office of the State government
- Public library
- PHA website
- Other (list below)

HUD PHA Plans Website

PHA Plan Supporting Documents are available for inspection at:(select all that apply)

- Main business office of the PHA
- PHA development management offices
- Other (list below)

5-YEAR PLAN
PHAF ISCAL YEARS 2000 –2004
&
Progress towards goals set in MDOC for the Year
7-1-2002 to 6 -30-2003
[24CFR Part 903.5]

MONTANA DEPARTMENT OF COMMERCE
HOUSING ASSISTANCE BUREAU
836 FRONT STREET
PO BOX 200545
HELENA, MT 59620 -0545

PHA Number: MT901

MDOC is reporting progress towards 5 year goals set in the initial plan.

5 year plan goals are set in the typeface presented here, just as they appeared in the initial plan.

Specific comments by MDOC in the initial plan in which had specific actions to be commented on are included in this typeface.

MDOC progress made towards goals set are shown in this typeface.

[24CFR Part 903.5]

A. Mission

State the PHA's mission for serving the needs of low -income, very low income, and extremely low -income families in the PHA's jurisdiction. (select one of the choices below)

The PHA's mission is: (state mission here)

The Montana Department of Commerce Housing Assistance Bureau provides HUD Tenant Based Section 8 and Project Based Moderate Rehabilitation Assistance to as many Montana Families as possible within funding limits.

B. Goals

The goals and objectives listed below are derived from HUD's strategic Goals and Objectives and those emphasized in recent legislation. PHAs may select any of these goals and objectives as their own, or identify other goals and/or objectives. Whether selecting the HUD -suggested objectives or their own,

PHAS ARE STRONGLY EN COURAGED TO IDENTIFY QUANTIFIABLE MEASURES OF SUCCESS IN REACHING THEIR OBJECTIVES OVER THE COURSE OF THE 5 YEARS .
(Quantifiable measures would include target sets such as: numbers of families served or PHAS scores achieved.) PHAS should identify these measures in the space to the right of or below the stated objectives.

HUD Strategic Goal: Increase the availability of decent, safe, and affordable housing.

- PHA Goal: Expand the supply of assisted housing
Objectives:
 - Apply for additional rental vouchers:

Initial Plan Response: as offered by HUD.

MDOC Progress: MDOC is ineligible to apply for Fair Share units in 2002, due to lease rate below 95%. MDOC applied successfully for fair share vouchers in 2000 (46 units received) and 2001 (61 units received). In December, 2000, MDOC received from HUD 22 special vouchers to be provided for families left homeless, economically damaged, or otherwise adversely affected in Ravalli County as a result of the summer 2000 wildfires. MDOC Applied for Welfare to Work Vouchers in 2000, application unsuccessful.

- Leverage private or other public funds to create additional housing opportunities:

Initial Plan Response: Assist in Housing Division administration of the HUD HOME Program and MDOC Consolidated Plan .

MDOC Progress: Provided monetary support for state administration of the HOME Program, for yearly preparation of the State CP, and a \$250,000 loan for startup of Section 8 Project Based Assistance Contract Administration by MDOC (repaid by March, 2002). As a result of the passage of H.B. 273 in 2001 MDOC provided \$500,000 to the Montana Low Income Housing Revolving Loan Fund. MDOC loaned Graham House in Missoula gap financing of \$279,000 as an investment of Admin reserves, to be paid back over 6 years.

- Acquire or build units or developments
- Other (list below)

- PHA Goal: Improve the quality of assisted housing
Objectives:
 - Improve voucher management: (SEMAP score = 96%)

Initial Plan Response: SEMAP score not yet received from HUD.

MDOC Progress: SEMAP certifications were sent to HUD on time in 2000 and 2001. SEMAP score received 12/2001 rated 96%, high performance rating .

- Increase customer satisfaction:

Initial Plan Response: Review complaints from tenants, and owners; correct items which are problematic, change policies where it will benefit program operation.

MDOCProgress: Problems of participants reviewed, changes made in several areas.

- Concentrate on efforts to improve specific management functions:
(list; e.g., public housing finance; voucher unit inspections)

Initial Plan Response: Provide Training for Agentson Voucher Unit Inspections at least twice during the 5 year period.

MDOCProgress: Training was provided new field agents on several allocations at their local area during the 5% HQS Quality Control Reviews. Separate training was provided in the Opportunities, Inc. area in 2000. Working with State NAHRO to bring in certification training session into the state for MDOC Agent training session in June, 2002.

Initial Plan Response: Review Local Field Agent program records during annual 5% Reviews.

MDOCProgress: Program specialists completed the annual 5% reviews as scheduled. Changes were made where deficiencies were found in field agency procedures and records.

Initial Plan Response: Conduct Annual reviews of larger Mod Rehab Properties.

MDOCProgress: Annual reviews were conducted each year, and owners were provided with comments and findings required to be corrected.

Initial Plan Response: MDOC will try to assure that field agents receive MTCS in come confirmation data to local field agents as soon as possible after being received.

MDOCProgress: MDOC program specialists provide MTCS information to the field agents as soon as received.

- Provide replacement vouchers:

Initial Plan Response: for expiring Section 8 Project Based units throughout Montana where owners opt out of the program, and for preservation units, where owners stay in the program, and units are held by non-subsidized tenants.

MDOCProgress: MDOC received replacement vouchers for the following projects:

AW Miles Building –Livingston	40 units
Carter manor –Ekalaka	12 units
Columbia Villa –Kalispell	5 units
Cut Bank Hotel –Cut Bank	20 units
Darlington Apartments –Bozeman	25 units
La Vatta Villa –Deer Lodge	2 units, and
Valley View –Kalispell	42 units.

MDOC was contacted by HUD on 4/3/2002 regarding issuance of 32 vouchers for Cedar View Apartments in Malta Montana for owner Opt-Out. Vouchers should be received in the next month or so.

- Other: (list below)

PHA Goal: Increase assisted housing choices

Objectives:

Provide voucher mobility counseling:

MDOC Progress: Local field agents continue to brief tenants on their right to move with continued assistance.

Conduct outreach efforts to potential voucher landlords

MDOC Progress: MDOC has contacted all program landlords 3 times in 2001 to acquaint them with new LBP rules and requirements. The Bureau Chief has talked with numerous landlords and landlord association officers to mitigate effects on our programs from the new LBP rules in 2001 and 2002. MDOC conducted a visit to a Missoula area landlord association in September, 2000 to acquaint them with program rules and requirements. MDOC is the Contracting Agency for HUD to administer over 4,000 project based rental units in Montana. Duties include on-site management and occupancy reviews of the properties. MDOC addressed the Montana AHMA conference in 2000, and 2001, and is scheduled for May, 2002, conducted initial training meetings in Billings, Great Falls, and Missoula in late 2000, and presented data training meeting with the Montana Assisted Housing Management Association in Missoula during 2001, to explain Section 8 contract administration to them. In these units, owners are responsible for maintaining waitlists, and providing tenant and occupancy services. MDOC administers the HUD portion of the contracts for these units.

Increase voucher payment standards

Initial Plan Response: where needed to maintain rental rates.

MDOC Progress: Voucher Payment standards were increased on 7-1-2000, 10-1-2000, 12-22-2000, 1-25-2001, 7-1-2001, 10-1-2001, and 3-18-2002. MDOC changed the way Payment Standards are increased twice to make it easier for the lowest income tenants to be able to rent. Payment standards increase requirements are in part 7 of the MDOC Administrative Manual, which is an attachment to this plan.

Implement voucher homeownership program:

MDOC Progress: **Not originally checked on initial 5 year plan.** MDOC has been working with the HRDC Director's Association since April, 2001, to develop a workable plan for Voucher Homeownership. Formal meetings were held in April, June, and August 2001 to determine which policies MDOC should adopt to allow consistent state wide services for Homeownership. The plan is now included in the MDOC Administrative Plan, and field agents will begin placing participants in homeownership in late spring, 2002.

Other: (list below)

HUD Strategic Goal: Improve community quality of life and economic vitality

N/A PHA Goal: Provide an improved living environment

Objectives:

MDOC is a Section 8 only agency

HUD Strategic Goal: Promote self-sufficiency and asset development of families and individuals

PHA Goal: Promote self-sufficiency and asset development of assisted households

Objectives:

Increase the number and percentage of employed persons in assisted families:

MDOC Progress: Income Targeting has discouraged this for new applicants from the waitlist, as 75% of new accessions have to be below 30% of Income, which means that most do not have jobs, which lowers the number of participants employed. MDOC applied for and received a HUD exception from income targeting, reducing the 75% criteria to 10% for housing choice vouchers, until 6/30/2002. MDOC re-applied to HUD on 3/15/2002 to continue the exception to allow working new applicants to enter the program.

Using the FSS Program, local field agents continue to insure that participants are aware of escrow accounts, and push to get tenants started in FSS, when possible.

Provide or attract supportive services to improve assistance recipients' employability:

Initial Plan Response: Continue to provide support for tenant based FSS program for local field agents by paying the map premium administrative fee, and performance bonuses for outstanding performance.

MDOC Progress: Agent Fee rates were increased on 7-1-2000 and 7-1-2001, along with changing number of units to allow increased bonus payments for high performers. Many field agents made significant progress toward meeting their maximum number of units under FSS contracts. The more participants in FSS, the more services are provided by the local field agencies.

- Provide or attract supportive services to increase independence for the elderly or families with disabilities.
- Other: (list below)

HUD Strategic Goal: Ensure Equal Opportunity in Housing for all Americans

PHA Goal: Ensure equal opportunity and affirmatively further fair housing

Objectives:

Undertake affirmative measures to ensure access to assisted housing regardless of race, color, religion, national origin, sex, familial status, and disability:

MDOC Progress: Housing specialists and local field agencies routinely accomplish this task each day in their orientations and phone inquiries, providing information and referral for persons perceiving discrimination.

- Undertakeaffirmativemeasurestoprovideasuitablelivingenvironment forfamilieslivinginassistedhousing,regardlessofcolor,religion nationalorigin,sex,familialstatus,anddisability:
- Undertakeaffirmativemeasurestoensureaccessiblehousingtopersons withallvarietiesofdisabilitiesregardlessofunitsizerequired:

MDOCProgress: Notoriginallycheckedoninitial5yearplan. TheProgramManager presentedat 4MontanaJobTrainingPartnershiptrainingseminarsin2001toinformcase managersforthedisabledabouttheavailabilityoflowincomeassistedhousinginMontana.This enablesthecasemanagerstodirecttheirclientsinmattersinvolvinglowincomeassisted housing,andgivereferencesforavailabilityofthedifferenttypesofhousingexistinginMontana. TheMDOCSection8tenantbasedprogramswereexplainedindetail,andparticipantswere providedwithacontactlistforMDOCfieldagents.MDOCprovidedparticipantsalistingofall HUDProjectBasedSection8propertiesinMontanawithaddressesstoenablecasemanagers andclientstocontactlandlordsabouthousingopportunities,acontactlistcontainingallPHAs (includingIHAs)inMontanawith contacts,andalistingofallMontanapropertiesintheLow IncomeHousingTaxCreditProgramwithaddresses.

- Other:(listbelow)

MDOCProgress: ContinuetoprovidereferralstotheHumanRightsBureau,MontanaFair Housing,andHUD whencomplaintsregardingFairHousingitemsarereceived.

Continue,throughlocalfieldagentstoprovideinformationtotenants,owners,andaffiliated groupsonfairhousing.

InApril,1999,MDOCandotheragenciespreparedandpublishedaguideline pamphletforuse byprospectivelandlords,realtors,newspapers,andothersoutliningFairHousingAdvertising requirementstoavoidDiscrimination.

NumberofFairHousingComplaints drasticallydecreased since1998,ingoodpartdueto Departmenteffort sineducatinglandlordsandrealtors,andfromcooperativeactiontoeducate newspapersonFairHousinginAdvertising.ThenumberofcomplaintsforMDOCunitshasnot risen.

InApril,1999,MDOCandotheragenciespreparedandpublishedaguideline pamphletforuse byprospectivelandlords,realtors,newspapers,andothersoutliningFairHousingAdvertising requirementstoavoidDiscrimination.

MDOCisworkingwithStateNAHROtoincludehavingarepresentativefromMontanaFair Housingpresentatthe June,2002workshop.

OtherPHAGoalsandObjectives:(listbelow)

Nonelistedonthe5yearplan.

**AnnualPHAPlan
PHAFiscalYear2002
(7/1/2002to6/30/2003)**
[24CFRPart903.7]

i. AnnualPlanType:

SelectwhichtypeofAnnualPlanthePHAwillsubmit .

StreamlinedPlan:

AdministeringSection8Only

AlthoughMDOCisSection8only,HUDhasnotprovidedasection8onlytemplateyet,sothefullplanisbeingfilledout.

ii. ExecutiveSummaryoftheAnnualPHAPlan

[24CFRPart903.7 9(r)]

ProvideabriefoverviewoftheinformationintheAnnualPlan,includinghighlightsofmajorinitiativesanddiscretionarypoliciesthePHAhasincludedintheAnnualPlan.

TheMontanaDepartmentofCommerce(MDOC)administerstenant-basedVoucher and ProjectBasedModerateRehabilitationassistanceforapproximately4,200familiesinMontana. MDOCdoesnotadministeranyPublicHousingUnits.

MDOCpromises"transparency"forallprograms,promisingnottoaddnew"state requirements"toprograms, keepingtheprogramsoveroperatingassimplyaspossible.MDOCwill trytoinsurefairtreatmentoffallpersonsonthewaitlist,bynotaddingnumerouslocal preferenceswhichaffectsosomeonthelisttothedetrimentoffotherswhoalso seriouslyneed assistance.

Thereareapproximately1.5timesthenumberoffamiliesonthewaitlistasthereareassisted familiesinthe program.Applicantsmayremainonthewaitlistaslongas5-7years. MDOCwilltrytoincreasethenumberoffassistedunits,byapplying foradditionalunits fromHUDduringtheyearastheybecomeavailable,however,MDOCisnoteligiblein2002to applyforadditionalunitsduetoaleaseratebelow95%ofbaseline.

MDOCistryingtomitigatenegativeaffectsofincometargeting(75%of admissions mustbebelow30%income)coupledwiththerequirementthatnonewleasewillbeallowed wherenantshareofrentisgreaterthan40%oftenantincome.Thesechangesnegatively affectedleaserates.MDOCwasapprovedfora"targeting"exception (to10%ofadmissions mustbebelow30%ofincome)inlate2001.MDOCwilltrytohavetheexceptionextended throughJune,2003.

MDOCwillcontinuetosupporttheFamilySelfSufficiencyprogrambycontinuingtoallow maximumcontrolovertheprogramatthelocallevel,wheretheprogramsaretailoredto individualparticipantneeds,andwherelocalsupportiveservicesareprovided.

MDOCisstartingaSection8HomeownershipProgramin2002.

iii. AnnualPlanTableofContents

[24CFRPart903.79(r)]

Provide a table of contents for the Annual Plan, including attachments, and a list of supporting documents available for public inspection.

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Attachments

Indicate which attachments are provided by selecting all that apply. Provide the attachment's name (A, B, etc.) in the space to the left of the name of the attachment. Note: If the attachment is provided as a **SEPARATE** file submission from the PHA Plan file, provide the filename in parentheses in the space to the right of the title.

Optional Attachments:

- PHA Management Organizational Chart mt901b03.ppt
- Comments of Resident Advisory Board or Boards (must be attached if not included in PHA Plan text) mt901c03.doc
- Other (List below, providing each attachment name)

MDOCA Administrative Manual (Attachment A) (Includes the PHA Admin Plan HUD requirements). mt901a03.doc

Supporting Documents Available for Review

Indicate which documents are available for public review by placing a mark in the "Applicable & On Display" column in the appropriate rows. All listed documents must be on display if applicable to the program activities conducted by the PHA.

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Applicable Plan Component
MDOC	PHA Plan Certifications of Compliance with the PHA Plans and Related Regulations	5 Year and Annual Plans
MDOC	State/Local Government Certification of Consistency with the Consolidated Plan	5 Year and Annual Plans
MDOC-CP	Fair Housing Documentation: Records reflecting that the PHA has examined its programs or proposed programs, identified any impediments to fair housing choice in those programs, addressed or is addressing those impediments in a reasonable fashion in view of the resources available, and worked or is working with local jurisdiction to implement any of the jurisdictions' initiatives to affirmatively further fair housing that require the PHA's involvement.	5 Year and Annual Plans
MDOC-CP	Consolidated Plan for the jurisdiction/s in which the PHA is located (which includes the Analysis of Impediments to Fair Housing Choice (AI)) and any additional backup data to support statement of housing needs in the jurisdiction	Annual Plan: Housing Needs
MDOC	Section 8 Administrative Plan	Annual Plan: Eligibility, Selection, and Admissions Policies
	1.	
MDOC	Section 8 rent determination (payment standard) policies <input checked="" type="checkbox"/> check here if included in Section 8 Administrative Plan	Annual Plan: Rent Determination
MDOC	Section 8 informal review and hearing procedures <input checked="" type="checkbox"/> check here if included in Section 8 Administrative Plan	Annual Plan: Grievance Procedures
MDOC	Policies governing any Section 8 Homeownership program <input checked="" type="checkbox"/> check here if included in the Section 8 Administrative Plan	Annual Plan: Homeownership
MDOC	Any cooperative agreement between the PHA and the TANF agency	Annual Plan: Community Service & Self-Sufficiency
MDOC	FSS Action Plan/s for public housing and/or Section 8	Annual Plan: Community

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Applicable Plan Component
		Service & Self - Sufficiency
MDOC	The most recent fiscal year audit of the PHA conducted under section 5(h)(2) of the U.S. Housing Act of 1937 (42 U.S.C. 1437c(h)), the results of that audit and the PHA's response to any findings	Annual Plan: Annual Audit

1. Statement of Housing Needs

[24CFR Part 903.79(a)]

A. Housing Needs of Families in the Jurisdiction/s Served by the PHA

Based upon the information contained in the Consolidated Plan/s applicable to the jurisdiction, and/or other data available to the PHA, provide a statement of the housing needs in the jurisdiction by completing the following table. In the "Overall" Needs column, provide the estimated number of renter families that have housing needs. For the remaining characteristics, rate the impact of that factor on the housing needs for each family type, from 1 to 5, with 1 being "no impact" and 5 being "severe impact." Use N/A to indicate that no information is available upon which the PHA can make this assessment.

Housing Needs of Families in the Jurisdiction by Family Type							
Family Type	Overall	Afford- - ability	Supply	Quality	Access- - ibility	Size	Loca- - tion
Income <= 30% of AMI	26,031	5	5	4	4	4	4
Income > 30% but <= 50% of AMI	21,802	4	4	4	4	4	4
Income > 50% but < 80% of AMI	24,882	3	4	4	4	4	3
Elderly	19,186	5	4	4	5	4	4
Families with Disabilities	18,683	5	5	4	5	4	4
Race/Ethnicity Amer. Indian	7,579	4	4	4	4	4	4
Race/Ethnicity Pacific Islander	604	4	4	4	4	4	4
Race/Ethnicity Black	582	4	4	4	4	4	4
Race/Ethnicity White	105,444	5	5	4	4	4	4

What sources of information did the PHA use to conduct this analysis? (Check all that apply; all materials must be made available for public inspection.)

- Consolidated Plan of the Jurisdiction/s
Indicate year: 2001
- U.S. Census data: the Comprehensive Housing Affordability Strategy ("CHAS") dataset
- American Housing Survey data
Indicate year:
- Other housing market study
Indicate year:
- Other sources: (list and indicate year of information)

MDOC survey by Western Economic Services, 09/2000. The survey collected data from the latest census update, and contacts with many housing providers, advocacy groups, realtors, banks and other financial institutions, as well as the public and government employees.

Comments from review of annual plan by local mini -boards and public.

B. Housing Need of Families on the Public Housing and Section 8 Tenant-Based Assistance Waiting Lists

State the housing needs of the families on the PHA's waiting list/s. **Complete one table for each type of PHA - wide waiting list administered by the PHA.** PHAs may provide separate tables for site - based or sub - jurisdictional public housing waiting lists at their option.

Housing Needs of Families on the Waiting List			
Waiting list type: (select one)			
<input checked="" type="checkbox"/> Section 8 tenant -based assistance			
	# of families	% of total families	Annual Turnover
Waiting list total	5,969		3,600
Extremely low income <= 30% AMI	5,253	88%	
Very low income (> 30% but <= 50% AMI)	716	12%	
Families with children	2,606	44%	
Elderly families	394	7%	
Families with Disabilities	1,763	30%	
Race/ethnicity Amer. Indian	1,196	20%	
Race/ethnicity Asn/Pac. Islander	8	<1%	
Race/ethnicity Black	84	1%	
Race/ethnicity White	4,681	79%	

Housing Needs of Families on the Waiting List			
Is the waiting list closed (select one)? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			

C. Strategy for Addressing Needs

Provide a brief description of the PHA's strategy for addressing the housing needs of families in the jurisdiction and on the waiting list **IN THE UPCOMING YEAR**, and the Agency's reasons for choosing this strategy.

(1) Strategies

Need: Shortage of affordable housing for alleligible populations

Strategy 1. Maximize the number of affordable units available to the PHA within its current resources by:

Select all that apply

- Maintain or increase section 8 lease -uprates by establishing payment standards that will enable families to rent throughout the jurisdiction
- Undertake measures to ensure access to affordable housing among families assisted by the PHA, regardless of units size required
- Maintain or increase section 8 lease -uprates by marketing the program to owners, particularly those outside of areas of minority and poverty concentration
- Maintain or increase section 8 lease -uprates by effectively screening Section 8 applicants to increase owner acceptance of program
- Participate in the Consolidated Plan development process to ensure coordination with broader community strategies
- Other (list below)

Strategy 2: Increase the number of affordable housing units by:

Select all that apply

- Apply for additional section 8 units should they become available MDOC is not eligible in 2002 to apply for new units due to lease rate less than 95%
- Leverage affordable housing resources in the community through the creation of mixed -finance housing
- Pursue housing resources other than public housing or Section 8 tenant -based assistance.
- Other: (list below)

Coordinate with LIHTC and HOME Program on needs of Section 8 tenants, and production of new units. MDOC currently contains the Housing Finance Agency for Montana, as well as

administering the HUD HOME, CDBG, Treasure State Endowment, State Housing Revolving Loan Account, as well as tenant and project based section 8.

Need: Specific Family Types: Families at or below 30% of median

Strategy 1: Target available assistance to families at or below 30% of AMI

Select all that apply

- Exceed HUD federal targeting requirements for families at or below 30% of AMI tenant -based section 8 assistance
- Employment admissions preferences aimed at families with the economic hardship
- Other: (list below)
Local field agencies are allowed to market the program to lower income families so they will apply to the local waitlist, and be served by the program.

Need: Specific Family Types: Families at or below 50% of median

Strategy 1: Target available assistance to families at or below 50% of AMI

Select all that apply

- Employment admissions preferences aimed at families who are working
- Other: (list below)

MDOC requested and received an exception from HUD on income targeting through 6/30/2002, due to declining lease rates from the targeting. The exception allows up to 90% of new participants to be between 30 and 50% AMI. MDOC requested an extension to continue this exception through 6/30/2003.

Need: Specific Family Types: The Elderly

Strategy 1: Target available assistance to the elderly:

Select all that apply

- Apply for special -purpose voucher targeted to the elderly, should they become available
- Other: (list below)

Need: Specific Family Types: Families with Disabilities

Strategy 1: Target available assistance to Families with Disabilities:

Select all that apply

- Apply for special -purpose voucher targeted to families with disabilities, should they become available
- Affirmatively market to local non -profit agencies that assist families with disabilities
- Other: (list below)

The Section 8 program manager will continue to work with the Montana Job Training Partnership, presenting to training conferences information for caseworkers for disabled families, supplying them with information about the Section 8 tenant and project based programs, housing authorities in the state, and LIHTC Program. This will acquaint the case managers with housing assets available to their clients, allowing them better access to the current housing resources available.

Need: Specific Family Types: Races or ethnicities with disproportionate housing needs

Strategy 1: Increase awareness of PHA resources among families of races and ethnicities with disproportionate needs:

Select if applicable

- Affirmatively market to races/ethnicities show to have disproportionate housing needs
- Other: (list below)

Strategy 2: Conduct activities to affirmatively further fair housing

Select all that apply

- Counsel section 8 tenants as to location of units outside of areas of poverty or minority concentration and assist them to locate at those units
- Market the section 8 program to owners outside of areas of poverty/minority concentrations
- Other: (list below)

There are no areas designated within Montana of poverty or minority concentration. Market to owners happens when there are insufficient available units to meet need. This has not been necessary as of this time.

Other Housing Needs & Strategies: (list needs and strategies below)

(2) Reasons for Selecting Strategies

Of the factors listed below, select all that influenced the PHA's selection of the strategies it will pursue:

- Funding constraints
- Staffing constraints
- Limited availability of sites for assisted housing
- Extent to which particular housing needs are met by other organizations in the community
- Evidence of housing needs as demonstrated in the Consolidated Plan and other information available to the PHA
- Influence of the housing market on PHA programs
- Community priorities regarding housing assistance

- Resultsofconsultationwithlocalorstategovernment
- ResultsofconsultationwithresidentsandtheResidentAdvisoryBoard
- Resultsofconsultationwithadvocacygroups
- Other:(listbelow)

2. StatementofFinancialResources

[24CFRPart903.79(b)]

ListthefinancialresourcesatareanticipatedtobeavailabletothePHAforthesupportof tenant - basedSection8assistanceprogramsadministeredbythePHAduringthePlanyear.Note:thetable assumesthattenantbasedSection8assistancegrantfundsareexpendedoneligiblepurposes;therefore, usesofthesefundsneednotbestated.F orotherfunds,indicatetheuseforthosefundsasoneofthe followingcategories:Section8tenant -basedassistance,Section8supportiveservicesorother.

FinancialResources: PlannedSourcesandUses		
Sources	Planned\$	PlannedUses
1. FederalGrants(FY2002grants)		
a) PublicHousingOperatingFund	N/A	
b) PublicHousingCapitalFund	N/A	
c) HOPEVIR revitalization	N/A	
d) HOPEVIDemolition	N/A	
e) AnnualContributionsforSection 8Tenant -BasedAssistance	\$16,769,674est.2003 budgettoHUD	\$16,769,674
f) PublicHousingDrugElimination	N/A	
g) ResidentOpportunityandSelf - SufficiencyGrants	N/A	
h) CommunityDevelopmentBlock Grant	N/AMDOCCDBG notunderPHAcontrol	
i) HOME	\$4,618,000 HOMEnotunderPHA control	\$4,618,000
OtherFederalGrants(listbelow)		
ModerateRehabilitation	\$2,372,856est.2003 budgettoHUD	\$2,372,856
2.PriorYearFederalGrants (unobligatedfundsonly)(list below)		
4.Otherincome (listbelow)		

Financial Resources: Planned Sources and Uses		
Sources	Planned \$	Planned Uses
Annual interest on Operating Reserve	\$150,000	\$150,000
4. Non-federal sources (list below)	N/A	
Total resources	\$23,910,935	\$23,910,935

3. PHA Policies Governing Eligibility, Selection, and

Admissions

[24CFR Part 903.79(c)]

A. Public Housing -N/A MDO Chas no Public Ho using Units

B. Section 8

Exemptions: PHA that do not administer section 8 are not required to complete sub -component 3B.
Unless otherwise specified, all questions in this section apply only to the tenant -based section 8 assistance program (vouchers, and until completely merged into the voucher program, certificates).

(1) Eligibility

a. What is the extent of screening conducted by the PHA? (select all that apply)

- Criminal or drug -related activity only to the extent required by law or regulation
- Criminal and drug -related activity, more extensively than required by law or regulation
- More general screening than criminal and drug -related activity (list factors below)
- Other (list below)

b. Yes No: Does the PHA request criminal records from local law enforcement agencies for screening purposes?

c. Yes No: Does the PHA request criminal records from State law enforcement agencies for screening purposes?

- d. Yes No: Does the PHA access FBI criminal records from the FBI for screening purposes? (either directly or through an NCIC - authorized source)
- e. Indicate what kinds of information you share with prospective landlords? (select all that apply)
- Criminal or drug -related activity
- Other (describe below)
- The minimum required under law, name and address of prior owners from agency files.

(2) Waiting List Organization

- a. With which of the following program waiting lists is the section 8 tenant -based assistance waiting list merged? (select all that apply)
- None
- Federal public housing
- Federal moderate rehabilitation
- Federal project -based certificate program
- Other federal or local program (list below)
- b. Where may interested persons apply for admission to section 8 tenant -based assistance? (select all that apply)
- PHA main administrative office
- Other (list below)
- Offices of 11 field agencies located throughout the state as listed in the MDOC Administrative Manual (attached to this document)

(3) Search Time

- a. Yes No: Does the PHA give extensions on standard 60 -day period to search for a unit?
- If yes, state circumstances below:
- Included in administrative manual attached, if family can prove they have been actively searching for a unit, and have not turned down an acceptable unit. None beyond 120 days, except as a reasonable accommodation for disabled.

(4) Admissions Preferences

- a. Income targeting
- Yes No: Does the PHA plan to exceed the federal targeting requirements by targeting more than 75% of all new admissions to the section 8 program to families at or below 30% of median area income?
- b. Preferences

1. Yes No: Has the PHA established preferences for admission to section 8 tenant-based assistance? (other than date and time of application) (if no, skip to subcomponent **(5) Special purpose section 8 assistance programs**)

2. Which of the following admission preferences does the PHA plan to employ in the coming year? (select all that apply from either former Federal preferences or other preferences)

Former Federal preferences

- Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
- Victims of domestic violence
- Substandard housing
- Homelessness
- High rent burden (rent is > 50 percent of income)

Other preferences (select all that apply)

- Working families and those unable to work because of age or disability
- Veterans and veterans' families
- Residents who live and/or work in your jurisdiction
- Those enrolled currently in educational, training, or upward mobility programs
- Household that contribute to meeting income goals (broad range of incomes)
- Household that contribute to meeting income requirements (targeting)
- Those previously enrolled in educational, training, or upward mobility programs
- Victims of reprisals or hate crimes
- Other preference(s) (list below)

see administrative manual (attachment A). Preference for Mod Rehab families with family size changes, when there are no other available Mod Rehab units in the area of proper size for the family.

3. If the PHA will employ admissions preferences, please prioritize by placing a "1" in the space that represents your first priority, a "2" in the box representing your second priority, and so on. If you give equal weight to one or more of these choices (either through an absolute hierarchy or through a points system), place the same number next to each. That means you can use "1" more than once, "2" more than once, etc.

1 Date and Time

Former Federal preferences

- Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)

Victims of domestic violence
Substandard housing
Homelessness
High rent burden

Other preferences (select all that apply)

- Working families and those unable to work because of age or disability
- Veterans and veterans' families
- Residents who live and/or work in your jurisdiction
- Those enrolled currently in educational, training, or upward mobility programs
- Household that contributes to meeting income goals (broad range of incomes)
- Household that contributes to meeting income requirements (targeting)
- Those previously enrolled in educational, training, or upward mobility programs
- Victims of reprisals or hate crimes
- Other preference(s) (list below)

Mod Rehab Preference above

4. Among applicants on the waiting list with the equal preference status, how are applicants selected? (select one)

- Date and time of application
- Drawing (lottery) or other random choice technique

5. If the PHA plans to employ preferences for "residents who live and/or work in the jurisdiction" (select one)

- This preference has previously been reviewed and approved by HUD
- The PHA requests approval for this preference through its PHA Plan

6. Relationship of preferences to income targeting requirements: (select one)

- The PHA applies preferences within income tiers
- Not applicable: the pool of applicant families ensures that the PHA will meet income targeting requirements

MDO received a HUD exception to targeting because of declining lease rates.

(5) Special Purpose Section 8 Assistance Programs

a. In which documents or other reference materials are the policies governing eligibility, selection, and admission to any special purpose section 8 program administered by the PHA contained? (select all that apply)

- The Section 8 Administrative Plan
- Briefing sessions and written materials
- Other (list below)

b. How does the PHA announce the availability of any special purpose section 8 programs to the public?

- Through published notices
- Other (list below)
Local field agent advertising.

4. PHA Rent Determination Policies

[24CFR Part 903.79(d)]

A. Public Housing – N/A MDO has no Public Housing Units

B. Section 8 Tenant -Based Assistance

Exemptions: PHAs that do not administer Section 8 tenant -based assistance are not required to complete sub -component 4B. **Unless otherwise specified, all questions in this section apply only to the tenant -based section 8 assistance program (vouchers, and until completely merged into the voucher program, certificates).**

(1) Payment Standards

Describe the voucher payment standards and policies .

a. What is the PHA's payment standard? (select the category that best describes your standard)

Most of the below apply. The MDOC jurisdiction is the state of Montana, with 56 counties, and 8 payment standards for each county, based on bedroom size.

- At or above 90% but below 100% of FMR
- 100% of FMR
- Above 100% but at or below 110% of FMR
- Above 110% of FMR (if HUD approved; describe circumstances below)
As a reasonable accommodation under Amer. With Disabilities Act.

b. If the payment standard is lower than FMR, why has the PHA selected this standard? (select all that apply)

- FMRs are adequate to ensure success among assisted families in the PHA's segment of the FMR area
- The PHA has chosen to serve additional families by lowering the payment standard
- Reflects market or submarket
- Other (list below)

c. If the payment standard is higher than FMR, why has the PHA chosen this level? (select all that apply)

- FMRs are not adequate to ensure success among assisted families in the PHA's segment of the FMR area
- Reflects market or submarket
- To increase housing options for families
- Other (list below)
Insure that not more than 30% of tenants pay more than 30% of income for rent

d. How often are repayment standards reevaluated for adequacy? (select one)

- Annually
 Other (list below)

Annually, and at other times during the year, if there is an area in the state where families are unable to lease successfully. Policy is included in the (attachment A) MDOC administrative manual.

e. What factors will the PHA consider in its assessment of the adequacy of its payment standard? (select all that apply)

- Success rates of assisted families
 Rent burdens of assisted families
 Other (list below)

See attached MDOC administrative Plan (attachment a)

(2) Minimum Rent

a. What amount best reflects the PHA's minimum rent? (select one)

- \$0
 \$1-\$25
 \$26-\$50

5. Operations and Management

[24CFR Part 903.79(e)]

Exemptions from Component 5: High performing and small PHAs are not required to complete this section. Section 8 only PHAs must complete parts A, B, and C (2)

A. PHA Management Structure

Describe the PHA's management structure and organization.

(select one)

- An organization chart showing the PHA's management structure and organization is attached.
 A brief description of the management structure and organization of the PHA follows:

See attachment a (MDOC administrative Manual – Section I)

B. HUD Programs Under PHA Management

List Federal programs administered by the PHA, number of families served at the beginning of the upcoming fiscal year, and expected turnover in each. (Use "NA" to indicate that the PHA does not operate any of the programs listed below.)

Program Name	Units or Families Served at Year Beginning	Expected Turnover
Public Housing	N/A	
Section 8 Vouchers	3,600	700
Section 8 Mod Rehab	408	150
Special Purpose Section 8 Certificates/Vouchers (list individually)		

C. Management and Maintenance Policies

List the PHA's public housing management and maintenance policy documents, manuals and handbooks that contain the Agency's rules, standards, and policies that govern maintenance and management of public housing, including a description of any measures necessary for the prevention or eradication of pest infestation (which includes cockroach infestation) and the policies governing Section 8 management.

- (1) Public Housing Maintenance and Management: (list below) N/A
- (2) Section 8 Management: (list below)
 - MDOCA Administrative Plan & Manual
 - HUD Regulations and US Law
 - MDOCA Agent Policy Memos

6. PHA Grievance Procedures

[24CFR Part 903.79(f)]

Exemptions from component 6: High performing PHAs are not required to complete component 6. Section 8 - Only PHAs are exempt from sub - component 6A.

A. Public Housing – N/A MDOCA has no Public Housing Units

B. Section 8 Tenant -Based Assistance

1. Yes No: Has the PHA established informal review procedures for applicants to the Section 8 tenant -based assistance program and informal hearing procedures for families assisted by the Section 8 tenant -

based assistance program in addition to federal requirements found at 24CFR 982?

If yes, list additions to federal requirements below:

2. Which PHA offices should applicants or assisted families contact to initiate the informal review and informal hearing processes? (select all that apply)

- PHA main administrative office
- Other (list below)
Local field agent offices listed in MDOCA Administrative Manual (attachment A)

7. Capital Improvement Needs – N/A. MDOCA has no Public Housing Units [24CFR Part 903.79(g)]

Exemptions from Component 7: Section 8 only PHAs are not required to complete this component and may skip to Component 8

8. Demolition and Disposition – N/A. MDOCA has no Public Housing Units [24CFR Part 903.79(h)]

Applicability of component 8: Section 8 only PHAs are not required to complete this section.

9. Designation of Public Housing for Occupancy by Elderly Families or Families with Disabilities or Elderly Families and Families with Disabilities

[24CFR Part 903.79(i)]

Exemptions from Component 9: Section 8 only PHAs are not required to complete this section. MDOCA has no Public Housing Units.

10. Conversion of Public Housing to Tenant-Based Assistance [24CFR Part 903.79(j)]

Exemptions from Component 10: Section 8 only PHAs are not required to complete this section. MDOCA has no Public Housing Units.

11. Homeownership Programs Administered by the PHA

[24CFR Part 903.79(k)]

A. Public Housing – N/A. MDOCA has no Public Housing Units.

B. Section 8 Tenant Based Assistance

1. Yes No: Does the PHA plan to administer a Section 8 Homeownership program pursuant to Section 8(y) of the U.S.H.A. of 1937, as implemented by 24CFR part 982? (If "No", skip to component 12; if "yes", describe each program using the table below (copy and complete questions for each program identified), unless the PHA is eligible to complete a streamlined submission due to high performer status.

HighperformingPHAs mayskiptocomponent12.)

2.ProgramDescription:

a.Size ofProgram

Yes No: WillthePHAlimitthenumberoffamiliesparticipatinginthe section8homeownershipoption?

Iftheanswertothequestionabovewasyes,whichstatementbestdescribesthe numberofparticipant s?(selectone)

- 25orfewerparticipants
- 26- 50participants
- 51to100participants
- morethan100participants

b.PHA -establishedeligibilitycriteria

Yes No:WillthePHA'sprogramhaveeligibilitycriteriaforparticipationin itsSection8HomeownershipOptionprograminadditiontoHUD criteria?

Ifyes,listcriteriabelow:

Familymusthavebeenaparticipatingoodstandingforatleast1 year
SeeMDOCAdminPlanSectionII -E(attached)

12. PHA Community Service and Self -sufficiency

Programs[24CFRPart903.79(1)]

ExemptionsfromComponent12:HighperformingandsmallPHAsarenotrequiredtocompletethis component. **Section8 -OnlyPHAs arenotrequiredtocompletesub -componentC.**

A.PHA CoordinationwiththeWelfare(TANF)Agency

1.Cooperativeagreements:

Yes No:HasthePHAhasenteredintoacooperativeagreementwiththe TANFAgency,toshareinformationand/ortargetsupportive services(ascontemplatedbysection12(d)(7)oftheHousingAct of1937)?

Ifyes,whatwasthedatethatagreementwassigned? 03/23/2001

TheTANFAgencydesignedaformtobeusedbylocalwelfareagenciesin determining requirementsfornotreducingrentswhenTANFparticipantsaresanctionedwhichmeets QHWRRequirements.MDPHHSwillbeprovidingtheformstolocalagenciesinthefuture, trainingtheirlocalpersonnelinproperuseoftheforms,andprovidingcompletedforms tolocalfieldagents,astheyaregenerated.MDOCreleasedinformationtoMDPHHSin September,2000.MDPHHShasnotreleasedinformationtoMDOC,asthereisa confidentialityquestionconcerninginformationrequirements ofUSHHS.

2. Other coordination efforts between the PHA and TANF agency (select all that apply)

- Client referrals
- Information sharing regarding mutual clients (for rent determinations and otherwise)
- Coordinate the provision of specific social and self-sufficiency services and programs to eligible families
- Jointly administer programs
- Partner to administer a HUD Welfare-to-Work voucher program
- Joint administration of other demonstration program
- Other (describe)

B. Services and programs offered to residents and participants

(1) General

a. Self-Sufficiency Policies

Which, if any of the following discretionary policies will the PHA employ to enhance the economic and social self-sufficiency of assisted families in the following areas? (select all that apply)

- Section 8 admissions policies
- Preferences for families working or engaging in training or education programs for non-housing programs operated or coordinated by the PHA
- Preference/eligibility for section 8 homeownership option participation
- Other policies (list below)

b. Economic and Social self-sufficiency programs

- Yes No: Does the PHA coordinate, promote or provide any program to enhance the economic and social self-sufficiency of residents? (If "yes", complete the following table; if "no" skip to sub-component 2, Family Self-Sufficiency Programs. The position of the table may be altered to facilitate its use.)

Most local field agents are local HRDCs throughout the state. These agencies are providing a myriad of local programs in economic and social self-sufficiency, which may benefit Section 8 MDOC participants, but the programs are not connected or exclusive to MDOC participants.

Services and Programs				
Program Name & Description (including location, if appropriate)	Estimated Size	Allocation Method (waiting list/random)	Access (development office/ PHA main office/ other provider name)	Eligibility (public housing or section 8 participants or)

		selection/specific criteria/other)		both)

(2) Family Self Sufficiency Program/s

a. Participation Description

Family Self Sufficiency (FSS) Participation		
Program	Required Number of Participants (start of FY2002 Estimate)	Actual Number of Participants (As of: DD/MM/YY)
Section 8	voluntary	168 as of 4/1/2001

C. Welfare Benefit Reductions N/A

13. PHA Safety and Crime Prevention Measures

[24CFR Part 903.79(m)]

Exemptions from Component 13: High performing and small PHAs not participating in PHDEP and

Section 8 Only PHAs may skip to component 15. MDO has no Public Housing Units

14. RESERVED FOR PET POLICY

[24CFR Part 903.79(n)]

15. Civil Rights Certifications

[24CFR Part 903.79(o)]

Civil rights certifications are included in the PHA Plan Certifications of Compliance with the PHA Plans and Related Regulations.

16. Fiscal Audit

[24CFR Part 903.79(p)]

1. Yes No: Is the PHA required to have an audit conducted under section 5(h)(2) of the U.S. Housing Act of 1937 (42 U.S.C. 1437c(h))?
(If no, skip to component 17.)

As a state agency in a biennial budget state, MDOC is only required to have an audit every other year. The biennial audit for the years 7/1/1999 to 6/30/2000 and 7/1/2000 to 6/30/2002 was just completed by the Montana Legislative Audit Division.

2. Yes No: Was the most recent fiscal audit submitted to HUD?
 3. Yes No: Were there any findings as the result of that audit?
 4. Yes No: If there were any findings, do any remain unresolved?
 If yes, how many unresolved findings remain? ____
 5. Yes No: Have responses to any unresolved findings been submitted to HUD?
 If not, when are they due (state below)?

17. PHA Asset Management

[24CFR Part 903.79(q)]

Exemptions from component 17: **Section 8 Only PHAs are not required to complete this component. MDOC has no Public Housing Units.**

High

performing and small PHAs are not required to complete this component.

18. Other Information

[24CFR Part 903.79(r)]

A. Resident Advisory Board Recommendations

1. Yes No: Did the PHA receive any comments on the PHA Plan from the Resident Advisory Board/s?
2. If yes, the comments are: (if comments were received, the PHA **MUST** select one)
 Attached as Attachment (Filename) mt901c03.doc
 Provided below:

3. In what manner did the PHA address those comments? (select all that apply)
 Considered comments, but determined that no changes to the PHA Plan were necessary.
 The PHA changed portions of the PHA Plan in response to comments
 List changes below:

11 mini-boards containing 56 Section 8 participants reviewed the MDOC PHA Plan. Both comments and responses with changes highlighted are included as Attachment C file mt901c03.doc.

- Other: (list below)

B. Description of Election process for Residents on the PHA Board

- 1. Yes No: Does the PHA meet the exemption criteria provided section 2(b)(2) of the U.S. Housing Act of 1937? (If no, continue to question 2; if yes, skip to sub-component C.)
- 2. Yes No: Was there a resident who serves on the PHA Board elected by the residents? (If yes, continue to question 3; if no, skip to sub-component C.)

3. Description of Resident Election Process

a. Nomination of candidates for place on the ballot: (select all that apply)

- Candidates were nominated by resident and assisted family organizations
- Candidates could be nominated by any adult recipient of PHA assistance
- Self-nomination: Candidates registered with the PHA and requested a place on ballot
- Other: (describe)

b. Eligible candidates: (select one)

- Any recipient of PHA assistance
- Any head of household receiving PHA assistance
- Any adult recipient of PHA assistance
- Any adult member of a resident or assisted family organization
- Other (list)

c. Eligible voters: (select all that apply)

- All adult recipients of PHA assistance (public housing and section 8 tenant-based assistance)
- Representatives of all PHA resident and assisted family organizations
- Other (list)

C. Statement of Consistency with the Consolidated Plan

For each applicable Consolidated Plan, make the following statement (copy questions as many times as necessary).

- 1. Consolidated Plan jurisdiction: (provide name here)
State of Montana, Prepared by MDOC
- 2. The PHA has taken the following steps to ensure consistency of this PHA Plan with the Consolidated Plan for the jurisdiction: (select all that apply)
 - The PHA has based its statement of needs of families in the jurisdiction on the needs expressed in the Consolidated Plan/s.

- ThePHAhasparticipatedinanyconsultationprocess organizedandofferedby theConsolidatedPlanagencyinthedevelopmentoftheConsolidatedPlan.
 - ThePHAhasconsultedwiththeConsolidatedPlanagencyduringthe developmentofthisPHAPlan.
 - Activitiestobeundert akenbythePHAinthecomingyearareconsistentwith theinitiativescontainedintheConsolidatedPlan.(listbelow)
- AllactivitiesofthePHAareconsistentwiththestatewideplan,alsopreparedbyMDOC.

Other:(listbelow)

4.The ConsolidatedPlanofthejurisdictionssupportsthePHAPlanwiththefollowing actionsandcommitments:(describebelow)

D.OtherInformationRequiredbyHUD

UsehissectiontoprovideanyadditionalinformationrequestedbyHUD.

Attachments

UsehissectiontoprovideanyadditionalattachmentsreferencedinthePlans.

ListofAttachmentsincludedwiththisplan

AttachmentA -MDOCAdministrativeManual
mt901a03.doc

AttachmentB -MDOCOrganizationalChart
mt901b03.ppt

AttachmentC - MDOCPHAPlanReviewBoardsCommentsand
Responses-Actions
mt901c03.doc

MONTANA DEPARTMENT OF COMMERCE HOUSING ASSISTANCE BUREAU Section 8 Program

ADMINISTRATIVE MANUAL

(combining HUD required Administrative Plan and MDOCA Administrative Policies Manual)

Important Note: Rather than publishing and maintaining 2 separated documents, one for HUD Administrative Plan, and one for MDOCA policies, both are included in this administrative manual. Subjects required by HUD for the MDOCA Admin Plan are shown in regular text, with section titles shaded. Other policies not required to be in the admin plan, which are necessary for operation of the HUD programs, will be shown in italicized text.

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I -MDOC

1. ORGANIZATION. *The Housing Assistance Bureau, Housing Division, Montana Department of Commerce (MDOC) is the Montana State Public Housing Agency (PHA), administering the HUD Section 8 Housing Assistance Program (Moderate Rehabilitation, and tenant based Housing Choice Vouchers Program) to provide affordable, decent, safe, and sanitary housing to low income families residing or wishing to reside in Montana.*

2. PURPOSE. *The Administrative Plan addresses major discretionary program functions in the Section 8 Programs. MDOC must operate the HUD programs it administers in accordance with the Administrative Plan. All other operational procedures are administered in accordance with federal regulations found in the Code of Federal Regulations 24 CFR parts 5, 8, 792, 882, 883, 888, 903, 982, 984, and 985. MDOC also establishes operating procedures (policies) to direct and assist Contract Field Agents performing specific functions. This administrative manual combines the Administrative plan and policies within one document and is available for public review as part of the PHA Annual Plan.*

3. JURISDICTIONAL AREA. *The jurisdictional area of MDOC includes the entire state of Montana. MDOC divides Montana into twelve sub-state planning areas, however units are allocated on a jurisdictional (statewide) basis. MDOC contracts with Local Field Agents to provide some MDOC functions in the program. Each Local Field Agent contracts for local administration of Vouchers and Mod Rehab units from the MDOC allocation. (A list of field agents is included at the end of this section.)*

Units are not ported out of MDOC control for use anywhere within the state of Montana. When a Voucher ported from one field agent area to another becomes vacant, the ported Voucher will be returned to the original local field agent for reissuing.

4. MDOC STAFF.

Human Services Program Manager (Pay band 7). PHA Executive Director/Housing Assistance Bureau Chief. Responsible for overall program operation of Housing Choice Vouchers, Moderate Rehabilitation, HUD HOME investment Partnerships, and Section 8 Project Based Montana Contract Administration Programs. Also responsible for consultative review of State Consolidated Plan for affected Programs.

Information Systems Technician (Pay band 5). Responsible for computer operation and automated report preparation.

Program Specialist (Pay band 6). Responsible for rehabilitation programs, FSS, planning, and coordinating program operations.

Program Specialist (Pay band 5). 5 positions. Responsible for program operation of subsidies, and coordination of services with field agents, and Annual HQS inspections.

Program Specialist (Pay band 5). Responsible for program operation of subsidies, and coordination of services with field agents, and Annual HQS inspections. Also responsible for supervision of Administrative Support positions, correspondence in program and administrative files system.

Accountant (Pay band 6). 1 position. Unit accounting, budget, requisitions.

Administrative Support (Pay band 3). Responsible for waiting list.

Administrative Support (Pay band 2) 2 positions. Filing clerk and receptionist support for Bureau.

5. AGENT REQUIREMENTS & TRAINING: *MDOC requires local field agents to operate their portion of the Section 8 Program in accordance with their MDOC contract, HUD regulations (CFRs and*

Federal Registers), HUD Notices, HUD Memos, the Administrative Plan, MDOC Policy Memos, and guidance provided by MDOC program personnel. MDOC provides local field agents with copies of relevant CFRs and Federal Registers (gray), HUD Notices and HUD Memos (buff). As changes are made to this Administrative Plan (tan), they are distributed to field agents to replace outdated sections. When MDOC adopts or changes minor policies not included in the Administrative Plan, the policies will be distributed to field agents in memo format (pink).

MDOC will provide at least 1 training session each year for MDOC program staff and Contract Field Agents on new policies or refresher training on current policies.

6. THRESHOLD FOR OPERATING RESERVE EXPENDITURES. MDOC will not use Operating Reserve Funds from Montana Section 8 projects covered in federal contract DEN -979, Project series MT901, in excess of \$250,000.00 for a particular housing purpose without prior written approval of the following personnel: Director, Montana Department of Commerce; Budget Analyst or Personnel Officer, Management Services; Management Services Accountant assigned to Section 8 Program; Administrator, Housing Division; Human Services Program Manager, Section 8 Housing.

In addition to other uses of reserves, common uses may include supporting program operations for the MDOC HUD HOME program, supporting completion of the housing portion of the HUD required Consolidated Plan, and for administrative operations of Project Based Section 8 contract administration.

7. VOUCHER PAYMENT STANDARDS (24CFR982.503). MDOC generally reviews voucher payment standards by bedroom size, by county, annually, within one month after receiving new Fair Market Rent (FMR) tables from HUD in October.

a. Annual Adjustment: Voucher payment standards will be adjusted annually, or sooner, when MDOC determines the need, based on leases rates:

- 1) downward to equal 110% of the latest FMR, if the current Payment Standard exceeds 110% of the new FMR for the bedroom size and county; or
- 2) upward to equal 100% of the latest FMR, if the current Payment Standard is less than 100% of the equivalent FMR; or
- 3) upward if a change in a smaller bedroom size payment standard causes a larger bedroom size to have a lower payment standard in the same FMR area; or
- 4) upward if greater than 30% of participant rent burdens exceed 30% of adjusted income.
- 5) upward if the Payment Standard of a housing agency in a similar area is higher than that of MDOC, to promote uniformity and consistency.
- 6) Upward to match an exception rent for a county, if one exists in that county.

b. Special affordability adjustment. *Changes from the Quality Housing and Work Responsibility Act (QHWRA) targeted extremely low income families (those with incomes less than 30% of the median income) for Voucher assistance. This law also mandates that no new lessee may pay more than 40% of income for rent when they lease up. This dual standard may jeopardize assistance in an area of the state, if payment standards are set too low to allow a majority of voucher holders to lease up.* A payment standard may be adjusted upward any time during the year if the payment standard is not adequate to allow a majority of tenants to lease. When participants in a payment standard area are having difficulty leasing up, and a majority of vouchers in that area are at risk of expiring without resulting in approvable leases, even though voucher holders are trying hard to obtain leases, the field agent may request that MDOC raise that individual payment standard. The local field agent must clearly demonstrate that the change is necessary for operation of the program, documenting the number of vouchers issued, the number of failures to lease (in danger of voucher expiring), and the amount of payment standard at which a majority of new applicants and participants would successfully lease. Documentation must include

requests for lease approval, and relevant estimator data showing the maximum amount each participant could afford under a lease, as well as landlord names, addresses and phone numbers. MDOC program specialists will review information provided, and recommend any changes to the Section 8 Program manager. The specific payment standard (county, bedroom size) will then be adjusted if necessary. A payment standard will not be adjusted if it will not yield increased lease uprates in that area.

8. AUTHORIZATION FOR CHANGES TO ADMINISTRATIVE PLAN. Any changes to the MDOC administrative plan must be approved by the Housing Division Administrator prior to implementation.

9. LIST OF MDOC LOCAL FIELD AGENTS

a. Action for Eastern Montana ; P.O. Box 1309, street address 2030 North Merrill Avenue, Glendive, MT, 59330; phone (800)227-0703 or (406)377-3564; Fax: (406)377-3570. Serves sub-state planning districts 1, 2, and 3, including Carter, Custer, Daniels, Dawson, Fallon, Garfield, McCone, Phillips, Powder River, Prairie, Richland, Roosevelt, Rosebud, Sheridan, Treasure, Valley, and Wibaux counties.

b. District 4 HRDC ; 2229 5th Avenue, Havre, MT, 59501; phone (406)265-6744; Fax: (406)265-1312. Serves sub-state planning district 4, including Blaine, Hill, and Liberty counties.

c. Opportunities Incorporated; P.O. Box 2289; street address 905 1st Ave. N., Great Falls, MT, 59403; phone (800)927-2270 or (406)761-0310; Fax: (406)761-0363. Serves sub-state planning district 5, including Cascade, Chouteau, Glacier, Pondera, Teton, and Toole counties.

d. District 6 HRDC ; Suite 203 Centennial Plaza, 300 First Ave. North, Lewistown, MT, 59457; phone (800)766-3018 or (406)538-7488; Fax: (406)538-2843. Serves sub-state planning district 6, including Fergus, Golden Valley, Judith Basin, Musselshell, Petroleum, and Wheatland counties.

e. District 7 HRDC ; P.O. Box 2016; street address 7N. 31st St., Billings, MT, 59103; phone (800)443-1411 or (406)247-7410; Fax: (406)248-2943. Serves sub-state planning district 7, (except for that portion of the district lying within 10 miles of the City of Billings), including Big Horn, Carbon, Stillwater, Sweet Grass, and Yellowstone counties.

f. not used

g. District 9 HRDC ; 32 South Tracy, Bozeman, MT, 59715; phone (800)332-2796 or (406)587-4486; Fax (406)585-3538. Serves sub-state planning district 9, including Gallatin, Meagher, and Park counties.

Livingston branch office ; P.O. Box 1530, street address 201 South F Street, Livingston, Montana, 59047; phone (800)289-0896 or (406)222-0896; Fax (406)222-1232.

h. Northwest Montana Human Resource Council ; P.O. Box 8300; street address 214 Main Street, Kalispell, MT, 59904; phone (800)344-5979 or (406)752-5477; Fax (406)752-6582 or (406)257-7283. Serves sub-state planning district 10, including Flathead, Lake, Lincoln, and Sanders counties.

i. District 11 HRDC ; 1801 South Higgins, Missoula, MT, 59801; phone (406)728-3710; Fax: (406)728-7680. Serves sub-state planning district 11, including Mineral, Missoula, and Ravalli counties.

Hamilton branch office : 316 N. 3rd St, Hamilton, Montana, 59840, phone (406)363-6101; Fax (406)363-5711

Superior Branch Office : Fax (406)822-4604

j. Human Resources Council of Butte ; P.O. Box 3486; street address 304 North Main, Butte, MT, 59701; phone (406)782-8250; Fax (406)782-5568. Serves sub-state planning district 12, including Beaverhead, Deer Lodge, Granite, Madison, Powell, and Silver Bow counties.

k. Helena Housing Authority ; 812 Abbey, Helena, MT, 59601; phone (800-378-7981) or (406)442-7970 or (406)442-7981; Fax: (406)442-9117. Serves sub-state planning district 8, including Broadwater, Jefferson, and Lewis and Clark counties.

I. Housing Authority of Billings ;2415 First Ave. North, Billings, MT, 59101; phone (406)245 -6391; Fax (406)245 -0387. Serves the area within 10 miles of the city limits of Montana. Billings,

10. CERTIFICATION ON FAIR HOUSING 24CFR982.53

MDOC certifies that it will comply with:

- | | | |
|----|--|-----------------|
| 1. | The Fair Housing Act | (24CFR100) |
| 2. | Title VI, Civil Rights Act of 1964, | (24CFR1) |
| 3. | Title I of the Americans with Disabilities Act | (42U.S.C.12101) |
| 4. | Section 504, Rehabilitation Act of 1973, | (24CFR8) |
| 5. | Age Discrimination Act of 1975, | (24CFR146) |
| 6. | Executive Order 11063, | (24CFR107) |

Signature _____

II - POLICIES FOR PARTICIPANTS AND APPLICANTS

II-A. WAITING LIST & SELECTION PROCEDURES ; 24CFR5; 24CFR882.513 and 24CFR982 -202 through 207.

1. PLACEMENT ON THE LIST.

- a. *To be placed on the waiting list, an interested family must complete an application form. Application forms are available at MDOC or any of the local field agent offices throughout the state, or will be mailed on request.*
- b. *Applications must be mailed to MDOC, Housing Assistance Bureau, 836 Front Street, P.O. Box 200545, Helena, MT, 59620 -0545. Applications will be date stamped when received at MDOC. Families experiencing difficulty in completing application forms will be assisted by either MDOC staff in Helena by phone or letter, or by the local field agent, if further assistance is needed.*
- c. *A separate waiting list for all eligible families wishing to participate in the Section 8 program will be maintained by suballocation area (Local Contract Field Agent area. See Section I Listing for names and areas covered by local field agents) in the state. No applicant will appear on the overall list for more than one suballocation area. All qualifying applications will be processed in the order received, and listed in order of date of receipt, and time of computer entry.*
- d. *All applications will be reviewed to determine if each family appears to meet income and family definition requirements of this plan. Applications passing review will be placed on the correct waiting list for the local field agent area where they reside. Families living outside Montana will be assigned to the suballocation list for Opportunities, Inc., and will remain on that suballocation list until offered assistance.*
- e. *A family may apply for any available federal or local preference during the application process for the waiting list or anytime thereafter.*
- f. *Eligibility Letter: Families will be notified in writing:*
- 1) *of apparent eligibility,*
 - 2) *that they have been placed on the waiting list,*
 - 3) *that placement on the waiting list is no assurance of eligibility at the time a formal application is processed,*
 - and
 - 4) *to report address changes and or telephone number changes to MDOC in writing within 60 days of a move. MDOC will not forward wait list correspondence to new addresses, as the applicant is responsible for reporting address changes. This prevents applicants from "jumping or shopping the list" to gain unfair advantage over other applicants.*
- g. *An applicant determined to be ineligible will be notified in writing of reasons for the determination and their right to request an informal review of the decision within 10 days of notification.*
- h. *Mod Rehab participants, even though their names do not physically appear on the wait list (software idiosyncrasy), are a part of the wait list, waiting for Vouchers.*

2. REPORTING CHANGES TO MDOC . Changes in applicant family address, or telephone number must be reported to MDOC, in writing, by the family as soon as the change occurs, but not longer than 60 days after the move. If the family does not report changes in address, which cause t he

local field agent to be unable to reach them within two documented contact attempts, the local field agent will request that MDOC remove the family from the list. MDOC will determine final eligibility in these cases.

3. ORDER OF SELECTION. Families will be selected from the waitlist to participate in the following order:

a. **SPECIAL ADMISSIONS** 24 CFR 982.204(e). Families "targeted" by HUD to receive a special type of voucher will not be considered as part of the waiting list. MDOC received an allocation from HUD during the 2001 Fair Share voucher competition where MDOC, as a part of the ranking process was awarded extra points by HUD for agreeing to hold a percentage of one allocation for disabled families, and a portion for Section 1915(c) waived families identified by the Montana department of Public Health and Human Services. For these units, the special classed families are the only ones eligible to use these units. These families will be selected before any others on the wait list. Local field agents will keep a listing of families meeting this criteria. Assigned units are as follows: reserved for disabled families 16 units, reserved for Sec. 1915(c) families 9 units.

b. **FEDERAL PREFERENCES**. All federal preferences were removed in 1996.

c. **LOCAL PREFERENCES** 24 CFR 5.410(b)(3). *MDOC has promised with all HUD Housing programs that it would maintain as much transparency as possible in operating the programs. Transparency means that MDOC would not cloud the programs with additional state requirements in addition to federal requirements.* Local preference will be used minimally by MDOC.

1. **Mod Rehab Local Preference**. When a family in the Mod Rehab program, due to a change in family size, no longer meets the requirements of MDOC Subsidy standards, and no other Mod Rehab unit of appropriate size is available in the local area, the family will be issued a Voucher before other families on the waitlist.

2. **Adoption of New Local Preferences**. If MDOC decides to adopt a new local preference, it will advertise the proposed new preference in newspapers in Montana cities, and have copies posted in local field agent offices throughout the state. The advertising notice will have a comments due date at least 30 days later than the last advertisement. The advertisement will state the new preference, the perceived need for the preference, the date and location of the required public hearing, and an address where written comments may be sent, to be included in the final decision on whether to adopt a proposed new local preference.

d. **NON-PREFERENCE WAITLIST APPLICANTS**.

1. As units become available, local field agents offer applicants Housing Choice Vouchers, or Statements of Family Responsibility (Mod Rehab), as their names reach the top of the waiting list, in order by date of application and time of computer entry. The family first on the list will be contacted by mail and/or telephone (if the applicant has furnished a telephone number). The applicant family is required to respond within a limited time frame or be removed from the waiting list. Each family must be considered, and offered or denied assistance before moving to the next family on the list. The field agent may move to the next family if their first contact generates no response; however, the agent must make a second contact with no response to remove the family from the wait list. If a family responds to the second request, the agent will then process the family, using the next available unit.

2. Mod Rehab units are project based with specific unit sizes at specific locations in the state. Applicants will not be penalized for refusing a Mod Rehab unit if they desire to wait for a Voucher subsidy. Families will be removed from the list only if they refuse both forms of assistance.

3. Mod Rehab participant families are not participants in the Vouchers program. Mod Rehab families must be chosen from the waitlist the same as any other family to be issued a Voucher, excluding instances covered in the Montana Mod Rehab Local Preference portion of the [redacted] section. For a Mod Rehab participant family to be assisted in the Voucher program, all of the following conditions must be met:

- The family's application date must place the family at the top of the waitlist;
- The family has satisfied the initial 1 [redacted] 2 month term of their Mod Rehab lease;
- The family must request, in writing, transfer to the Voucher Program;
- The family must give the landlord a proper 30 day notice, or be released from the lease; and
- The family must not have adverse program actions pending against them and must not owe any money to MDOC.

4. REMOVING NAMES FROM THE WAITING LIST .

a. **Removing names at regular intervals (purge).** The waiting list will be purged at regular intervals (normally each calendar quarter) to eliminate in [redacted] active applications, reduce unnecessary administrative burden, and insure that the list remains representative of current needs of families throughout the state. Written notice will be sent to applicants stating that they will be removed from the waiting list if they do not contact the MDOC within fifteen days from the date of the notice. If no response is received, the applicant will be removed from the wait list. *In these cases applicant files will be documented.*

b. Individual Removal of Applicants Between Major Purges.

- Families the local field agent has been unable to contact are removed from the list.
- An applicant not bringing requested supporting documentation to a scheduled briefing will be contacted again, and may attend the next scheduled briefing. If the applicant reaches this point and is still qualified, they must sign Declaration of 214 Status forms, and Social Security number verification for all family members. If an applicant does not provide adequate documentation at the second briefing [redacted], they are removed from the waitlist.

3. **Reinstatement.** *Families removed from the list may reapply, and will be placed on the waiting list according to the date of the new application and time of computer entry. If a family was wrongly removed from the wait list during the past 18 months, they may apply for reinstatement of their original application date.*

5. **CLOSING THE WAITING LIST.** Closing of the list for any suballocation location in the state will be announced by public notice in a newspaper of general circulation. The list will remain closed to all applicants.

6. **RE-OPENING A CLOSED WAITING LIST.** Re-opening the list for any and all bedroom sizes and/or suballocation areas will be announced by public notice in a newspaper of general circulation.

7. **PUBLICITY AND ADVERTISING.** *MDOC periodically reviews the Wait List (procedures contained MDOC Administrative Plan), to determine if publicity or other outreach methods are necessary. MDOC advertises the program when the Wait List for a field agent area is insufficient to meet local needs and Mod Rehab unit or Voucher availability. MDOC uses local newspapers in the field agent's area to advertise the waiting list. When there is specific need to publicize the program for other purposes, MDOC issues new releases to local papers in the state.*

Local Field Agents provide a unique method of information dissemination through use of bulletin boards, newsletters, and constant contact with many varied federal programs for low income people, as well as their clientele of low income people.

8. PUBLISHING. MDOC will create a new computerized wait list for use by field agents each month. MDOC will send each field agency an updated wait list by the 15th of each month.

9. DISPOSITION LOG AND RECORD KEEPING. Local field agents will make appointments with families responding to selection notices and establish a tenant file folder for each family, which contains all forms associated with the family and their participation in Section 8 Housing. The local field agent is responsible for maintaining a file of notices returned unopened and any other record of contacts. MDOC will also maintain a tenant file. The assigned application number will be the unique identifier for each file. Files will be maintained for a period of three years after the last activity occurred by the family.

The local field agent will record the result of the attempted notification of every family on the waiting list in a Monthly Disposition Log, which will be mailed to MDOC where the waiting list is updated and filed. The local field agent must assure that the Disposition Log is received by MDOC by the first of each month to ensure that changes from the field agent will be entered on the new month wait list. Agents are required to use MDOC specified Disposition codes on the Disposition Log to generate a change to the wait list. When sending changes on the disposition log to MDOC, agents only need send pages of the log which contain disposition codes changing applicant status.

II-B. DENYING ASSISTANCE TO APPLICANTS

(24 CFR 5.218, 5.232; 24 CFR 982.201, 982.552, PIH96 -27). If an applicant is denied admission, they are still eligible to reapply for the program. They will be placed on the waiting list as of the date they reapply. In addition to all other causes listed in the CFR on applicant denial, where the MDOC will evaluate individual circumstances on a case by case basis, prior to denying assistance to an applicant, an applicant **will** be denied a Mod Rehab Statement of Family Participation, or Voucher if the applicant has committed one of the following serious offenses:

- a. as a previous participant in the Program has not reimbursed MDOC or another PHA in connection for **amounts owed**. If the applicant repays in full prior to final eligibility determination, the family will not be denied admission.
- b. as a previous participant in the Program executed a **payback agreement** for amounts owed MDOC under the above mentioned housing assistance program and **failed to reimburse** MDOC according to the terms of the agreement.
- c. is determined guilty of **fraud** in connection with any Federal housing assistance program.
- d. does not meet either family **eligibility or income standards** of the program.
- e. **will not provide information** necessary for determination of total tenant payment or family composition on request.
- f. does not reschedule a **missed family appointment**.
- g. has been convicted of **drug-related or violent criminal activity**.
- h. If MDOC determines that there is reasonable cause to believe that the person **abuses alcohol** in a way that may interfere with the health, safety, or right of peaceful enjoyment of the premises by other residents. This may be waived in accordance with PIH96 -27(HA).
- i. Has been **evicted** from Public Housing, Indian Housing, Section 203, or any Section 8 program because of drug related criminal activity. This applies for a period of 3 years beginning on the date of such eviction. This may be waived in accordance with PIH96 -27(HA).
- j. If the applicant or any family member engages in actual or threatened **abusive or violent behavior** toward any MDOC or local field agent personnel.

IN EACH OF THE CASES IDENTIFIED IN THIS SECTION, THE APPLICANT WILL BE NOTIFIED BY THE LOCAL FIELD AGENT, OF THEIR RIGHT TO AN INFORMAL REVIEW, IN ACCORDANCE WITH THIS PLAN.

II-C. PROCEDURES FOR INFORMAL REVIEWS (24 CFR 982.554).

1. MDOC NOTICE. (24 CFR 982.554(a)). *In addition to the regulatory requirements, MDOC will state that an applicant may request an informal review of the decision, in writing, within 10 days from the date of the written notice of determination.*

2. MDOC DENIAL OF REVIEW. (24 CFR 982.554(c)). *If the matter does not qualify for an informal review, MDOC will send written notice to the applicant within 20 days of the request, with an explanation of the reasons for denial of the request.*

3. CONDUCT OF INFORMAL REVIEW. *It is important that reviews be concluded in as short amount of time as possible, since the applicant family is being denied assistance during the review period. MDOC will, if requested by the applicant in accordance with this plan, provide a review of the decision by a Housing Division staff member other than a person who made or approved the decision under review or a subordinate of that person. MDOC will provide the appointed reviewer with copies of MDOC and participant records relating to the decision, as soon as possible after the reviewer is named. MDOC will notify the applicant, in writing, of the scheduled review. The appointed reviewer will contact the requesting applicant before completing the review to determine whether all evidence (oral and written) from the applicant is presented. The applicant will be promptly notified, in writing, of the final review decision, including a brief description of the reasons for the final decision.*

II-D. BRIEFING APPLICANTS, ISSUING and EXTENDING VOUCHERS .

1. APPLICANT INITIAL BRIEFING AND BRIEFING PACKET (24 CFR 982.301; MOD REHAB 24 CFR 882.514(d)) . Applicant Families will be notified by phone (if possible) or mail when a briefing will be conducted by their local field agent, and that:

- a. if they wish to participate in the program, they must attend;
- b. if they do not attend the scheduled briefing and fail to contact the local field agent regarding the missed appointment, they will be removed from the waitlist; and
- c. that they are required to bring supporting documentation to verify names, dates and places of birth, gender, and initial income eligibility verification for all family members. If more than 60 days passes before a field agent forwards a request for lease approval to MDOC, a separate final income eligibility verification is required.

Briefings will be conducted in a group setting whenever possible, depending on the number of vacant vouchers available. In group briefings, if more families attend than there are subsidies authorized, the families at the top of the wait list will be issued assistance first, until the authorized number of units is exhausted. If an applicant does not bring requested supporting documentation to a briefing, that applicant will not be assisted. When this happens, the next applicant on the list will be offered assistance. The remainder of the qualified applicants may attend the briefing, and will be issued assistance as units become available, before the next scheduled briefing, in order by date on the wait list, if they have provided all required information at the briefing.

An applicant not bringing the requested supporting documentation will be contacted again, and may attend the next scheduled briefing. If the applicant reaches this point and is still qualified, they must sign Declaration of 214 Status forms, and Social Security number verification for all family members. If an applicant does not provide adequate documentation at the second briefing, they are removed from the waitlist.

Applicants will be given copies of all items on the MDOC checklist in the tenant briefing packet, and the local field agent will explain all items on the MDOC tenant information oral briefing checklist at the briefing. Applicants will be required to sign the checklist forms indicating that they have received the materials listed. Applicants will also be informed that they must contact the local field agent at least two weeks prior to expiration of their voucher if they are having trouble finding a suitable unit to rent.

All supporting documents must be sent to MDOC with the signed Voucher by the field agent (must include a correct applicant mailing address). Subsidies will be authorized by the appropriate MDOC Program Specialist, and a copy will be mailed to the applicant. As part of the authorization process, applicants will be transferred from the wait list to the main work files on the computer system by the appropriate MDOC Program Specialist.

2. HOUSING LISTS. Local Contract Field Agents maintain a list of landlords who have participated or expressed a desire to participate in Section 8 Housing as an aid for families searching for rental units. A family may choose any eligible rental unit where a landlord agrees to participate in Section 8.

3. ISSUING VOUCHERS (24 CFR 982.302; Mod Rehab -882.514(b)). As units become available, applicants are issued Housing Choice Vouchers, or Statements of Family Responsibility (Mod Rehab), in order, as their names reach the top of the waiting list. Applicants are not penalized for refusing a Mod Rehab unit if they desire to wait for a Voucher subsidy.

4. TERM OF VOUCHER. The initial term of MDOC vouchers MDOC will be 60 days.

5. MONITORING VOUCHER HOLDERS. Voucher holders are required to contact their local field agent in writing at least twice during the initial sixty day issuance period to inform the field agent of their efforts in locating a unit and to identify difficulties families may be experiencing in finding suitable units. Final contact is required at least two weeks before the voucher expires to assure the applicant finds and leases a suitable unit.

6. EXTENSIONS (24CFR982.303(b)). Voucher holders are required to provide the local field agent with a request for lease approval, or request an extension of the voucher term in writing, prior to expiration of the initial voucher term.

The length and number of extensions will be determined by the local field agent based on the ability of the participant or applicant to demonstrate the need for more time to secure a lease. A statement of the reason for an extension must be sent by the field agent to MDOC when an extension is approved. There will be no extensions beyond 120 days of the date of original issue of the voucher.

Vouchers will be extended only if:

- a) the applicant or participant can verify extenuating circumstances, and through their contact with the local field agent can clearly demonstrate that they have made every effort to secure a suitable unit, and
- b) The applicant or participant has not refused a suitable unit without good cause, and
- c) There is a reasonable possibility that an extension of the voucher will result in an approvable lease and the execution of a Housing Assistance Payments (HAP) contract, including where a participant is found to be owing money to MDOC after a voucher is issued.

7. SUSPENDING THE TERM OF A VOUCHER . MDOC will not suspend voucher terms.

II-E. SPECIAL HOUSING TYPES (24CFR982.600SERIES).

1. ALLOWABLE SPECIAL HOUSING TYPES: To insure maximum tenant choice in selection of rental units in the MDOC tenant based vouchers program, tenants will be allowed to choose among the following types of special housing:

- Congregate Housing,
- Group Home Residence,
- Shared Housing,
- Cooperative Housing
- Manufactured Home Rental Space Housing, and
- Homeownership.

SRO housing will not be allowed, *as it requires HUD, local government and MDOC approval, as well as documentation of need for the units, and certification that at the local government has inspected the properties and they meet local health and safety codes, which are more stringent than HQS. It is not in the best interest of the program to have competing inspection requirements. There are no HUD approved SRO facilities in the state at this time.*

Rental of manufactured homes is a primary type of housing, so it is allowable and not considered as a special housing type.

2. HOMEOWNERSHIP OPTION: MDOC will permit members of eligible families in the Housing Choice Vouchers Program the option of purchasing and owning a home using their Section 8 assistance, rather than using the assistance for renting.

A. General MDOC Agent Information and Requirements:

1. The Homeownership program will be operated in a similar and consistent manner throughout the state.
2. All MDOC local field agencies will participate in the homeownership option. These agencies will each be required to maintain a minimum lease rate of 90% (number of units under lease divided by number of units under MDOC Contract for vouchers, including over issues) to insure that they generate sufficient fee revenue to offset additional duties required in homeownership.
3. Each individual field agency will be required to estimate their capacity and usage for the upcoming year, and provide this estimate to MDOC in writing by December 1 each year. Then MDOC will determine final program size authorized for each field agency. Maximum program size will be 10% of the total number of vouchers under the MDOC ACC.
4. HUD requires PHAs using the Homeownership option to develop numerous policies. **This section of the Admin Plan will be set up in order as Homeownership appears in the 24 CFR part 982**, to make it easier for field agents to coordinate reference in the federal regulation to the plan.

B. (24CFR982.625(d)) - General Homeownership Requirements:

PHA demonstration of capacity to operate a successful homeownership program; MDOC will require a minimum homeowner down payment requirement of at least 3% of the purchase price for participation in the homeownership option. Of this 3%, at least 1% of the purchase price must come from the families' personal resources. Purchase price will include closing costs, so amounts put toward closing costs by the family will be included in the 1% and 3% calculations.

C. (24CFR 982.626) - Initial requirements for Families:

Sec. 9 82.626(a) - Determination if family is qualified. Local Field agents will determine if the family meets all initial requirements in 24CFR 982.627, 628, and 630).

Sec. 982.626(b) - Additional MDOC requirements :

- a. Applicant families are not eligible for homeownership assistance.
- b. A participant family in the MDOC Voucher program must have completed at least 1 year of participating in good standing to be eligible for the MDOC Homeownership Program.
- c. Participants porting in from another PHA interested in participating in homeownership must have completed at least 1 year in good standing in the other PHA jurisdiction. The participant family porting in does not have to meet another 1-year MDOC period.
- d. Voucher participants are not eligible for participation in the MDOC Homeownership Program, if any debt is owed to MDOC, or any other PHA or housing agency. Voucher participants who have owed MDOC or another PHA or housing agency money, and have fully repaid the debt prior to entering any portion of the homeownership program (including the long term housing counseling program) are eligible, if they meet all other eligibility requirements for homeownership.
- e. In selecting participant families for the limited slots in the local field agencies homeownership counseling program, preference will be given to elderly and handicapped families, as well as to those families participating in the Family Self-Sufficiency program or the Individual Development Account program, all other factors being equal.
- f. In selecting participant families for the MDOC Homeownership Program, the local field agencies will develop a first come - first served list of those families who have successfully completed the homeownership counseling program in their local jurisdictional area, and draw from this list in order to enroll families in the program.

Sec. 982.626(c) - Environmental Requirements: Local field agents are responsible for ensuring compliance and documentation with the authorities listed in Sec. 58.6 of this title, specifically in reference to flood hazard areas and airport clear zones.

D. (24CFR 982.627) - Eligibility requirements for families. See Sec. 982.626(a) for initial requirements and (b) for additional requirements.

Sec. 982.627(d) Employment requirements. The Local Field agent may also consider to what extent temporary and seasonal work and an employment interruption is considered permissible in satisfying the employment requirement. (e.g. considering what constitutes successive employment during a one -year period and self employment in a business). The MDOC reserves the right to make a final determination on any contested cases that are recovered by this requirement.

E. (24 CFR 982.628) - Eligible units. Any seller of property to a homeownership participant, and the homeownership participant as well, must be checked by the local field agent to ensure that they are not listed on the HUD Debarment list under 24CFR part 24, and the agent must sign a certification to that effect. (found on website <http://epls.arnet.gov/>)

F. (24CFR 982.629(a)) - Additional requirements for family search and purchase. The family must submit a sales agreement containing specific components to the local field agency for approval within one year of their acceptance into the homeownership program (acceptance occurs at the time of successful completion of homeownership counseling). The local agency will require that the family provide quarterly reports to monitor the family's progress in finding and purchasing a home.

G. (24CFR982630) Homeownership Counseling.

Sec. 982.630(d). Families may be required to participate in approved homeownership counseling programs on a continuing basis at the discretion of the local field agent or MDOC, based on the performance of the homeownership participant.

Sec. 982.630(e). The counseling agency providing the counseling program shall either be approved by HUD or the program shall be consistent with the homeownership counseling provided under HUD's Housing Counseling program. The program must contain the suggested topics listed in 982.630(b). Agents may require additional topics at their discretion based on participant need.

H. (24 CFR 982.631) - Home inspections and contract of sale . Local Field agents will determine if the family meets all requirements of this section.

I. (24 CFR 982.632) - Financing purchase of home; affordability of purchase. Local Field agents will determine if these requirements are met, including; 982.632(e) Financing options are limited to mortgage type financing that comply with secondary mortgage market underwriting requirements, or generally accepted private sector underwriting standards.

J. (24 CFR 982.633) - Continued assistance requirements; Family obligations. Local Field agents will determine if the family meets all requirements of this section. The family must notify the local agency within 10 days of missing a mortgage payment, and; The family must attend foreclosure counseling within 30 days of missing a mortgage payment or homeownership assistance may terminate.

Sec. 982.633(b)(8). Although the homeownership program does not require annual Housing Quality Standards (HQS) inspections, the local agency may request that a family permit an HQS inspection, with appropriate notice, not more than once a year with the intent of referring the family to programs that may be able to assist them with the cost of repairs and maintenance of the home. Since HQS inspections are not a HUD requirement, results of these HQS inspections will not affect participation in the Homeownership program by the family, or continuation of HAP payment.

K. (24 CFR 982.634) - Maximum term of homeownership assistance . Local Field agents will determine if these requirements are met, including 982.634(a). The local agency will provide MDOC report listing any homeownership family whose maximum term is within one year of expiration.

L. (24CFR 982.635) - Amount and distribution of monthly homeownership assistance payment. Local Field agents will determine if these requirements are met, including;

Sec. 982.635(c)(2) A monthly allowance for maintenance expenses and for costs of major repairs and replacement per local agency calculation s.

Sec. 982.635(d). The local agency will provide the lender with notice of the amount of the housing assistance payment prior to close of escrow. At the discretion of the lender, the local agency's contribution toward the family's homeowner expense will be paid directly to the family or to the lender. If paid to the family, the family will be responsible to submit the entire mortgage payment to the lender.

Participants are required to have an escrow account at a financial institution where MDOC sends HAP payments using direct deposit, and the mortgage holder sweeps funds to pay principal, interest, taxes and insurance. The participant family is required to deposit the family contribution to the account each month. The participant family is required to report account balances to the local field agent at the time of annual income verification.

Sec. 982.635(e). If the automatic termination of homeownership assistance 180 calendar days after the last housing assistance payment on behalf of the family results in extreme hardship for the family, the local agency may request that MDOC grant relief from this requirement based on a case-by-case determination. MDOC will then make the final determination.

M. (24 CFR 982.636) - Portability . Local Field agents will determine that these requirements are met, including; 982.636(a) Insuring that normal MDOC portability -processing procedures are adhered to.

N. (24 CFR 982.637) - Move with continued tenant -based assistance. Local Field agents will determine that these requirements are met, including;

Sec. 982.637(a)(3). Families receiving homeownership assistance may not move more than once during any one -year period.

Sec. 982.637(b)(1). If the family moves to a new unit while receiving homeownership assistance, the local agency may require that the family complete additional counseling.

O. (24 CFR 982.638) - Denial or termination of assistance for family. Local Field agents will determine if the family meets all requirements of this section.

P. (24 CFR 982.639) - Administrative fees. MDOC sets agent fees for the local field agent contracts.

Q. (24 CFR 982.640) - Recapture of homeownership assistance. Local Field agents will determine that these requirements are met, including; 982.640(b), securing the MDOC right of recapture by requiring a lien be placed on the subject property in the name of the Montana Department of Commerce, consistent with state and local law, and filing such lien with the local county Clerk and Recorder's Office.

R. (24 CFR 982.641) - Applicability of other requirements. Local Field agents will determine that these requirements are met.

II-F. OCCUPANCY POLICY (24CFR 5.403).

1. CONTINUOUSLY ASSISTED. A family is continuously assisted when they are currently assisted in expiring HUD Section 8 Project based programs in Montana which are being converted to tenant based assistance. This includes both Moderate Rehabilitation and Project based units (both as regular or preservation vouchers) converting to vouchers as contracts expire. Tenants in the projects who are temporarily out of a unit on the date of conversion as a result of disaster (unit damaged by flood, etc), or medical treatment (in hospital or nursing home short term for care of a medical condition) are eligible for admission as continuously assisted.

MDOCA has no public housing units. Public housing tenants of other Housing Agencies are not considered to be continuously assisted for admission to MDOCA programs.

2. FAMILY: 24CFR 5.403; 5.504 ; 982.201; 984.103 In addition to the CFR,

1) Where there are two or more persons sharing residency whose income and resources are available to meet the family's needs and who are related by blood, marriage (including common-law as defined under Montana law), adoption or as a foster child; or who have established a "family-type" relationship.

2) **Visitors** (defined below) are not family members.

3. VISITOR . *If an adult "visitor" stays in a rental unit for more than 30 days per year, they will be considered a member of the household, and must have the written permission of the owner/manager to stay longer than 30 days (or as specified in the lease if a shorter period is provided, or family members or number of residents are named in the lease).*

Minors may visit for up to 90 days per year without being considered as a member of the household as long as they have written permission of the owner/manager to stay longer than 30 days (or as specified in the lease if a shorter period is provided, or family members or number of residents are named in the lease) and the head of household still claim them as temporary members.

Minors and college students who were part of the family but who now live away from home during the school year and are not considered as part of the household may visit for up to 150 days per year without being considered a member of the household as long as they have written permission of the owner/manager to stay longer than 30 days (or as specified in the lease if a shorter period is provided, or family members or number of residents are named in the lease).

In a joint custody agreement, if the minor is in the household less than 183 days per year, the minor will be considered to be an eligible visitor and not a family member. A minor will be subsidized as a family member of only one household.

II-G. **SUBSIDY STANDARDS** (982.4;982.401(d)(2)(ii);982.402).

1. **FAMILY BEDROOM REQUIREMENTS** are:

One bedroom for the head of household and spouse;
One additional bedroom for head of household or spouse who, because of medical reasons documented by a physician, must have separate bedrooms;

One additional bedroom for every two remaining family members and essential persons, assuring that family members six years of age or older are not required to share a bedroom with family members of the opposite sex, that children are not required to share a bedroom with other adult family members, and that children of the same sex with more than 6 years of age difference are not required to reside in the same bedroom. "Child" is defined in 24 CFR 504.4 as a family member under 18 years of age.

One additional bedroom for any remaining family member(s) who, because of health or handicap reasons documented by a physician or other health care professional, must have a separate bedroom. Documentation will be reviewed by MDOC prior to authorization.

One additional bedroom for a live in attendant (aide) required because of health or handicap reasons documented by a physician or other health care professional. This individual must have a separate bedroom. (Also in 24 CFR 5.403). *The attendant must be qualified to provide necessary care, and live with the affected person, in order to allow the affected individual to live independently, as evidenced by an affidavit from a Doctor, Diagnostician, or other medical professional. There will be no spousal relationship between the attendant and the disabled person. A live in attendant with a child to attend a sole occupant is not qualified as a live in attendant, since the child is not needed to attend the disabled individual. Documentation will be reviewed by MDOC prior to authorization.*

2. COUNTING FAMILY MEMBERS: Every family member, regardless of age (including foster children residing in the unit), will be counted. There must be at least one bedroom, or living/sleeping room of appropriate size for each two persons in the family. In determining the appropriate voucher size, MDOC will not consider two persons of the opposite sex, other than those living as husband and wife, or children six years of age or younger, to be sharing the same bedroom. Units will be assigned so that at least one person will occupy each bedroom.

An unborn child, or child in the process of legal adoption will be counted as a person for occupancy purposes. Children under the age of two, of either sex, may share a bedroom with parents for purposes of meeting the occupancy standards. Children over the age of two will not be required to share the same bedroom with a single parent head of household.

3. EXCEPTIONS: MDOC may grant exceptions from the standards if MDOC determines the exceptions are justified by the relationship, age, sex, health or handicap of family members, or other individual circumstances.

4. VISITORS. See *Occupancy Policies*.

5. SPECIAL RULES FOR VOUCHERS: A family may rent a smaller or larger size unit than stated on a voucher, as long as the unit complies with HQS, subsidy standards, and payment standard limit for the family bedroom size listed on the voucher. Utility Allowances will be based on the actual bedroom size, by design, of the unit.

II-H. HOUSING QUALITY STANDARDS (HQS) .24CFR982.401; 882.404.

1. INSPECTIONS. 24 CFR 982.405; 882.516(b). HQS Inspections will be conducted by local field agents. Units will be inspected using the standards in 24 CFR 982.401, using HUD inspection forms. Local field agents may employ local building inspectors to perform inspections, on a regular basis or in response to workload demands.

Local field agents will receive training on HQS and their application using MDOC inspection booklets. The inspection booklets completed by Local field agents will be reviewed by MDOC to assure accurate interpretation of criteria for decent, safe and sanitary housing. MDOC will maintain inspection forms and any statements by the landlord, tenant or Local field agent regarding the unit's condition.

When an inspection which results in HQS violations being discovered, no matter whether the inspection was conducted by MDOC or field agent personnel, a letter must be sent to the landlord informing them of the timeline and required corrections, within one day for safety and other serious matters, and within 5 working days of the inspection for other required corrections.

Units failing the HQS on first inspection may be given up to thirty (30) days to correct deficiencies. Except for health, safety, or life threatening items, repairs prohibited by weather may be postponed, however, a signed statement from the Landlord with a specific completion date prior to annual certification is required. Units failing inspection must be re-inspected after completion of repairs.

For voucher units where leases started after 10-1-95, MDOC field agents will not conduct condition of premises inspections in addition to HQS.

If there is a problem within a rental unit which arises between regularly scheduled annual inspections, the tenant may request an inspection.

Lack of heat in a rental unit during the months of October through March each year will be considered by MDOC to be a health and safety violation, which must be corrected within 24 hours.

2. CONTRACT FIELD AGENCY ANNUAL REVIEW. MDOC will annually review procedures and determinations of local field agents. This review will be a comprehensive evaluation of five percent of local field agent leased units, conducted at various times during the year in conjunction with normal field agent scheduled inspections, to preclude the need for additional inspections scheduling and performance. The 5% review will be on short notice by MDOC, and include:

- a) review of inspection procedures and results with field agent while the actual inspection is taking place to evaluate inspection procedures for compliance with HQS;
- b) case file review to assure accurate determination and recording of annual income, assets, allowances, and adherence to law, regulations, and MDOC policies; and
- c) review of local field agent records to evaluate "first-come, first-served" selection from the waiting list.

II-I. RECERTIFICATION (24CFR Mod Rehab -882.515; Vouchers 982).

1. RESPONDING TO FIELD AGENT REQUESTS FOR RE-EXAMINATION. *Field agents schedule annual reexaminations 90 to 120 days ahead of the participant's anniversary date, to give adequate time for the reexamination process. Participants must respond to field agent reexamination letters within one week of the date on the letter. The field agent is required to make three attempts to contact the participant, at least 7 days apart, to allow participants adequate time to respond.*

2. REPORTING INCOME: *Subsidized families are always required to report changes in family membership or changes in income to the local field agent within thirty days of the date of change. The same procedures as were used in the initial certification are to be used in the recertification process.*

When a tenant reports an income increase exceeding \$300 per month since the initial certification or last annual recertification, the increase substantially affects the Family Share of Rent, and requires a recertification, and change in family share of rent for the family. When FSS families request an interim reexamination, any upward change in income (even those less than \$300 per month) will require recertification if the change results in an increase of escrow account. Changes in tenant rent due to changes in family membership or income increases will be effective the month following the month in which the change is reported.

When a family fails to report income changes (See Section II -R of this plan for consequences), the \$300 limit (above) will not apply. The family is responsible for inclusion of all income not reported (back to the date of income change) as a part of their family share of rent, and will be required to sign a repayment agreement.

From time to time, due to extenuating circumstances (change over of software, etc.) MDOC will suspend performing interim reexaminations for tenants. This will be done by letter to all local field agents. The notice will indicate the reason for the suspension, and the time frame over which the suspension will apply.

3. SEASONAL EMPLOYMENT income is counted in annual income. Seasonal employment is work that is carried on each year, generally during the same time of year. Examples include, but are not limited to, carpentry and cement work, employment in tourist locations and ski areas, logging, casual firefighters for the forest service (where the firefighters are trained to go out to fires or smoke jumpers or hot shot teams), workers on large highway projects (equipment operators, laborers, flag persons, surveyors), working for a temporary employment agency, and bowling alley personnel, where the establishment is closed during the summer months.

4. TEMPORARY EMPLOYMENT income is not counted in annual income. Temporary work is work that is less than 31 days by intention. This would include any spot job that will last less than 31 days. The employee would be informed of appropriate length of the job when employed. Examples include, but are not limited to: babysitting, setting up equipment, unloading freight, moving job. A person who was hired at a full or part time job, but quit or was fired in less than 31 days would need to report wages, and these wages would be included in income.

II-J. MOVES AND PORTABILITY (24CFR982.353)

1. LIMITING MOVES BY FAMILIES OWING MONEY. Families (including all family members) who owe MDOC or other PHAs money are not allowed to move or port, even if they are current on a repayment agreement, until the balance owed is paid in full.

2. PORTABILITY TO AND FROM OTHER STATES.

A family will not be allowed to port out of the MDOC jurisdictional area more than once in a twelve month period.

MDOC will accept vouchers from all other jurisdictions, and may issue a voucher under its own ACC if one is available.

3. LIMITING MOVES BY NON-RESIDENT APPLICANT FAMILIES (24CFR982.353(c)),

During the first 12 months from the time the family is admitted to the program, the family will not be allowed to lease a unit outside Montana.

4. LIMIT ON NUMBER OF MOVES PER YEAR.

The minimum lease term allowed under the MDOC programs is one year. A tenant may only move within the first year of a tenancy if they receive a release from their landlord. This will cause mutual rescission of the lease.

5. PARTICIPANT MOVES: *If a participant family accepts a "Notice to Pay Rent or Quit" as an eviction, and moves based on the notice, MDOC, for tenant eligibility purposes, will consider the move based on the notice as a move by the participant with proper notice, the same as if the participant had given written 30 day notice. In this case MDOC will not give the landlord a 30 day notice.*

II-K. FAMILY ABSENCE FROM UNIT.

Family absence from a unit for an extended period of time does not excuse family failure to notify MDOC of income or family composition changes or respond to MDOC or field agent requests for information on income, family composition changes, or reexamination requests.

If a tenant is going to be absent from a unit for more than 90 days, they are required to notify their local field agent, in advance of the absence, in writing, of the amount of time the family will be absent, and justification for the absence. MDOC will determine if additional time, up to the 180 day federal limit is justified.

If the family is absent from the unit for more than 90 days without contacting MDOC first, assistance will be terminated for the family.

L. BREAK-UP OF FAMILY (24CFR982.315)

The following are used when breakup or dissolution of an assisted family requires that MDOC determine which family members will retain the Section 8 Rental Subsidy. There is only one subsidy per family. Individual circumstances will be considered in each situation.

In absence of a court decision:

In all cases below, whenever a family member or members are forced to move as a result of actual or threatened physical violence against other family members, the violent member will not retain subsidy, no matter whether the remaining non-violent family members are forced to move, or the violent member is forced to move.

1. When there are children in the family, and one parent vacates, the custodial parent will retain subsidy.
2. When there are children in the family, and one parent and the greater number of children vacate the unit in a move, the spouse remaining will not retain subsidy, but may re-apply for assistance.
3. When there are an even number of children in the family, and one parent vacates with half of the children, the Head of Household will retain the subsidy.
4. When joint custody of children is adjudicated without the court deciding who retains subsidy, the parent remaining in the rental unit will retain subsidy.
5. When there are no children in the family, the person remaining in the rental unit will retain subsidy.
6. If the family contains an elderly or disabled person, subsidy will stay with the portion of the family containing the elderly or disabled person.

M. PROCEDURES FOR COLLECTING AMOUNTS TENANTS OWED TO MDOC.

All funds owed MDOC must be fully repaid within 12 months of the date of determination of the amount owed to MDOC. Longer periods may be considered on a case by case basis. If a family owes money to MDOC under the Section 8 Program, and their income is such that they receive a utility allowance payment, MDOC will retain the utility allowance payment to offset the debt, if the tenant agrees (at the option of the Tenant) in writing.

1. DAMAGE REPAIR AND UNPAID RENT CLAIMS. After processing payment on a claim, MDOC will contact the tenant through the local field agent, and requests signature of a repayment agreement, if the tenant wishes to continue on the Section 8 program. If a participant refuses to sign a repayment agreement, or request an administrative review of the claim, the participant will be denied issuance of further vouchers under the program. If the tenant has a current voucher, but has not been housed yet, MDOC will not approve a tenancy until repaid in full. If the former tenant does not repay, the unpaid balance will then be turned over to the State Auditor and/or a Private Collection Agency for collection. If MDOC is unable to locate the tenant, the balance will also be turned over to the State Auditor and/or a Private Collection Agency for collection.

2. RECOVERY OF UNREPORTED INCOME. Tenants are always required to report all income changes. Tenant reported income increases amounting to \$300 or more per month require recertification.

Income changes not reported by the participant often result in the participant being billed for an amount of money to increase their tenant share of rent to the 30% limit set by HUD. When a family chooses not to report income changes (See Section II -R of this plan for consequences), the \$300 limit (above) will not apply. The family is responsible for inclusion of all income not reported as a part of their family share of rent, retroactive to the date of income change. On reexamination, before a new contract is executed (unless the amount of unreported income is \$5,000.00 or more, where the participant is terminated), a repayment agreement must be executed. If the participant refuses a repayment agreement, MDOC will terminate assistance, refuse to issue a voucher, or refuse to approve a new tenancy until after full payment is received.

If the amount owed MDOC is greater than \$1,500.00, and MDOC is either unable to contact the participant, or the participant refuses to sign the repayment agreement, or fraud is involved, MDOC may turn the claim over to either the FBI or HUD Office of the Inspector General for investigation, collection, or possible prosecution, as well as the State Auditor and/or a private collection agency for collection.

3. BARRING PROGRAM RE-ENTRY FOR PREVIOUS PARTICIPANTS OWING MONEY TO MDOC. If an individual reapplies for program participation while having an outstanding debt to MDOC, that applicant will be allowed to remain on the waiting list, but will not be allowed to receive assistance under the program until after the debt is satisfied in full.

II-N. DAMAGE REPAIR, UNPAID RENT, AND VACANCY CLAIM PROCESSING.

1. LANDLORD CLAIM FILING. Landlords are allowed to file claims against tenants (Mod Rehab and Vouchers leased prior to 10-1-95) to repair damage to rental units caused by tenants while living in the units, for unpaid tenant rent up to a maximum of 90 days, and for rental vacancy when a tenant moves in violation of a lease. The landlord is required to file the claim with MDOC within 45 days after the move-out (damage) inspection. Claims will not be paid by MDOC unless copies of both the initial move-out inspection and move-out inspections are included with the claim. -in

2. CLAIM DISPUTE PROCESS. When a claim is filed with MDOC, a notice of pending damage repair claim and a copy of the claim is sent by MDOC to the participant involved for review, comment and rebuttal. The notice contains instructions that the participant must protest payment of all or parts of the claim within 20 days of the date of the notice. The participant must reply to MDOC within the allowed response time frame, or the claim will be considered fully validated by the participant. **If the participant does not contact MDOC within the allowed 20 day response period to dispute the claim, the participant relinquishes all further complain rights concerning the claim.**

3. CLAIM PROCESSING. After receipt of a protesting participant response to a claim, or expiration of the allowed time for protest of the claim, MDOC staff will process the claim for payment. MDOC staff will review all documents submitted by the landlord, participant, move-in inspection results, move-out inspection results, the MDOC depreciation schedule, and all other MDOC documents related to the participant tenancy concerning the claim. MDOC staff will make a determination as to validity of the claim, and order payment to the landlord if appropriate.

4. ADMINISTRATIVE REVIEW. At the time claim processing is complete, MDOC will send notice of payment to the affected participant. If the participant had protested the claim within the 20 days allotted time after initial notice of the claim by MDOC (as in 2. above), and the participant is still unsatisfied with claim resolution, the participant may request a review of claim processing to insure that determination which resulted in payment of the claim was made fairly, that factors identified by the participant were taken into account during the determination and that MDOC staff properly processed the claim.

Pending the results of a review, after a claim is paid on behalf of the participant (tenant), MDOC will collect amounts paid to the landlord from the participant for the damage repair amounts, vacancy payment, and unpaid rent, as they are the liability of the participant.

II-O. ASSISTING VOUCHER HOLDERS ALLEGING ILLEGAL DISCRIMINATION.

Voucher holders are advised of rights regarding Housing Discrimination and provided with HUD 903. They are referred to the Montana Human Rights Bureau and Montana Fair Housing. They are also advised to seek assistance from Montana Legal Services.

Form

II-P. SECURITY DEPOSITS.

*When applying 24 CFR 982.313, local field agents will determine the
for the local rental area.*

amount of average security deposit

II-Q. TENANT FAMILY CONTRIBUTION ;

1. MINIMUM RENTS . MDOC minimum rent will be \$0.00 per month. *This is the result of the QHWRA adding a lot of requirements for use of the minimum rents, where almost anyone qualifies for an exemption, and administering the requirements concerning these exemptions would cause expense of inordinate amounts of time and money.*

2. VERIFICATION. (24 CFR 5.617). *In identifying Tenant Rent for a family, the local field agent will verify all family income, resources, medical expenses and day care expenditures. Documents such as receipts, check stubs, bank statements and letters of eligibility supplied by the family may be used for calculation of rents, but not in place of proper verification.*

A family claiming disability or handicapped status will be required to have an appropriate medical professional verification. This is required unless the individual is a recipient of Social Security Disability, Supplemental Security Income, or VA disability.

3. TENANT UTILITY PAYMENTS *Tenants will receive a monthly check from MDOC made out to the head of household when Tenant Rent is less than the tenant -paid utility allowance.*

R. PARTICIPANT TERMINATIONS. (24CFR984.552(g) general regulation), 982.455 (180 day zero HAP rule), (24 CFR 5.218, 5.232 verify social security and income, and consent forms).

In addition to all other causes listed in the CFR on participant termination, where the MDOC evaluates individual circumstances on a case by case basis, prior to terminating assistance of a participant, a participant currently receiving the benefit of housing assistance payments as a result of an active contract, will have assistance terminated from the Mod Rehab or Voucher Program and also refuse to issue a voucher for a move to another unit, approve a new tenancy, or execute a new contract if the participant has committed one of the following serious offenses:

a. If the participant has been determined guilty of **fraud** in connection with any Federal housing assistance program.

b. **Tenants are always required to report income changes.** The first time a participant family fails to report any **income increase**, they will generally not be terminated from assistance unless their failure to report results in an under reporting of \$5,000 or more of income in total since their entry to the program. On a first time exception of unreported income less than \$5,000, the participant family may be allowed to enter into a repayment agreement (see Section II - M of this plan) without being terminated from the program. The second time a participant family fails to report an income increase of \$2,500 or more, the participant family will be terminated from assistance.

c. If a participant **fails to respond to a request for a reexamination**. After the third attempt to contact without success, the local field agent will request that MDOC terminate assistance. Local field agents will take into account extraordinary circumstances before requesting termination.

d. If the participant **fails to appear for a scheduled appointment**, including inspections, without canceling or rescheduling the appointment, the local field agent will request that MDOC terminate assistance for violation of a family obligation. Local Field agents will take into account extraordinary circumstances and document reasons before requesting termination.

e. As a violation of Family Obligation, where the tenant causes **damage beyond normal wear and tear** in a rental unit.

1) (Mod Rehab and Voucher units where the lease started prior to 10 -2-95) If MDOC has approved a claim(s) on behalf of a participant after February 29, 2000, where the approved amount allowable on lines K (unpaid rent in excess of security deposit) and Q (unpaid tenant damages (includes unpaid utilities) in excess of security deposit) of the MDOC damage claim form exceeds \$1,000, MDOC will terminate assistance.

2) (Voucher units where lease started after 10 -2-95). When a participant causes damages, where the costs of cleaning, repair, unpaid utilities, and unpaid rent, as proven by a court judgement after February 29, 2000, in favor of the landlord total more than \$1,000, MDOC will terminate assistance.

f. 24CFR982.403. Participant families will not be allowed to remain in **overcrowded or under occupied units**, which result from family size changes and make their unit not meet subsidy standards. Voucher participants will be issued vouchers and be required to move to a unit which meets subsidy standards, even if they owe money on the program. After moving, if the family still owes money, they will be required to repay per the terms of their current repayment agreement. If they refuse to sign a repayment agreement, assistance will be terminated. If they do not repay in accordance with a repayment agreement, assistance may be terminated. Mod Rehab participants will be allowed to move to another correct sized Mod Rehab unit in the same community if one is available. If one is not available, the participant may be issued a Voucher, if one is available in the field agent area, using the Mod Rehab local preference, or may also be referred to other types of assistance. Assistance will be terminated for families refusing to move to an acceptable unit.

g. If the participant or any member of the participant's family **refuses to sign and submit consent forms** required by 24CFR5.232 (HUD form 9668), assistance for the family will be terminated. The participant is responsible for the signing and submitting of consent forms by all family members.

h. With regard to conviction on any **drug-related or violent criminal activity**, legal written documentation (copy of conviction) will be required before a termination request will be processed.

I. MDOC will terminate assistance for any person it determines to be **abusing alcohol** in a way that interferes with the health, safety, or right of peaceful enjoyment of the premises by other residents.

m. If the participant or any family member engages in actual or threatened abusive or **violent behavior** toward and MDO Cor local field agent personnel.

INEACHOFTHECASESIDENTIFIEDINTHISSECTION, THEPARTICIPANTWILLBENOTIFIEDBY THE LOCAL FIELD AGENT, OF THEIR RIGHT TO AN INFORMAL HEARING, IN ACCORDANCE WITHTHISPLAN.

S. INFORMAL HEARINGS . 24CFR982.555, or for denial on the basis of ineligible immigration status 24CFR812.9.

1. REQUEST FOR HEARING. The participant must request the hearing in writing within 20 days of the date of the written notice of the questioned decision. Informal hearings will be scheduled (this does not mean conducted) by MDOC within 30 days of receiving a written hearing request from the participant if the matter qualifies for an informal hearing. MDOC will notify the family in writing, of the scheduled hearing date. *This notice will contain a MDOC "Discover Request", and a "hearing packet" consisting of: copies of regulations cited in the decision, a copy of 24CFR982.555, relevant documents, and a copy of MDOC procedures for Informal Hearings.*

If the matter does not qualify for an informal hearing, MDOC will send notice to the participant within 20 days of the receipt, with an explanation of the reasons for denial of the request for informal hearing.

2. DISCOVER. (documents include written records and regulations).

a) - **by family.** MDOC must be given the opportunity to examine, at the MDOC office in Helena, any documents possessed by the family, that are directly relevant to the hearing. MDOC must be allowed to copy any such document at MDOC's expense. If the family does not make the document available for examination on MDOC's request, the family may not rely on the document at the hearing.

b) - **by MDOC.** MDOC will make available copies of any documents pertinent to the hearing, upon written request by the participant. If MDOC does not make the document available for examination on the family's request, MDOC may not rely on the document at the hearing.

3. CONDUCT OF THE HEARING.

a. **Hearing Officer.** Informal hearings will be conducted by a hearing officer appointed by MDOC. The hearing officer will regulate the hearing, and ensure that all proceedings are tape recorded. MDOC will provide the hearing officer with copies of MDOC and participant discover records relating to the decision, as soon as possible after the hearing officer is named, to allow time for review by the hearing officer. The hearing officer will restrict the hearing to testimony and documents specifically related to the hearing cause.

b. **Participant Rights.** The participant may be represented by a lawyer at their own expense, and will be given the opportunity to present evidence and question any witnesses. MDOC will reimburse the requesting participant for only the participant's mileage or transportation expenses (at applicable state rates for state employees) to and from the hearing location. All other costs incurred by the participant requesting the hearing, such as lodging, meals, legal representation, are to be borne by the requesting participant.

c. **Evidence.** Evidence in the hearing will be allowed without regard to admissibility under the rules of evidence for judicial proceedings, except for information covered under the Discover Section.

d. **Order of events** of the hearing.

1) The hearing officer will call the hearing to order. At any time during the hearing, the hearing officer may interrupt testimony to ask pertinent questions, or clarify testimony.

2) All persons present will be identified, and the purpose for their presence verified.

3) Evidence will be presented in the following order:

A) MDOC staff will provide an overview of the reasons for the hearing, and copies of pertinent documents relating to the MDOC decision, as well as any other testimony MDOC wishes to introduce.

B) The participant will provide testimony and documentation for consideration at the hearing, and rebut MDOC testimony or documents.

C) MDOC may question the participant about testimony and documentation presented by the participant, and rebut participant testimony or documents.

D) The hearing officer may summarize his/her understanding of the position of both sides to insure that all information from the hearing is complete and clear.

E) When the hearing officer is satisfied that both sides have presented sufficient evidence to render a finding, the hearing officer will close the hearing.

4. HEARING DECISION. The hearing officer will issue a written decision, stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the participant shall be based on preponderance of the evidence presented at the hearing. A copy of the decision will be promptly sent to the participant and MDOC.

a. Preponderance of the evidence means a greater weight of evidence, or evidence which is more credible and convincing to the mind; that which best accords with reason and probability; it rests with that evidence which, when fairly considered, produces the stronger impression, and has the greater weight, and is more convincing as to its truth when weighed against the evidence in opposition.

b. Non-Binding Decisions .MDOC is not bound by hearing decisions:

1) Concerning a decision that is not identified in the plan as eligible for an Informal Hearing, or otherwise in excess of the authority of the Hearing Officer under the hearing procedures.

2) Contrary to HUD regulations or requirements, or otherwise contrary to Federal, State or Local law.

If MDOC determines that it is not bound by a hearing decision, MDOC will promptly notify the participant of the decision, and of the reasons for the determination.

T. RENT REASONABLENESS

MDOC local field agents will determine if a unit is rent reasonable when compared with like units in the rental market area.

Each local field agency will conduct an annual survey of units in their area, and keep the survey on file for use during the next 12 month period. Surveys will include at least 3 units, if available in the local area, of similar type housing for each bedroom size and area as needed to properly determine rent reasonableness.

Rents of new units must be compared with three similar units included in the survey, if available for the local area, using the MDOC reasonableness form.

If the local field agent is unable to find a similar unit for comparability in the same local area, the field agent may give the landlord a copy of the survey form for the landlord to use to find a comparable unit.

The field agent will review the comparables found, and decide whether to allow them when making a reasonableness determination.

III. POLICIES FOR OWNERS.

A. PROVIDING TENANT INFORMATION TO OWNERS . MDOC will provide the following information about tenants to prospective landlords:

- Current and prior address of family
- Name, address, and phone number of all known landlords at the family's current and prior addresses

MDOC will require all field agents give the same types of information to all owners.

B. TENANT SCREENING : Tenant screening is a landlord responsibility. *This was made clear when the lease was changed in 1995, as landlords wanted the program to operate more like regular tenancies.* MDOC does not screen for tenant suitability. MDOC recommends that all landlords check references.

C. RENT REASONABLENESS . MDOC local field agents will determine if a unit is rent reasonable when compared with like units in the rental market area. Each local field agent will conduct an annual survey of units in their area, and keep the survey on file for use during the next 12 month period. Rents of new units must be compared with three similar units included in the survey, when possible, given local conditions, using the MDOC reasonableness form. If the local field agent is unable to find a similar unit for comparability in the same local area, the field agent may give the landlord a copy of the survey form for the landlord to use to find a comparable unit. The field agent will review the comparables found, and decide whether to allow them when making a reasonableness determination. In small towns in the state, where it is not possible to find 3 comparables, the field agent will document this on the MDOC rent reasonableness form.

D. PUBLICITY AND ADVERTISING . MDOC will reach potential landlords through news releases when additional rental units are needed in a specific area. Contract Field Agents monitor availability of rental units to Section 8 families, and notify MDOC when additional units are needed.

E. INFORMATION AVAILABLE ON REQUEST. MDOC disseminates information on the program to current and potential landlords, on request, through Local Contract Field Agents, including: copies of Montana's Landlord Tenant Act, Section 8 leases, prohibited lease provisions, vacancy payment and damage repair claim procedures, Fair Market Rent (FMR) limits, security deposit limits, state law requirements about Condition of Premises statement, utility allowance schedules, Housing Quality Standards, Landlord portion of the MDOC Admin. Plan, and lead based paint abatement requirements.

For Mod Rehab, additional items are available: Statement of Family Responsibility, Information for Owners, Rent Calculation Formats, Agreement to Enter into Housing Assistance Payments Contract, and Housing Assistance Payments Contract.

F. BRIEFINGS. Contract Field Agents offer briefings to potential Landlords, to acquaint them with the Section 8 Program.

G. POLICY DOCUMENT: *A MDOC landlord policy document will be given to each landlord who rents units under the Section 8 Program by the MDOC Local field agent administering the program for MDOC. The policies will contain the following subjects:*

- SUITABILITY AND SCREENING OF TENANT.
- SECURITY DEPOSITS.

OWNER RESPONSIBILITIES
PAYMENTS TO LANDLORDS.
RENT ADJUSTMENTS.
CORRECTING HQS DEFICIENCIES.
MUTUAL LEASE RESCISON.
TERMINATIONS AND EVICTIONS.
COLLECTION OF AMOUNTS OWED MDOC BY LANDLORDS.
DAMAGE REPAIR CLAIM DEPRECIATION SCHEDULE.

Local Field agents will provide the following MDOC printed documents to all landlords new to Section 8 before a lease is executed to give the landlord adequate information to decide whether to enter a Section 8 lease:

n

Part B of the HAP contract
Section 8 Program Information form (describes programs and applicants)
Landlord and Tenant Act (green)
Voucher, Lease, and Housing Contract information sheet (green)
MDOC Policy Document for Landlords (green)

IV.F. S.S. ACTION PLAN (24CFR984)

Contents:

- A. Overview
- B. Family Demographics and Estimate of Participating Families
- C. Eligible Families from Other Self-Sufficiency Programs
- D. FSS Family Selection Procedures
- E. Incentives to Encourage Participation
- F. Outreach Efforts
- G. FSS Activities and Support Services
- H. Method for Identification of Family Support Needs
- I. Program Termination; Withholding of Services; and Available Grievance Procedures
- J. Assurances of Non-Interference with Rights of Non-Participating Families
- K. Timetable for Program Implementation
- L. Certification of Coordination
- M. Contract of Participation
- N. Escrow Accounts
- O. Individual Training and Services Plans
- P. Informal Hearings and Reviews
- R. Local Contractor Certifications
- S. Local Contractor Annual Performance Reports

A. OVERVIEW: MDOC has operated a Family Self-Sufficiency Program in Montana since 1992, on a decentralized basis, through local contractors acting as MDOC field agents for the Housing Choice Voucher Program. In 1992, the MDOC field agencies specified all elements associated with FSS Action Plans for their individual locations. Programs were designed to serve local needs in Montana, using local resources necessary to insure success for FSS participants. Services are location specific, so local MDOC field agents are allowed maximum freedom in operating the program in their jurisdictional areas.

B. FAMILY DEMOGRAPHICS AND ESTIMATE OF PARTICIPATING FAMILIES:

Since FSS is a statewide program, the demographics of families to be participating in the FSS program are extremely varied.

Based on the current number of Section 8 participants in service areas of the MDOC field agencies involved in FSS, the FSS program is of minimal size, compared to overall state need. The demographics of program participants will follow those of the general overall state population, as well as the local county low-income population of each service area.

The MDOC field agents administering the FSS program are required to provide an updated list annually of the supportive services they provide FSS participants. This listing is included in the agencies annual report to MDOC due August 15th each year. These services will be used to assist the following FSS units allocated by MDOC to help families throughout Montana.

Local Field Agency Minimum Units Maximum Units

1. Action for Eastern Montana	7	19
2. District IV HRDC	5	17
3. Opportunities, Inc.	7	23
4. District VI HRDC	2	4

5. District VII HRDC	7	16
6. District IX HRDC	7	23
7. Northwest Montana Human Resources	5	10
8. District XI HRDC	5	10
9. Human Resource Council of Butte	7	20
10. Housing Authority of Billings	7	30
11. Helena Housing Authority	<u>4</u>	<u>9</u>
TOTAL FSS PROGRAM SIZE	63	181

C. ELIGIBLE FAMILIES FROM OTHER SELF-SUFFICIENCY PROGRAMS: Not applicable. MDOC has no public housing units.

D. FSS FAMILY SELECTION PROCEDURES: Families will be selected for participation by the MDOC field agents in the following priority order, based on local needs and services to be provided:

- 1) Participating families from the voucher program who are enrolled in local JOBS, JTPA, Employed Parent, Displaced Homemaker, or similar programs in which the MDOC field agent is actively involved, for a maximum of 50% of the program slots, then
- 2) Other MDOC Section 8 program participant families showing interest in FSS from the field agent service area on a first-come, first-served basis.

E. INCENTIVES TO ENCOURAGE PARTICIPATION: MDOC offers the following incentives to encourage participation in the FSS program.

- 1) Detailed information on agent-supplied education, employment and training, and home ownership programs.
- 2) Referral to support services like child-care, transportation and work/education related costs while enrolled in this program.
- 3) An escrow account (like a savings account) for the duration of the program. The FSS escrow account funds are available when self-sufficiency is achieved.
- 4) Detailed information about education and employment programs in Montana with easier and smoother access.

F. OUTREACH EFFORTS: Each MDOC field agency will schedule periodic public FSS orientation meetings for prospective participants and service providers. The purpose of the meetings will be to explain the FSS program and how it operates, responsibilities of the participants, and provide other information concerning the FSS program, as well as to collect the names of participating Section 8 families interested in participating in the FSS program.

The MDOC field agents will mail meeting invitations to voucher participants from their jurisdictional service area.

A list will be maintained at each field agent location naming voucher participant families interested in becoming FSS participants. Those not responding to the meeting invitation will be considered to have been contacted, and are not interested in the FSS program.

As participating Section 8 families enter local JOBS, Unemployed Parent, Displaced Homemaker, or similar programs in which the MDOC field agency is actively involved, they will be advised about the FSS program, and the field agent will add them to the list, if the family is interested.

The MDOC Family Self-Sufficiency information sheet will be presented to all minority and non-minority participants by local field agents at all reexaminations (if vacancies exist and services are available) to further encourage participation in the FSS program.

G. FSS ACTIVITIES AND SUPPORT SERVICES : Complete lists of anticipated services and service providers were included in the 1992 MDOC FSS application. Actual services provided may not be similar to the initial needs in 1992, depending on local conditions and participant needs at the time the FSS Contract of Participation is signed. The MDOC field agencies administering the FSS program are required to provide an updated list annually of the supportive services they provide FSS participants. This listing is included in the agencies annual report to MDOC due August 15th each year. These services will be used to assist the FSS units allocated by MDOC to help families throughout Montana.

H. METHOD FOR IDENTIFICATION OF FAMILY SUPPORT NEEDS: Needs for services vary by locality and participant. Supportive services provided throughout the state will not be similar, due to limited availability to provide various types of supportive services at individual locations. Since individual needs of participating FSS families are of primary importance to success of the families (and the program), individual FSS programs will be developed for each participating family by the MDOC local field agency. The services provided each family will be based on individual family needs, and the local availability of support resources for the area where each unit is administered.

I. PROGRAM TERMINATION; WITHHOLDING OF SERVICES; AND AVAILABLE GRIEVANCE PROCEDURES: The termination of families participating in the FSS program will be governed by the provisions of the MDOC Administrative Plan and the FSS Contract of Participation.

A family enrolled in the FSS program may be terminated from the FSS Contract of Participation if they fail to satisfactorily perform the requirements under their individual FSS contract.

MDOC will consider reasons for the family not being able to fulfill their obligations under the FSS contract, prior to determining whether to terminate the FSS contract.

A family terminated from participation in the FSS program may request an informal hearing within 20 days of being notified by MDOC of their termination. If the family voluntarily terminates their participation in the FSS program, they may not request a hearing for termination of the Contract of Participation, or for the right to access any funds in their escrow account.

J. ASSURANCES OF NON-INTERFERENCE WITH RIGHTS OF NON-PARTICIPATING FAMILIES. A family's election to not participate in the MDOC FSS program will not affect the family's admission to the Sec. 8 housing program or the family's right to occupancy in accordance with its lease.

K. TIMETABLE FOR PROGRAM IMPLEMENTATION. The MDOC FSS program was implemented in 1992, and has been in operation since that time. The MDOC program is now in voluntary status since over 47 successful participant families have graduated since 10/1/1998.

L. CERTIFICATION OF COORDINATION. The MDOC certifies that development of the services and activities under the FSS program has been coordinated with the JOBS Program, the programs provided under the JTPA, and any other relevant employment, child care, transportation, training, and education programs (e.g. Job Training for the Homeless Demonstration Program) by the MDOC field

agency in the applicable area, and that implementation will continue to be coordinated, in order to avoid duplication of services and activities.

M. CONTRACT OF PARTICIPATION: *The FSS Contract of Participation is a five -year contract between the FSS participant family and the MDOC. The contract has the option of a two -year extension. The effective date of the contract (listed on the front page) must be the first day of the month following the date the contract is signed by the MDOC. All corrections made to the contract should be initialed by all of the parties concerned, with a copy available in the participant's file at all times.*

N. ESCROW ACCOUNTS:

1) **GENERAL:** *The MDOC field agent will provide MDOC a copy of the FSS escrow account worksheet for each FSS family at each income re -examination, to allow MDOC to credit proper amounts to the family's escrow account.*

MDOC will invest FSS escrow accounts in the State Treasurer's Short -Term Investment Pool (STIP) to guarantee participating families the benefit of higher interest rates generated due to the amount of investments available in the STIP pool.

Interest will be credited to escrow accounts on a quarterly basis, calculated on a percentage of ownership basis for all families in the Pool.

The amount in a family's FSS escrow account will be forfeited by the family if the participating family has failed to meet its obligations under the Contract of Participation (including failure to meet its obligations because the family moves outside the jurisdiction under portability provisions of the Section 8 program).

Federal or state welfare assistance includes (for the FSS program only) cash maintenance payments designed to meet a family's ongoing basic needs, such as cash assistance under FAIM (Families Achieving Independence in Montana), general assistance, or other assistance provided under a Federal or state program for general living expenses.

Payments will be made by MDOC on a monthly basis, between the 1st and 15th of each month. Any request for payment of escrow received before the end of the month will be processed at the beginning of the next month, if at all possible. All requests for payment of the escrow account must include the correct documentation. This must include the MDOC Request for Withdrawal of Escrow Account Funds form in triplicate, filled out and signed by all parties, as well as a letter from the MDOC field agent approving the disbursement of the escrow funds to the FSS participant family. Final determination for escrow payments will be the responsibility of the MDOC.

2) **FINAL DISBURSEMENTS:** *If the family does not receive welfare assistance, but the family has not met its FSS obligations on or before completion of the FSS Contract of Participation term, the family is not eligible for the final escrow disbursement.*

*The intergenerational family whose head becomes independent of welfare assistance but whose adult daughter with a child continues to receive FAIM is not eligible for the final escrow disbursement because **ALL** family members must be free of all forms of Federal and state welfare assistance.*

The family may use the final disbursement of escrow account funds without restriction.

An FSS family may use its FSS final escrow disbursement for the purchase of a home, including a home under one of HUD's homeownership programs, or under other Federal, State, or local homeownership programs.

Before making the final escrow disbursement, MDOC may verify that the family is no longer receiving welfare assistance by requesting copies of documents, contacting the welfare agency or MDOC field agent, or by other legally acceptable means.

The MDOC cannot restrict a family's use of FSS escrow account funds withdrawn by the family unless the funds are withdrawn to aid in the completion of an interim goal.

3) INTERIM DISBURSEMENTS: If a family receives an interim disbursement from their escrow account prior to completing the contract, the interim disbursement does not have to be repaid to the MDOC if the family drops out of the FSS program, unless the payment was based on fraud, or misinformation by the family.

The MDOC may, at its sole option, make an interim disbursement of a portion of the funds from the family's escrow account during the contract period for contract-related expenses if the family has successfully progressed in meeting interim contract goals, and needs a portion of the FSS account funds for purposes consistent with the contract, such as:

- 1) School tuition or other school costs
- 2) Job training expenses
- 3) Business start-up expenses
- 4) A car, when public transportation is unavailable or inaccessible to the family, or for major car repairs, the later of which will be determined on a case-by-case basis
- 5) Emergency medical expenses

O. INDIVIDUAL TRAINING AND SERVICES PLANS: All plans must be reviewed and updated at least annually for all adult family members. Plans must include both interim and final goals. All goals (both interim and final) must include specific activities under each goal, timeframes, and the party responsible for each goal identified, to provide a clearer understanding of the participant's goals and objectives. Plans must be written with enough detail to allow evaluation of performance by MDOC. All plans must include the mandatory interim and final goals. If receiving welfare assistance, plans must include the mandatory interim goal of all family members becoming independent from all forms of state and federal welfare assistance for at least one year prior to the expiration of the FSS Contract of Participation. All final goals must include obtaining and maintaining suitable employment.

P. INFORMAL HEARINGS: Informal Hearings will be conducted in accordance with the MDOC Admin Plan.

Q. LOCAL COORDINATING COMMITTEES: The local MDOC field agent will maintain and provide the following documentation to MDOC:

- 1) A roster of names and titles or positions of all committee members, with their individual signatures specifying that they are willing to provide services as necessary to insure success of the local program.
- 2) Copies of meeting minutes where the FSS program startup and initial direction is established.
- 3) Copies of meeting minutes for all meetings of the Local Committees.

R. LOCAL CONTRACTOR CERTIFICATIONS: Each local contractor (MDOC field agent) will provide MDOC with the following certifications, prior to initiating a local FSS program:

- 1) That the development of services and activities have been coordinated with the JOBS program, JTPA, and other relevant programs;

2) That development of services and activities has been coordinated with relevant child care, transportation, training and education programs.

3) That implementation will continue to be coordinated in order to avoid duplication of services and activities.

S. LOCAL CONTRACTOR ANNUAL PERFORMANCE REPORT: Each local contractor (MDOC field agency) will submit an annual performance report to MDOC (based on a program year of July 1 to June 30), by August 15 each year, which contains:

- 1) A description of activities carried out under the program;
- 2) A description of the effectiveness of the program in helping families to achieve independence and self-sufficiency;
- 3) A description of the effectiveness of coordinating community resources;
- 4) Recommendations for legislative and administrative improvements which would improve effectiveness of the program;
- 5) A breakdown of racial and ethnic data with respect to families who:
 - a) Declined to participate;
 - b) Elected to participate, but did not execute a contract;
 - c) Executed an FSS contract, signed a lease, and voluntarily left the FSS program;
 - d) Executed an FSS contract, signed a lease, and completed the FSS program; and
 - e) Executed an FSS contract, signed a lease, and remained in the FSS program. Data should include where families offered an opportunity to participate were found.

Administrative fees for the FSS portion of the Voucher program will be forfeited by each agency who has not submitted an Annual Performance Report to MDOC by the due date of Aug. 15, for the period after Aug. 15 until the report is received. MDOC field agencies may have their FSS portion of the agency contract terminated for failure to maintain the minimum number of units under contract, or for not complying with the reporting requirements of this section after 2 notices by MDOC.

**MONTANA DEPARTMENT OF COMMERCE (MDOC)
HOUSING ASSISTANCE BUREAU
SUMMARY OF CITIZEN AND BOARD REVIEW PROCESS, WITH MDOC
RESPONSES ON THE MDOC PHA FFY2002 PLAN**

MDOC is a statewide PHA, and must operate the program consistently throughout the state. If policies are set regionally, the program will not operate consistently for all tenants, depending on where they live in the state. It is very important that all participants be treated the same to alleviate any perception of bias. Any changes recommended must be suitable for the whole state to be instituted.

MDOC conducted **public and PHA Plan Advisory Board review** of the PHA Plan from February 1, 2002 to April 15, 2002. Since MDOC is a statewide PHA, it is important that tenants from all over the state be allowed to comment. 11 mini-boards were formed, one in each regional contract field agent area of the state (areas are in attachment A (mt901a02.DOC) MDOC Admin Manual, Section I), allowing comment from each region. Local field agents were funded to contact tenants, and staffed each mini board, hosting the meetings of the boards, explaining MDOC policies and procedures, and summarizing comments from the reviews. There were **a total of 56 participants in the mini-boards**, with a total of 6 additional people participating in the meetings.

Copies of the plans were provided at each field agent location for public review, and advertised in all newspapers in the state. A public hearing was held at the MDOC office on April 1, 2002 (no comments were presented), and written comments were allowed through April 12, 2002. **One private party written comment was received** from Kalispell addressing the high rents in the area, and the difficulty in finding a unit where a voucher could be used in a cost-effective manner.

Board comments are presented below, in italicized print, identifying which board commented. Boards are identified by city where the local field agent is located. Comments regarding specific documents are provided in the same order as the particular document they relate to, making it easier to review both the comments and documents in the same order. Comments are ordered in 5 separate sections: Comments Specifically identified as regarding the 5 year plan; Comments specifically identified as regarding the annual plan; Comments on the MDOC Administrative Manual; Other General Comments, and Comments requiring HUD Action to be implemented.

MDOC responses to the comments are presented below each comment in this type face, to make it easier to read, and correlate the response to the individual comment. Type style is regular, so responses are easier separated from comments.

One section of the PHA plan requests to know which comments resulted to changes in the plan. Those responses which resulted in changes to the plan are underlined in the text, to make them easier to see.

MDOCPHAPLAN

Comments specifically On 5 Year Plan

General Comment -Great Falls: -iLet's see how the plan works.i

HUD Strategic Goal: Increase the availability of decent, safe, and affordable housing.

Comment ñButte ñPHA Goal: Improve the quality of assisted housing: Objective: Concentrate on efforts to improve specific management functions : *Very pleased with the HQS training to be offered this spring for housing inspectors. Hope that the training is offered annually.*

MDOC Response: HQS and other Program training will continue to be offered on a regular basis to the Sec. 8 field agents by MDOC. Training will continue to be given at least twice annually, one session a contracted training put on by a private provider (instruction for program skill certification), and one session administered by MDOC staff.

MDOCPHAPLAN

Comments Specifically on Annual Plan

General Comments on Annual Plan

Comment - Lewistown and Billings - Supply an explanation of acronyms, and a definition of terms for use by participants and the general public when reviewing the plan.

MDOC Response: MDOC agrees to this. Starting next year, MDOC will add a glossary of terms for participants and the general public to review. This will increase the amount of reading required by local board members and the public, but should make the documents more understandable.

Comment - Lewistown and Billings - Tenants were informed about details and differences in the various Sec. 8 programs, (i.e., Vouchers, and Mod Rehab), and how the rental market functions in general due to supply and demand.

MDOC Response: MDOC agrees that information exchange between field agencies and participants is one of the purposes of the mini-board meetings, and approves of this process.

Comment - Great Falls - Owners of Mod Rehab properties should correct deficiencies brought to their attention by the tenants.

MDOC Response: HQS inspections are conducted annually by the local field agent on every unit, or on a special basis (when a tenant complaint is received, which may be a violation of HQS). HQS inspection results can be used by local field agents on an individual basis to require owners to correct deficiencies, or to keep new tenants from moving into units which do not meet minimum decent, safe, and sanitary requirements. Local field agents were given the option two years ago to conduct all annual HQS inspections (excluding initial move-in, or tenant requested special HQS inspections) at a specific Mod Rehab location at the same time, once a year, but none adopted this option. Project-wide HQS could be conducted just prior to the annual renewal date for the project. Annual project reviews are conducted separately by MDOC on larger projects to gauge overall condition of the buildings, and bring pressure if necessary on owners to correct deficiencies which may or may not contain HQS items.

1. Statement of Housing Needs

Comment - Glendive and Havre - Section 1.A. Housing Needs of Families in the Jurisdiction - Table - Per an MDOC request to look specifically at the table, according to Glendive, this report is an accurate reflection of Montana's families. According to Havre, the Table on Housing Needs and Priorities is their community! **Lewistown -** This table causes increases in the 30% to 50% waiver affecting the number of people being able to get into Sec. 8 housing. This question was addressed last year, which led to the waiver from HUD. Participants still cannot spend more than 40% of their income

on housing costs, and this is also a factor in obtaining quality housing in some areas of the state.

MDOC Response: MDOC changed the table to increase the points to 4 for the area requested last year.

Comment *Lewistown and Bozeman* **Section 1.C .(1) Strategies - Need: Shortage of affordable housing for all eligible populations.** *General comment from Lewistown that currently they have a large number of affordable rentals available. General comment from Bozeman that owners, landlords, and property managers need better education concerning the Sec. 8 program, and possibly some incentives.*

MDOC Response : Local field agencies are responsible for educating local owners and landlord associations about the Section 8 rental assistance programs.

Comment *Helena* **-Section 1.C.(1) Need: Shortage of affordable housing for all eligible populations. Strategy 2. Increase the number of affordable housing units by: Applying for additional Sec. 8 units should they become available.** *It was felt that the need for assisted housing will only continue to increase and that all measures should be taken to obtain additional units whenever and however possible.*

MDOC Response: MDOC is ineligible for new Section 8 units in 2002, due to a lease rate below 95%. When MDOC again becomes eligible, it will apply for additional units.

Comment *Lewistown* **Section 1.C.(1) Need: Specific Family Types: Families at or below 30% of median. Strategy 1: Target available assistance to families at or below 30% of AMI by: Other.** *Lewistown recommended putting a flyer in the Office of Public Assistance monthly mailing for Food Stamps and/Medicaid, along with placing posters out in all the outlying counties. It was suggested that a marketing approach be used with pictures and bright colors to catch people's attention.*

MDOC Response: MDOC concurs that marketing may increase lease rates in the Lewistown area. The local field agency can request that mailing materials be included in Office of Public Assistance monthly mailings for that area.

MDOC will check the "other" block, to allow local field agencies to market in their areas if having a problem finding the lowest income families to participate in the programs.

Comment *Bozeman, Missoula and Billings* **-Section 1.C.(1) Need: Specific Family types: Families at or below 50% of median. Strategy 1: Target available assistance to families at or below 50% of AMI by: Employment admissions preferences aimed at families who are working.** *Bozeman liked the idea of giving preference to a family that has a working adult. Other. Missoula recommends that the MDOC continue the exception that allows up to 90% of new participants to be between 30 and 50% of AMI. General comment from Billings staff that an exception was requested to get more people into units who are at 50% of AMI. There was sentiment that the working people were getting stiffed again because they made money. Staff said now more 50% people can be taken and offered assistance.*

MDOC response: MDOC has promised transparency in the programs. The addition of a local preference would not affect the targeting requirement that 75% of new accessions

have to be below 30% AMI. MDOC has requested that HUD continue the exception to targeting through 6/30/2003. The targeting exception allows the “working families” to be assisted on the program, however, MDOC does not want to preference the working in this situation over those least able to afford rental housing, those in the 0-30% of income category.

Comment ñ Helena - Section 1.C.(1) Strategies. Need: Specific Family Types: The Elderly. Strategy 1: Target available Assistance to the elderly: Every effort should be made to find assistance that would specifically target the housing needs of low income elderly individuals and families

MDOC Response: Local Field agencies are encouraged to find assistance wherever possible for low income elderly persons. MDOC is ineligible for new Section 8 units in 2002, due to low lease rates below 95%.

Comment ñ Lewistown, Missoula, Helena, and Billings - Section 1.C.(1) Strategies. Need: Specific Family Types: Families with disabilities. Strategy 1: target available assistance to Families with Disabilities: Lewistown suggested that the State Workforce Investment Board consider having someone from the HRDCí on their board. Missoula recommends that MDOC should continue to apply for special -purpose voucher targeted to families with disabilities. Helena would like to see more extensions available to families with disabilities because there is often a very small selection of adequate housing units for them to choose from. Billings staff said that someone with a disability may get housing faster depending on how certain vouchers?, and that Billings affirmatively markets to all people, and to insure this, time and date of application show people are placed on the waiting list.

MDOC Response: Fair Share 2001 Vouchers allocated to MDOC contain a set aside in that allocation for the disabled, and also those covered under 1915(c). MDOC is ineligible for new Section 8 units in 2002, due to lease rates below 95%. In the MDOC admin plan, extension of vouchers for disabled is allowed already as a reasonable accommodation.

Comment ñ Missoula - Section 1.C.(1) Strategies. Need: Specific Family Types: Races or ethnicities with disproportionate housing needs, Strategy 2: Conduct activities to affirmatively further fair housing. Other: The Plan should discuss areas like Missoula where the vacancy rate is below 2%, which is a barrier to Sec. 8 participants finding housing.

MDOC Response: The MDOC response is statewide in nature, and is based on the HUD definition from census figures. This problem exists in several communities in the state.

3. PHA Policies Governing Eligibility, Selection, and Admissions

Comments ñ 3.B.(1)(a)(b)(c)(d)(e) Criminal Screening

Bozeman - General comment from Bozeman recommending that landlords be told that Sec. 8 Vouchers can not be given to anyone with a background of criminal or drug related activity.

MDOC response: This is a good idea, and any field agency may inform la ndlords of this.

Butte ñ General question from Butte asking if there is a time frame for determining denial of assistance for drug -related or violent criminal activity? How many years in the past is the record considered?

MDOC response: MDOC will not put a limit on the amount of time in the plan, other than that located in the federal regulations and the MDOC administrative plan.

Billings ñ (d) A statement from Billings that this plan indicated that FBI records are used and they are not.

MDOC response: Screening and background checks were covered in field agent workshops as early as 1999 by MDOC. MDOC worked with the Montana department of Justice on accessing the state permanent list of violent and sexual offenders. The list is now available for all agents on the State of Montana Website, and includes a picture, description of crime, etc.; this was reported to field agents by phone in late 2000. Pre screening can be conducted by the field agents using the Internet site, prior to sending out letters for briefings. Local Field agents conduct all screening for MDOC. The block in the plan is checked since field agents are allowed to check with the FBI or any other sources in addition to the state Violent and Sexual Offenders list.

Comment ñ Helena - 3.B.(2) Waiting List organization. b. Other ñ It was suggested that making applications available at locations that serve the elderly and the disabled would help to better accommodate the needs of these populations.

MDOC Response: It is fine for HRDCs to advertise in particular areas. MDOC will advertise in overall field agent areas when there are not enough persons on the waitlist for the overall area, however if there is an adequate wait list, resources are wasted by unneeded advertising. Due to their local nature, closer to local welfare and non -profit organization locations, local field agents are free to provide MDOC applications to local welfare offices elderly and disabled organizations, and any other locations in their areas. Some currently do this.

Comment ñ Missoula and Billings ñ 3.B.(4) Admission preferences. 2. Missoula recommends that the plan include a preference for working families, and for the aged and disabled. Billings recommends that people who are homeless and victims of domestic violence should get a preference.

MDOC Response: With the targeting exception, the working preference would only disadvantage the lowest income families. MDOC has promised transparency in its programs, and will not advantage one group over another, when all are in desperate need of affordable housing.

11. Homeownership Programs Administered by the PHA

Comment ñ Havre, Great Falls, Bozeman, and Billings ñ 11.B. Section 8 Tenant Based Assistance. General comments regarding when the Homeownership Program

will start, agreement that it is an exciting and needed program, and various comments from participants about their suitability for the program.

MDOC Response: MDOC, is working with the HRDC Director's Association to develop a Homeownership program, to start in the summer of 2002, if possible. MDOC will change the block with an explanation of our proposed program. In 11.B.2. program description, the Size of the program will be limited, based on responses we have received. We anticipate at this time there will be less than 100 participants to start. The Administrative Plan for the Homeownership Option was completed on 3/22/02, and a copy was mailed to all affected agencies.

12.PHACommunityService&SelfSufficiencyPrograms

Comment ñ Great Falls ñ 12.A. 1. PHA coordination with the Welfare (TANF) Agency. 1. Cooperative Agreements: *Entering into an agreement with the TANF agency to share information. As of yet, getting information from them has been easier, but again, if we have access to the Internet, we could search till access things a lot faster, which would save time for the agents.*

MDOC Response: MDOC supports field agencies using the Internet, where possible. It is up to the field agency to pursue this.

Comment ñ Billings ñ 12.B. Services and programs offered to residents and participants. (2) Family Self Sufficiency programs. *You did not check yes. Are you going to provide any programs to enhance the self-sufficiency of residents? One person also had questions concerning the administrative plan requirements for the FSS program..*

MDOC Response: Most local field agents are non-profit providers of all kinds of Economic and Social Self Sufficiency programs. MDOC promotes the programs through additional funding to field agencies for administering the FSS program, which appears in (2) of Section 12.B. The note for comment on this area states that if "no", skip to sub-component (2) FSS. We take credit for the FSS program in section (2). MDOC is not funded for additional programs.

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Comments specifically addressed to MDOC Admin Plan

Section I - MDOC

Section I -1. Organization.

Comment ñ Glendive ñ *Is it possible to use a 6 -month lease under the Sec. 8 Program?*

MDOC response: This topic is not in the administrative plan, since the 1 year initial lease is set in federal regulation. MDOC agrees with the 1 year term. This was done to avoid constant moves occurring with shorter lease terms, as well as rent increases.

Comment ñ Billings ñ *There are inconsistencies between programs in Montana that if a client is evicted or terminated, they may or may not get assistance somewhere else.*

MDOC response : MDOC has no control over other PHAs or other housing programs not administered by MDOC in Montana. Each PHA sets their own policies in their administrative plan. If there are differences in operations of MDOC programs between MDOC local field agents, MDOC would like to hear about them, so we may adjust administration to insure consistent treatment of participants throughout the state. This was specifically addressed by the Bureau Chief in field agent training held in October, 2001.

Section I -7. Voucher payment Standards

Comment ñ Bozeman ñ *Payment standards are always too low. Utility costs this year have been awful.*

MDOC Response: MDOC has reset payment standards and utility allowances numerous times in the past 3 years, specifically to address these issues. See comments in 5 year plan document, HUD Strategic Goal: Increase the availability of decent, safe, and affordable housing. PHA Goal: Increase voucher payment standards. These comments were included in the draft plan submitted for public review. In addition MDOC changed utility allowances twice in each of the past 2 years specifically to address changes in utility rates. The utility allowances (set 10 -1-2001 include all increase requests before the Public Service Commission) and payment standards (set in March, 2002) are accurate for Gallatin County. Currently, Payment Standards are at 110% of FMR for 2 and 3 bedroom units in Gallatin county. To see how payment standards are reset, see Section I - 7 of the MDOC admin plan. The newest change was effective March, 2002.

Comment *ñBozeman ñSpecial Affordability adjustment ñ Hard to understand but staff are helpful. It is hard to calculate the 40% when looking for a new unit.*

MDOC Response: MDOC established the affordability adjustment to insure that it would be in compliance with 24 CFR 982.503(g), where HUD will force payment standard changes if more than 40% of tenants pay more than 30% of income for rent. This was changed again in March, 2002 to implement a change when more than 30% of participants pay more than 30% of income for rent, so we will not run up against the HUD 40% limit. As far as calculating the 40% of income on an individual basis, the local field agent uses the MDOC estimator to give the participant an idea of what they can afford, but a final amount is not available until the specific unit price is negotiated, and tenant income is verified at lease-up.

Section II ñ Policies for Participants and Applicants

Section II -A. Waiting List & Selection Procedures

Comment *ñBozeman ñII -A-3. Preferences. A suggestion that there should be no preferences was received from a single non-disabled female participant.*

MDOC Response: There are no preferences other than those contained in the MDOC Administrative Plan.

Comment *ñBillings HRDC ñII -A-4.a Maybe two notifications should be sent before removal.*

MDOC Response: A local field agent is required to contact an applicant twice in the plan. MDOC only conducts 1 contact attempt during a major wait list purge. If the applicant has not sent in an address change, as required by MDOC, their name will be removed from the list.

Comment *ñBozeman ñII -A-7 Publicity and Advertising. Even if the wait list is long it still should be advertised in local papers and on TV. I wonder how many people don't know about Sec.?*

MDOC Response: With an adequate number of persons on the wait list to go several years, it would be imprudent use of public funds to advertise.

Section II -B. Denial of Assistance.

Comment *ñBozeman ñII -B-g. If someone has been clean of drugs and alcohol for 10 years or more and can prove they were in a treatment program I think they should get help (receive housing assistance). Butte ñII -B-g. Is there a time frame for determining denial of assistance for drug-related or violent criminal activity? How many years in the past is the record considered?*

MDOC Response: MDOC does not use a sliding scale of rehabilitation for criminal activity due to concerns about possible liability, if a “rehabilitated” person, reverts to old behavior, causing molestation, bodily injury or death of another participant or neighbor. Persons who have been convicted of drug related activity for personal use, not sale or manufacture are allowed on after a period of time. See 24CFR982.553(a).

Section II -D. Briefing Applicants, Issuing and Extending Vouchers

Comment ñBozeman ñD.2.Housing Lists ñ Keeping a list of landlords for new clients is a good thing! **Billings HRDC ñD.2.Add to paragraph:** Agents need to encourage families to refer landlords to the local agent for updated information on the Sec. 8 Program.

MDOC response: MDOC will consider changing the paragraph in the admin plan to add something like the comment.

Comment ñBillings HRDC ñD.6. Change i request for lease approval to i request for tenancy approval i

MDOC response: MDOC will update the admin plan in the near future to reflect this terminology change.

Comment ñBozeman ñD.6.Extensions ñi Should vouchers automatically be for a longer period of time. It seems like when I start looking for a new place it takes a long time to find something i.

MDOC Response: MDOC feels that 60 days is sufficient time to find a rental unit. If the family has been actively seeking a rental, cannot find one, and has not turned down a suitable rental unit, the local field agency can allow extension for up to 60 additional days. MDOC feels that more than 120 days is not needed, unless there is the possibility of a disabled family not being able to find an accessible rental unit. In this instance, a reasonable accommodation would allow additional extensions on an individual basis.

Section II -G.Subsidy Standards

Comment ñGlendive ñII -G-2. Counting Family Members. When children are taken from the home, why does the adult still get to use children as a deduction? Possibly have a suspension for these cases.

MDOC Response: When children are taken from the home for an indeterminate period of time, the participant is allowed to keep the larger unit size, since hopefully the child will be returned to the unit.

Section II -H.Housing Quality Standards

Comment ñBillings HRDC ñAddition to second to last paragraph: The landlord must be contacted with negative results prior to participant requesting an inspection between regularly scheduled annual inspections. Inspections between regularly

scheduled annual inspections are done only to determine if the rental unit is NOT safe, decent and sanitary.

MDOC Response: MDOC will consider changing this paragraph to include wording to the effect that the tenants should first contact their landlord, prior to contacting the local field agency.

Section II -I. Recertification

Comment ñ Bozeman ñ II -I-3. Temporary Employment. *Why wouldn't someone who only does spot jobs and always works under the table be required to pay rent? HRDC should work at finding people who are committing fraud.*

MDOC Response: MDOC has not chosen to put a limit on temporary employment. Adding it would increase agent and MDOC workload substantially without significantly affecting program costs, as the number of tenants affected statewide would be small. Local field agents DO work at finding fraud, but without hard evidence, there is nothing that can be done.

Section II -J. Moves and Portability

Comment ñ Havre ñ II -J. *Suggested a 30 -day written notice policy for moving and retaining the Sec. 8 Voucher. If moving in mid -month, is there a way to pay rent in both places?*

MDOC Response: MD OC will not add an overlap policy. Federal Regulations do not allow rent to be paid for a family in two different locations at the same time. If this were allowed, costs of the program would increase dramatically, and number of assisted units would decrease as a result.

Section II -L. Break -up of Family

Comment ñ Glendive ñ *When there are an even number of children in the family, and one parent vacates with half of the children, the Head of the household will retain the subsidy. It is suggested that the assistance follow the parent that earns less income.*

MDOC Response: MDOC will not change the administrative plan to reflect this situation.

Section II -M. Procedures for Collecting amounts due to MDOC

Comment ñ Bozeman ñ II -M-2. Recovery of unreported income. *Maybe HRDC staff need help trying to find out if people are not reporting income.*

MDOC Response: Local field agents DO work at finding unreported income, but without hard evidence, there is nothing that can be done. Local field agencies are free to use whatever sources are available to uncover evidence of fraud or program abuse. Some field agencies access Montana Department of Labor or Department of Public Health and Human Services databases for income information.

Section II -R. Participant Terminations.

Comment *Billings* *Assistance termination is not always handled consistently by the state staff.*

MDOC response: If there are differences in operations of MDOC programs between MDOC local field agents, or state staff, MDOC would like to hear about them, so we may adjust administration to insure consistent treatment of participants throughout the state. This was specifically addressed by the Bureau Chief in field agent training held in October, 2001. No comments were received. Specific examples are needed by MDOC in order to take action. The Housing Authority of Billings is always welcome to contact MDOC with specific instances.

Comment *Helena* *III -R-e(2). Damage beyond normal wear and tear.* *There was some concern about the \$1000 damage threshold before assistance would be terminated. There were some comments that the threshold is too high, that landlords would rarely be able to recoup this loss, and that it is unfair that people who do considerable damage to a unit suffer no more consequences than those in the majority who treat their units with respect.*

MDOC Response: MDOC chose the \$1,000 limit to differentiate between minor and major unit damages. Landlords are allowed to pursue damages in local courts against Section 8 tenants, just as for any other tenant. MDOC would consider documentation provided by the local field agency that would lead MDOC to consider lowering this amount.

Section II -S. Informal Hearings

Comment *Billings* *III -S- Informal reviews and request for the hearings process is not handled consistently, and there was a question about how they are set.*

MDOC Response: MDOC would appreciate specific information from the local field agency on this matter. Specific examples are needed by MDOC in order to take action. The Housing Authority of Billings is welcome to contact MDOC with specific instances. Hearings are set by MDOC in accordance with the MDOC Administrative Plan.

Section III. Policies for Owners

Comment *Bozeman* *III -C-Rent Reasonableness.* *Many people did not understand what that was or why it was necessary. Since the vouchers were only worth a certain amount no one can rent something that is unreasonable.*

MDOC Response: Rent reasonableness is required under 24 CFR 982.507(b). MDOC is required to compare rents with unassisted units prior to approving tenancy.

Section IV.F.S.S. Action Plan

Comment ñBillings ñ *A person had a general question about how to graduate if from the Family Self -Sufficiency Program .*

MDOC Response: A family “graduates” from the FSS program when they successfully fulfill the requirements under their FSS Contract for Participation. The FSS section of the plan had not been included in the documents sent out for board review, since it was a separated document, which was not a part of the administrative plan. MDOC has added it to the Combined Administrative Plan and Manual effective 3/18/2002, and it appears in attachment mt901a03.doc.

MDOCPHAPLAN GeneralComments

Comment ñ Havre ñ *When will the Sec.8 Program be on line (computerized in connectionwithMDOC)?*

MDOC Response: MDOC will go on line for agents when HAPPY Software has completedtheirchangestothesystem,andsufficientsecuritymeasuresareinplaceto allowtransferofda ta.

MDOCPHAPLAN CommentsforHUD

This section of the comments relates to the Section 8 program in general, and to areas where MDOC has no control, mainly to federal requirements and regulations.

Comment ñ Bozeman ñ Renters always need help with security deposits. Could programs be designed to help pay deposits or loan people the money?

MDOC Response: MDOC cannot use program funds to pay for security deposits at this time. HUD may be developing programs in this area. Local Field agents in many areas of the state have other programs which allow assistance with security deposits.