

PHA Plans

Streamlined 5-Year/Annual Version

U.S. Department of Housing and
Urban Development
Office of Public and Indian Housing

OMB No. 2577-0226
(exp 05/31/2006)

This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937 that introduced 5-year and annual PHA Plans. The full PHA plan provides a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission and strategies for serving the needs of low-income and very low-income families. This form allows eligible PHAs to make a streamlined annual Plan submission to HUD consistent with HUD's efforts to provide regulatory relief to certain PHAs. Public reporting burden for this information collection is estimated to average 11.7 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

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Streamlined Annual Plan for Fiscal Year 2006 (7-1-2005 to 6-30-2006) & Progress Report for goals set by MDOC for the Streamlined 5-Year Plan for Fiscal Years 2005 – 2009

**MONTANA DEPARTMENT OF COMMERCE (MDOC)
HOUSING ASSISTANCE BUREAU
301 SOUTH PARK ROOM 240
PO BOX 200545
HELENA, MT 59620-0545**

PHA Number: MT901

NOTE: This PHA Plan template (HUD-50075-SF) is to be completed in accordance with instructions contained in previous Notices PIH 99-33 (HA), 99-51 (HA), 2000-22 (HA), 2000-36 (HA), 2000-43 (HA), 2001-4 (HA), 2001-26 (HA), 2003-7 (HA), and any related notices HUD may subsequently issue. Full reporting for each component listed in the streamlined Annual Plan submitted with the 5-year plan is required.

Streamlined Five-Year PHA Plan Agency Identification

PHA Name: Montana Department of Commerce
Housing Assistance Bureau (MDOC)

PHA Number: MT 901

PHA Fiscal Year Beginning: (mm/yyyy) 07/2005

PHA Programs Administered:

Public Housing and Section 8

Number of public housing units:

Number of S8 units:

Section 8 Only

Number of S8 units:

Public Housing Only

Number of public housing units:

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 and attachments (if any) 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 http://commerce.state.mt.us/housing/Hous_Prog_Sec8_Apps.html
- 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)

**Streamlined Five-Year PHA Plan
PHA FISCAL YEARS 2005 - 2009**

**Progress towards goals set by MDOC for the Year
7-1-2005 to 6-30-2006**

[24 CFR Part 903.12]

MONTANA DEPARTMENT OF COMMERCE (MDOC)
HOUSING ASSISTANCE BUREAU
301 SOUTH PARK, ROOM 240
PO BOX 200545
HELENA, MT 59620-0545

PHA Number: MT901

MDOC is reporting progress towards 5 year goals set in the 2005-2009 plan.

5 year plan goals are set in the type face presented here. Goals which change will be identified by year and comment.

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

MDOC progress made towards goals set are shown in this type face.

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 MDOC 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 ENCOURAGED TO IDENTIFY QUANTIFIABLE MEASURES OF SUCCESS IN REACHING THEIR OBJECTIVES OVER THE COURSE OF THE 5 YEARS.** (Quantifiable measures would include targets such as: numbers of families served or PHAS scores achieved.) PHAs should identify these measures in the spaces 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: 2005-2009 plan. as offered by HUD.

MDOC Progress: MDOC was eligible to apply for Mainstream Vouchers for Persons with Disabilities in May 2004 but determined after reviewing the criteria that we wouldn't score enough points to be considered for selection of the vouchers. MDOC will apply for additional vouchers if they become available from HUD.

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

Initial Plan Response: - 2005-2009 plan. Assist in Housing Assistance Bureau administration of the HUD HOME Program and MDOC Consolidated Plan (CP). Added July, 2004: This is no longer possible due to new HUD funding constraints.

MDOC Progress: On February 15, 2002, MDOC loaned Graham House in Missoula gap financing of \$274,000 from Administrative Fee Reserves, to be repaid over 6 years. As of 8/27/2005, Graham House has repaid \$135,367, leaving a loan balance of \$138,633. On June 24, 2004 MDOC loaned the Hamilton Montana Mental Health Facility \$280,000 from the remaining pre FY 2004 operating reserve as an investment over a 6 year period. Repayments at this time are interest only for Hamilton.

- PHA Goal: Improve the quality of assisted housing

Objectives:

- Improve voucher management: (SEMAP score = 100% FY ended 6/30/2003))

MDOC Progress: Latest SEMAP certification sent to HUD 8/2004 for Program Year ended 6/30/2004. MDOC SEMAP score 100% - high performer from HUD in 10/2003.

- Increase customer satisfaction:

Initial Plan Response: - 2005-2009 plan. Review complaints from tenants, and owners; correct items which are problematic, change policies where it will benefit program operation. Added 9/2004: This will be tempered by the HUD funding change situation.

MDOC Progress: 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: - 2005-2009 plan. Provide Training for Agents on Voucher Unit Inspections at least twice during the 5 year period.

MDOC Progress: As part of the Regional NAHRO conference, trained agents in June 2004. MDOC has conducted training of all field agencies on the MDOC HAPPY PRO direct local entry software. MDOC contract managers will continue to train field agencies in data entry as needed.

Initial Plan Response: - 2005-2009 plan. Review the Local Field Agent program records during annual 5% Reviews.

MDOC Progress: MDOC Contract Managers completed annual 5% reviews as scheduled. Changes were made where deficiencies were found in field agency procedures and records.

Initial Plan Response: - 2005-2009 plan. Conduct Annual reviews of larger Mod Rehab Properties.

MDOC Progress: Annual reviews conducted each year, and owners provided with comments and findings.

- Provide replacement vouchers:

Initial Plan Response: - 2005-2009 plan. To provide replacement vouchers for expiring Section 8 Project Based (PB) and Mod Rehab (MR) units throughout Montana where owners opt out or are deleted from the program, and for preservation units, where owners stay in the program and units are held by non-subsidized tenants.

MDOC Progress: MDOC received replacement vouchers for the following projects:

MDOC requested, but has not received yet an ACC from HUD for replacement of MT901MR0004/0002 – a 13 unit mod rehab project in Kalispell which expired in March 2003. HUD FMC is still working on this.

Last Star Homes – Browning – 11/1/2004 – ACC coming from HUD 50 units (PB)

- Other: (list below)

- PHA Goal: Increase assisted housing choices

Objectives:

- Provide voucher mobility counseling:

MDOC Progress: Local Field agents brief tenants on right to move with continued assistance.

- Conduct outreach efforts to potential voucher landlords

MDOC Progress: MDOC held training with AHMA in May, 2004. MDOC held a meeting with Missoula area landlords in June, 2004, and September, 2004, and has another scheduled on October 21, 2004 with another Missoula Owner's Association to discuss the changing of the Voucher Program by HUD.

- Increase voucher payment standards

Initial Plan Response: 2005-2009 plan. Where needed to maintain rental rates. Added July, 2004: With the HUD changes taking place now, MDOC may not be able to maintain lease rates by raising payment standards, since HUD budgeted us at far less than current rental rates, and the budget amount controls the number of participants on the vouchers program.

MDOC Progress: Voucher Payment standards were increased on 10-1-2003. Due to

the recent HUD funding cuts, MDOC has had to decrease payment standards in many areas. New HUD proposed FMRs were received in August 2004, 3 months later than is usual for the program. MDOC reset payment standards again for October 1, 2004, based on final FMRs, since we are required to be between 90-110% of FMR. Due to drastic changes in some FMRs, leaving the payment standards unchanged would cause MDOC to be out of compliance with HUD regulations. Current participants may still have to be removed from the program in January, 2005 if HUD cuts are not restored by Congress.

Implement voucher homeownership program:

MDOC Progress: The homeownership plan is in the MDOC Admin Plan and to date, 7 field agencies have completed their own local plans. We have had three clients move into homeownership since May 2004. Two more are set to close in October, 2004.

Implement public housing or other homeownership programs:
 Other: (list below)

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

N/A PHA Goal: Provide an improved living environment

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 (75% of families admitted to program are at 30% or less of median income) discourages this for new applicants. Our request for an exemption which HUD approved 8/4/03 has expired and MDOC has not requested another exemption.

Using FSS, field agents continue to insure participants are aware of escrow accounts, and push to start tenants in FSS, when possible to get more participants working.

- 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 them a premium administrative fee, and performance bonuses for outstanding performance.*

MDOC Progress: MDOC has had to reduce agent fee rates to maintain a workable administration budget this year. With HUD Notice PIH-2004-07, MDOC is no longer able to freely use operating reserves for agent fee increases.

- 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: MDOC Contract Managers and local field agencies routinely accomplish this task each day in orientations and phone inquiries, providing information and referral for persons perceiving discrimination.

- Undertake affirmative measures to provide a suitable living environment for families living in assisted housing, regardless of race, color, religion national origin, sex, familial status, and disability:
- Undertake affirmative measures to ensure accessible housing to persons with all varieties of disabilities regardless of unit size required:

MDOC Progress: MDOC Contract Managers and local field agencies routinely accomplish this task each day in orientations and phone inquiries, providing information and referral for persons with disabilities. The Dept. of Commerce is a member in the Montana Home Choice Coalition. The Housing Assistance Bureau continues to provide information to outside groups about all available programs.

- Other: (list below)

MDOC Progress: Continue to provide referrals to the Human Rights Bureau, Montana Fair Housing, and HUD when complaints regarding Fair Housing items are received.

Local field agents provide information to tenants, owners, and affiliated groups on Fair Housing. MDOC staff attended a Statewide Fair Housing workshop 4/2004.

Other PHA Goals and Objectives: (list below)

None listed on the 5 year plan.

Streamlined Annual PHA Plan
PHA Fiscal Year 2005 [24 CFR Part 903.12(b)]

Table of Contents

Provide the following table of contents for the streamlined Annual Plan submitted with the Five-Year Plan, including all streamlined plan components, and additional requirements, together with the list of supporting documents available for public inspection.

A. ANNUAL STREAMLINED PHA PLAN COMPONENTS

- 1. Housing Needs
- 2. Financial Resources
- 3. Policies on Eligibility, Selection and Admissions
- 4. Rent Determination Policies
- 5. Capital Improvements Needs
- 6. Demolition and Disposition
- 7. Homeownership
- 8. Civil Rights Certifications (included with PHA Certifications of Compliance)
- 9. Additional Information
 - a. PHA Progress on Meeting 5-Year Mission and Goals
 - b. Criteria for Substantial Deviations and Significant Amendments
 - c. Other Information Requested by HUD
 - i. Resident Advisory Board Membership and Consultation Process
 - ii. Resident Membership on the PHA Governing Board
 - iii. PHA Statement of Consistency with Consolidated Plan
 - iv. (Reserved)
- 10. Project-Based Voucher Program
- 11. Supporting Documents Available for Review
- 12. FY 20__ Capital Fund Program and Capital Fund Program Replacement Housing Factor, Annual Statement/Performance and Evaluation Report
- 13. Capital Fund Program 5-Year Action Plan
- 14. Other (List below, providing name for each item)

B. SEPARATE HARD COPY SUBMISSIONS TO LOCAL HUD FIELD OFFICE

Form HUD-50077, PHA Certifications of Compliance with the PHA Plans and Related Regulations: Board Resolution to Accompany the Standard Annual, Standard Five-Year, and Streamlined Five-Year/Annual Plans; Certification by State or Local Official of PHA Plan Consistency with Consolidated Plan.

For PHAs APPLYING FOR CAPITAL FUND PROGRAM (CFP) GRANTS:

Form HUD-50070, Certification for a Drug-Free Workplace;

Form HUD-50071, Certification of Payments to Influence Federal Transactions;

Form SF-LLL & SF-LLLa, Disclosure of Lobbying Activities.

Executive Summary (optional)

[903.7(r)]. If desired, provide a brief overview of the contents of the streamlined 5-Year/Annual Plan.

The Montana Department of Commerce (MDOC) administers 3,716 tenant-based Housing Choice Vouchers and 416 Project Based Moderate Rehabilitation units in Montana. MDOC does not administer any Public Housing Units.

MDOC promises "transparency" for all programs, not adding new "state requirements" to programs, keeping the programs as simple as possible. MDOC insures fair treatment for all on the wait list, by not adding numerous local preferences that preference some on the list to the detriment of others who also seriously need assistance.

There are 7,707 families on the wait list, almost twice as many as currently assisted in the program. Applicants may remain on the wait list for as long as 5-7 years.

MDOC will try to increase the number of assisted units by applying for all possible additional units from HUD when offered.

MDOC is trying to mitigate negative affects of income targeting. (75% of admissions must be below 30% income), and the requirement that no new lease will be allowed where tenant share of rent is greater than 40% of tenant income. These changes negatively affected lease rates.

MDOC will continue to support the Family Self Sufficiency program by allowing maximum local control over the program, where the programs are tailored to individual participant needs, and where local supportive services are provided.

MDOC started a Section 8 Homeownership Program in 2002. There are currently 3 homeowners in the program, and 2 more are scheduled to close soon.

1. Statement of Housing Needs [24 CFR Part 903.12 (b), 903.7(a)]

A. Housing Needs 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 PHA's Waiting Lists			
Waiting list type: (select one)			
<input checked="" type="checkbox"/>	Section 8 tenant-based assistance		
<input type="checkbox"/>	Public Housing		
<input type="checkbox"/>	Combined Section 8 and Public Housing		
<input type="checkbox"/>	Public Housing Site-Based or sub-jurisdictional waiting list (optional)		
If used, identify which development/subjurisdiction:			
	# of families	% of total families	Annual Turnover
Waiting list total	7707		1,000
Extremely low income <=30% AMI	6782	88%	
Very low income (>30% but <=50% AMI)	925	12%	
Low income (>50% but <80% AMI)	N/A		
Families with children	4606	59%	
Elderly families	625	8%	
Families with Disabilities	2300	29%	
Race/ethnicity Amer. Indian	1767	22%	
Race/ethnicity Asn/Pac. Islander	43	<1%	
Race/ethnicity Black	126	2%	
Race/ethnicity white	5771	76%	

B. Strategy for Addressing Needs

Provide a brief description of the PHA's strategy for addressing the housing needs of families on the PHA's public housing and Section 8 waiting lists **IN THE UPCOMING YEAR**, and the Agency's reasons for choosing this strategy.

(1) Strategies

Need: Shortage of affordable housing for all eligible 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-up rates 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 unit size required
- Maintain or increase section 8 lease-up rates by marketing the program to owners, particularly those outside of areas of minority and poverty concentration
- Maintain or increase section 8 lease-up rates 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 eligible to apply for new units due to a lease rate that at 100%, and will apply for new units as they become available. However, due to the recent funding cuts imposed by HUD, this may not be feasible, and could result in loss of assistance to 250 Montana Participants.

- 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, PBS8, and HOME Programs on needs of Section 8 tenants, and production of new units. MDOC currently contains the Housing Finance Agency for Montana, with its single and multi-family programs, Treasure State Endowment, CDBG, State Housing Revolving Loan Account, and LIHTC, and the Housing Assistance Bureau also administers the HUD HOME, as well as tenant based Section 8 as the statewide PHA and is the Project Based Section 8 Contract Administrator for HUD.

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 in

tenant-based section 8 assistance

Since HUD is changing the way the program works by limiting funding, this is not feasible.

- Employ admissions preferences aimed at families with economic hardships
- Adopt rent policies to support and encourage work
- Other: (list below)

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

- Employ admissions preferences aimed at families who are working
- Adopt rent policies to support and encourage work
- Other: (list below)

MDOC field agents are to make sure that no more than 75% of families entering the program are below 30% AMI, due to HUD under funding the program, which constitutes a program change to help more advantaged families.

Need: Specific Family Types: The Elderly

Strategy 1: Target available assistance to the elderly:

Select all that apply

- Apply for special-purpose vouchers 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 vouchers 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 Housing Assistance Bureau Chief will continue to work with the Montana Job

Training Partnership, 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 shown 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 those units
- Market the section 8 program to owners outside of areas of poverty /minority concentrations
- Other: (list below)

There are no areas of poverty or minority concentration designated within Montana by MDOC. Marketing to owners happens when there are insufficient available units to meet need. MDOC will market the program to landlords by attending Landlord Assn. meetings throughout Montana to explain the program.

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
- Results of consultation with local or state government
- Results of consultation with residents and the Resident Advisory Board
- Results of consultation with advocacy groups
- Other: (list below)

The HUD mandated change reducing funding for Section 8 2 years in a row is becoming a major limiter of MDOC policy.

2. Statement of Financial Resources

[24 CFR Part 903.12 (b), 903.7 (c)]

List on the following table the financial resources that are anticipated to be available to the PHA for the support of Federal public housing and tenant-based Section 8 assistance programs administered by the PHA during the Plan year. Note: the table assumes that Federal public housing or tenant based Section 8 assistance grant funds are expended on eligible purposes; therefore, uses of these funds need not be stated. For other funds, indicate the use for those funds as one of the following categories: public housing operations, public housing capital improvements, public housing safety/security, public housing supportive services, Section 8 tenant-based assistance, Section 8 supportive services or other.

Financial Resources: Planned Sources and Uses		
Sources	Planned \$	Planned Uses
1. Federal Grants (FY 20__ grants)		
a) Public Housing Operating Fund	N/A	
b) Public Housing Capital Fund	N/A	
c) HOPE VI Revitalization	N/A	
d) HOPE VI Demolition	N/A	
e) Annual Contributions for Section 8 Tenant-Based Assistance	\$17,787,981	\$17,787,981
f) Resident Opportunity and Self-Sufficiency Grants	N/A	
g) Community Development Block Grant	NA MDOC CDBG not under PHA control	
h) HOME	\$4,803,173 HOME not under PHA control	\$4,803,173
Other Federal Grants (list below)		
Moderate Rehabilitation	\$2,288,058	\$2,288,058
2. Prior Year Federal Grants (unobligated funds only) (list below)		

Financial Resources: Planned Sources and Uses		
Sources	Planned \$	Planned Uses
3. Public Housing Dwelling Rental Income		
4. Other income (list below)		
Annual interest on Operating Reserve	\$35,246	\$35,246
4. Non-federal sources (list below)	N/A	
Total resources		

3. PHA Policies Governing Eligibility, Selection, and Admissions

[24 CFR Part 903.12 (b), 903.7 (b)]

A. Public Housing N/A MDOC has no Public Housing Units

Exemptions: PHAs that do not administer public housing are not required to complete subcomponent 3A.

B. Section 8

Exemptions: PHAs 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):
- Other (list below)

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

Local field agents are free to contact and request from local law enforcement agencies.

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

See b. above.

d. Yes No: Does the PHA access FBI criminal records from the FBI for screening purposes? (either directly or through an NCIC-authorized source)

See b. above.

e. Indicate what kinds of information you share with prospective landlords? (select all that apply)

- Criminal or drug-related activity
- Other (describe below)

Tenant screening is a landlord responsibility. MDOC provides 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), or by mail.

(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 MDOC administrative manual, 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?
HUD has precluded this with their Section 8 funding cuts.

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
- Households that contribute to meeting income goals (broad range of incomes)
- Households 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). A preference exists 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 point system), place the same number next to each. That means you can use “1” more than once, “2” more than once, etc.

- 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
- Households that contribute to meeting income goals (broad range of incomes)
- Households 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)

Mod Rehab Preference above

4. Among applicants on the waiting list with 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 this 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

(5) Special Purpose Section 8 Assistance Programs

a. In which documents or other reference materials are the policies governing eligibility, selection, and admissions 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

[24 CFR Part 903.12(b), 903.7(d)]

A. Public Housing N/A MDOC 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, plus Mobile Home Space rents. Due to the recent funding cuts imposed by HUD many payment standards have been reduced by MDOC.

- At or above 90% but below 100% of FMR
- 100% of FMR
- Above 100% but at or below 110% of FMR
Above 100%, but below 106% of FMR due to HUD funding cuts.
- Above 110% of FMR (if HUD approved; describe circumstances below)

As a reasonable accommodation under Americans 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)

Due to the recent budget cuts imposed by HUD, MDOC has had to lower payment standards in order to continue to serve as many families as possible without removing them from the program.

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)

d. How often are payment 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)

HUD funding cuts to the Section 8 program.

See attached MDOC administrative manual (attachment A)

(2) Minimum Rent

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

- \$0
 \$1-\$25 \$25.00
 \$26-\$50

b. Yes No: Has the PHA adopted any discretionary minimum rent hardship exemption policies? (if yes, list below)

5. Capital Improvement Needs – MDOC is Section 8 only

[24 CFR Part 903.12(b), 903.7 (g)]

Exemptions from Component 5: Section 8 only PHAs are not required to complete this component and may skip to Component 6.

6. Demolition and Disposition – MDOC is Section 8 only

[24 CFR Part 903.12(b), 903.7 (h)]

Applicability of component 6: Section 8 only PHAs are not required to complete this section.

7. Section 8 Tenant Based Assistance--Section 8(y) Homeownership Program

[24 CFR Part 903.12(b), 903.7(k)(1)(i)]

- (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 24 CFR part 982 ? (If “No”, skip to the next component; if “yes”, complete each program description below (copy and complete questions for each program identified.)

(2) Program Description

a. Size of Program

- Yes No: Will the PHA limit the number of families participating in the Section 8 homeownership option?

If the answer to the question above was yes, what is the maximum number of participants this fiscal year? 50

b. PHA established eligibility criteria

- Yes No: Will the PHA’s program have eligibility criteria for participation in its Section 8 Homeownership Option program in addition to HUD criteria? If yes, list criteria below:

Families must have been a participant in good standing in the Section 8 program for at least 1 year and have completed a HUD-approved Homeownership program. See MDOC Admin Plan Section II-E (attached)

- c. What actions will the PHA undertake to implement the program this year (list)?

(3) Capacity of the PHA to Administer a Section 8 Homeownership Program

The PHA has demonstrated its capacity to administer the program by (select all that apply):

- a. Establishing a minimum homeowner downpayment requirement of at least 3 percent of purchase price and requiring that at least 1 percent of the purchase price comes from the family’s resources.
- b. Requiring that financing for purchase of a home under its Section 8 homeownership will be provided, insured or guaranteed by the state or Federal government; comply with secondary mortgage market underwriting requirements; or comply with generally accepted private sector underwriting standards.
- c. Partnering with a qualified agency or agencies to administer the program (list name(s) and

years of experience below).

d. Demonstrating that it has other relevant experience (list experience below).

8. Civil Rights Certifications

[24 CFR Part 903.12 (b), 903.7 (o)]

Civil rights certifications are included in the *PHA Plan Certifications of Compliance with the PHA Plans and Related Regulations: Board Resolution to Accompany the Standard Annual, Standard Five-Year, and Streamlined Five-Year/Annual Plans*, which is submitted to the Field Office in hard copy—see Table of Contents.

9. Additional Information

[24 CFR Part 903.12 (b), 903.7 (r)]

A. PHA Progress in Meeting the Mission and Goals Described in the 5-Year Plan

(Provide a statement of the PHA's progress against the goals and objectives established in the previous 5-Year Plan for the period FY 20__ - 20__.)

B. Criteria for Substantial Deviations and Significant Amendments

(1) Amendment and Deviation Definitions

24 CFR Part 903.7(r)

PHAs are required to define and adopt their own standards of substantial deviation from the 5-year Plan and Significant Amendment to the Annual Plan. The definition of significant amendment is important because it defines when the PHA will subject a change to the policies or activities described in the Annual Plan to full public hearing and HUD review before implementation.

a. Substantial Deviation from the 5-Year Plan

b. Significant Amendment or Modification to the Annual Plan

C. Other Information

[24 CFR Part 903.13, 903.15]

(1) Resident Advisory Board Recommendations

a. Yes No: Did the PHA receive any comments on the PHA Plan from the Resident Advisory Board/s?

If yes, provide the comments below:

b. 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:
- Other: (list below)

(2) Resident Membership on PHA Governing Board MDOC has no governing board. It does not have public housing units, as it is Section 8 only. MDOC is part of a state agency.

The governing board of each PHA is required to have at least one member who is directly assisted by the PHA, unless the PHA meets certain exemption criteria. Regulations governing the resident board member are found at 24 CFR Part 964, Subpart E.

(3) PHA Statement of Consistency with the Consolidated Plan

[24 CFR Part 903.15]

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

Consolidated Plan jurisdiction: (provide name here)

State of Montana, Prepared by MDOC.

a. 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 on its waiting list on the needs expressed in the Consolidated Plan/s.
- The PHA has participated in any consultation process organized and offered by the Consolidated Plan agency in the development of the Consolidated Plan.
- The PHA has consulted with the Consolidated Plan agency during the development of this PHA Plan.
- Activities to be undertaken by the PHA in the coming year are consistent with the initiatives contained in the Consolidated Plan. (list below)
- Other: (list below)

b. The Consolidated Plan of the jurisdiction supports the PHA Plan with the following

actions and commitments: (describe below)

(4) (Reserved)

Use this section to provide any additional information requested by HUD.

10. Project-Based Voucher Program

- a. Yes No: Does the PHA plan to “project-base” any tenant-based Section 8 vouchers in the coming year? If yes, answer the following questions.
- b. Yes No: Are there circumstances indicating that the project basing of the units, rather than tenant-basing of the same amount of assistance is an appropriate option?

If yes, check which circumstances apply:

- Low utilization rate for vouchers due to lack of suitable rental units
- Access to neighborhoods outside of high poverty areas
- Other (describe below:)

- c. Indicate the number of units and general location of units (e.g. eligible census tracts or smaller areas within eligible census tracts):

11. List of Supporting Documents Available for Review for Streamlined Five-Year/ Annual PHA Plans

PHAs are to 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	Related Plan Component
MDOC	<i>PHA Certifications of Compliance with the PHA Plans and Related Regulations and Board Resolution to Accompany the Standard Annual, Standard Five-Year, and Streamlined Five-Year/Annual Plans.</i>	Standard 5 Year and Annual Plans; streamlined 5 Year Plans
MDOC	State/Local Government Certification of Consistency with the Consolidated Plan.	5 Year Plans
MDO&CP	Fair Housing Documentation Supporting Fair Housing Certifications: 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	5 Year and Annual Plans

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Related Plan Component
	available, and worked or is working with local jurisdictions to implement any of the jurisdictions' initiatives to affirmatively further fair housing that require the PHA's involvement.	
MDOC	Housing Needs Statement of the Consolidated Plan for the jurisdiction(s) in which the PHA is located and any additional backup data to support statement of housing needs for families on the PHA's public housing and Section 8 tenant-based waiting lists.	Annual Plan: Housing Needs
MDOC	Section 8 Administrative Plan	Annual Plan: Eligibility, Selection, and Admissions Policies
MDOC	Section 8 rent determination (payment standard) policies (if included in plan, not necessary as a supporting document) and written analysis of Section 8 payment standard policies. <input checked="" type="checkbox"/> Check here if included in Section 8 Administrative Plan.	Annual Plan: Rent Determination
MDOC	Results of latest Section 8 Management Assessment System (SEMAP)	Annual Plan: Management and Operations
MDOC	Any policies governing any Section 8 special housing types <input checked="" type="checkbox"/> check here if included in Section 8 Administrative Plan	Annual Plan: Operations and Maintenance
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
	Approved or submitted public housing homeownership programs/plans.	Annual Plan: Homeownership
MDOC	Policies governing any Section 8 Homeownership program (Section II-E of the Section 8 Administrative Plan)	Annual Plan: Homeownership
	Public Housing Community Service Policy/Programs <input type="checkbox"/> Check here if included in Public Housing A & O Policy	Annual Plan: Community Service & Self-Sufficiency

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Related Plan Component
MDOC	Cooperative agreement between the PHA and the TANF agency and between the PHA and local employment and training service agencies.	Annual Plan: Community Service & Self-Sufficiency
MDOC	FSS Action Plan(s) for public housing and/or Section 8.	Annual Plan: Community Service & Self-Sufficiency
MDOC	The results of the most recent fiscal year audit of the PHA conducted under the Single Audit Act as implemented by OMB Circular A-133, the results of that audit and the PHA's response to any findings.	Annual Plan: Annual Audit

MONTANA DEPARTMENT OF COMMERCE HOUSING ASSISTANCE BUREAU Section 8 Program

ADMINISTRATIVE MANUAL

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

Important Note: Rather than publishing and maintaining 2 separate documents, one for HUD Administrative Plan, and one for MDOC policies, both are included in this administrative manual. Subjects required by HUD for the MDOC 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

I-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.

Housing programs are service related business enterprises. MDOC will provide the best possible services to participants and landlords within the parameters of federal law and regulation. All operations will be conducted using the best possible business practices.

I-2. PURPOSE.

The Administrative Plan addresses major discretionary program functions in the Section 8 Programs. MDOC and it's field agencies must operate the HUD programs it administers in accordance federal regulations found in the Code of Federal Regulations 24 CFR parts 5, 8, 792, 882, 883, 888, 903, 982, 984, and 985, HUD Notices, HUD Guidebooks and Handbooks, HUD letters, the MDOC Administrative Plan and MDOC policy letters. . MDOC establishes operating procedures (policies) to direct and assist Contract Field Agents performing specific functions. This administration manual combines the Administrative Plan and policies within one document and is available for public review as part of the PHA Annual Plan.

I-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.

I-4. MDOC STAFF.

Fiscal Officer, (PHA Executive Director/ Housing Assistance Bureau Chief), State Pay Plan 020, Pay band 7 . 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.

Accountant (State Pay Plan 020, Pay band 6). ½ position. Unit accounting, budget, requisitions, and collections.

Information Systems Technician, (IT Manager), State Pay Plan 020, Pay band 5. Responsible for computer operation and automated report preparation.

Program Specialist, (Program Manager), State Pay Plan 020, Pay band 6. Responsible for rehabilitation programs, FSS and Homeownership Sub-programs, planning, coordinating program operations and supervising 6 program specialists.

Program Specialist, (Contract Manager), State Pay Plan 020, Pay band 5. 5 positions. Responsible for program operation of subsidies, and coordination of services with field agents, and Annual HQS inspections.

Program Specialist, (Contract Manager), State Pay Plan 020, 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 file system.

Administrative Support, (Wait List Technician), State Pay Plan 020, Pay band 3. Responsible for waiting list.

Administrative Support State Pay Plan 020, Pay band 2. 2 positions. Filing clerk and receptionist support for Bureau.

I-5. AGENT REQUIREMENTS.

MDOC requires local field agencies to operate the Section 8 Program in accordance with their MDOC contract, HUD regulations (CFRs and Federal Registers), HUD Notices, HUD Memos, this MDOC 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), or by e-mail.

Annual Certification: (24 CFR 985.101(a)(2)). Each field agency will be required annually to certify that they are operating their portion of the programs in accordance with HUD and MDOC requirements listed in MDOC Admin Plan Section I- MDOC Section 2, and statements in the latest MDOC SEMAP certification submitted by the Housing Assistance Bureau Chief to HUD, on HUD form HUD-52648, as modified by MDOC.

I-6. AGENT TRAINING:

MDOC will provide at least 1 formal required attendance training session each year for MDOC program staff and Contract Field Agents on new policies or refresher training on current policies to acquaint local personnel with program changes and requirements.

MDOC will provide in field agent contracts each year an amount for the formalized training and certification of at least one person to allow additional continuing training or initial training for field agency personnel to promote job competency for local field agents.

I-7. ENCOURAGING PARTICIPATION BY OWNERS OF SUITABLE UNITS LOCATED OUTSIDE AREAS OF LOW INCOME OR MINORITY CONCENTRATION. (metropolitan areas only)

a. MDOC Metropolitan areas.

Billings (Yellowstone County)
Great Falls (Cascade County)
Missoula (Missoula County)

b. Known areas of poverty or minority concentration.

None

c. Required actions: Until an area is designated as having a poverty or minority concentration, there are no actions required. After designation of a poverty or minority concentration area, the local field agency will add required elements in Section II-D.1. of the MDOC Admin Plan to the briefing packet. MDOC will also advertise in local papers for prospective owners, as requested by local field agencies, to find additional rental units outside an area of poverty or minority concentration. MDOC allows participants the freedom to choose housing at any location in the United States, and will not engage in illegally "steering" participants to any particular area.

d. Identifying areas of poverty or minority concentration. MDOC local field agencies in the metropolitan areas are most familiar with local conditions, and best able to identify areas of poverty and minority concentration within their metropolitan area.

When a local field agency believes a part of it's metropolitan area is an area of poverty or minority concentration which somehow prevents Housing Choice Voucher participants from participating outside the area of concentration, the field agency will request that MDOC designate the area as having a poverty or minority concentration.

e. Requesting MDOC designation of a poverty or minority concentration. The request must contain statistical information about the percentage of poverty or minority in the area compared with that of the total metropolitan area; conclusions which lead by the local field agency to justifiable reasons for the request; maps showing the area to be considered and remaining areas within the metropolitan area or areas outside the metropolitan area close enough to encourage voucher participation, which are not areas of concentration; housing opportunities outside areas of concentration the local field agency has identified, including areas outside the metropolitan area close enough to encourage voucher participation; and information about job opportunities, schools and services in these areas.

f. Requesting removal of an area designation of a poverty or minority concentration. If conditions change in an area of concentration and a local field agency determines the designation is no longer necessary, that agency may request MDOC remove the designation for that area. The request will include documentation of how the local field agency determined the designation is no longer necessary, justifiable reasons for removal of the designation; including statistical information about the percentage of poverty or minority in the area, compared with that of the total metropolitan area; maps of the area and remaining areas within the metropolitan area, documentation of new housing opportunities job opportunities, schools and services in the designated area.

I-8. THRESHOLD FOR ADMINISTRATIVE FEE RESERVE EXPENDITURES.

MDOC will not use remaining pre Federal Fiscal Year 2004 Administrative Fee Reserve Funds from Montana Section 8 projects covered in federal contract DEN-979, Project series MT901, for a particular housing purpose without prior written approval of the following personnel: Administrator, Housing Division; and Housing Assistance Bureau Chief. MDOC will not use Administrative Fee Reserve Funds from Montana Section 8 projects covered in federal contract DEN-979, Project series MT901, in excess of \$500,000.00 for a particular housing purpose without prior written approval of the following personnel: Director, Montana Department of Commerce; Management Services Accounting and Fiscal Manager; Administrator, Housing Division; and Housing Assistance Bureau Chief.

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, administrative operations of Project Based Section 8 contract administration, and properly underwritten or guaranteed short term loans (less than 10 year period) for development of low income housing by local entities in the state.

I-9. VOUCHER PAYMENT STANDARDS

(24 CFR 982.503).

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: MDOC base range for payment standards will be 90% to 106% of the HUD FMR in normal market areas, and 95% to 108% of the HUD FMR in markets tight enough to have difficulty leasing. Voucher payment standards will be adjusted annually when FMRs are published by HUD, or sooner, when MDOC determines the need, based on lease rates, HUD funding or budget limitations:

1) downward to the lower base range of 90% of the latest FMR when there are no participants located in the Payment Standard area for normal rental areas, and 95% for tighter market areas identified by MDOC; and

2) downward to equal 106% of the latest FMR, if the current Payment Standard exceeds 106% of the newest FMR for the bedroom size and county in normal market areas; downward to equal 108% of

the latest FMR, if the current Payment Standard exceeds 108% of the newest FMR for the bedroom size and county in tight market areas with leasing problems and

3) upward to equal 90% of the latest FMR, if the current Payment Standard is less than 90% of the equivalent FMR for normal market areas and upward to equal 95% of the latest FMR, if the current Payment Standard is less than 95% of the equivalent FMR for tight market areas; and

4) upward if greater than 40% of participant rent burdens exceed 30% of adjusted income, to a point where less than 21% pay more than 30% of income for rent, excluding minimum rent participants in the calculation, unless their gross rent is greater than the payment standard; and

5) downward if less than 30% of participant rent burdens exceed 30% of adjusted income, to a point where 20% pay more than 30% of income for rent, excluding minimum rent participants in the calculation, unless their gross rent is greater than the payment standard; and

6) Downward if the average of leases since the last payment standard change have gross rents lower than the payment standard, or if the average gross rents for all leases in a payment standard area for the bedroom size are lower than the current payment standard, to the higher of the average gross rents or average gross rents since the last payment standard change, and

7) Downward if total HUD budget authority is less than projected HAP cost for the year, to a point where the change will yield a reduction of HAP over a yearly basis, once reductions have been made, then

8) 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;

b. Special affordability adjustment. *HUD targets extremely low income families (those with incomes less than 30% of the median income) for 75% of new Voucher holders assisted. In addition, no new lessee may pay more than 40% of income for rent when they lease up. This dual standard jeopardizes assistance in a payment standard area, if payment standards are 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 up rates in that area.*

c. (Applicable to metropolitan areas only) Local Field Agency Request for Exception Payment Standard to alleviate affects of poverty or minority concentration. The field agent may request exception from MDOC. The local field agency analyzes whether voucher holders have experienced difficulties in finding housing outside designated areas of poverty or minority concentration. Where difficulties are found, the local field agency must consider if it is appropriate to seek approval of an exception payment standard for a part of it's assigned area. The local field agent must clearly demonstrate that the change is necessary for operation of the program, documenting number of vouchers issued, 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 could 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 program manager. The specific payment standard (county or portion of county), bedroom size) will then be

adjusted if necessary. A payment standard will not be adjusted if it will not yield increased lease up rates in that area.

I-10. AUTHORIZATION FOR CHANGES TO ADMINISTRATIVE PLAN.

Any changes to the MDOC administrative plan prepared by the Housing Assistance Bureau Chief must be approved by the Housing Division Administrator prior to implementation.

I-11. CHANGES IN FIELD AGENCY ALLOCATION OF HOUSING CHOICE VOUCHER SLOTS.

HUD requires a high lease rate, which is used to evaluate PHA performance under SEMAP. MDOC may reallocate authorized units at any time from one field agency to another as needed to maintain the overall MDOC lease rates for the Vouchers Program. The Housing Assistance Bureau Chief will direct the reallocation. Local conditions will be considered when reallocating authorized slots.

I-12. 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 7 N. 31st St., Billings, MT, 59103; phone (800)443-1411 or (406)247-4710; 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 Avenue, 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 111 South 2nd 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, #152, Hamilton, Montana, 59840, phone (406)363-6101; Fax (406)363-5711

Superior Branch Office: Mineral County Courthouse, POBOX 464, Superior Montana, 59872, Phone (406)822-4251, 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)442-0574. Serves sub-state planning district 8, including Broadwater, Jefferson, and Lewis and Clark counties.

l. 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 Billings, Montana.

I-13. CERTIFICATION ON FAIR HOUSING

24 CFR 982.53

MDOC certifies that it will comply with:

- | | | |
|----|---|-------------------|
| 1. | The Fair Housing Act | (24 CFR 100) |
| 2. | Title VI, Civil Rights Act of 1964, | (24 CFR 1) |
| 3. | Title II of the Americans with Disabilities Act | (42 U.S.C. 12101) |
| 4. | Section 504, Rehabilitation Act of 1973, | (24 CFR 8) |
| 5. | Age Discrimination Act of 1975, | (24 CFR 146) |
| 6. | Executive Order 11063, | (24 CFR 107) |

Signature George D. Warm, Chief, Housing Assistance Bureau

II – MDOC POLICIES FOR PARTICIPANTS AND APPLICANTS

II-A. WAITING LIST & SELECTION PROCEDURES;

24 CFR 5; 24 CFR 882.513 and 24 CFR 982-202 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, 301 South Park Avenue, 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 any time 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 the 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. All qualifying applications will be processed in the order received. Families will be selected from the wait list 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) wavered 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 wait list.

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 WAIT LIST 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 as directed in the local field agent notification, 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. *A family owing money to any PHA will not be allowed to receive assistance under the program until the debt is repaid in full. When an applicant who owes money to any PHA reaches the top of the wait list, the local field agent will notify them in writing regarding any amount due to give the family opportunity to repay. If the family is unable to repay in full by the date required in the notification, they will be removed from the wait list, and are required to re-apply for the program.*

3. 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.

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

- a. The family's application date must place the family at the top of the wait list;
- b. The family has satisfied the initial 12 month term of their Mod Rehab lease;
- c. The family must request, in writing, transfer to the Voucher Program;
- d. The family must give the landlord a proper 30 day notice, or be released from the lease; and
- e. 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 inactive 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.

1. Families the local field agent has been unable to contact are removed from the list.

2. 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, they are removed from the wait list.

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 news 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, PIH 96-27). 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**. A family owing money to any PHA will not be allowed to receive assistance under the program until the debt is repaid in full. When an applicant who owes money to any PHA reaches the top of the wait list, the local field agent will notify them in writing regarding any amount due to give the family opportunity to repay. If the family is unable to repay in full by the date required in the notification, they will be removed from the wait list, and are required to re-apply for the program.*

*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. as a previous participant in the Program, where the tenant caused **damage beyond normal wear and tear** in a rental unit, where the costs of cleaning, repair, unpaid utilities, and unpaid rent, as proven by a court judgment after February 29, 2000, in favor of the landlord totaled more than \$1,000.*

*f. **will not provide information** necessary for determination of total tenant payment or family composition on request.*

*g. If the applicant **fails to appear for a scheduled appointment or inspection**, without canceling or rescheduling the appointment with the local field agent prior to the appointment date.*

*h. has been convicted of **drug-related or violent criminal activity**.*

*i. 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 PIH 96-27 (HA).*

*j. Has been **evicted** from Public Housing, Indian Housing, Section 23, 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 PIH 96-27 (HA).*

*k. 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.

HUD Intent: The following reflects HUD guidance from the federal register final rule published 10/21/1999, changing 24 CFR 982.552. The wording is from the comments and response section, but is not included in the regulation itself. Comments from respondents to an earlier Interim Rule, were taken into consideration when HUD Adopted the final rule, with responses showing HUD intent in making the changes.

Federal Register: October 21, 1999 (Volume 64, Number 203)] Rules and Regulations Page 56893-56915

[DOCID:fr21oc99-19] [Docket No. FR-4428-F-04]RIN 2577-AB91

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

24 CFR Parts 888 and 982

Section 8 Tenant-Based Assistance; Statutory Merger of Section 8 Certificate and Voucher Programs; Housing Choice Voucher Program

AGENCY: Office of the Secretary, HUD.

ACTION: Final rule.

EFFECTIVE DATE: November 22, 1999.

SUMMARY: This final rule adopts as final certain provisions of the interim rule published on May 14, 1999, to implement the statutory merger of the Section 8 tenant-based certificate and voucher programs into the new Housing Choice Voucher Program, and makes amendments to other provisions of this interim rule. This final rule takes into consideration the public comments received on the interim rule, and most of the amendments made at this final rule stage are in response to public comment.

...

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“Section 982.552 PHA denial or termination of assistance for family.

Comment: Mandatory termination of assistance for a tenant-based program participant evicted for serious lease violations. ...

HUD response. HUD has determined that the mandatory nature of this provision is necessary in order to foster responsibility in the Section 8 program. Section 8 assistance is a scarce benefit. This provision indicates that HUD will not reward serious lease violations, such as behavior that threatens other residents or the safety or maintenance of the premises, by providing continued Section 8 assistance in a different unit. Furthermore, this policy will address the complaint that some assisted families have kept their Section 8 benefits even after they have caused extensive damage or incurred a large unpaid rent debt. Additional efforts to hold families accountable for actions by family members should increase owner participation and provide expanded housing opportunities for low income families in nontraditional neighborhoods. It is noted that termination of assistance is only required for an eviction resulting from a serious lease violation (not repeated lease violations). Therefore, the family will be protected by the due process they receive through the judicial eviction process and, additionally, the PHA must give the family the opportunity for an informal hearing before assistance termination.

Comment: Mandatory denial of admission if applicant is evicted from federally assisted housing for serious lease violations. ...

HUD response. Section 982.552.(b)(1) is reserved and a new paragraph (c)(1)(ii) is added to permit PHAs to deny admission or terminate assistance if any member of the family has been evicted from Federally assisted housing in the last five years. This is a change from the interim rule, which prohibited admissions of families evicted from Federally assisted housing for serious lease violations. HUD may review this matter again as it finalizes the pending “One Strike” regulation.

Comment: Termination of assistance if participant fails to meet welfare-to-work program obligations. ...

[page 59610]

HUD response. The rule is revised to add requirements to the PHA briefing of the family participating in the welfare-to-work voucher program, and to the material provided in the family's information packet

(Sec. 982.301(a) and (b)). Specifically, the PHA must advise (both verbally and in writing) the family of the local welfare-to-work voucher program family obligations and that failure to meet these obligations is grounds for PHA denial of admission or termination of assistance.

HUD is not mandating federal standards for family obligations under the welfare-to-work voucher program, since there is local flexibility in designing such obligations. The option for PHA termination of assistance or denial of admission will permit PHAs to prevent program abuse by families that willfully and persistently violate work-related obligations under the welfare-to-work voucher program. Of course, the PHA must give the family the opportunity for an informal review or informal hearing before the PHA denies admission or terminates assistance.

Comment: HUD authority to regulate terminations of assistance. ...

HUD response. HUD has authority to define grounds for termination of assistance and has done so in a comprehensive manner since 1984.”

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 & 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 wait list; 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 wait list.

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 (24 CFR 982.303(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 approveable 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

(24 CFR 982.600 SERIES).

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 is not allowed, *as it requires HUD, local government and MDOC approval, as well as documentation of need for the units, and certification that 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 Local Field Agent (LFA) Information and Requirements:

1. The Homeownership program will be operated in a similar and consistent manner throughout the state.
2. All MDOC LFAs participate in the homeownership option. These LFAs are 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 LFA is required to estimate their capacity and usage for the upcoming year, and provide this estimate to MDOC in writing by December 1 each year. MDOC will determine final program size authorized for each LFA. Maximum program size will be 10% of the total number of vouchers under MDOC ACC.
4. HUD requires PHAs using the Homeownership option to develop numerous policies. **This section of the Admin Plan is set up in the same order as Homeownership appears in the 24 CFR part 982,** to make it easier for LFAs to coordinate reference in the federal regulations to the Admin Plan.

B. (24 CFR 982.625(g)(3)) - General Homeownership Requirements:

PHA demonstration of capacity to operate a successful homeownership program; MDOC requires a minimum homeowner down payment 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 includes closing costs, so amounts put toward closing costs by the family are included in the 1% and 3% calculations.

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

Sec. 982.626(a) - Determination if family is qualified. LFAs determine if the family meets all initial requirements in 24 CFR 982.626, 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 participation in good standing, and have completed the LFA Homeownership Counseling Course to be eligible for the MDOC Homeownership Program.
- c. In selecting participant families for the limited slots in the LFAs 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.
- 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 housing counseling program) are eligible, if they meet all other eligibility requirements for homeownership.
- e. In selecting participant families for the MDOC Homeownership Program, the LFAs 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 Homeownership program.
- f. 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.

Sec. 982.626(c) - Environmental Requirements: LFAs are responsible for ensuring compliance and documentation with requirements in 24 CFR 58.6, specifically in reference to flood hazard areas and airport clear zones.

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

Sec. 982.627 (d) Employment requirements. The LFA 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.

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

F. (24 CFR 982.629(a)) - Additional requirements for family search and purchase.

The family must submit a sales agreement containing specific components to the LFA for approval within one year of their acceptance into the homeownership program (acceptance occurs after successful

completion of homeownership counseling). The LFA will require that the family provide quarterly reports to monitor the family's progress in finding and purchasing a home.

G. (24 CFR 982.630) Homeownership Counseling.

Sec. 982.630(d). Families may be required to participate in approved homeownership counseling programs on a continuing basis after acceptance into the Homeownership Program at the discretion of the LFA or MDOC, based on the performance of the homeownership participant.

Sec. 982.630(e). The counseling agency providing the LFA counseling program shall either be approved by HUD or the program shall be consistent with the home ownership counseling provided under HUD's Housing Counseling program. The program must contain the suggested topics listed in 982.630(b). LFAs 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 determine if the family meets all requirements of this section.

I. (24 CFR 982.632) - Financing purchase of home; affordability of purchase. LFAs 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. *LFAs determine if the family meets all requirements of this section. The family must notify the LFA within 10 days of missing a mortgage payment, and; The family must attend LFA foreclosure counseling within 30 days of missing a mortgage payment or homeownership assistance may terminate.*

Sec. 982.633(b)(3)ii. **The family** must notify the LFA in writing at least 30 days prior to any proposal to refinance the original purchase mortgage or of any proposal to encumber the property with secondary financing and obtain the LFA written approval of such financing prior to executing any loan documents.

A family may not rent or lease any part of the premises without MDOC prior written consent.

Sec. 982.633(b)(8). Although the homeownership program does not require annual Housing Quality Standards (HQS) inspections, the LFA 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 a Homeownership Assistance payment.

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

L.(24 CFR 982.635) - Amount and distribution of monthly homeownership assistance payment. LFAs 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 LFA calculations.

Sec. 982.635(d). The LFA will provide the lender with notice of the amount of the homeownership assistance payment prior to the close of escrow. At the discretion of the lender, the LFA's contribution towards 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 Homeownership Assistance 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 maintenance and repair reserve balances to the LFA 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 LFA may request that MDOC grant relief from this requirement based on a case by case determination. MDOC will make the final determination.

M. (24 CFR 982.636) - Portability . LFAs 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. LFAs determine that these requirements are met, including;

Sec. 982.637(a)(1).

Selling the home. A family may not transfer, sell or assign an interest in the property without LFA prior written consent.

A family must notify the MDOC LFA in writing at least 30 days prior to moving out of the house for a period of 30 days or longer or prior to any sale, transfer, assignment, lease or other form of alienation of the assisted property.

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 a family moves to a new unit while receiving homeownership assistance, the LFA may require that the family complete additional counseling.

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

P. (24 CFR 982.641) - Applicability of other requirements. LFAs determine that these requirements are met.

II-F. OCCUPANCY POLICY

(24 CFR 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.

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

2. FAMILY: 24 CFR ; 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 claims 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 every two remaining family members and essential persons, which allows the family to choose 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. 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 are not be required to share the same bedroom with a single parent head of household, unless that is family choice.

One additional bedroom for head of household or spouse, or any remaining family member(s), who, because of health or disability reasons documented in writing by a medical provider or someone with access to medical records such as a vocational rehabilitation counselor, therapist, or case manager, 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 disability reasons documented in writing by a medical provider or someone with access to medical records such as a vocational rehabilitation counselor, therapist, or case manager. *(Also in 24 CFR 5.403). Documentation will be reviewed by MDOC prior to authorization.*

Definition from 24 CFR 504.4 Child is defined as a family member under 18 years of age.

Definition from 24 CFR 982.401(d)(2)(ii): Space requirements “The dwelling unit must have at least one bedroom or living/sleeping room for each two persons. Children of opposite sex, other than very young children, may not be required to occupy the same bedroom or living/sleeping room.”

Definition from 24 CFR 5.403: “Live-in aide means a person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:

- (1) Is determined to be essential to the care and well-being of the persons;*
- (2) Is not obligated for the support of the persons; and*
- (3) Would not be living in the unit except to provide the necessary supportive services.”*

2. COUNTING FAMILY MEMBERS: Every family member, regardless of age (including foster children residing in the unit), will be counted.

An unborn child, or child in the process of legal adoption will be counted as a person for occupancy purposes.

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).

24 CFR 982.401; 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 work load 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 reinspected 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

(24 CFR 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, *in writing*, within 30 days of the date of change using the MDOC income reporting receipt form provided to all participants. 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 (changeover 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 smokejumpers 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

(24 CFR 982.353)

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.

MDOC will not allow a participant family to port out of the MDOC jurisdictional area to any PHA where the payment standard for that area is higher than that of MDOC for the same bedroom size, as it will cause budgetary problems in the MDOC program under budget basing changes instituted by HUD in 2004. MDOC Contract Managers will secure written verification from the proposed receiving PHA of the payment standard before any port out is allowed.

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 WITHIN THE MDOC AREA: *The Housing Choice Voucher Program does not require income eligibility determination after a family becomes a participant (after the initial HAP contract has been executed for that family). MDOC Participants who move (transfer) within the MDOC jurisdiction will be treated similar to portability participants covered by 24 CFR 982.353(d)(2). Income eligibility testing is not required for these participants to move.*

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.

II-L. BREAK-UP OF FAMILY

(24 CFR 982.315)

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.

II-M. PROCEDURES FOR COLLECTING AMOUNTS TENANTS OWE THE 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 of 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 ANY PHA. *A family owing money to any PHA will not be allowed to receive assistance under the program until the debt is repaid in full. When an applicant who owes money to any PHA reaches the top of the wait list, the local field agent will notify them in writing regarding any amount due to give the family opportunity to repay. If the family is unable to repay in full by the date required in the notification, they will be removed from the wait list, and are required to re-apply for the program.*

II-N. DAMAGE REPAIR, UNPAID RENT, & 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-in and move out inspections are included with the claim.*

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 complaint 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 Form 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.

II-P. SECURITY DEPOSITS.

When applying 24 CFR 982.313, local field agents will determine the amount of average security deposit for the local rental area.

II-Q. TENANT FAMILY CONTRIBUTION;

1. MINIMUM RENTS. (24 CFR 5.630) MDOC minimum rent is \$25.00 per month. Financial hardship includes only the situations listed in 24 CFR 5.630(b)(1) i, ii, iii, and iv. There are no other MDOC defined hardships.

A family may request a financial hardship exemption to the minimum rent *by submitting a written request to the Local Field Agency, who will forward it to the MDOC, with a recommendation, after verification of circumstances claimed in the request.* The request must be received by MDOC by the 20th of the month preceding the first day of the month in which the rent is due, to give adequate time for processing the request.

When a family is granted a long term hardship exemption, MDOC will notify the family in writing that the family is exempt from the minimum rent requirement for the duration of the financial hardship, and specify a duration if appropriate for a term over 90 days. The Local Field Agent will contact the family and evaluate the status of the exemption every thirty- (30) days, beginning with the date of exemption.

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.*

II-R. PARTICIPANT TERMINATIONS.

(24 CFR 984.552 (general), 982.455 (180 day 0 HAP), (24 CFR 5.218, 5.232 verify SSI, & 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, in writing, within 30 days of the date of change using the MDOC income reporting receipt form provided to all participants. 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, the participant family will be terminated from assistance.*

*c. If a participant **fails to respond as required in the local field agent notification to a request for a reexamination, in writing**.. 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** or inspection, without canceling or rescheduling the appointment in writing prior to the date of 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. 24 CFR 982.403. Participant families will not be allowed to remain in **over crowded 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 family **breaches a repayment agreement** by not making any payment in a continuous 90 day period, not initiating any contact with the local field agent concerning missed payments, **or***

refuses to sign a repayment agreement to pay amounts owed to any PHA, or amounts paid to an owner by MDOC.

*h. If the participant or any member of the participant's family **refuses to sign and submit consent forms** required by 24 CFR 5.232 (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.*

*i. 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.*

*j. 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.*

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

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

24 CFR 982.102(g) Termination of HAP contract and tenancy due to unavailability of funds from HUD. Should HUD funding for the programs be reduced to where removal of assistance for current participants is necessary, MDOC will reduce the number of participants on a prorated basis by canceling HAP contracts and assistance in the following order:

First: Participants who owe the MDOC money, and are late or deficient in making repayments

Then: : Participants who owe the MDOC money, and are making repayments

Then: Single member families who are not disabled or elderly receiving subsidy more than 5 years drawn by lot,

Then: Other participant families who are not disabled or elderly who have been participants more than 5 years, drawn by lot,

Then: remaining families drawn by lot, until the required number of subsidies are removed to allow the program to continue at the funding rate set by HUD.

HUD Intent with respect to damages or unclaimed income: *The following reflects HUD guidance from the final rule published 10/21/1999, changing 24 CFR 982.552. The wording is from the comments and response section, but is not included in the regulation itself. Comments from respondents to an earlier Interim Rule, were taken into consideration when HUD Adopted the final rule, with responses showing HUD intent in making the changes.*

Federal Register: October 21, 1999 (Volume 64, Number 203)] Rules and Regulations Page 56893-56915

[DOCID:fr21oc99-19] [Docket No. FR-4428-F-04]RIN 2577-AB91

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

24 CFR Parts 888 and 982

Section 8 Tenant-Based Assistance; Statutory Merger of Section 8 Certificate and Voucher Programs; Housing Choice Voucher Program

AGENCY: Office of the Secretary, HUD.

ACTION: Final rule.

EFFECTIVE DATE: November 22, 1999.

SUMMARY: This final rule adopts as final certain provisions of the interim rule published on May 14, 1999, to implement the statutory merger of the Section 8 tenant-based certificate and voucher programs into the new Housing Choice Voucher Program, and makes amendments to other provisions of this interim rule. This final rule takes into consideration the public comments received on the interim rule, and most of the amendments made at this final rule stage are in response to public comment.

“Section 982.552 PHA denial or termination of assistance for family.

Comment: Mandatory termination of assistance for a tenant-based program participant evicted for serious lease violations. ...

HUD response. HUD has determined that the mandatory nature of this provision is necessary in order to foster responsibility in the Section 8 program. Section 8 assistance is a scarce benefit. This provision indicates that HUD will not reward serious lease violations, such as behavior that threatens other residents or the safety or maintenance of the premises, by providing continued Section 8 assistance in a different unit. Furthermore, this policy will address the complaint that some assisted families have kept their Section 8 benefits even after they have caused extensive damage or incurred a large unpaid rent debt. Additional efforts to hold families accountable for actions by family members should increase owner participation and provide expanded housing opportunities for low income families in nontraditional neighborhoods. It is noted that termination of assistance is only required for an eviction resulting from a serious lease violation (not repeated lease violations). Therefore, the family will be protected by the due process they receive through the judicial eviction process and, additionally, the PHA must give the family the opportunity for an informal hearing before assistance termination.

Comment: Mandatory denial of admission if applicant is evicted from federally assisted housing for serious lease violations. ...

HUD response. Section 982.552.(b)(1) is reserved and a new paragraph (c)(1)(ii) is added to permit PHAs to deny admission or terminate assistance if any member of the family has been evicted from Federally assisted housing in the last five years. This is a change from the interim rule, which prohibited admissions of families evicted from Federally assisted housing for serious lease violations. HUD may review this matter again as it finalizes the pending “One Strike” regulation.

Comment: Termination of assistance if participant fails to meet welfare-to-work program obligations. ...

[page 59610]

HUD response. The rule is revised to add requirements to the PHA briefing of the family participating in the welfare to-work voucher program, and to the material provided in the family's information packet (Sec. 982.301(a) and (b)). Specifically, the PHA must advise (both verbally and in writing) the family of the local welfare-to-work voucher program family obligations and that failure to meet these obligations is grounds for PHA denial of admission or termination of assistance.

HUD is not mandating federal standards for family obligations under the welfare-to-work voucher program, since there is local flexibility in designing such obligations. The option for PHA termination of assistance or denial of admission will permit PHAs to prevent program abuse by families that willfully and persistently violate work-related obligations under the welfare-to-work voucher program. Of course, the PHA must give the family the opportunity for an informal review or informal hearing before the PHA denies admission or terminates assistance.

Comment: HUD authority to regulate terminations of assistance. ...

HUD response. HUD has authority to define grounds for termination of assistance and has done so in a comprehensive manner since 1984.”

II-S. INFORMAL HEARINGS.

24 CFR 982.555, or for denial on the basis of ineligible immigration status 24 CFR 812.9.

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 24 CFR 982.555, 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 includes 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, received by MDOC at least 10 days prior to the scheduled hearing date, 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 hearings 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.

II-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. MDOC 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 requires 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 RECISION.
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:

*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. MDOC F.S.S. ACTION PLAN

(24 CFR 984)

Contents:

- A. Overview
- B. Family Demographics and Estimate of Participating Families
- C. Eligible Families from Other Self-Sufficiency Programs
- J. FSS Family Selection Procedures
- K. Incentives to Encourage Participation
- L. Outreach Efforts
- M. FSS Activities and Support Services
- N. Method for Identification of Family Support Needs
- O. 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
 - T. Certification of Coordination
 - U. Contract of Participation
 - V. Escrow Accounts
 - W. Individual Training and Services Plans
- P. Informal Hearings and Reviews
- Q. Local Coordinating Committees
- 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.

<u>Local Field Agency</u>	<u>Minimum Units</u>	<u>Maximum Units</u>
Action for Eastern Montana	9	15
District IV HRDC	11	17
Opportunities, Inc.	12	20
District VI HRDC	4	6
District VII HRDC	6	10
District IX HRDC	12	19
Northwest Montana Human Resources	5	8
Human Resource Council of Butte	12	20
Housing Authority of Billings	18	30
Helena Housing Authority	<u>4</u>	<u>6</u>
TOTAL FSS PROGRAM SIZE	<u>93</u>	<u>151</u>

C. ELIGIBLE FAMILIES FROM OTHER SELF-SUFFICIENT PROGRAMS:

Not

applicable. MDOC has no public housing units.

D. FSS FAMILY SELECTION PROCEDURES:

The following are not eligible to participate in the MDOC FSS program:

- 1) Families who were prior FSS program participants and were terminated from the FSS program for non-compliance with the FSS contract of participation;
- 2) Families who were prior FSS program participants and were terminated from the Section 8 rental assistance program for non-compliance with the Section 8 program rules and policies or for violating any family obligations under the program.
- 3) Families who were prior FSS program participants that withdrew from the FSS program
- 4) Families who were prior FSS program participants that graduated from the FSS Program, or
- 5) Families who owe any PHA money in connection with Section 8 or public housing assistance.

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 programs 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 MDOC.*

A contract of participation must include the individual training and services plan. The effective date of a contract of participation is the first day of the month following the date the contract of participation is signed by the family and MDOC. The contract of participation may be extended up to two years if the family gives MDOC a written request for an extension and MDOC finds that good cause exists for the extension. (Good cause : circumstances beyond the control of the FSS family such as serious illness, involuntary loss of employment.) The family's extension request must include a description of the need for the extension. Termination of employment for nonperformance by the FSS head is not justification for a contract of participation extension. MDOC may extend the contract of participation to allow the FSS family to meet the interim goal of being welfare-free at least 12 consecutive months prior to the expiration of the contract. If an extension to the contract of participation is granted, the original expiration date listed on page one of the contract must be crossed out and the new expiration date added.

Changes to a contract of participation can only be made to modify the contract term, change the head of the family or modify the individual training and services plan. Any change of the head of the family must be included as an attachment to the contract and must contain the following: name of new designated

FSS head, signatures of the new head (and removed FSS head, if available), MDOC representative, and the date signed. Changes to individual training and services plans must include the item changed, signatures of the participant and MDOC, and date signed.

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 *The amount in an FSS escrow account, in excess of any amount owed to any PHA by the FSS family, will be paid to the head of the FSS family if the family has fulfilled all of its obligations under the contract of participation on or before the expiration of the contract term, including any extensions, and if, at the time of contract completion, the head of the FSS family submits to MDOC a certification that to the best of his or her knowledge and belief, no member of the FSS family is currently or has been a recipient of welfare assistance during the last 12 months prior to expiration of the contract.*

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 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.

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 which will be determined on a case by case basis*
- 5) Emergency medical expenses.*

O. INDIVIDUAL TRAINING AND SERVICES PLANS: *All individual training and services plans must be reviewed and updated at least annually for all adult family members. The 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 clear 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. A participant has been maintaining employment if they have been employed for at least the 12 month period immediately preceding the expiration date of the contract including any extensions.*

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 FFY 2005-2009 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 August 1, 2004 to January 14, 2005. 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. mt901a05.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 53 participants in the mini-boards including 26 program participants and 27 staff members from local field agencies and a total of 55 additional people participating in the public hearing.

Copies of the plans were provided at each field agent location for public review, and advertised in all newspapers in the state. One public hearing was held in Butte at the Copper King Inn, on September 17, 2004 and written comments were allowed through January 14, 2005.

Board and public 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 typeface, 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.

MDOC PHA PLAN

Comments specifically On 5 Year Plan

B. Goals

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

Initial Plan Response: Apply for additional rental vouchers as offered by HUD

Comment - Apply for additional rental vouchers – Missoula – MDOC should apply for any new special housing funding that becomes available for more vouchers/housing assistance. Bozeman – This strategic goal needs to be clarified on how a HUD strategic goal can be to increase availability of affordable housing while HUD simultaneously plans to cut program funding.

MDOC Response: **Missoula** - We will continue to apply for vouchers for the disabled as HUD makes them available. MDOC is in the process of applying for funding through a grant process that would provide vouchers for the chronic homeless. **Bozeman** – We agree with this comment and believe it will be difficult to increase affordable housing with any future funding cuts.

Initial Plan Response: Increase customer satisfaction

Comment – Missoula - Create an annual tenant survey (by MDOC) asking questions concerning program regulations, complaints, customer satisfaction. The survey needs to be a meaningful and valid survey.

MDOC Response: This is a good idea and we will explore this idea as one of our topics in a future team improvement meetings.

Initial Plan Response: Conduct outreach efforts to potential voucher landlords

Comment – Helena – Would like to see more assurance for landlords and help them see the positive outcomes for participating in the Section 8 program. Bozeman – Suggest program incentives to encourage owners to participate.

MDOC Response: We agree it is important to continue efforts to attract landlords and encourage their participation in the Section 8 program. We also believe that continuing to educate landlords in this program will help landlords to understand the benefits of participating in the Section 8 program. We will recommend that the field agents make every effort possible to meet with landlords one on one, and at local association meetings to assist in educating them about the program. MDOC has developed a brochure that would aide in this process.

Initial Plan Response: Increase Voucher Payment Standards

Comment – Bozeman – It is difficult to use the voucher under the current payment standards because rental units are expensive in Gallatin County. ***Billings*** – Due to the uncertainty about HUD funding, MDOC has changed their payment standards 5 times this year. This creates confusion for staff, clients and MDOC staff. ***Havre*** – The payment standard for Hill County needs to be raised for one, two and four bedroom units. The standard is based on current rental rates, which we have had to have landlords lower in order for Section 8 participants to be able to rent a unit because the majority of tenants do not have any income. Landlords have indicated that they will not be able to rent to Section 8 clients if the rents go down again.

MDOC Response: Bozeman and Havre - As you are aware, HUD not only reduced the FMR's this year which required us to lower payment standards, in order to hold them to 110% of FMR, as a maximum prescribed by HUD. We experienced funding cuts in the program in 2004 and 2005, which directly affected our ability to increase the payment standards. If local field agencies feel that payment standards are not reflecting area rents, and are below 110% of FMR, the agent may request an increase by bedroom size as outlined in Section I of the MDOC Admin Plan. **Billings** – We agree it is very difficult to work with multiple payment standards during a year. This resulted from the uncertainty of dollars being funded from HUD. We are hopeful that we will not experience any further funding cuts and will be able to set the standards once a year.

Initial Plan Response: Implement voucher homeownership program

Comment – Bozeman – Homeownership is a wonderful idea. ***Kalispell*** – Homeownership should become more of a priority to establish permanent residence for qualified participants.

MDOC Response: Bozeman – We agree that homeownership is a good idea and are completely supportive of the field agencies' efforts to move this program forward. **Kalispell** - We are also in favor of the homeownership program and feel it is important for each agency to market the homeownership program within the confines of their own plan. We support your continued efforts in this area.

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

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

Comment - Lewistown – Income Targeting is not defined in MDOC's progress response. ***Bozeman*** – Merely increasing the number and percentage of employed persons in assisted families without taking into consideration the level of self-sufficiency may cause unforeseen complications. ***Kalispell*** – MDOC

*needs to consider methods of limiting program abuse by participants who are capable of working and choose not to (e.g., WORC programs, sanctions). **AEM** – Client who are capable of working but choose not to because all of their rent is paid and they receive a utility reimbursement should have to be gainfully seeking employment. We have clients who have been at zero income for 3-5 years and are capable of working.*

MDOC Response: Lewistown – We have added the definition to our response.
Bozeman – We are unable to comment on your comment without entertaining more discussion as to what is meant by level of self-sufficiency and unforeseen complications. **Kalispell and AEM** – Unfortunately the federal regulations do not allow for us to impose requirements of the participants to be gainfully employed or impose sanctions against participants. We strongly urge field agencies to continue to verify through all applicable resources, whether a family is truly at “zero” income. We encourage you to look into their lifestyle and see if the family is receiving certain items such as cable TV, phone service, new pieces of furniture, and use your interview skills to uncover how these items are being provided for with “zero” income.

Provide or attract supportive services to improve assistance recipients’ employability.

Comment: Helena – *The self sufficiency and asset development of families and individuals is a great program. Pleased to see that MDOC will continue to support the FSS Program by allowing local control over the program to meet individual participant’s needs.*

MDOC Response: Thank you for your positive comment. We have seen many success stories from the FSS program and encourage all agencies to continue their efforts in this area.

MDOC PHA PLAN

Comments Specifically on Annual Plan

1. Statement of Housing Needs

Comment – Section 1.B.(2) Strategies – Increase the number of affordable housing units. **Bozeman** – *Expanding the supply of affordable housing is a great idea.* **Great Falls** – *We need to buy or build our own units, thus being able to set our rents in accordance with the payment standards.*

MDOC Response: Bozeman – Thank you for your comment. We are 100% committed to this goal. **Great Falls** - Many of the field agencies we contract with have begun purchasing property and renting to Section 8 clients.

Comment – Section 1.B.(2) Strategies – Increase the number of affordable housing units. Need: Specific Family Types. Strategy 1: Target available assistance to families at or below 30% of AMI – Great Falls – We would like to apply for 10 homeless vouchers that would be rotating yearly. The applicant would have to prove homelessness at issuance, use the voucher for 1 year, then move to a regular voucher at annual recertification, thus opening the voucher for other homeless families.

MDOC Response: MDOC is in the process of applying for funding through a grant process that would provide vouchers for the chronic homeless.

Comment –Section 1.C (1) Strategies. Need: Specific Family Types: Races or ethnicities with disproportionate housing needs: Bozeman – Suggest limiting voucher use by senior and Native Americans as they have other program resources available to them.

MDOC Response: Limiting voucher use by certain groups of individuals would be discriminatory and a violation of fair housing laws.

Comment – Section 2. Statement of Financial Resources. Bozeman – Put all current funds into the voucher program instead of lending money to other programs.

MDOC Response: All of the current funds MDOC receives from HUD are used for the housing choice voucher and moderate rehabilitation programs.

Comment - Bozeman – Please clarify about known areas of poverty concentration.

MDOC Response: Research has been conducted and there are no areas of poverty and/or minority concentration in Montana. These areas apply only to the metropolitan areas of the state, Billings, Great Falls, and Missoula. For more information, please see section I of the MDOC Admin Plan.

3. PHA Policies Governing Eligibility, Selection, and Admissions

Comment – B(2) Waiting List Organization – Helena – Would like to see more information for people on the waiting list to know the status of where they are at on the waiting list. **Bozeman –** The number of households on the wait list in Montana is extraordinarily large.

MDOC Response: **Helena –** We have left this issue up to the local field agencies to carry out since the field agencies work more directly with the waiting list and issuing of vouchers. MDOC does not have the ability to know what the status of someone on the waiting list is since we do not conduct the briefing sessions, conduct eligibility screenings, etc. We encourage each agency to provide a way to communicate information to waiting list applicants. **Bozeman –** We have recently performed a purge on the waiting list which has reduced the list

significantly from what it was 6 months ago. We have also been encouraging field agencies to decrease their timelines for issuing vouchers, this last few months, which should also help reduce the waiting list.

4. PHA Rent Determination Policies

Comment – B(2) Minimum Rent. – Billings – Should be raised from \$25 to \$50 to save program money and give more people housing assistance

MDOC Response: We lowered the minimum rent requirement last fall when we received notification of some funding being restored. The minimum rent was \$50 until then.

MDOC PHA PLAN Comments specifically addressed to MDOC Admin Plan General Comments

General Comment – Lewistown – There needs to be an accompanying list of acronyms. Bozeman – Suggest that Mod Rehab be included in the definitions section.

MDOC Response: **Lewistown** - Acronyms are continuously used in the federal regulations and appear in the definitions portion of the PHA plan. **Bozeman** – We will include the definition of Mod Rehab (Moderate Rehabilitation) in the definitions.

General Comment – Kalispell – MDOC needs to limit the gray areas and exceptions to the rules. Field agents need consistency to serve participants and landlords to the best of their ability. Field agents, landlords and participants are all requesting consistency with the entire MDOC staff.

MDOC Response: MDOC **does** mandate consistency through the policies and procedures. We direct our staff members to be consistent, and will to continue to train as inconsistencies are brought to our attention We are continuously working in this direction and have begun holding regular staff meetings to address issues and establish new policies where appropriate, that will be adhered by all MDOC contract managers.

General Comment – Kalispell – MDOC needs to provide more support for participants who are victims of landlord fraud. We tell landlords they cannot charge participants more than the contract rent, but we provide no legal support to help the participant recover the money owed. AEM – If a landlord is a violent or sexual offender, a tenant should not be able to rent from them. The field

agents have to enter the premises and that could put them in danger along with the tenant.

MDOC Response: Kalispell – When your agency runs into this type of situation, you need to contact MDOC. Landlords who are charging participants more than the specified contract rent are violating the housing assistance payment contract they have with our agency. We have the remedies within the scope of the contract to address this issue and require reimbursement of the monies that were being overcharged. **AEM** – MDOC does not have a means to screen landlords and if this is viewed as critical to the program by agencies statewide we can discuss this in the future.

Section II – Policies for Participants and Applicants

Section I-4. MDOC Staff

Comment – Bozeman – *Suggest that the educational requirements for the MDOC staff be listed.*

MDOC Response: The listing of educational requirements of MDOC staff positions would fall under the departments' human resource office and is more appropriately publicized in department literature.

Section II-A. Waiting List & Selection Procedures

Comment II-A-1c. and f.4). Separate Waiting List by Suballocation Area and reporting address changes. – **AEM** – *The jurisdiction of an application for Section 8 should remain in the jurisdiction the applicant applied to for one year before transferring the application to a different jurisdiction in Montana. Clients have been told to apply to our waiting list because they will get to the top faster and then they are allowed to transfer out. This wastes our valuable time.*

MDOC Response: Federal regulations do not allow for MDOC to establish policies that would require an applicant family to remain in a certain locality for a specified period of time. Our policies do state that if a family is living in another locality when their name reaches the top of the list, the field agency is to inform them that they must contact our office in writing with the new address and their name will be moved to the appropriate waiting list. If the field agencies are carrying out this procedure correctly, the field agency will not have expended time in briefing the applicant.

Comment II-A-4. Removing Names from the Waiting List – Havre – *What is “wrongly removed” from the waitlist mean”? We have had situations where a family has had their post office box closed for non payment or loss of a key, got*

their letter to return it past the 60 days and had to reapply – these people have an IQ of 0 and 4 small children living in substandard housing who have been waiting for a voucher for two years and now have to start over. Many of these people are mentally handicapped and do not understand the importance of keeping their address current.

MDOC Response: Most households that are removed from the waiting list are due to the disposition logs sent to MDOC from field agencies. It's usually the field agency that determines they have wrongly removed a household from the waiting list (i.e., applicant had notified field agent of new address and field agent didn't send in the change to MDOC.) We have always encouraged field agencies to consider a person's handicap or disability when dispositioning a family from the wait list. If, after your agency has removed a family from the wait list, you discover that the family's non-response to a letter is due to a disability, you would be allowed to request reinstatement of the family to the waiting list based on the disability. This would another example of "wrongly removing" a family from the list.

Section II-B. Denial of Assistance.

Comment – II-B-e. Damage beyond normal wear and tear. Bozeman – Suggest that an exception be made to the rule about denying assistance to previous participants causing damage in excess of \$1,000 if they are mentally ill. Helena – Stricter guidelines are needed for tenants that damage units in excess of \$1,000. This policy discourages landlords from participating in the program. We feel that damages beyond \$200 of the security deposit should be grounds for termination/admission of the program.

MDOC Response: Although no other agency formally commented on this policy, MDOC has received comments on this area in the past. We can certainly address this issue again in a future staff meeting.

Comment – II-B-g. – Fails to appear for a scheduled appointment or inspection – Bozeman – Suggest an exception for denying assistance to applicants that fail to appear for a scheduled appointment/inspection if they are mentally ill.

MDOC Response: MDOC's policy allows for evaluation of individual circumstances on a case by case basis and taking into consideration a person's mental capacity would certainly qualify as a circumstance to be evaluated separately.

Comment –II-B-h. – Drug-related or violent criminal activity convictions – Great Falls – We feel that if the applicant has been convicted of any dangerous drug-related activity within the past three years should not be able to be in housing. Violent criminal activity needs to be explained more. Is abusive

*behavior in the home the same thing as violent criminal activity and are the consequences the same? **Billings HRDC** - There should be a limit of time since the occurrence of a drug or violent crime and that there should be a requirement that the applicant provide reassurance that the crime was in the past through a third party. **Lewistown** – We think “h” and “j” are in conflict with each other because at the beginning of the statement it says that the applicant will be denied but “h” says “if they have been convicted of drug-related or violent criminal activity” and “j” says only if they have been evicted. **Missoula** – A felon who has completed his/her sentence, no matter what the felony, should be allowed Section 8 assistance.*

MDOC Response: We are currently in the process of rewriting the admin plan with regards to drug-related, violent, and other criminal activity. We will be forwarding our first draft to the field agencies for comment within the next few weeks. Through this process, we will be amending the admin plan.

***Comment to page 15 of MDOC Admin Plan regarding HUD’s response to mandatory termination for serious lease violations – Great Falls** - What is considered a serious lease violation and why can’t we include repeated lease violations? **Bozeman** – Does repeated law enforcement visits to a residence constitute grounds for denial of assistance?*

MDOC Response: HUD has not defined the term “serious lease violations”. We have developed our admin plan to allow for a court to decide if the action of the tenant is considered to be “serious” or not. Since MDOC has no authority to enforce a lease, we cannot make those kind of determinations. It is a matter between the landlord and the tenant.

***Comment – II-B-k. – Abusive or Violent Behavior toward MDOC or Local Field Agent Personnel – Bozeman** – Abusive behavior may be too subjective to be used as a means of denying assistance. **Kalispell** – Verbal abuse to Section 8 staff should not be tolerated at anytime from participants either on the phone or in person. During this program year, there were several occasions of abuse towards staff that required supervisor intervention.*

MDOC Response: **Bozeman** - We can look at possibly clarifying this terminology or providing an example of what constitutes abusive behavior. **Kalispell** – We agree that verbal abuse does not need to be tolerated to the point that supervisor intervention is required. We encourage field agents to document these instances and submit them to MDOC for review and possible further action.

***Comment to page 15 of MDOC Admin Plan regarding HUD’s response to termination of assistance if participant fails to meet welfare-to-work program obligations – Great Falls** – We feel the family (excluding elderly and HOH disabled) should have to do the welfare-to-work program or be sanctioned just like they do at the welfare department of community service.*

MDOC Response: MDOC was unsuccessful in obtaining any vouchers under the welfare-to-work program which would have allowed us to monitor a family's compliance with this program's requirements. Therefore, we have no authority to force a family into the welfare to work program or to sanction for non-compliance.

Section II-E. Special Housing Types

Comment – II-E.1 – Bozeman – Suggest that MDOC set the criteria/policies for all homeownership requirements.

MDOC Response: When the idea of starting a homeownership program started four years ago, each agency requested that they be allowed to set their own criteria/policies that would be more reflective of their area's resources. We acknowledged this need and allowed for individual agency criteria/policies to be developed. We continue to support that idea unless all participants are requesting this be reviewed again.

Comment – II-E.2.G – Homeownership Counseling – Bozeman – Why would families be required to continue to participate in homeownership counseling after acceptance into the homeownership program?

MDOC Response: Some families may have ongoing needs that may not be satisfied or fulfilled in one homeownership course. Some families may begin having difficulty in making payments after getting into homeownership and may need additional budgeting counseling. CFR 982.630 lists some of the items that may be needed through additional counseling.

Section II-F. Occupancy Standards

Comment – F.2 – Family – Great Falls – We feel that people that drop from a 2 bedroom voucher to a 1 bedroom voucher should not be able to add just anyone in order to keep the 2 bedroom voucher. We should press the fact that they must be blood related, marriage, adoption or a foster child, or established a "family type" relationship. They should supply official documentation to prove relation. Havre - Family should also include two persons of the same sex that are not relatives or people in a relationship. It should be a personal choice as to if they need a one-bedroom unit or a two-bedroom unit. AEM – If children have been removed from a household, they should remain on the paperwork for one year. If the children are not back in the home by the annual date, the voucher bedroom size should be lowered and the children should be taken off of the paperwork.

MDOC Response: Great Falls and Havre - After reading both agencies' comments on this issue it appears that there is some confusion regarding the federal regulations and MDOC's admin plan and the intent of the admin plan

policy. We will review this policy in a future staff meetings. **AEM** – MDOC will not write a policy to automatically remove children from a household. The federal regulations allow for a child to be temporarily removed from a household. The field agent needs to secure appropriate documentation from the agency that has temporary custody of the child to determine if the removal is “temporary” or “permanent”. If the removal is permanent, then the field agent needs to take the necessary steps to remove the child from the household.

***Comment – F.3 – Visitor – Bozeman** – The visitor policy has the potential for being abused.*

MDOC Response: The responsibility of monitoring a tenant’s visitors and whether there is abuse in this area is with the landlord as this falls under the lease agreement.

Section II-H. Housing Quality Standards

***Comment - H-1. Inspections – Great Falls** – An inspector should be tested on their inspection knowledge yearly and have updated training every year. We need to be harder on our inspection requirements to allow tenants to have a more decent place to live.*

MDOC Response: We agree that inspectors need to stay current on HQS regulations. HUD does not require that an inspector be certified, so it would be up to the individual field agency as to whether they want to test the inspector every year and send them to training every year. MDOC has chosen to use the HQS requirements statewide and field agencies cannot impose stricter requirements.

***Comment – H-2. Contract Field Agency Annual Review – Bozeman** – How is the 5% MDOC Annual review determined?*

MDOC Response: Each contract manager contacts the field agency to schedule the annual review. The contract manager researches the database to determine the current number of clients under lease and computes what 5% of the number under lease would be to determine the total number of units that would need to be inspected. The contract manager then instructs the field agency to schedule the inspections selected by the contact manager for the annual review.

Section II-I. Recertification

***Comment II-I-2. Reporting Income.** – Havre – Interims should not happen unless person’s income goes down. If income goes up, it should be adjusted at the next annual unless the person is an FSS participant and requests an interim. Public assistance only adjusts income up once in a six month period – could*

*Section 8 do this also? Annually would be even better. Could Section 8 work with Public Assistance to coordinate reporting so that it is the same or at least in the same time frame? **Great Falls** – we would like to see the rules changed that all income must be reported within 10 days. People are working and not reporting income or quitting jobs and not reporting it. They should be held accountable for all income. We also feel that even temporary employment income should count. There are a lot of people who work just enough so they do not have to count it – we consider this fraud.*

MDOC Response: **Havre** – In reviewing the number of interims that are processed each month, more than 80% of them are due to income going down not up. Federal regulations require that an interim reexamination be performed when a family requests a reexamination due to a decrease in household income. We have also placed language into the admin plan that allows a family to earn up to \$300 per month before it is counted toward the family's share of rent. With the current funding levels, it is imperative that families earning income pay their fair share toward rent which will allow more families to be subsidized. **Great Falls** – We have stated the 30-day timeframe in the admin plan to allow field agencies the opportunity to secure the required verification documents and prepare the necessary paperwork in order to submit it to MDOC by the 20th of each month. Lessening that timeframe would place more burden on the field agencies. Temporary employment is always required to be reported but generally results in the earned income being less than \$300 per month which would not require an interim reexamination.

Section II-J. Moves and Portability

***Comment –II-J-2. Portability to and From Other States – Helena** – We would like to see MDOC absorb more port-ins to MDOC from other PHAs and not bill agencies that they contract with.*

MDOC Response: MDOC's policy is to absorb port-ins if a voucher is available under our own ACC.

Section II-L. Break-Up of Family

***Comment – Bozeman** – Suggest that for domestic violence situations, the parent with custody should be guaranteed the voucher.*

MDOC Response: The admin plan specifically addresses this issue and states that ... “ the violent member will not retain the 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.*” We feel the administrative plan already address the first criteria that has to be met is that the violent member can

not retain the voucher and secondarily is the non violent custodial parent can retain the voucher. We will work to improve the language in Section L.

Section II-R. Participant Terminations.

Comment – II-R-b. Reporting Income Changes – Great Falls – There should be no third chances if a family is guilty of unreported income. Again, 30 days allows too much time to quit a job and go on to another and thus not report the income at all.

MDOC Response: The admin plan does not allow for a “third” time and specifically states that a participant family that fails to report an income increase a second time will be terminated from assistance. Families are required to report any and all income changes and it is the responsibility of the field agency to record this information and make a determination within the confines of the regulations and admin plan policies as to whether the income is to be counted or not.

Comment – II-R-c. Failing to respond to request for reexamination – Great Falls – We feel that 2 attempts to set appointments for annual recertification should be sufficient, just like it is for inspections.

MDOC Response: We agree that more continuity is needed between failing to respond to notices for reexamination and failing to appear for appointments. We will place this issue on our list to discuss at one of MDOC’s future staff meetings.

Comment – II-R-d. Failing to appear for scheduled appointment – Great Falls – We feel that if a tenant does not show or call to reschedule and we send in a request to MDOC to terminate, that MDOC act upon it and not give the tenant a second chance unless there are extenuating circumstances.

MDOC Response: We agree that MDOC staff needs to follow through with termination requests as outlined in the admin plan. We will address this issue with MDOC staff at a future staff meeting.

Comment – II-R-e. Damage Beyond Normal Wear and Tear – Great Falls – We feel a landlord should not have to go to court and get a judgment but rather an inspector be able to do a special inspection on the property upon request from the owner to prove destruction beyond reasonable wear and tear.

MDOC Response: Damages to a unit are covered under the lease agreement between the tenant and the landlord. MDOC does not have any jurisdiction in this area and cannot require a special inspection to deal with lease agreement issues.

Comment –II-R-f). Over crowding or under occupying units. – Great Falls – We feel that a family over crowding or under occupying a unit be given 60 days to find another unit. Lewistown – We are concerned with this requirement. There should be an exception to this regulation in very small communities where suitable housing may not be available – where does this leave the tenant? We also feel that the requirement to move in some situations may be cost prohibitive to low-income families.

MDOC Response: Great Falls - We agree that a family who is over crowding or under occupying a unit should be given at least 60 days advance notice that they may have to find another unit. This is up to the field agencies to allow for this timeframe. We encourage agencies to schedule inspections and appointments well in advance of the annual date in order to afford families the opportunities to make decisions in advance of annual dates. **Lewistown –** As a statewide agency, we must apply the rules, regulations and policies consistently throughout the state. Families that are under occupying a unit are generally able to remain in the unit but may incur more out of pocket rent expenditures resulting from the smaller payment standard. If the appropriate policies are being applied at the time the family selects the unit, over crowding and under occupying should rarely exist. The field agent needs to examine the composition of the family at the time they are moving into a unit to determine if, in the future, their composition might change (children turning 18 and leaving) and discuss this issue with the tenants up front. Field agents are the educators on the rules and regulations regarding occupancy.

Comment – II-R-g – Breaching Repayment Agreement – Great Falls – We would like to see the missed payment time limit be changed from 90 days to 60 days.

MDOC Response: We will put this suggestion on our list of topics to discuss at a future MDOC staff meeting.

Section IV. F.S.S. Action Plan

General Comment – Kalispell – FSS program needs to provide enough funds for training, promotion and support of the program in order for this to be a success. Also, some clients need more case management than others – additional staff would be helpful.

MDOC Response: MDOC does not receive any funding from HUD to administer the FSS program. MDOC pays the field agencies out of MDOC administrative funds to operate the FSS program.

General Comment – Kalispell – The FSS program needs to be attractive to disabled individuals on fixed incomes in order for this program to somehow work

for them. **Bozeman** – Suggest that a person who becomes disabled while in the FSS program should be eligible to withdraw the money.

MDOC Response: Kalispell – We agree that the program isn't attractive to disabled individuals since the federal regulations require that a participant in FSS obtain and maintain employment. This becomes an even greater challenge for the field agency to find supportive services that could assist a disabled person in obtaining and maintaining employment. We encourage field agencies to use every source possible to lessen this barrier. **Bozeman** – Although it is unfortunate that a person may become disabled while being a participant in the FSS program, the federal regulations do not permit withdrawing of escrow funds unless the individual has obtained and maintained employment. We recommend that the goals be reviewed at least annually to determine if changes are warranted and using all available resources, find a way a disabled person can obtain and maintain employment. Employment does not necessarily mean working for an entity – the person could become self-employed.

General Comment – Bozeman – Suggest that 2 years is a sufficient length of time to complete the FSS contract.

MDOC Response: Federal regulations require that the contract of participation be 5 years. However, the regulations do allow for a client to complete the contract prior to the end of the 5 years. Early completion of a contract would be allowed if all of the goals listed in the training and services plan were completed.

General Comment – Billings – Only being able to request an interim escrow payment once a month is unreasonable. Many times it is an emergency and the client cannot be waiting so long. Once a month is only convenient to the State, not to the client whom we are trying to help become self sufficient. What happened to the client putting in a request and if approved, receiving the funds within 10 days?

MDOC Response: FSS funds are not designed to be treated as a savings account for “emergency purposes”. The federal regulations are very specific as to how a client can receive an interim withdrawal and does not address withdrawals for any type of “emergency”. MDOC does not produce the FSS checks to clients directly. All state agency warrants are prepared by the Montana Department of Administration and payments are produced once a month.

MDOC PHA PLAN General Comments

Comment – Billings HRDC – *The plan is an excellent resource for our office – the information is put together in a good fashion and has been improved over the years.*

MDOC Response: Thank you for your positive comments. We will continue to strive to make this document a useful resource.

Comment – Helena – *The Section 8 program is a good program.* **Bozeman** - *A client who participated in the miniboard process stated that the household is grateful to be participating in this program.* **Billings HRDC** - *The Section 8 program is one of the most difficult government programs to administer and it is done well. The entire staff of the Department of Commerce Housing Bureau is an asset to the State of Montana.*

MDOC Response: Helena and Bozeman – We agree that this program is a good program. **Billings** – Thank you for your kind comments – we appreciate your support of our staff and bureau.

HUD Definitions.

MDOC is providing excerpts from general definitions from 24 CFR 5 (general HUD requirements) and 982 (Vouchers) for use to help reviewers of the plan better understand the terminology used in the HUD programs.

24 CFR 5.100 Definitions.

The following definitions apply to this part and also in other regulations, as noted:

1937 Act means the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.)

ADA means the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.).

Covered person, for purposes of 24 CFR 5, subpart I, and parts 966 and 982, means a tenant, any member of the tenant's household, a guest or another person under the tenant's control.

Department means the Department of Housing and Urban Development.

Drug means a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

Drug-related criminal activity means the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug.

Elderly Person means an individual who is at least 62 years of age.

Fair Housing Act means title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988 (42 U.S.C. 3601 et seq.).

Fair Market Rent (FMR) means the rent that would be required to be paid in the particular housing market area in order to obtain privately owned, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. This Fair Market Rent includes utilities (except telephone). Separate Fair Market Rents will be established by HUD for dwelling units of varying sizes (number of bedrooms) and will be published in the Federal Register in accordance with part 888 of this title.

Federally assisted housing (for purposes of subparts I and J of this part) means housing assisted under any of the following programs:

- (1) Public housing;
- (2) Housing receiving project-based or tenant-based assistance under **Section 8** of the U.S. Housing Act of 1937 (42 U.S.C. 1437f);
- (3) Housing that is assisted under section 202 of the Housing Act of 1959, as amended by section 801 of the National Affordable Housing Act (12 U.S.C. 1701q);
- (4) Housing that is assisted under section 202 of the Housing Act of 1959, as such section existed before the enactment of the National Affordable Housing Act;
- (5) Housing that is assisted under section 811 of the National Affordable Housing Act (42 U.S.C. 8013);
- (6) Housing financed by a loan or mortgage insured under section 221(d)(3) of the National Housing Act (12 U.S.C. 1715l(d)(3)) that bears interest at a rate determined under the proviso of section 221(d)(5) of such Act (12 U.S.C. 1715l(d)(5));
- (7) Housing insured, assisted, or held by HUD or by a State or local agency under section 236 of the National Housing Act (12 U.S.C. 1715z-1); or
- (8) Housing assisted by the Rural Development Administration under section 514 or section 515 of the Housing Act of 1949 (42 U.S.C. 1483, 1484).

Guest, only for purposes of 24 CFR part 5, subparts A and I, and parts 882, 960, 966, and 982, means a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. The requirements of parts 966 and 982 apply to a guest as so defined.

Household, for purposes of 24 CFR part 5, subpart I, and parts, 960, 966, 882, and 982, means the family and PHA-approved live-in aide.

HUD means the same as Department.

MSA means a metropolitan statistical area.

NOFA means Notice of Funding Availability.

OMB means the Office of Management and Budget.

Other person under the tenant's control, for the purposes of the definition of covered person and for parts 5, 882, 966, and 982 means that the person, although not staying as a guest (as defined in this section) in the unit, is, or was at the time of the activity in question, on the premises (as premises is defined in this section) because of an invitation from the tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. Absent evidence to the contrary, a person temporarily and infrequently on the premises solely for legitimate commercial purposes is not under the tenant's control.

Premises, for purposes of 24 CFR part 5, subpart I, and parts 960 and 966, means the building or complex or development in which the public or assisted housing dwelling unit is located, including common areas and grounds.

Public housing means housing assisted under the 1937 Act, other than under Section 8. "Public housing" includes dwelling units in a mixed finance project that are assisted by a PHA with capital or operating assistance.

Public Housing Agency (PHA) means any State, county, municipality, or other governmental entity or public body, or agency or instrumentality of these entities, that is authorized to engage or assist in the development or operation of low-income housing under the 1937 Act.

Responsible entity means: (1) For the public housing program, the **Section 8 tenant-based assistance** program (part 982 of this title), and the Section 8 project-based certificate or voucher programs (part 983 of this title), and the Section 8 **moderate rehabilitation** program (part 882 of this title), responsible entity means the PHA administering the program under an ACC with HUD;

(2) For all other Section 8 programs, responsible entity means the Section 8 project owner.

Section 8 means section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

Secretary means the Secretary of Housing and Urban Development.

URA means the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4201-4655).

Violent criminal activity means any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

Sec. 24 CFR 982.4 Definitions.

Absorption. (from 24 CFR 982.4) In portability (under subpart H of this part 982): the point at which a receiving PHA stops billing the initial PHA for assistance on behalf of a portability family. The receiving PPHA uses funds available under the receiving PHA consolidated ACC.

Administrative fee. Fee paid by HUD to the PHA for administration of the program.

See Sec. 982.152. **24 CFR 982.4**

Administrative fee reserve (formerly "operating reserve"). Account established by PHA from excess administrative fee income. The administrative fee reserve must be used for housing purposes. See Sec. 982.155. **24 CFR 982.4**

Administrative plan. The plan that describes PHA policies for administration of the tenant-based programs. See Sec. 982.54. **24 CFR 982.4**

Admission. The point when the family becomes a participant in the program. The date used for this purpose is the effective date of the first HAP contract for a family (first day of initial lease term) in a tenant-based program. **24 CFR 982.4**

Applicant (applicant family). A family that has applied for admission to a program but is not yet a participant in the program.

Budget authority. An amount authorized and appropriated by the Congress for payment to HAs under the program. For each funding increment in a PHA program, budget authority is the maximum amount that may be paid by HUD to the PHA over the ACC term of the funding increment.

Common space. In shared housing: Space available for use by the assisted family and other occupants of the unit.

Congregate housing. Housing for elderly persons or persons with disabilities that meets the HQS for congregate housing. A special housing type: see Sec. 982.606 to Sec. 982.609.

Continuously assisted. An applicant is continuously assisted under the 1937 Act if the family is already receiving assistance under any 1937 Act program when the family is admitted to the certificate or voucher program.

Cooperative. Housing owned by a corporation or association, and where a member of the corporation or association has the right to reside in a particular unit, and to participate in management of the housing.

Cooperative member. A family of which one or more members owns membership shares in a cooperative.

Domicile. The legal residence of the household head or spouse as determined in accordance with State and local law.

Downpayment assistance grant. A form of homeownership assistance in the homeownership option: A single downpayment assistance grant for the family. If a family receives a downpayment assistance grant, a PHA may not make monthly homeownership assistance payments for the family. A downpayment assistance grant is applied to the downpayment for purchase of the home or reasonable and customary closing costs required in connection with purchase of the home.

Fair market rent (FMR). The rent, including the cost of utilities (except telephone), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. See periodic publications in the Federal Register in accordance with 24 CFR part 888.

Family. A person or group of persons, as determined by the PHA, approved to reside in a unit with assistance under the program. See discussion of family composition at Sec. 982.201(c).

Family rent to owner. In the voucher program, the portion of rent to owner paid by the family. For calculation of family rent to owner, see Sec. 982.515(b).

Family self-sufficiency program (FSS program). The program established by a PHA in accordance with 24 CFR part 984 to promote self-sufficiency of assisted families, including the coordination of supportive services (42 U.S.C. 1437u).

Family share. The portion of rent and utilities paid by the family. For calculation of family share, see Sec. 982.515(a).

Family unit size. The appropriate number of bedrooms for a family, as determined by the PHA under the PHA subsidy standards.

First-time homeowner. In the homeownership option: A family of which no member owned any present ownership interest in a residence of any family member during the three years before commencement of homeownership assistance for the family. The term "first-time homeowner" includes a single parent or displaced homemaker (as those terms are defined in 12 U.S.C. 12713) who, while married, owned a home with his or her spouse, or resided in a home owned by his or her spouse.

Funding increment. Each commitment of budget authority by HUD to a PHA under the consolidated annual contributions contract for the PHA program.

Gross rent. The sum of the rent to owner plus any utility allowance.

Group home. A dwelling unit that is licensed by a State as a group home for the exclusive residential use of two to twelve persons who are elderly or persons with disabilities (including any live-in aide). A special housing type: see Sec. 982.610 to Sec. 982.614.

HAP contract. Housing assistance payments contract.

Home. In the homeownership option: A dwelling unit for which the PHA pays homeownership assistance.

Homeowner. In the homeownership option: A family of which one or more members owns title to the home.

Homeownership assistance. Assistance for a family under the homeownership option. There are two alternative and mutually exclusive forms of homeownership assistance by a PHA for a family: monthly homeownership assistance payments, or a single downpayment assistance grant. Either form of homeownership assistance may be paid to the family, or to a mortgage lender on behalf of the family.

Homeownership expenses. In the homeownership option: A family's allowable monthly expenses for the home, as determined by the PHA in accordance with HUD requirements (see Sec. 982.635).

Homeownership option. Assistance for a homeowner or cooperative member under Sec. 982.625 to Sec. 982.641. A special housing type.

Housing assistance payment. The monthly assistance payment by a PHA, which includes: (1) A payment to the owner for rent to the owner under the family's lease; and
(2) An additional payment to the family if the total assistance payment exceeds the rent to owner.

Housing quality standards (HQS). The HUD minimum quality standards for housing assisted under the tenant-based programs. See Sec. 982.401.

Initial PHA. In portability, the term refers to both: (1) a PHA that originally selected a family that later decides to move out of the jurisdiction of the selecting PHA; and
(2) a PHA that absorbed a family that later decides to move out of the jurisdiction of the absorbing PHA.

Initial payment standard. The payment standard at the beginning of the HAP contract term.

Initial rent to owner. The rent to owner at the beginning of the HAP contract term.

Interest in the home. In the homeownership option: (1) In the case of assistance for a homeowner, "interest in the home" includes title to the home, any lease or other right to occupy the home, or any other present interest in the home.

(2) In the case of assistance for a cooperative member, "interest in the home" includes ownership of membership shares in the cooperative, any lease or other right to occupy the home, or any other present interest in the home.

Jurisdiction. The area in which the PHA has authority under State and local law to administer the program.

Lease. (1) A written agreement between an owner and a tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP contract between the owner and the PHA.

(2) In cooperative housing, a written agreement between a cooperative and a member of the cooperative. The agreement establishes the conditions for occupancy of the member's cooperative dwelling unit by the member's family with housing assistance payments to the cooperative under a HAP contract between the cooperative and the PHA. For purposes of this part 982, the cooperative is the Section 8 "owner" of the unit, and the cooperative member is the Section 8 "tenant."

Manufactured home. A manufactured structure that is built on a permanent chassis, is designed for use as a principal place of residence, and meets the HQS. A special housing type: see Sec. 982.620 and Sec. 982.621.

Manufactured home space. In manufactured home space rental: A space leased by an owner to a family. A manufactured home owned and occupied by the family is located on the space. See Sec. 982.622 to Sec. 982.624.

Membership shares. In the homeownership option: shares in a cooperative. By owning such cooperative shares, the share-owner has the right to reside in a particular unit in the cooperative, and the right to participate in management of the housing.

Merger date. October 1, 1999.

Moderate Rehabilitation (Mod Rehab). Rehabilitation involving a minimum expenditure of \$1000 for a unit, including its prorated share of work to be accomplished on common areas or systems, to:

- (1) Upgrade to decent, safe and sanitary condition to comply with the Housing Quality Standards or other standards approved by HUD, from a condition below these standards (improvements being of a modest nature and other than routine maintenance); or
- (2) Repair or replace major building systems or components in danger of failure.

24 CFR 882.102(b)

Notice of Funding Availability (NOFA). For budget authority that HUD distributes by competitive process, the Federal Register document that invites applications for funding. This document explains how to apply for assistance and the criteria for awarding the funding.

Owner. Any person or entity with the legal right to lease or sublease a unit to a participant.

Participant (participant family). A family that has been admitted to the PHA program and is currently assisted in the program. The family becomes a participant on the effective date of the first HAP contract executed by the PHA for the family (first day of initial lease term).

Payment standard. The maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family).

PHA plan. The annual plan and the 5-year plan as adopted by the PHA and approved by HUD in accordance with part 903 of this chapter.

Portability. Renting a dwelling unit with Section 8 tenant-based assistance outside the jurisdiction of the initial PHA.

Premises. The building or complex in which the dwelling unit is located, including common areas and grounds.

Present homeownership interest. In the homeownership option: "Present ownership interest" in a residence includes title, in whole or in part, to a residence, or ownership, in whole or in part, of membership shares in a cooperative. "Present ownership interest" in a residence does not include the right to purchase title to the residence under a lease-purchase agreement.

Private space. In shared housing: The portion of a contract unit that is for the exclusive use of an assisted family.

Program. The Section 8 tenant-based assistance program under this part.

Program receipts. HUD payments to the PHA under the consolidated ACC, and any other amounts received by the PHA in connection with the program.

Public housing agency (PHA). PHA includes both: (1) Any State, county, municipality, or other governmental entity or public body which is authorized to administer the program (or an agency or instrumentality of such an entity), and

(2) Any of the following:

(i) A consortium of housing agencies, each of which meets the qualifications in paragraph (1) of this definition, that HUD determines has the capacity and capability to efficiently administer the program (in which case, HUD may enter into a consolidated ACC with any legal entity authorized to act as the legal representative of the consortium members);

(ii) Any other public or private non-profit entity that was administering a Section 8 tenant-based assistance program pursuant to a contract with the contract administrator of such program (HUD or a PHA) on October 21, 1998; or

(iii) For any area outside the jurisdiction of a PHA that is administering a tenant-based program, or where HUD determines that such PHA is not administering the program effectively, a private non-profit entity or a governmental entity or public body that would otherwise lack jurisdiction to administer the program in such area.

Reasonable rent. A rent to owner that is not more than rent charged:(1) For comparable units in the private unassisted market; and

(2) For comparable unassisted units in the premises.

Receiving PHA. In portability: A PHA that receives a family selected for participation in the tenant-based program of another PHA. The receiving PHA issues a voucher and provides program assistance to the family.

Renewal units. The number of units, as determined by HUD, for which funding is reserved on HUD books for a PHA's program. This number is used in calculating renewal budget authority in accordance with Sec. 982.102.

Rent to owner. The total monthly rent payable to the owner under the lease for the unit. Rent to owner covers payment for any housing services, maintenance and utilities that the owner is required to provide and pay for.

Residency preference. A PHA preference for admission of families that reside anywhere in a specified area, including families with a member who works or has been hired to work in the area ("residency preference area").

Residency preference area. The specified area where families must reside to qualify for a residency preference.

Shared housing. A unit occupied by two or more families. The unit consists of both common space for shared use by the occupants of the unit and separate private space for each assisted family. A special housing type: see Sec. 982.615 to Sec. 982.618.

Single room occupancy housing (SRO). A unit that contains no sanitary facilities or food preparation facilities, or contains either, but not both, types of facilities. A special housing type: see Sec. 982.602 to Sec. 982.605.

Special admission. Admission of an applicant that is not on the PHA waiting list or without considering the applicant's waiting list position.

Special housing types. See subpart M of this part 982. Subpart M of this part states the special regulatory requirements for: SRO housing, congregate housing, group home, shared housing, manufactured home (including manufactured home space rental), cooperative housing (rental assistance for cooperative member) and homeownership option (homeownership assistance for cooperative member or first-time homeowner).

Statement of homeowner obligations. In the homeownership option: The family's agreement to comply with program obligations.

Subsidy standards. Standards established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

Suspension. Stopping the clock on the term of a family's voucher, for such period as determined by the PHA, from the time when the family submits a request for PHA approval of the tenancy, until the time when the PHA approves or denies the request.

Tenant. The person or persons (other than a live-in aide) who executes the lease as lessee of the dwelling unit.

Tenant rent. For a tenancy in the certificate program: The total tenant payment minus any utility allowance.

Utility reimbursement. In the voucher program, the portion of the housing assistance payment which exceeds the amount of the rent to owner. (See Sec. 982.514(b)). (For the certificate program, "utility reimbursement" is defined in part 5, subpart F of this title.)

Voucher holder. A family holding a voucher with an unexpired term (search time).

Voucher (rental voucher). A document issued by a PHA to a family selected for admission to the voucher program. This document describes the program and the procedures for PHA approval of a unit selected by the family. The voucher also states obligations of the family under the program.

Waiting list admission. An admission from the PHA waiting list.

Welfare-to-work (WTW) families. Families assisted by a PHA with voucher funding awarded to the PHA under the HUD welfare-to-work voucher program (including any renewal of such WTW funding for the same purpose).

Housing Assistance Bureau

