

1.0	PHA Information PHA Name: <u>Missoula Housing Authority</u> PHA Code: <u>MT033</u> PHA Type: <input type="checkbox"/> Small <input type="checkbox"/> High Performing <input checked="" type="checkbox"/> Standard <input type="checkbox"/> HCV (Section 8) PHA Fiscal Year Beginning: (MM/YYYY): <u>10/2010</u>																										
2.0	Inventory (based on ACC units at time of FY beginning in 1.0 above) Number of PH units: <u>173</u> (<u>19 approved for disposition/1 sold</u>) Number of HCV units: <u>774</u>																										
3.0	Submission Type <input checked="" type="checkbox"/> 5-Year and Annual Plan <input type="checkbox"/> Annual Plan Only <input type="checkbox"/> 5-Year Plan Only																										
4.0	PHA Consortia <input type="checkbox"/> PHA Consortia: (Check box if submitting a joint Plan and complete table below.)																										
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="width: 35%;">Participating PHAs</th> <th rowspan="2" style="width: 10%;">PHA Code</th> <th rowspan="2" style="width: 20%;">Program(s) Included in the Consortia</th> <th rowspan="2" style="width: 20%;">Programs Not in the Consortia</th> <th colspan="2" style="width: 15%;">No. of Units in Each Program</th> </tr> <tr> <th style="width: 5%;">PH</th> <th style="width: 5%;">HCV</th> </tr> </thead> <tbody> <tr> <td>PHA 1:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>PHA 2:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>PHA 3:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Participating PHAs	PHA Code	Program(s) Included in the Consortia	Programs Not in the Consortia	No. of Units in Each Program		PH	HCV	PHA 1:						PHA 2:						PHA 3:					
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PHA 1:																											
PHA 2:																											
PHA 3:																											
5.0	5-Year Plan. Complete items 5.1 and 5.2 only at 5-Year Plan update.																										
5.1	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 for the next five years: Please see Appendix 5.1 Mission																										
5.2	Goals and Objectives. Identify the PHA's quantifiable goals and objectives that will enable the PHA to serve the needs of low-income and very low-income, and extremely low-income families for the next five years. Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5-Year Plan. Please see Appendix 5.2 Five Year Strategic Plan and Appendix 10.0 Progress Meeting Goals and Objectives																										
6.0	PHA Plan Update (a) Identify all PHA Plan elements that have been revised by the PHA since its last Annual Plan submission: Please see Appendix 6.0 (b) Identify the specific location(s) where the public may obtain copies of the 5-Year and Annual PHA Plan. For a complete list of PHA Plan elements, see Section 6.0 of the instructions. 1. Offices of Missoula Housing Authority, 1235 34 th Street, Missoula, MT 59801 2. Missoula Housing Authority website: www.missoulahousing.org (new version to be released in September 2010)																										
7.0	Hope VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-based Vouchers. <i>Include statements related to these programs as applicable.</i> Please see Appendix 7.0 for information on Disposition of Public Housing, Mixed Finance Modernization and Development, Homeownership Programs, and Project-Based Vouchers. MHA will be evaluating conversion of Public Housing over the next two years, but has no plans to apply for HOPE VI.																										
8.0	Capital Improvements. Please complete Parts 8.1 through 8.3, as applicable.																										
8.1	Capital Fund Program Annual Statement/Performance and Evaluation Report. As part of the PHA 5-Year and Annual Plan, annually complete and submit the <i>Capital Fund Program Annual Statement/Performance and Evaluation Report</i> , form HUD-50075.1, for each current and open CFP grant and CFFP financing.																										
8.2	Capital Fund Program Five-Year Action Plan. As part of the submission of the Annual Plan, PHAs must complete and submit the <i>Capital Fund Program Five-Year Action Plan</i> , form HUD-50075.2, and subsequent annual updates (on a rolling basis, e.g., drop current year, and add latest year for a five year period). Large capital items must be included in the Five-Year Action Plan.																										

8.3	<p>Capital Fund Financing Program (CFFP). <input checked="" type="checkbox"/> Check if the PHA proposes to use any portion of its Capital Fund Program (CFP)/Replacement Housing Factor (RHF) to repay debt incurred to finance capital improvements.</p> <p>MHA may use Capital Fund financing for new construction of replacement public housing or to leverage work performed as part of an Energy Performance Contract.</p>
9.0	<p>Housing Needs. Based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data, make a reasonable effort to identify the housing needs of the low-income, very low-income, and extremely low-income families who reside in the jurisdiction served by the PHA, including elderly families, families with disabilities, and households of various races and ethnic groups, and other families who are on the public housing and Section 8 tenant-based assistance waiting lists. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location.</p> <p>Please see Appendix 9.0</p>
9.1	<p>Strategy for Addressing Housing Needs. Provide a brief description of the PHA’s strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. Note: Small, Section 8 only, and High Performing PHAs complete only for Annual Plan submission with the 5-Year Plan.</p> <p>Please see Appendix 9.1</p>
10.0	<p>Additional Information. Describe the following, as well as any additional information HUD has requested.</p> <p>(a) Progress in Meeting Mission and Goals. Provide a brief statement of the PHA’s progress in meeting the mission and goals described in the 5-Year Plan. Please see Appendix 10.0</p> <p>(b) Significant Amendment and Substantial Deviation/Modification. Provide the PHA’s definition of “significant amendment” and “substantial deviation/modification”</p> <p>The Missoula Housing Authority hereby defines substantial deviation and significant amendment or modification as any change in policy, which significantly and substantially alters the Authority’s stated mission and the persons the Authority serves. This would include admissions preferences, demolition or disposition activities and conversion programs. Discretionary or administrative amendments consonant with the Authority’s stated overall mission and basic objectives will not be considered substantial deviations or significant modifications.</p> <p>Any policy changes or funding priorities as a result of future actions by HUD will not be considered significant amendments and/or substantial deviations from the plan.</p>
11.0	<p>Required Submission for HUD Field Office Review. In addition to the PHA Plan template (HUD-50075), PHAs must submit the following documents. Items (a) through (g) may be submitted with signature by mail or electronically with scanned signatures, but electronic submission is encouraged. Items (h) through (i) must be attached electronically with the PHA Plan. Note: Faxed copies of these documents will not be accepted by the Field Office.</p> <p>(a) Form HUD-50077, <i>PHA Certifications of Compliance with the PHA Plans and Related Regulations</i> (which includes all certifications relating to Civil Rights)</p> <p>(b) Form HUD-50070, <i>Certification for a Drug-Free Workplace</i> (PHAs receiving CFP grants only)</p> <p>(c) Form HUD-50071, <i>Certification of Payments to Influence Federal Transactions</i> (PHAs receiving CFP grants only)</p> <p>(d) Form SF-LLL, <i>Disclosure of Lobbying Activities</i> (PHAs receiving CFP grants only)</p> <p>(e) Form SF-LLL-A, <i>Disclosure of Lobbying Activities Continuation Sheet</i> (PHAs receiving CFP grants only)</p> <p>(f) Resident Advisory Board (RAB) comments. Comments received from the RAB must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the recommendations and the decisions made on these recommendations.</p> <p>(g) Challenged Elements</p> <p>(h) Form HUD-50075.1, <i>Capital Fund Program Annual Statement/Performance and Evaluation Report</i> (PHAs receiving CFP grants only)</p> <p>(i) Form HUD-50075.2, <i>Capital Fund Program Five-Year Action Plan</i> (PHAs receiving CFP grants only)</p>

Appendix 5.1 Mission Statement

New Mission, Vision, and Values statements were created during MHA's strategic planning process in 2009:

VISION

The Missoula Housing Authority envisions a thriving community in which all people enjoy an enriched quality of life rooted in stable, affordable housing.

MISSION

Through creative partnerships and innovative development, the Missoula Housing Authority provides quality housing solutions for low and middle income households in Missoula and the surrounding area.

VALUES

Through the life of this plan and beyond, these are the values that will infuse our work.

Responsibility

MHA views access to affordable housing as a community-wide responsibility and a basic human right.

Partnerships

The housing challenge is one that must be met by a wide array of entities. Recognizing this, MHA will seek ways to collaborate creatively with multiple non-profit and for-profit organizations, each playing distinct and vital roles, to ensure that Missoula's "housing solution" accesses every opportunity and leverages widely diverse tools and methods.

Education

Educating the broader community in regard to the housing needs and a host of innovative solutions is as important as building and developing the housing itself. MHA will assume an active and leading role as a housing advocate.

Flexibility

Housing needs and their appropriate solutions continuously change. MHA is committed to a creative, forward thinking and flexible evolution that best serves Missoula's ever-changing housing needs.

Self Sufficiency

We are committed to providing creative programs and tools for participants to assist them in reaching their goals of stable housing, including homeownership, and economic self sufficiency.

Appendix 5.2 Five-Year Strategic Plan

Strategic Direction 1

Build greater financial stability and programmatic sustainability via innovation, diversification and collaboration. Ensure that creativity and flexibility are valued in order to remain at the forefront of the evolution of housing authorities.

Strategic Direction 2

Assume a more active and visible role as a collaborator and leader within the affordable housing sector. Ensure that these efforts are carried out within a spirit of mutually beneficial partnership, active dialogue and bridge building.

Strategic Direction 3

Remain flexible as to the population we serve to meet ever changing needs and circumstances. Base any decision to pursue new programs on mission and values.

Major Administrative Goal 1

- Maintain and amplify excellent organizational health by hiring, retaining and further developing highly motivated, caring and talented staff.

Major Administrative Goal 2

- Be proactive in managing our properties and programs by assessing technology and physical needs.

Major Board Goal 1

- Increase the ongoing training and development of the board and its individual members.

Major Board Goal 2

- Increase the use of proven best practices for boards within the sector.

Major Board Goal 3

- Clearly articulate the board's vision for itself – its leadership, role, structure and practices. Institutionalize for the long-term.

Strategic Direction 1

Build greater financial stability and programmatic sustainability through innovation, diversification and collaboration. Ensure that creativity and flexibility are valued in order to remain at the forefront of the evolution of housing authorities.

1. Stay local (stabilize before considering any activities outside jurisdiction).
 - a. Restrict business activities to our current jurisdiction at this time. Consider future possibility of any projects outside our jurisdiction only under the following circumstances: after having completed our current projects; after having ensured greater financial stability; if and only if we have engaged partner organizations in a conversation about the pros and cons of the proposed project or activity; and if and only if we have sufficient resources to hire additional staff and assume the risk of such an endeavor.

- b. Grow management of rentals requiring compliance expertise.
 - i. Begin management of Equinox.
 - ii. Solicit additional tax credit properties to manage.
 - iii. Explore other management opportunities requiring compliance such as senior housing or Rural Development.
- c. Develop, acquire or manage additional multi-family and single family housing where appropriate and efficient.
 - i. Follow through on current development activities.
 - 1. Complete phase 1 of the Garden District and lease up by spring 2010.
 - 2. Plan and develop replacement public housing in combination with other projects, such as Self-Help Opportunities Program, land trust or other homeownership programs; Low-Income Housing Tax Credit, HUD mortgages, and/or private development.
 - 3. Complete sale or development of Intermountain Development Corporation site by year five.
 - 4. Explore development of East Missoula site and Rattlesnake site, and second half of Valor House parcel.
 - 5. Sell Nicole Ct parcel in Stevensville.
 - ii. Provide additional rental and homeownership opportunities by applying for additional HUD funding allocations.
 - 1. Apply for additional Housing Choice Voucher allocations as they become available.
 - 2. Seek additional funding for replacement of public housing up to baseline allocation of 210 units.
 - 3. Working closely with State Continuum of Care, apply for additional Shelter Plus Care grants when opportunity to enhance State's application is presented.
 - 4. Assess the feasibility and pursue other federal funding sources for providing affordable housing as opportunities arise over next five years.
 - iii. Pursue funding and development of new rental and work force homeownership opportunities.
 - 1. Explore use of Neighborhood Stabilization Funds or other funding provided through federal stimulus funding for replacement public housing.
 - 2. Explore use of Neighborhood Stabilization Funds or other funding provided through federal stimulus funding in partnership with private developers to create additional affordable housing opportunities, both rental and work force homeownership.
 - 3. Explore and develop both public and private partnership opportunities for acquisition/rehabilitation or new construction of affordable housing, including mixed-finance development.
 - iv. Follow through on current public housing disposition and explore ways to leverage funds for additional housing opportunities.
 - 1. Sell all 20 units and relocate tenants by year two.
 - 2. Use proceeds for replacement public housing, but also combine with development fund proceeds from Intermountain Development Corporation and other programs.
- d. Continue and improve fiscal position by means such as effective rent collection, reduction of accounts receivable and increased efficiency.
 - i. Implement policies and procedures to carry out our collection goals.
 - ii. Replenish development fund through successful development.

- iii. Advocate for full funding of federal housing programs.
- iv. Increase funding to hire much needed staff.
- e. Continue to evaluate portfolio to ensure effective and efficient use of property.
 - i. Apply for tax credits to rehab Palace in 2010.
 - ii. Rehab in 2011.
 - iii. Explore feasibility of North Side offices or sale of 819 Stoddard.

Strategic Direction 2

Assume a more active and visible role as a collaborator and leader within the affordable housing sector. Ensure that these efforts are carried out within a spirit of mutually beneficial partnership, active dialogue and bridge building.

1. Reach out to other stakeholders for extended conversation about affordable housing roles.
 - a. Meet with housing non-profits about how our individual organizational goals mesh to meet the City's needs.
 - b. Meet with other organizations with the intent of showing our changed leadership and organizational thinking.
 - c. When appropriate, engage the Mayor in these conversations.
 - d. Meet individually with stakeholders in year one.
 - e. Convene community-wide meeting in year two.
 - f. Work towards role as a spokesperson for affordable housing issues by facilitating coordination of housing efforts.
2. Increase visibility of agency and promote a positive public image of the agency.
 - a. Continue to have Executive Director play prominent role in public planning efforts.
 - b. Undertake proactive media relations campaign to highlight and celebrate MHA housing achievements.
 - c. Educate and inform city council members on housing issues and their potential constructive role as well as on MHA activities.
3. Develop new collaborations with local partners.
 - a. Consider collaboration with local partners or pursue new opportunities for providing social services needed by our tenants.
 - i. Investigate the feasibility of bringing social services into the Palace by using either UM School of Social Work or other appropriate avenues.
 - ii. Also consider the Uptown and our tax credit properties for similar placement.
 - iii. Re-apply for Public Housing FSS
 - iv. Consider collaboration with partners for development and management of rental housing and homeownership opportunities.
 1. See above, re: Self Help Opportunity Program or other sweat-equity homeownership programs, land trust.
 2. Build on existing partnerships, celebrating them, e.g. the Poverello, Western Montana Mental Health Center, HomeWORD, the YWCA, the VA etc.
4. Advocate at the federal, state and local level for adequate funding for the operation and expansion of affordable housing programs.
5. Participate in organizations such as NAHRO (National Association of Housing and Redevelopment Officials) to stay informed and advocate.

Strategic Direction 3

Remain flexible as to the population we serve to meet ever changing needs and circumstances. Base any decision to pursue new programs on mission and values driven criteria.

1. Evaluate Community Housing Needs to consider the population we serve.
 - a. Evaluate on an annual basis the population we are serving and through GAPS analysis information, determine if there is an unmet need we can serve, participating in the annual collaborative dialog along those lines, to help Missoula coordinate responses to those needs.
 - b. Participate in annual housing report and assist in other community assessment projects.
 - c. Continue to participate in At Risk Housing Coalition (focusing on the homeless) and Community Management Team (focusing on employment).
 - d. Assess annually the effectiveness of the service we provide: are we overreaching? Could we do more? How can we do it better?
2. Consider any targeting of population only on a value driven/mission driven basis. Evaluate any proposed program according to the following criteria:
 - a. Our mission. How central is serving this population to our mission?
 - b. In response to identified community need. Are we the best to serve this need?
 - c. To follow funding opportunity, as long as we have capacity to take on that opportunity. Do we have preferred access to new funds that can be brought into Missoula?
 - d. For internal business purposes, such as balancing serving challenging populations with others that provide sufficient revenue to make us sustainable. Will targeting this population leverage funds from profitable management activities to support other activities?

Major Administrative Goal 1

Maintain and amplify excellent organizational health by hiring, retaining and further developing highly motivated, caring and talented staff.

1. Finalize decision on permanent Executive Director.
2. Develop and implement regularly scheduled ways to ensure staff satisfaction, retention and reduce turn over.
3. Complete ongoing, regularly scheduled staff satisfaction survey.
4. Encourage and support team-building and stress relief activities both in the office and in other venues.
5. Perform regular staff evaluations.
6. Training – continue to provide training to staff.
7. Support – provide additional needed support to staff, including allowing for opportunities for individual staff development.
8. Maintain High Performer Rating.
9. Engage in recruitment of individuals that work well in an MHA environment.
10. Implement safety and health program.
 - a. Establish safety and health training program for all employees.
 - b. Implement regular safety meetings for maintenance and office staff.
 - c. Set up schedule of inspections to ensure all work areas are in safe condition.
 - d. Update emergency procedures.

Major Administrative Goal 2

Be proactive in managing our properties and programs by assessing technology and physical needs.

1. Continue to update and keep current with emerging technologies that allow us to do our jobs in an efficient and effective manner.
 - a. Invest in training to make the best use of technology and invest in efficiencies.
2. Go green where it is economically feasible to do so.
 - a. Contract for investment grade energy audit and Energy Performance Contract.
 - b. Explore alternate power options including but not limited to wind and solar power options.
 - c. Continue to encourage individual employee participation in programs such as Missoula In Motion.
 - d. Use sustainable building practices where proven and financially feasible.
 - e. Pursue grant funding for sustainable building improvements to existing properties and for new construction.
 - f. Modernize inventory counting system.
 - g. Update and improve preventative maintenance program.
 - h. Procure and carry out new physical needs assessment of public housing properties.
 - i. Train maintenance staff in modern systems.
 - j. Continue to review administrative and other facilities needs.
 - i. Make room for staff as need changes.
 - ii. Look for opportunities to have main offices downtown or centrally located.

Major Board Goal 1

Increase the ongoing training and development of the board and its individual members.

1. Establish a more formalized and complete orientation for board members
2. Develop an annual board training/development plan
 - a. Ensure each board member is being equipped with a basic understanding of the programs and services, the developments, the environment in which the housing authority operates, the current and ever-changing needs, the funding and more.
 - b. Identify for incoming and current board members which skill sets and perspectives will be most valuable and add value to the important board-level decisions.
3. Allow the results of periodic board evaluations to inform the content and objectives of these trainings

Major Board Goal 2

Increase the use of proven best practices for boards within the sector.

1. Periodically (every 2 – 3 years) evaluate and assess the board. Use results to inform board's plan, growth, training and more.
2. Regarding board growth and succession of leadership, periodically communicate to the mayor the board member job description and the current and specific skill-sets, tools and perspectives that are most-needed on the board.

3. Utilize widely embraced models in the field for board-led processes such as: annual executive director evaluation; board evaluation; annual strategic plan review, etc...
 - a. YEAR ONE: make final decision on permanent executive hire.
 - b. Annually assess the executive director.
 - c. Annually assess the progress of the strategic plan.

Major Board Goal 3

Clearly articulate the board's vision for itself – its leadership, role, structure and practices. Institutionalize for the long-term.

1. Annually, develop a board plan which clearly articulates board goals and objectives for the year.
2. Establish board member job description.
3. Establish a job description for the post of chairman of the board
4. Establish a board development committee which would be charged with leading the implementation of the majority of the board's goals and objectives
5. Increase the activity of the finance committee to include the integration of newly emerging best practices related to nonprofit boards and fiscal procedures and practices

APPENDIX 6.0 (a) – PHA Plan Elements

1. Eligibility, Selection and Admission Policies, including Deconcentration and Wait List Procedures:

Policy changes since last Annual Plan are **bolded** in the following narrative.

Public Housing

- a) MHA verifies eligibility when families are within 10 households of being offered a unit and when families are within three months of being offered a unit.
- b) Screening for criminal or drug-related activity, rental history, housekeeping, evidence of rehabilitation and mitigating circumstances are used to establish eligibility for admission to public housing. Criminal records are requested from State law enforcements agencies.
- c) MHA maintains a community-wide waiting list.
- d) Interested persons may apply for admission to public housing at MHA’s main administrative offices, 1235 34th St., Missoula, MT. Orientations are held twice weekly at this location. In addition, a weekly orientation has been added at a new downtown location, the Palace Apartments, 149 W. Broadway, Missoula, MT. Days and times of orientations may change according to community need. Please contact MHA at 406-549-4113, ext. 112 or info@missoulahousing.org for further information.
- e) Applicants are offered one vacant unit choice before they fall to the bottom of the list or are removed. They may be retained on the list if unit is refused for “good cause.”
- f) MHA does not plan to exceed the federal targeting requirements by targeting more than 40% of all new admissions to public housing to families at or below 30% of median area income.
- g) The Transfer Policy takes precedence over new admissions in the following circumstances:
 1. Emergencies
 2. Over-housed
 3. Under-housed
 4. Medical justification
 5. Administrative reasons determined by MHA (such as, to permit modernization work)
 6. Resident choice, such as moving for a job or school, neighborhood preference or ease of management.

7. Termination of a Section 8 voucher due to lack of funding.

- h) MHA currently uses the following preferences and applies them within income tiers:
 - 1. Administrative transfer
 - 2. Date and time
 - 3. Preference for elderly, disabled, families or single persons displaced by government action over all other single family member households
 - i. **MHA is currently developing 20+ units of new replacement public housing, predominately 1- and 2- bedroom units, so will consider eliminating the singles preference as 1-bedroom public housing units are added to the public housing inventory.**
 - 4. Households that contribute to meeting income requirements (targeting)
- i) Information about rules of occupancy of public housing are available are contained in the Public Housing Lease, Public Housing Admissions & Continued Occupancy Policy (ACOP), at orientations and full application interviews, and in the MHA Tenant Handbook.
- j) Households must notify MHA about changes in family composition any time there is a change, at annual reexamination and lease renewal, or at the family's request for revision.
- k) MHA has public housing developments covered by the deconcentration rule, but none of these developments have average incomes above or below 85% to 115% of the average incomes of all such developments.

Section 8 Vouchers

- a) All Section 8 Voucher applications are screened for criminal or drug-related activity to the extent required by law or regulation. MHA requests criminal records from State law enforcement agencies for screening purposes.
- b) MHA will share with prospective landlords the participant's landlord history under the program, and criminal or drug-related activity, if requested and if authorized by the participant.
- c) The Section 8 waiting list is not merged with other federal or local programs.
- d) Interested persons may apply for admission to the Section 8 Voucher Program at MHA's main administrative offices, 1235 34th St., Missoula, MT. Orientations are held twice weekly at this location. In addition, a weekly orientation has been added at a new downtown location, the Palace Apartments, 149 W. Broadway, Missoula, MT. Days and times of orientations may change according to community need. Please contact MHA at 406-549-4113, ext. 112 or info@missoulahousing.org for further information.
- e) Search time for a unit may be extended up to 120 days for the following reasons:
 - 1. Documented medical reasons or other mitigating circumstances.

2. Family qualifies for 4-bedroom unit or larger.
 3. As a reasonable accommodation for a disability.
 4. If Request for Tenancy Approval is awaiting upgrade to meet HQS and local sanitary code standards. Participant search period is extended to find another unit if unit ultimately fails.
 5. **Search time may be extended if family has received a tenant protection voucher as a result of HUD-approved disposition of a public housing unit.**
- f) MHA does not 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.
- g) MHA has not changed its admissions preferences since the last Annual Plan. Applicants are admitted in order of date and time of application and according to income tiering to meet targeting regulations, up to 80% of median income as allowed by regulation. Administrative transfers are given priority.
- h) MHA administers Section 8 homeownership, Section 8 Single Room Occupancy Mod Rehab, and mobile home lot special purpose vouchers. Policies governing eligibility, selection, and admissions to these programs are available in the Section 8 Administrative Plan, the Uptown Apartments Administrative Plan, and at orientations and voucher briefings. Availability of these programs is announced at orientations and voucher briefings, through published notices, and through outreach to non-profit groups that assist persons with disabilities and agencies who assist families with self-sufficiency goals.
- i) **MHA has adopted the following policy defining the procedure for discontinuing voucher assistance due to lack of funding.**

Insufficient Funding [24 CFR 982.454]

The MHA may terminate HAP contracts if the MHA determines, in accordance with HUD requirements, that funding under the consolidated ACC is insufficient to support continued assistance for families in the program.

MHA Policy

If the MHA determines there is a shortage of funding, prior to terminating any HAP contracts, the MHA will determine if any other actions can be taken to reduce program costs. If after implementing all reasonable cost cutting measures there is not enough funding available to provide continued assistance for current participants, the MHA will terminate HAP contracts as a last resort.

The MHA will terminate the minimum number needed in order to reduce HAP costs to a level within the MHA's annual budget authority.

If the MHA must terminate HAP contracts due to insufficient funding, the PHA will do so in accordance with the following criteria and instructions:

1. MHA will not absorb in coming families exercising portability.

2. MHA will not issue vouchers to families in project-based voucher units and establish a waitlist for the next available voucher.
3. MHA will not approve families wishing to move or exercise portability if the cost is greater unless the other agency is absorbing.
4. MHA will not terminate contracts for elderly or disabled families unless other assistance is available, or homeownership or tenant protection vouchers.
5. MHA will terminate contracts beginning with families receiving the least amount of assistance first until MHA determines there is sufficient funding.
6. Families subject to contract termination may transfer to public housing as a displaced family, if there is a vacant public housing unit of appropriate size.
7. If other assistance is available, families with more assistance and/or elderly or disabled families may be terminated if they continue to be served through other programs.
8. When funding becomes available, assistance will be restored in reverse order (last-off, first-on), except for those in assisted housing, such as public housing or project-based vouchers, who will receive vouchers after others have been restored. However, if necessary for budgetary reasons or to maintain full utilization, households may be restored in any order that assures program integrity.

2. Statement of Financial Resources:

Financial Resources: Planned Sources and Uses		
Sources	Planned \$	Planned Uses
1. Federal Grants (FY 2010 grants)		
a) Public Housing Operating Fund	\$ 525,385	
b) Public Housing Capital Fund (includes 66,000 RHF)	\$ 360,000	
c) Annual Contributions for Section 8 Tenant-Based Assistance	\$5,053,867	
d) Resident Opportunity and Self- Sufficiency Grants	\$ 145,000	
Other Federal Grants (list below)		
Veterans Administration Per Diem	\$ 160,000	Operations VA Hsg for Homeless
Shelter Plus Care (Continuum of Care)	\$ 780,000	SPC HAP
SRO Mod Rehab Section 8	\$ 58,000	Section 8 project-based HAP
FSS Coordinator Grant (2)	\$ 132,000	Section 8 FSS Program
2. Prior Year Federal Grants (unobligated funds only) (list below)		
FY2009 Cap fund	\$ 30,000	Modernization
3. Public Housing Dwelling Rental Income	\$ 400,000	PH operations
4. Other income (list below)		
SRO Rents	\$ 32,000	Section 8 Operations
Public Housing disposition	\$1,500,000	PH/S8 development
5. Non-federal sources (list below)		
Non-HUD property rents	\$ 417,000	Operations
Non-HUD property management fees	\$ 100,000	Operations
Tax credit developer fees	\$ 523,000	Affordable Hsg Develop.
Total resources	\$ 10,216,252	

3. Rent Determination

Public Housing

- a) MHA charges a minimum rent of \$50.00 and has not adopted any discretionary minimum rent hardship exemption policies.
- b) MHA does not use ceiling rents.
- c) Residents must report changes in income or family composition any time there is a change.

1. To relieve administrative staff burden, in the coming year MHA will consider the effect of changing this policy so that families report income increases above a threshold amount or percentage.

- d) MHA uses a rent rate analysis performed by a local property management firm under contract to MHA to determine market-based flat rents. Section 8 rent reasonableness analysis and a survey of rents in the local newspaper are also considered.

Section 8 Tenant-Based Assistance

- a) The payment standard for one- and two-bedroom units is 100% of HUD FMR. The payment standard for three-, four- and more bedrooms is 110% of HUD FMR. MHA conducts an analysis each year of the success rates of assisted families and rent burdens to determine whether the new FMR standards released by HUD are adequate to ensure success among families searching for housing. The increase in payment standard for larger bedroom units helps ensure that families will find housing, reflects the current market conditions in Missoula, and increases housing options for families.
- b) MHA charges a minimum rent of \$50.00 and has not adopted any discretionary minimum rent hardship exemption policies.

4. Operations & Management

- a) MHA maintains a Public Housing Admissions & Continued Occupancy Policy, a Housing Choice Voucher Administrative Plan, an Uptown Apartments Administrative Plan, a Shelter Plus Care Administrative Plan, a Maintenance Plan and Safety Plan which are available upon request.
- b) In 2007 MHA updated its procurement policy, attached to this plan as Appendix 6.0(4b).
- c) In 2009 the Board of Commissioners adopted a procurement policy for use solely with ARRA Capital Fund Grants, as allowed by federal regulation. A copy of the policy is also attached in Appendix 6.0(4c)

5. Grievance Procedure

- a) The Public Housing Grievance Procedure was revised, reviewed by the Resident Advisory Board and distributed to tenants for comment. The final Grievance Procedure as adopted by the Board of Commissioners on February 17, 2010, is included in this plan as Appendix 6.0(5a).
- b) The informal review procedure used for other HUD-assisted programs is included in Appendix 6.0(5b).

6. Designated Housing for Elderly and Disabled Families: No new elderly/disabled projects are currently planned.

7. Community Service and Self-Sufficiency

- a) MHA received its first ROSS grant in 2009, covering a three-year period, and hired staff to work with both elderly residents and families in public housing. A job description for the position is attached as Appendix 6.0(7a)
- b) MHA also received funding for a Public Housing Family Self-Sufficiency coordinator in 2009, and entered into a contract with the State of Montana's local workforce agency, the Missoula Job Service, to fill the position. The PH FSS coordinator is on staff at the job service, and they also provide her with office space and support. It is a natural partnership and takes advantages of each organization's strengths. The ROSS coordinator position provides basic skills training, basic educational support, budgeting, and parenting and problem-solving skills. When the family is ready to enter the job market, they are transferred to the FSS program, where they learn resume-writing, job search, and job retention skills.
- c) MHA has two Section 8 FSS Coordinator grants and a very successful FSS program serving up to 100 participants. In FY2009, participants earned over \$190,000 in escrow, to add to the amount of escrow previously accrued of \$161,000. Approximately \$200,000 was disbursed to participants upon graduation or as interim disbursements for expenses directly related to work activities. The FSS Action Plan is included in Appendix 6.0(7b).
- d) The Community Service requirements for public housing residents are included in the Admissions & Continued Occupancy Policy and available upon request.
- e) In 2003 MHA was awarded a \$15,000 CDBG grant by the City of Missoula to be used as a security and utility deposit revolving loan fund. Interest-free loans are made to new or moving voucher holders who need assistance with deposits in order to secure housing. The fund is also used for grants to assist with property management application fees and fees associated with obtaining permanent identification documents. Loans are available for up to 50% of the security or utility deposit amount, with repayment agreements available for up to six months. An in-house committee reviews loan requests on a weekly basis. Over the past six years the fund has been reduced to about \$8,500 by grants or unpaid loan balances. MHA staff has

been applying to small local and state private foundations for grants to replenish the fund and to date have secured an additional \$4,000. The assistance provided by these small loans and grants have made a significant difference in the ability of new voucher holders to secure housing.

- f) MHA has applied for 100 Non-Elderly Disabled vouchers under the 2010 NOFA.

8. Safety and Crime Prevention

- a) Through its Cooperation Agreement with the City of Missoula, MHA receives the services of a Deputy City Attorney free of charge, who handles all cases involving criminal or drug-related activity and all eviction procedures for the housing authority. This invaluable resource provides access, in accordance with local, state and federal regulations, to police investigations and information that assists the housing authority in maintaining safe, drug-free housing.
- b) The new ROSS coordinator funding will allow MHA to develop new safety and neighborhood watch programs for public housing residents.
- c) If MHA's finances permit or funding for crime prevention activities is made available over the next five years, we will propose a cooperation agreement with the City of Missoula Police Department to share the services of a police officer who will be dedicated part-time to serving housing authority-assisted families.
- d) In May 2009, MHA invited State of Montana Safety & Health inspectors to tour agency offices, maintenance warehouses, and sites to identify areas where safety improvements could be made. The inspector will provide a report on recommended improvements and training for staff.
- e) Two staff members have enrolled in the State Fund Work Safe Champions Program, a year long commitment to training in providing the best organizational safety possible.

9. Pets

- a) The Public Housing Pet Policy is attached to this plan as Appendix 6.0(9a).

10. Civil Rights Certification

- a) MHA certifies that it examines its programs and proposed programs to identify any impediments to fair housing choice, addresses those impediments in a reasonable fashion to the extent that resources allow, works with the City and County of Missoula's initiatives to affirmatively further fair housing, and certifies that the annual plan is consistent with the Consolidated Plan for the City of Missoula and State of Montana.
- b) MHA staff actively participates in the Consolidated Plan process at the state and local level, as well as local committees involved with zoning and subdivision policies to promote affordable housing and fair housing objectives.

- c) All MHA staff receives Fair Housing training at least once every two years. Workshops are planned for diversity training, as well as sexual harassment and violence in the workplace training.

11. Fiscal Year Audit: The FY2009 audit is attached to this plan.

12. Asset Management

- a) In early 2006, HUD began implementation of the final rule for Revisions to the Public Housing Operating Fund Program, published in the Federal Register on September 19, 2005 (79 FR 54983), which mandates that housing authorities move to asset management in order to more closely align operations with HUD's multi-family programs and the private market. Housing authorities with less than 500 units are not required to convert to asset management, but because of MHA's diverse portfolio and wide array of programs and activities, the Board of Commissioners approved implementation of asset management with a Central Office Cost Center. MHA's eight public housing projects were reassigned to three Asset Management Projects (or AMPs) and staff changes were made to better accommodate the asset management structure.

MHA also moved to a web based software program, known as Yardi, in order to more efficiently and effectively manage all aspects of housing authority business. The Yardi conversion is an integral part of the agency-wide reorganization from centralized management to a property-based asset management structure. FY2008 was the first year of full asset management/central office cost center implementation. The change is reflected in the Financial Data Schedule submitted to HUD and the FY 2009 audit.

The conversion to asset management is an enormous change from the way housing authorities have been managed and funded in the past. It involves a complex network of modifications affecting every aspect of operations from maintenance to finance. For more information on HUD's conversion to asset management, please go to <http://www.hud.gov/offices/pih/programs/ph/am/>.

13. Violence Against Women Act (VAWA)

MHA has added the following provision to its leases, and incorporated the policy into all administrative policy documents.

- 1) An incident or incidents of actual or threatened domestic violence, dating violence, or stalking will not be construed as serious or repeated violations of the lease or other "good cause" for termination of the assistance, tenancy, or occupancy rights of such a victim.
- 2) Criminal activity directly relating to abuse, engaged in by a member of a tenants household or any guest or other person under the tenants control, shall not be cause for termination of assistance, tenancy or occupancy rights if the tenant or an immediate member of the tenants family is the victim or threatened victim of domestic violence, dating violence, or stalking.

- 3) Notwithstanding any restrictions on admission, occupancy, or terminations of occupancy or assistance, or any Federal, State or local law to the contrary, a PHA, Owner/Property Manager or manager may “bifurcate” a lease, or otherwise remove a household member from the lease, without regard to whether a household member is a signatory to the lease, in order to evict, remove, terminate occupancy rights, or terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others. This action may be taken without evicting, removing, terminating assistance to, or otherwise penalizing the victim of the violence who is also a tenant or lawful occupant. Such eviction, removal, termination of occupancy rights, or termination of assistance shall be effected in accordance with the procedures prescribed by Federal, State and local law for the termination of leases or assistance under the housing choice voucher program.
- 4) Nothing in this section may be construed to limit the authority of a public housing agency, Owner/Property Manager, or manager, when notified, to honor court orders addressing rights of access or control of the property, including civil protection of property among the household members in cases where a family breaks up.
- 5) Nothing in this section limits any otherwise available authority of an Owner/Property Manager or manager to evict or the public housing agency to terminate assistance to a tenant for any violation of a lease not premised on the act or acts of violence in question against the tenant or a member of the tenants household, provided that the Owner/Property Manager, manager, or public housing agency does not subject an individual who is or has been a victim of domestic violence, dating violence, or stalking to a more demanding standard than other tenants in determining whether to evict or terminate.
- 6) Nothing in this section may be construed to limit the authority of an Owner/Property Manager or manager to evict, or the public housing agency to terminate assistance, to any tenant if the Owner/Property Manager, manager, or public housing agency can demonstrate an actual imminent threat to other tenants or those employed at or providing service to the property if the tenant is not evicted or terminated from assistance.
- 7) Nothing in this section shall be construed to supersede any provision of any Federal, State or local law that provides greater protection than this section for victims of domestic violence, dating violence, or stalking.

Appendix 6.0(4b) Procurement Policy

MISSOULA HOUSING AUTHORITY PROCUREMENT POLICY (February, 2007)

This Procurement Policy complies with HUD's Annual Contributions Contract (ACC), HUD Handbook 7460.8, "Procurement Handbook for Public Housing Agencies," the procurement standards of 24 CFR 85.36, and the laws of the state of Montana. The terms and conditions with 24 CFR 85.36, as they may be hereafter amended, that are not repeated in this Policy are incorporated herein by reference, and this document is revised without further action if the provision of 24 CFR 85.36 are amended. A copy of 24 CFR 85.36 is attached as Appendix "A" to this document. To the extent that there is disagreement between these policies and 24 CFR 85.36, the more stringent provision shall apply.

I. GENERAL PROVISIONS

A. Purpose of Procurement Policy. The purpose of this Procurement Policy is to:

1. Provide for the fair and equitable treatment of all persons or firms involved in purchasing by the MHA;
2. Assure that supplies, services, and construction are procured efficiently, effectively, and at the most favorable prices available to the MHA;
3. Promote competition in contracting;
4. Provide safeguards for maintaining a procurement system of quality and integrity; and
5. Assure that MHA purchasing actions are in full compliance with applicable Federal standards, HUD regulations, and State and local laws.

B. Application of Procurement Policy

1. This Procurement Policy applies to procurements of supplies, services, material, personal property and construction entered into by the MHA after the effective date of this document, for all HUD funded activities. For all non-HUD source of funding procurement shall be governed by the laws of the State of Montana regarding procurement by public housing authorities.
 - a. This Policy does not apply specifically to regulated monopolies (including, but not limited to gas, electricity, local phone and garbage service). It also does not apply to the granting of non-HUD funds to other entities by MHA nor to the purchase or sale of its non-HUD purchased real estate which shall be governed by the laws of the State of Montana regarding procurement by public housing authorities.
 - b. The term "procurement," as used in this document, includes both contracts and modifications (including change orders) for construction or services, as well as purchase, lease, or rental of supplies and equipment.
 - c. Nothing in this Procurement Policy shall prevent the MHA from complying with the terms and conditions of any grant, contract, gift or bequest that is otherwise consistent with law except that in the instance of a conflict, the more stringent provision shall apply.

C. Public access to procurement information. Procurement information shall be a matter of public record to the extent provided in the Statutes of the State of Montana and shall be available to the public as provided in said Statutes.

- D. Administration. All procurement transactions shall be administered by the Contracting Officer, who shall be the Missoula Housing Authority's Executive Director and such other individuals he or she has authorized in writing. The Contracting Officers, or his/her designee, shall ensure that:
1. Anticipated procurements are subject to an annual planning process to assure efficient and economical purchasing;
 2. Files are established and maintained that contain documents which specify:
 - a. The desired goods or services;
 - b. Sufficient documentation regarding the history of the procurement, including as a minimum the method of procurement chosen (unless that is clear from the application of this Policy), the selection of the contract type, and the rationale for selecting or rejecting offers;
 - c. The basis for the contract price; and,
 - d. Terms and conditions of contracts and modifications, all of which shall be in writing,
 3. Solicitation procedures for HUD funded projects are conducted in full compliance with Federal standards stated in 24 CFR 85.36, or State and local laws that are more stringent, provided they are consistent with 24 CFR 85.36; and,
 4. There are sufficient unencumbered funds available to cover the anticipated cost of each procurement before contract award or modification (including change orders) unless otherwise authorized by the Board of Commissioners, work is inspected before payment, and payment is made promptly for contract work performed and accepted.
 5. Forms and Procedures. The Contracting Officer may issue operational forms and procedures to implement this Policy, which shall be based on HUD Handbook 7460.8 if applicable. The Contracting Officer may also establish a system of sanctions for violations of the ethical standards described in Section VII below, consistent with State law.

II. SELECTION OF PROCUREMENT METHODS

A. Cost Or Price Analysis

1. General. A Cost or Price Analysis shall be performed for all Simplified Competitive Purchase, Sealed Bids, and Competitive Proposals procurement methods as detailed below, including contract modifications, except when circumstances such as emergencies require immediate procurement under non-competitive proposals, Direct Purchase, and Petty Cash Purchases. The degree of analysis shall depend on the facts surrounding each procurement.
 - a. Process for Conducting a Cost or Price Analysis. The Cost or Price Analysis shall solicit or acquire information from the market and determine the estimated cost of the good or service being procured. The MHA shall be required to estimate:
 - i. a cost breakdown showing costs and profit using the cost principals in HUD Handbook 2210.18, Appendix 1, Federal Acquisition Regulation, Subpart 31.2; or
 - ii. a price analysis by using commercial pricing and sales information, sufficient to enable the MHA to verify the reasonableness of the proposed price by using information from a catalog or market price of a commercial product sold in substantial quantities to the general public, or services provided to the general public; or

iii. documentation showing that the offered price is set by law or regulation.

B. Criteria for Selecting Procurement Methods. When the MHA is required to purchase a particular good or service under this Policy, the Contracting Officer shall use the appropriate procurement methods based on the nature of the thing being procured and the Cost or Price Analysis regardless of the final actual cost. Procurements shall not be divided artificially into a series of small tasks to fit under methods that require less competition, but it is recognized that certain jobs may consist of logical and standard phasing or parts that may be procured separately. In determining whether the assignment or purchase is divided artificially the Contracting Officer shall consider whether subsequent procurements are unlikely to be solicited competitively such as in instances when completing one task in a series of tasks makes it impractical for a bidder other than the one completing the first task to submit a competitive bid for subsequent tasks. In those instances, the tasks' values will be aggregated and the procurement method selected based upon the aggregated total.

1. Purchases under two hundred fifty dollars (\$250) may be processed through the use of a petty cash account.
2. For purchases of any goods such as personal property including automobiles, trucks, other vehicles, road machinery, other machinery, apparatus, appliances, equipment, or materials or supplies of any kind, the amount of the contract and the Procurement Method are:

> \$250 & ≤ \$5,000	Direct Purchase
> \$5000 & ≤ \$ 25,000	Simplified Competitive Purchase
>\$25,000	Formal sealed bid process required.

3. For construction, repair, or maintenance: the estimated cost of the contract and the Procurement Method are:

> \$250 & ≤ \$25,000	Direct Purchase
>\$25,000 & ≤ \$75,000	Simplified Competitive Purchase except projects funded through the Capital Fund which is required to use the Formal Sealed Bid process for all construction and equipment procurements in excess of \$25,000.
>\$75,000	Formal sealed bid process required.

4. The purchase of any professional service such as architectural, engineering, legal, consulting, program management, or land survey or services shall be awarded to the responsive, responsible, qualified person or firm based upon the criteria, terms and conditions within the solicitation with whom a satisfactory price can be negotiated. The estimated cost of the contract and the Procurement Method are:

>\$250 & ≤\$25,000	Direct Purchase
>\$25000 & ≤ \$50,000	Simplified Competitive Purchase
>\$50,000	Competitive Proposals

C. Option to Require Competitive Process. Notwithstanding the above, the Contracting Officer may determine that a competitive process would be in the best interest of MHA and use the Simplified Competitive Purchase, Sealed Bid, or Competitive Proposals methods or such other method that fulfills the Purpose of this Policy.

D. Option to use a Non-Competitive Process. Procurement shall be conducted competitively to the reasonable extent possible. Under terms described herein, the Contracting Officer may either

negotiate or non-competitively procure any of the above listed goods or services under the terms and conditions within this Policy.

III. PROCUREMENT METHODS

Generally, there are five competitive processes used to procure goods and services under this Policy: Petty Cash Purchases, Direct Purchases, Simplified Competitive Purchases, Sealed Bids, and Competitive RFP/RFQ.

- A. Petty Cash Purchases. No formal procurement is required; goods and services shall be acquired in the open market in the normal course of doing business in a commercially reasonable manner. The Contracting Officer shall ensure that a Petty Cash account is established in an amount sufficient to cover Simplified Competitive Purchases made during a reasonable period (e.g., one week); security is maintained and only authorized individuals have access to the account; the account is periodically reconciled and replenished by submission of a voucher; and, the account is periodically audited by the finance officer or designee to validate proper use and to verify that the account total equals cash on hand plus the total of accumulated vouchers.
- B. Direct Purchases. A Direct Purchase may be implemented from a single supplier without competition provided the Contracting Officer first determines a reasonable price for the contract.
- C. Simplified Competitive Purchases
 1. Procedure. Simplified Competitive Purchase may be awarded once a minimum of three (3) competitive estimates have been solicited to determine the reasonableness of the cost for any Simplified Competitive Purchase. A record of the attempt to obtain those three (3) estimates shall be maintained by MHA. The inability to receive all three estimates shall not prevent the MHA from proceeding with the Simplified Competitive Purchase method provided there was a reasonable attempt at obtaining the quotes and provided at least one quote was obtained. If competitive quotations were solicited and award was made to other than the low quoter, documentation to support the purchase may be limited to identification of the solicited concerns and an explanation for the award decision.
 2. Alternative Procedure. Simplified Competitive Purchases may be awarded without soliciting competitive quotations if the Contracting Officer finds the price to be reasonable, the good or service has no comparable pricing information readily available (e.g., a supply or service that is not the same as, or is not similar to, other supplies or services that have recently been purchased on a competitive basis), and the administrative cost of verifying the reasonableness of the price for purchases may more than offset potential savings from detecting instances of overpricing.
- D. Sealed Bids
 1. Conditions for Use. Sealed bidding is the preferred method for construction procurement. For professional services contracts, sealed bidding should not be used. Contracts shall be awarded based on competitive Sealed Bids if the following conditions are present. If one or more are not present, then the Contracting Officer shall use a competitive process to attempt to procure the service:
 - a. the amount is above the Simplified Competitive Purchase amount requiring sealed bid process as set forth above;
 - b. a complete, adequate, and realistic specification or purchase description is available;
 - c. two or more responsible bidders are willing and able to compete effectively for the work;

- d. the procurement lends itself to a firm fixed price contract; and
 - e. the selection of the successful bidder can be made principally on the basis of price.
2. Advertisement. Notice of an invitation to submit a Sealed Bid shall be advertised twice in a local, general circulation newspaper with a minimum of six (6) days separating each publication. In addition, publication must be made not less than 5 days or more than 21 days before the consideration of the bids.
 3. Solicitation and Receipt of Bids. An invitation for bids shall be issued including specifications and all contractual terms and conditions applicable to the procurement, including a statement that award will be made to the lowest responsible and responsive bidder whose bid meets the requirements of the invitation for bids. The invitation for bids shall state the time and place for both the receipt of bids and the public bid opening. All bids received shall be time-stamped but not opened and shall be stored in a secure place until bid opening. Bidders may be technically qualified in accordance with Section IV, C. At the MHA discretion a pre-bid conference may be held.
 4. Bid Opening and Award. Bids shall be opened publicly and in the presence of at least one witness. An abstract of bids shall be recorded and the bids shall be available for public inspection. Award shall be made as provided in the invitation for bids by written notice to the successful bidder whose bid, conforming to the invitation, and will be most advantageous to the MHA considering price and price-related factors.
 - a. If equal low bids are received from responsible bidders, award shall be made by drawing lots or similar random method, in the presence of at least three (3) witnesses after giving bidders included in the drawing a reasonable opportunity to attend, unless otherwise provided in State or local law and stated in the invitation for bids.
 - b. If only one responsive bid is received from a responsible bidder, award shall not be made unless a cost or price analysis verifies the reasonableness of the price.
 5. Minor Irregularities or defects. MHA shall have the right to accept or reject any or all bids, to waive irregularities or minor defects, to evaluate the bids submitted and to accept the proposal which serves the interest of the MHA. A minor informality or irregularity is one that is merely a matter of form and not of substance or pertains to some immaterial defect in a bid or variation of a bid from the exact requirements of the invitation that can be corrected or waived without being prejudicial to other the other bid. The defect or variation is immaterial when the effect on price, quantity, quality, or delivery is negligible when contrasted with the total cost or scope of the supplies or services being acquired. The Contracting Officer may give the bidder an opportunity to cure any deficiency resulting from a minor informality or irregularity in a bid, waive the deficiency, or reject the bid as being non-responsive whichever is to the advantage of the MHA. Examples of minor informalities or irregularities include, but are not limited to, failure of a bidder to:
 - a. Return the number of copies of signed bids required by the invitation;
 - b. Furnish required information concerning the number of its employees;
 - c. Sign its bid, but only if:
 - i. The unsigned bid is accompanied by other material indicating the bidder's intention to be bound by the unsigned bid (such as the submission of a bid guarantee or a letter signed by the bidder, with the bid, referring to and clearly identifying the bid itself); or
 - ii. The firm submitting a bid has formally adopted or authorized, before the date set for opening of bids, the execution of documents by typewritten, printed, or

- stamped signature and submits evidence of such authorization and the bid carries such a signature;
- iii. Acknowledge receipt of an amendment to an invitation for bids, but only if:
 - (i) The bid received clearly indicates that the bidder received the amendment, such as where the amendment added another item to the invitation and the bidder submitted a bid on the item; or
 - (ii) The amendment involves only a matter of form or has either no effect or merely a negligible effect on price, quantity, quality, or delivery of the item bid upon; and
 - d. Execute certification or complete forms which are required by law to be in place at the time of entering into a contract but which were included in the bid solicitation at the convenience of the MHA. If not otherwise waived, the Contracting Officer may establish a date certain by which the omitted certifications must be completed and provided to the contracting officer or MHA's agent who is supervising the bidding process.
6. Mistakes in Bids. Corrections in bids shall be permitted only if the bidder can show by clear and convincing evidence that a mistake of a nonjudgmental character was made (such as a clerical mistake or the misplacement of a decimal point), the nature of the mistake, and the bid price actually intended.
 7. Prior to bid opening. Correction of inadvertently erroneous bids may be permitted, where appropriate, before bid opening by written or telegraphic notice received in the office designated in the invitation for bids prior to deadline for submission of the bid.
 8. After bid opening. A low bidder alleging a nonjudgmental mistake may be permitted to withdraw its bid if the mistake is clearly evident on the face of the bid document but the intended bid is unclear or the bidder submits evidence to the satisfaction of the Contracting Officer that a mistake was made.
 9. Bid correction. If a bidder requests permission to correct a mistake and clear and convincing evidence establishes both the existence of the mistake and the bid actually intended, the Contracting Officer may make a determination permitting the bidder to correct the mistake; provided, that if this correction would result in displacing one or more lower bids, such a determination shall not be made unless the existence of the mistake and the bid actually intended are ascertainable substantially from the invitation and the bid itself.
 10. Bid withdrawal. If, the evidence of a mistake is clear and convincing only as to the mistake but not as to the intended bid, or the evidence reasonably supports the existence of a mistake but is not clear and convincing, the Contracting Officer may permit the bidder to withdraw the bid.
 11. Refusal to allow correction or withdrawal. If the evidence does not warrant a determination of a mistake, the Contracting Officer may make a determination that the bid be neither withdrawn nor corrected.
 12. Written determination. All decisions to allow correction or withdrawal of bid mistakes shall be supported by a written determination signed by the Contracting Officer. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the MHA or fair competition shall be permitted.
 13. Bid Rejections. Any bid that fails to conform to the essential requirements of the invitation for bids (not including mistakes, minor informalities, and irregularities or other provisions as

defined within this Policy) may be rejected for the following, but not exclusive, reasons:

14. Non-conforming specifications. Any bid that does not conform to the applicable specifications unless the invitation authorized the submission of alternate bids and the supplies offered as alternates meet the requirements specified in the invitation.
15. Non-conformance with schedule. Any bid that fails to conform to the delivery schedule or permissible alternates stated in the invitation.
16. Bidder imposed conditions. A bid may be rejected when the bidder imposes conditions that would modify requirements of the invitation or limit the bidder's liability to the MHA, since to allow the bidder to impose such conditions would be prejudicial to other bidders. A low bidder may be requested to delete objectionable conditions from a bid provided the conditions do not go to the substance, as distinguished from the form, of the bid, or work an injustice on other bidders. A condition goes to the substance of a bid where it affects price, quantity, quality, or delivery of the items offered. For example, bids shall be rejected in which the bidder:
 - a. Protects against future changes in conditions, such as increased costs, if total possible costs to the Government cannot be determined;
 - b. Fails to state a price and indicates that price shall be "price in effect at time of delivery;"
 - c. States a price but qualifies it as being subject to "price in effect at time of delivery;"
 - d. When not authorized by the invitation, conditions or qualifies a bid by stipulating that it is to be considered only if, before date of award, the bidder receives (or does not receive) award under a separate solicitation;
 - e. Requires that the Government is to determine that the bidder's product meets applicable Government specifications; or
 - f. Limits rights of the Government under any contract clause.
17. Unreasonable price. Any bid may be rejected if the Contracting Officer determines in writing that it is unreasonable as to price. Unreasonableness of price includes not only the total price of the bid, but the prices for individual line items as well.
18. Materially imbalance. Any bid may be rejected if the prices for any line items or sub-line items are materially unbalanced.
19. Suspension, disbarment or ineligibility. Bids received from any person or concern that is suspended, debarred, proposed for debarment or declared ineligible as of the bid opening date shall be rejected unless a compelling reason determination is made by the bidder and accepted by the Contracting Officer.
20. Violation of Procurement Policies. A bid may be rejected if it violates the provisions of this Policy including a lack of competitiveness.
21. Solicitation Terms and Conditions. The following limitations shall be avoided in all procurement requests: geographic restrictions not mandated or encouraged by applicable Federal law (except for architect-engineer contracts, which may include geographic location as a selection factor if adequate competition is available); unnecessary bonding or experience requirements; brand name specifications (unless a written determination is made that only the identified item will satisfy MHA's needs); brand name or equal specifications (unless they list the minimum essential characteristics and standards to which the item must conform to satisfy its intended use). Nothing in this procurement policy shall preempt any State licensing laws. Specifications shall be scrutinized to ensure that organizational conflicts of interest do not occur (for example, having a consultant perform a study of MHA computer

needs and then allowing that consultant to compete for the subsequent contract for the computers).

22. Delay in Award. Should administrative difficulties be encountered after bid opening that may delay award beyond bidders' acceptance periods, the several lowest bidders whose bids have not expired (irrespective of the acceptance period specified in the bid) should be requested, before expiration of their bids, to extend in writing the bid acceptance period (with consent of sureties, if any) in order to avoid the need for resoliciting.
23. Montana Contractor's Gross Proceeds Tax. A one percent Contractors Gross Proceeds Tax applies to all construction contracts over \$5,000 if the project is publicly funded and the owner is a public entity. MHA shall deduct this amount from all such contracts and submit the required remittance to the state of Montana Department of Revenue, Business Tax Section.
24. Bonds. In addition to the other requirements of this Statement, for construction contracts exceeding \$50,000, contractors shall be required to submit the following, unless otherwise required by State or local laws or regulations:
 - a. a bid guarantee from each bidder equivalent to 10% of the bid price and
 - b. a performance bond and materials and labor payment bond for 100% of the contract price.

E. Competitive Proposals (RFP/RFQ).

There are two types of competitive proposals: Requests for Proposals (RFP) and Requests for Qualifications (RFQ). The RFQ process shall be used only in the instances of architects, engineers, and surveyors or as otherwise permitted by a funder of the goods or services being procured; the RFP process shall be used for all other professional services. Under the RFQ process the estimated cost shall not be one of the factors used to evaluate the submission while in an RFP, the estimated cost shall be used as one of the factors used to evaluate the submission.

1. Solicitation. The Housing Authority shall publish a notice of the availability of an RFP/RFQ solicitation package for professional services twice in a local, general circulation newspaper with a minimum of six (6) days separating each publication. The announcement must state concisely the general scope and nature of the project or work for which the services are required and the address of a representative of the Housing Authority who can provide further details. The deadline for submitting a response to the solicitation package shall be contained within the RFP/RFQ and shall be set by the Contracting Officer taking into consideration the nature and scope of the services being requested and any other factors that would be in the best interest of MHA. At the MHA discretion a pre-deadline conference may be held.
2. Contents. A Request for Qualifications (RFQ) shall be issued by the MHA which clearly identifies the relative evaluation factors and sub-factors, including the weight given to each technical factor and sub-factor; a Request for Proposals (RFP) shall contain those sections as well as the weighing for the price. A mechanism for fairly and thoroughly evaluating the technical and price proposals shall be established before the solicitation is issued. Proposals shall be handled so as to prevent disclosure of the number of offerors, identity of the offerors, and the contents of their proposals. The proposals shall be evaluated only on the criteria stated in the request for proposals
3. Selection Criteria. The Housing Authority shall then select, based on criteria established

under these procedures and the law, the firm considered most qualified to provide the services required for the proposed project. In the instance of an RFP, the proposed fee may be one of the factors considered in making the selection. Fees are to be negotiated after the most qualified offeror has been selected.

4. Negotiations. Unless there is no need for negotiations with the offeror, negotiations shall be conducted with the most responsible and responsive offeror who submits the proposal determined to be in MHA's best interest, based on evaluation against the factors as specified in the RFP/RFQ. Such offeror shall be accorded fair and equal treatment with respect to any opportunity for negotiation and revision of proposal. The purpose of negotiations shall be to seek clarification with regard to and advise offeror of the deficiencies in both the technical and price aspects of their proposals so as to assure full understanding of and conformance to the solicitation requirements. No offeror shall be provided information about any other offerors' proposal, and no offeror shall be assisted in bringing its proposal up to the level of any other proposal. Offerors shall not be directed to reduce their proposed prices to a specific amount in order to be considered for award.
5. Award. After evaluation of proposal revisions, if any, a contract shall be awarded to the responsible firm whose qualifications, price and other factors considered, are the most advantageous to the MHA.

F. Non-competitive process.

1. Conditions for use. Procurement by noncompetitive process may be used only when the award of a contract is not feasible using Simplified Competitive Purchases, Sealed Bids, or Competitive Proposals, and one of the following applies:
 - a. the item is available only from a single source, based on a good faith review of available sources;
 - b. an emergency exists that seriously threatens the public health, welfare, or safety, or endangers property, or would otherwise cause serious injury to the MHA or its tenants or employees, as may arise. In such cases, there must be an immediate and serious need for supplies, services, or construction such that the need cannot be met through any other procurement methods and the emergency procurement shall be limited to those supplies, services, or construction necessary to meet the stated emergency;
 - c. after solicitation of a number of sources, competition is determined inadequate; or,
 - d. it is in the best interest of the MHA.
2. Justification. Each procurement based on noncompetitive proposals shall be supported by a written justification for use of such procedures. The justification shall be approved in writing by the Contracting Officer.
3. Price reasonableness. The reasonableness of the price for all procurement based on noncompetitive proposals shall be determined by performing a Cost or Price analysis, as described herein.
4. HUD Approval. Noncompetitive procurements expected to exceed \$25,000, including any procurement in which only one bid or proposal is received may require HUD approval prior to making an award, if required.
5. Cooperative Purchasing. The MHA may enter into State and local intergovernmental agreements to purchase or use common goods and services. The decision to use an intergovernmental agreement or conduct a direct procurement shall be based on economy and

efficiency. If used, the intergovernmental agreement shall stipulate who is authorized to purchase on behalf of the participating parties and shall specify inspection, acceptance, termination, payment, and other relevant terms and conditions. Public housing authorities are encouraged to use Federal or State excess and surplus property instead of purchasing new equipment and property whenever such use is feasible and reduces project costs.

G. Cancellation of Solicitation

1. An invitation for bids, request for proposals, or other solicitation may be canceled before offers are due if: the MHA no longer requires the supplies, services, or construction; the MHA can no longer reasonably expect to fund the procurement; proposed amendments to the solicitation would be of such magnitude that a new solicitation would be desirable; or similar reasons.
2. A solicitation may be canceled and all bids or proposals that have already been received may be rejected if: the supplies, services, or construction are no longer required; ambiguous or otherwise inadequate specifications were part of the solicitation; the solicitation did not provide for consideration of all factors of significance to the MHA; prices exceed available funds and it would not be appropriate to adjust quantities to come within available funds; there is reason to believe that bids or proposals may not have been independently arrived at in open competition, may have been collusive, or may have been submitted in bad faith; or for good cause of a similar nature when it is in the best interest of the MHA.
3. The reasons for cancellation shall be documented in the procurement file and the reasons for cancellation and/or rejection shall be provided upon request to any offeror solicited.
4. A notice of cancellation shall be sent to all offerors solicited and, if appropriate, shall explain that they will be given an opportunity to compete on any resolicitation or future procurement of similar items.
5. If all otherwise acceptable bids received in response to an invitation for bids are at unreasonable prices, or only one bid is received and the price is unreasonable, the MHA shall cancel the solicitation and either:
 - a. resolicit using a request for proposals; or
 - b. complete the procurement by using the Noncompetitive Proposals method provided, that the Contracting Officer determines in writing that such action is appropriate, all bidders are informed of the MHA's intent to negotiate, and each responsible bidder is given a reasonable opportunity to negotiate.

H. Award. The Contract Officer shall make the award to the responsive and responsible bidder offering the lowest price (for sealed bid contracts) or contract award is made to the offeror whose proposal offers the greatest value to the MHA, considering price, technical, and other factors as specified in the solicitation (for contracts awarded based on competitive proposals). Unsuccessful firms are notified within ten days after award.

IV. **BIDDERS RESPONSIBILITIES AND PRE-QUALIFICATION**

A. Bidders' responsibility.

1. All bidders shall have a business license in the City of Missoula (if applicable), have the proper insurance policies, and otherwise shall be in compliance with all other laws and regulations of the State of Montana and the City of Missoula.

2. Bidders are expected to be knowledgeable of this Policy, the solicitation package, all plans and specifications involved in the solicitation, and the work required.
3. All Bidders shall act in good faith in their dealings with MHA and agree to comply with the provisions of this Policy.
4. Any person or firm contracting for construction or construction related work shall be a Registered Contractor with the state of Montana at the time that work begins on the contract. All other persons contracting with the MHA shall submit an Independent Contractor's letter of exemption from Worker's Compensation insurance to the MHA before commencing work or produce a certificate of insurance for Worker's Compensation insurance covering persons performing the work. Sole proprietor owners need not be insured under a Worker's Compensation policy but if working alone without employees, must be registered as Independent Contractors with the state of Montana Department of Labor.

B. General criteria for Bidder Responsibility. Procurement shall be conducted only with responsible bidder, i.e., those who have the technical and financial competence to perform and who have a satisfactory record of integrity. Before awarding a contract, the MHA shall review the proposed contractor's ability to perform the contract successfully, considering factors such as the contractor's integrity, compliance with public policy, record of past performance (including contracting previous clients of the contractor, such as other MHA's), and financial and technical resources. If a prospective contractor is found to be irresponsible, a written determination of this finding shall be prepared and included in the contract file, and the prospective contractor shall be advised of the reasons for the determination.

C. Technical prequalification. At MHA sole option, the Contracting Officer may determine that a two step process is necessary and the receipt and prequalification of bidders according to their technical abilities is necessary to obtain the most responsible and responsive responses to a proposed solicitation. The Contracting Officer is not required to pre-qualify bidders. Upon completion of the pre-qualifying process, MHA may limit its solicitation to those parties whose technical qualifications have been determined adequate.

1. Prequalification shall be based entirely upon the technical capability and resources of the prospective bidders to perform the particular contract satisfactorily, taking into account their some of the following as may be appropriate:
 - a. Experience and past performance on similar contracts;
 - b. Capabilities with respect to personnel, equipment, and other necessary services;
 - c. Education, training, and technical ability;
 - d. Knowledge of any unusual conditions or specifications involving the good or service;
 - e. Necessary certifications or licensures or memberships in professional association;
 - f. Financial condition;
 - g. The relationship of the bidder to public policy goals and objectives; and/or,
 - h. Litigation history.
2. Notice of the decision to pre-qualify bidders' technical qualifications and an invitation to submit technical pre-qualifications shall be advertised twice in a local, general circulation newspaper with a minimum of six (6) days separating each publication. In addition, publication must be made not less than 5 days or more than 21 days before the submission of the prequalification statement.
3. Any party who believes it can provide the good or service that is the subject of the technical pre-qualification request may submit its qualifications in accordance with the pre-

qualification submission requirements.

4. MHA shall issue a Request for Technical Pre-Qualifications in any form that it believes will solicit the appropriate information and shall include at a minimum a clear basis upon which prospective bidders can be evaluated, following an objective process based on fair and transparent criteria. The documentation sought should be relevant, clearly stated and should not impose an excessive burden of preparation or paperwork.
5. Unless otherwise provided for in the Request for Technical Pre-Qualifications by the disclosing of ranking criteria, the Contract Officer shall determine only whether a submitting party either is or is not qualified to submit a bid, and shall inform each submitter of his or her decision in writing within five (5) days of so determining. There shall be neither a predetermined maximum nor minimum number of submitting parties that will be found qualified.

D. Suspension and Debarment. Contracts shall not be awarded to debarred, suspended, or ineligible contractors. Contractors may be suspended, debarred, or determined ineligible by HUD in accordance with HUD regulations (24 CFR Part 24) when necessary to protect the MHA in its business dealings.

1. In addition, the Contracting Officer may declare a bidder or contractor ineligible to bid on any procurement for a period not to exceed three (3) years for any of the following:
 - a. Two or more claims of computational error in bid submissions within a two-year period;
 - b. Unjustified refusal to provide or execute contract documents;
 - c. Unsatisfactory performance of a contract;
 - d. Unjustified refusal to perform or complete contract work or warranty performance;
 - e. Unjustified failure to honor or observe contractual obligations or legal requirements pertaining to the contract;
 - f. Clear and convincing evidence indicating a lack of business integrity and which would directly affect the reliability and creditability of performance of such a vendor or contractor with future contacts; or,
 - g. Limited disbarment by another government agency or declaration of ineligibility.
 - h. The Contracting Officer may permanently debar any bidder or contractor for collusion, violation of antitrust involving public contracts or submission of bid proposals, for any corrupt practice involving the administration or award of a contract with MHA.

V. TYPES OF AGREEMENTS CLAUSES, AND CONTRACT ADMINISTRATION

A. Forms of Agreements. Any type of contract which is appropriate to the procurement and which will promote the best interests of the MHA may be used. The Contracting Officer shall determine the form of the Agreement for each good and service procured.

1. Charge Accounts. The Contracting Officer may cause to have established revolving charge accounts for small and miscellaneous purchases necessary for repairs, vehicle maintenance, officer supplies, etc., at local merchants and suppliers. Purchase limits for individual items and in the aggregate on any single invoice shall be established, and items and invoices which exceed the established limit must have a purchase order approved. Employees authorized to charge on the charge account must be approved by the Contracting Officer.
2. Receipts for Petty Cash Purchases of less than \$100. Any purchase of less than \$100 does not require a contract or purchase order but must be accompanied by a receipt showing the date, price, good or service purchased, and an explanation of the relationship of the

expenditure to MHA;

3. Purchase Orders for Petty Cash Purchases, Direct Purchases, and Simplified Competitive Purchases of less than \$25,000. Petty Cash Purchases in excess of \$100, Direct Purchases and Simplified Competitive Purchases less than \$25,000 may be contracted through the use of a Purchase Order.
 - a. Purchase Orders may be issued only by the Contracting Officer, the Deputy Director, the Director of Planning and Development, all Department Managers, and the Procurement Officer. Other than the Contracting Officer and the Deputy Executive Director, no Purchase Order shall be authorized by any other party in excess of \$5,000, and the Contracting Officer shall be the sole person able to authorize Purchase Orders in excess of \$10,000.
 - b. Purchase Orders generally are issued on a fixed-price basis and shall:
 - c. Specify the quantity of supplies or scope of services ordered;
 - d. Contain a determinable date by which delivery of the supplies or performance of the services is required;
 - e. Specify the total cost on either a quote or per item basis.
 - f. The Contracting Officer's signature or his/her designee's signature on purchase orders shall appear on purchase. Facsimile and electronic signature may be used in the production of purchase orders by automated methods.
4. Unpriced purchase orders. An unpriced purchase order is an order for goods or services, the price of which is not established at the time of issuance of the order. A realistic monetary limitation, either for each line item or for the total order, shall be placed on each unpriced purchase order. The monetary limitation shall be an obligation subject to adjustment when the firm price is established. The Contracting Officer shall follow up on each order to ensure timely pricing. An unpriced purchase order may be used only when:
 - a. It is impractical to obtain pricing in advance of issuance of the purchase order; and
 - b. The purchase is for-
 - i. Repairs to equipment requiring disassembly to determine the nature and extent of repairs;
 - ii. Material available from only one source and for which cost cannot readily be established; or
 - iii. Supplies or services for which prices are known to be competitive, but exact prices are not known (*e.g.*, miscellaneous repair parts, maintenance agreements).
5. In general Purchase Orders shall be used for:
 - a. Purchases which exceed pre-established item price limits or single invoice aggregate limited at local suppliers and vendors with whom monthly charge accounts have been opened;
 - b. All purchase from suppliers and vendor with whom no revolving charge account exists;
 - c. Purchase of items which go into capital equipment and inventory;
 - d. Purchase of material that are to be installed by the vendor such as floor covering, etc., accompanied by a set of standard performance conditions for the installation work;
 - e. Purchase of material for a specific job related to extraordinary maintenance;
6. Contract for Purchases in Excess of \$25,000. Without specific authorization by the Contracting Officer, all expenditures in excess of \$25,000 shall be by written contract. All

procurement shall include the clauses and provisions necessary to define the rights and responsibilities of the parties.

7. Prohibited Contracts. The cost-plus-a-percentage-of-cost and percentage of construction cost methods are prohibited. A cost reimbursement contract shall not be used unless it is likely to be less costly or it is impracticable to satisfy the MHA's needs otherwise, and the proposed contractor's accounting system is adequate to allocate costs in accordance with applicable cost principles (for commercial firms, Subpart 31.2 of the Federal Acquisition Regulation (FAR), found in 48 CFR Chapter 1). A time and material contract may be used only if a written determination is made that no other contract type is suitable, and the contract includes a ceiling price that the contractor exceeds at its own risk.
 8. Contract Terms. All terms shall be drafted so as to promote overall economy for the purposes intended and to encourage competition in satisfying the MHA's needs. Contract terms shall be reviewed prior to solicitation to ensure that they are not unduly restrictive or represent unnecessary or duplicate items. Functional or performance specifications are preferred. Detailed product specifications shall be avoided whenever possible. Consideration shall be given to consolidating or breaking out procurement to obtain a more economical purchase. For equipment purchases, a lease versus purchase analysis should be performed to determine the most economical form of procurement. No contract with a professional service shall be for an initial period in excess of two (2) years or where the contract contains a renewal provision for any period of time, without the written approval of HUD if so required.
 9. Contract Clauses The operational procedures shall contain guidelines for inspection of supplies, services, or construction, as well as monitoring contractor performance, status reporting on construction contracts, and similar matters. For cost reimbursement contracts with commercial firms, costs are allowable only to the extent that they are consistent with the cost principles in FAR Subpart 31.2. In addition to containing a clause identifying the contract type, all contracts shall include the following clauses. Clauses required only for Federally funded projects by Federal statutes, executive orders, and their implementing regulations, as provided in 24 CFR 85.36(I) are identified by (F).
 - a. Termination for convenience,
 - b. Termination for default,
 - c. Equal Employment Opportunity (F),
 - d. Anti-Kickback Act (F)
 - e. Davis-Bacon Act (F),
 - f. Work Hours and Safety Standards Act, reporting requirements (F),
 - g. Patent rights (F),
 - h. Rights in data (F),
 - i. Examination of records by Comptroller General (F), retention of records for three years after closeout,
 - j. Clean air and water (F),
 - k. Energy efficiency standards (F),
 - l. Bid protests and contract claims;
 - m. Value engineering (F), and
 - n. Payment of funds to influence certain Federal transactions (F).
- B. Agreement Options The option for additional quantities or performance periods may be included in Contracts and Purchase Order, provided that: (I) the option is contained in the solicitation; (ii) the option is a unilateral right of the MHA; (iii) the contract states a limit on the additional quantities and the overall term of the contract; (iv) the options are evaluated as part of the initial

competition; (v) the contract states the period within which the options may be exercised; (vi) the options may be exercised only at the price specified in or reasonably determinable from the contract; and (vii) the options may be exercised only if determined to be more advantageous to the MHA than conducting a new procurement.

- C. Contract Administration A contract administration system designed to ensure that contractors perform in accordance with their contracts shall be maintained.

V. APPEALS AND REMEDIES

- A. GENERAL It shall be the general policy of MHA to resolve all contractual issues and disputes informally between the MHA and the disputant or aggrieved party without litigation. In the case of contracts involving federal funds, disputes shall not be referred to HUD until all MHA internal administrative remedies have been exhausted. When appropriate, MHA may consider the use of informal discussions between the parties by representatives of the parties or third parties who did not participate substantially in the matter in dispute to help resolve the differences. HUD will only become involved in review of disputes and protests in cases involving violations of Federal law or regulations and failure of the MHA to review and resolve a complaint or protest.
- B. BID PROTESTS. Any actual or prospective contractor may protest the solicitation or award of a contract for serious violations of the principles of this Procurement Policy Statement. Any protest against a solicitation must be received before the due date for receipt of bids or proposals, and any protest against the award of a contract must be received within ten (10) calendar days after contract award, or the protest will not be considered. All bid protests shall be in writing, submitted to the Contracting Officer or designee, who shall issue a written decision on the matter. The protest shall include, as a minimum, the name, address and phone number of the protester, identification of the protested procurement, a statement of the reasons for the protest, supporting exhibits, evidence, or documents to substantiate any arguments, and the form of relief requested. The Contracting Officer may at his or her discretion suspend the procurement pending resolution of the protest if warranted by the facts presented; however, if a contract is let and the protest upheld, the contract may be terminated for convenience and either the contract re-awarded to the next eligible offeror of the procurement may be resolicited. The protest will be upheld only if there is clear and convincing evidence as to the existence of an impropriety and there is no other means of resolving the matter.
- C. CONTRACT CLAIMS. All claims by a contractor relating to performance of a contract shall be submitted in writing to the Contracting Officer or designee for a written decision within five (5) days of when the basis for the claim is known or should have been known. The claim shall include the nature and scope of the claim, the pertinent clause of the contract, a statement of the facts along with any supporting evidence, and any extra costs sought by the contractor. The contractor may request a conference on the claim. The Contracting Officer's decision shall inform the contractor of its appeal rights. Reference is made to HUD form 5370 that explains the procedure for handling contract claims.

VI. ETHICS IN PUBLIC CONTRACTING

- A. GENERAL. MHA and its employees shall adhere to the following code of conduct, consistent with applicable State or local law. Any employee who knowingly violates these provisions will be subject to disciplinary action, as set forth in MHA's Personnel Policy.
- B. CONFLICT OF INTEREST. No employee, officer or agent of MHA shall participate directly or indirectly in the selection or in the award of administration of any contract if a conflict, real or apparent, would be involved. Such conflict would arise when a financial or other interest in a

firm selected for award is held by:

1. An employee, officer or agent involved in making the award;
2. His/her relative (including father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother or half sister);
3. His/her business or living partner; or,
4. An organization which employs, is negotiating to employ, or has an arrangement concerning prospective employment of any of the above.

C. GRATUITIES, KICKBACKS, AND USE OF CONFIDENTIAL INFORMATION. MHA officers, employees or agents shall not solicit or accept gratuities, favors, or anything greater than \$50 monetary value from contractors, potential contractors, parties to subcontracts, and shall not knowingly use confidential information for actual or anticipated personal gain.

D. PROHIBITION AGAINST CONTINGENT FEES. Contractors shall not retain a person to solicit or secure a MHA contract for a commission, percentage, brokerage, contingent fee, except for bona fide employees or bona fide established commercial selling agencies.

VII. **ASSISTANCE TO SMALL AND OTHER BUSINESSES** (For Federally funded work only)

A. REQUIRED EFFORTS

1. Consistent with Presidential Executive Orders 11625, 12138, and 12432, and Section 3 of the HUD Act of 1968, the MHA shall make efforts to ensure that small, minority- or woman-owned businesses, labor surplus area businesses, and individuals or firms located in our owned in substantial part by person within the area of the project as defined below. Such efforts shall include, but shall not be limited to:
 - a. including such firms, when qualified, on solicitation mailing lists;
 - b. encouraging their participation through direct solicitation of bids or proposals whenever they are potential sources;
 - c. dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by such firms;
 - d. establishing delivery schedules, where the requirement permits, which encourage participation by such firms;
 - e. using the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce;
 - f. including in contracts a clause requiring contractors, to the greatest extent feasible, to provide opportunities for training and employment for lower income residents of the project area and to award subcontracts for work in connection with the project to business concerns which are located in, or owned in substantial part by persons residing in the area of the project, as described in 24 CFR 135;
 - g. requiring prime contractors, when subcontracting is anticipated, to take the positive steps listed in A.1.a. through A.1.f. above.
2. From time to time MHA may establish goals for participation in the MHA's projects, contracts, and subcontracting opportunities by small businesses, minority- or woman- owned business enterprises, labor surplus area businesses, and business concerns which are located in or owned in substantial part by persons residing in the area of the project as defined below.

B. DEFINITIONS

1. A small business is defined as a business which is: independently owned; not dominant in its field of operation; and not an affiliate or subsidiary of a business dominant in its field of operation. The size standards in 13 CFR 121 shall be used unless the MHA determines that their use is inappropriate.
2. A minority-owned business is defined as a business which is at least 51% owned by one or more minority group members; or in the case of a publicly-owned business one in which at least 51% of its voting stock is owned by one or more minority group members, and whose management and daily business operations are controlled by one or more such individuals. Minority group members include, but are not limited to Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, Asian Indian Americans, and Hasidic Jewish Americans.
3. A women's business enterprise is defined as a business that is at least 51% owned by a woman or women who are U.S. citizens and who also control or operate the business.
4. A labor surplus area business is defined as a business which, together with its immediate subcontractors, will incur more than 50% of the cost of performing the contract in an area of concentrated unemployment or underemployment, as defined by the U.S. Department of Labor in 20 CFR 654, Subpart A, and in lists of labor surplus areas published by the Employment and Training Administration.
5. A business concern located in the area of the project, is defined as an individual or firm located within the relevant Section 3 covered project area, as determined pursuant to 24 CFR 135.15, listed on HUD's registry of eligible business concerns, and meeting the definition of small business above. A business concern owned in substantial part by persons residing in the area of the project is defined as a business concern which is 51% or more owned by persons residing within the section 3 covered project, owned by persons considered by the U.S. Small Business Administration to be socially or economically disadvantaged, listed on HUD's registry of eligible business concerns, and meeting the definition of small business above.

CAPITAL FUND STIMULUS GRANT PROCUREMENT POLICY

MISSOULA HOUSING AUTHORITY

This Procurement Policy complies with the Annual Contributions Contract (ACC) between Missoula Housing Authority (MHA) and the HUD, Federal Regulations at **24 CFR 85.36**, the procurement standards of the Procurement Handbook for PHAs, HUD Handbook 7460.8, Rev 2 where it does not conflict with Part 85 or the Recovery Act, and PIH Notice 2009-12: *Information and Procedures for Processing American Recovery and Reinvestment Act Capital Fund Formula Grants*. In compliance with Notice 2009-12, requirements related to the procurement of goods and services arising under state and local laws and regulations do not apply to Capital Fund Stimulus Grants.

In compliance with the Buy American requirements of Section 1605 of the Recovery Act, only iron, steel and manufactured goods produced in the United States may be used in projects procured under this policy.

GENERAL PROVISIONS

General

The MHA shall: provide for a procurement system of quality and integrity; provide for the fair and equitable treatment of all persons or firms involved in purchasing by the MHA; ensure that supplies and services (including construction) are procured efficiently, effectively, and at the most favorable prices available to the MHA; promote competition in contracting; and assure that MHA purchasing actions for Capital Fund Stimulus Grants are in full compliance with applicable Federal and HUD standards.

Application

This Procurement Policy applies only to procurement actions under the Capital Fund Stimulus Grant. When HUD funds other than Capital Fund Stimulus Grants and non-Federal grant funds are used for a project, the work to be accomplished with the funds should be separately identified prior to procurement so that appropriate requirements can be applied, if necessary.

Definition

The term “procurement,” as used in this Policy, includes the procuring, purchasing, leasing, or renting of: (1) goods, supplies, equipment, and materials, (2) construction and maintenance; consultant services, (3) Architectural and Engineering (A/E) services, (4) Social Services, and (5) other services.

Changes in Laws and Regulations

In the event an applicable law or regulation is modified or eliminated, or a new law or regulation is adopted, the revised law or regulation shall, to the extent inconsistent with these Policies, automatically supersede these Policies.

Public Access to Procurement Information

Most procurement information that is not proprietary is a matter of public record and shall be available to the public to the extent provided by Federal law.

ETHICS IN PUBLIC CONTRACTING

General

The MHA hereby establishes this code of conduct regarding procurement issues and actions and shall implement a system of sanctions for violations. This code of conduct, etc., is consistent with applicable Federal, State, or local law.

Conflicts of Interest

No employee, officer, Board member, or agent of the MHA shall participate directly or indirectly in the selection, award, or administration of any contract if a conflict of interest, either real or apparent, would be involved. This type of conflict would be when one of the persons listed below has a financial or any other type of interest in a firm competing for the award:

- A. An employee, officer, Board member, or agent involved in making the award;
- B. His/her relative (including father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, or half sister);
- C. His/her partner; or
- D. An organization which employs or is negotiating to employ, or has an arrangement concerning prospective employment of any of the above.

Gratuities, Kickbacks, and Use of Confidential Information

No officer, employee, Board member, or agent shall ask for or accept gratuities, favors, or items of more than \$25 in value from any contractor, potential contractor, or party to any subcontract, and shall not knowingly use confidential information for actual or anticipated personal gain.

Prohibition Against Contingent Fees

Contractors wanting to do business with the MHA must not hire a person to solicit or secure a contract for a commission, percentage, brokerage, or contingent fee, except for bona fide established commercial selling agencies.

PROCUREMENT PLANNING

Planning is essential to managing the procurement function properly. Hence, the MHA will periodically review its record of prior purchases, as well as future needs, to: find patterns of procurement actions that could be performed more efficiently or economically; maximize competition and competitive pricing among contracts and decrease the MHA's procurement costs; reduce MHA administrative costs; ensure that supplies and services are obtained without any need for re-procurement, e.g., resolving bid protests; and minimize errors that occur when there is inadequate lead time. Consideration should be given to storage, security, and handling requirements when planning the most appropriate purchasing actions.

PURCHASING METHODS

Petty Cash Purchases

Purchases under \$50 may be handled through the use of a petty cash account. Petty Cash Accounts may be established in an amount sufficient to cover small purchases made during a reasonable period, e.g., one month. For all Petty Cash Accounts, the MHA shall ensure that security is maintained and only authorized individuals have access to the account. These accounts should be reconciled and replenished periodically.

Small Purchase Procedures

For any amounts above the Petty Cash ceiling, but not exceeding \$100,000, the MHA may use small purchase procedures. Under small purchase procedures, the MHA shall obtain a reasonable number of quotes (preferably three); however, for purchases of less than \$2,000, also known as Micro Purchases, only one quote is required provided the quote is considered reasonable. To the greatest extent feasible, and to promote competition, small purchases should be distributed among qualified sources. Quotes may be obtained orally (either in person or by phone), by fax, in writing, or through e-procurement. Award shall be made to the qualified vendor that provides the best value to the MHA. If award is to be made for reasons other than lowest price, documentation shall be provided in the contract file. The MHA shall not break down requirements aggregating more than the small purchase threshold (or the Micro Purchase threshold) into several purchases that are less than the applicable threshold merely to: (1) permit use of the small purchase procedures or (2) avoid any requirements that applies to purchases that exceed the Micro Purchase threshold.

Sealed Bids

Sealed bidding shall be used for all contracts that exceed the small purchase threshold and that are not competitive proposals or non-competitive proposals, as these terms are defined in this document. Under sealed bids, the PHA publicly solicits bids and awards a firm fixed-price contract (lump sum or unit price) to the responsible bidder whose bid, conforming with all the material terms and conditions of the IFB, is the lowest in price. Sealed bidding is the preferred method for procuring construction, supply, and non-complex service contracts that are expected to exceed \$100,000.

- A. **Conditions for Using Sealed Bids.** MHA shall use the sealed bid method if the following conditions are present: a complete, adequate, and realistic statement of work, specification, or purchase description is available; two or more responsible bidders are willing and able to compete effectively for the work; the contract can be awarded based on a firm fixed price; and the selection of the successful bidder can be made principally on the lowest price.
- B. **Solicitation and Receipt of Bids.** An IFB is issued which includes the specifications and all contractual terms and conditions applicable to the procurement, and a statement that award will be made to the lowest responsible and responsive bidder whose bid meets the requirements of the solicitation. The IFB must state the time and place for both receiving the bids and the public bid opening. All bids received will be date and time-stamped and stored **unopened** in a secure place until the public bid opening. A bidder may withdraw the bid at any time prior to the bid opening.
- C. **Bid Opening and Award.** Bids shall be opened publicly. All bids received shall be recorded on an abstract (tabulation) of bids, and then made available for public inspection. If equal low bids are received from responsible bidders, selection shall be made by drawing lots or other similar random method. The method for doing this shall be stated in the IFB. If only one responsive bid is received from a responsible bidder, award shall **not** be made unless the price can be determined to be reasonable, based on a cost or price analysis.
- D. **Mistakes in Bids.** Correction or withdrawal of bids may be permitted, where appropriate, before bid opening by written or telegraphic notice received in the office designated in the IFB prior to the time set for bid opening. After bid opening, corrections in bids may be permitted only if the bidder can show by clear and convincing evidence that a mistake of a nonjudgmental character was made, the nature of the mistake, and the bid price actually intended. A low bidder alleging a nonjudgmental mistake may be permitted to withdraw its bid if the mistake is clearly evident on the face of the bid document but the intended bid is unclear or the bidder submits convincing evidence that a mistake was made. All decisions to allow correction or withdrawal of a bid shall be supported by a written determination signed by the Contracting Officer. After bid opening, changes in bid prices or other provisions of bids prejudicial to the interest of the MHA or fair competition shall not be permitted.

Competitive Proposals

Unlike sealed bidding, the competitive proposal method permits: consideration of technical factors other than price; discussion with offerors concerning offers submitted; negotiation of contract price or estimated cost and other contract terms and conditions; revision of proposals before the final contractor selection; and the withdrawal of an offer at any time up until the point of award. Award is normally made on the basis of the proposal that represents the best overall value to the PHA, considering price and other factors, e.g., technical expertise, past experience, quality of proposed staffing, etc., set forth in the solicitation and not solely the lowest price.

- A. **Conditions for Use.** Where conditions are not appropriate for the use of sealed bidding, competitive proposals may be used. Competitive proposals are the preferred method for procuring professional services that will exceed the small purchase threshold.

- B. Form of Solicitation.** Other than A/E services, competitive proposals shall be solicited through the issuance of a RFP. The RFP shall clearly identify the importance and relative value of each of the evaluation factors as well as any subfactors and price. A mechanism for fairly and thoroughly evaluating the technical and price proposals shall be established **before** the solicitation is issued. Proposals shall be handled so as to prevent disclosure of the number of offerors, identity of the offerors, and the contents of their proposals until after award. The MHA may assign price a specific weight in the evaluation criteria or the MHA may consider price in conjunction with technical factors; in either case, the method for evaluating price shall be established in the RFP.
- C. Evaluation.** The proposals shall be evaluated only on the criteria stated in the RFP. Where not apparent from the evaluation criteria, the MHA shall establish an Evaluation Plan for each RFP. Generally, all RFPs shall be evaluated by an appropriately appointed Evaluation Committee. The Evaluation Committee shall be required to disclose any potential conflicts of interest. An Evaluation Report, summarizing the results of the evaluation, shall be prepared prior to award of a contract.
- D. Negotiations.** Negotiations shall be conducted with all offerors who submit a proposal determined to have a reasonable chance of being selected for award, unless it is determined that negotiations are not needed with any of the offerors. This determination is based on the relative score of the proposals as they are evaluated and rated in accordance with the technical and price factors specified in the RFP. These offerors shall be treated fairly and equally with respect to any opportunity for negotiation and revision of their proposals. No offeror shall be given any information about any other offeror's proposal, and no offeror shall be assisted in bringing its proposal up to the level of any other proposal. A common deadline shall be established for receipt of proposal revisions based on negotiations. Negotiations are exchanges (in either competitive or sole source environment) between the PHA and offerors that are undertaken with the intent of allowing the offeror to revise its proposal. These negotiations may include bargaining. Bargaining includes persuasion, alteration of assumptions and positions, give-and-take, and may apply to price, schedule, technical requirements, type of contract or other terms of a proposed contract. When negotiations are conducted in a competitive acquisition, they take place after establishment of the competitive range and are called discussions. Discussions are tailored to each offeror's proposal, and shall be conducted by the contracting officer with each offeror within the competitive range. The primary object of discussions is to maximize the MHA's ability to obtain best value, based on the requirements and the evaluation factors set forth in the solicitation. The contracting officer shall indicate to, or discuss with, each offeror still being considered for award, significant weaknesses, deficiencies, and other aspects of its proposal (such as cost, price, technical approach, past performance, and terms and conditions) that could, in the opinion of the contracting officer, be altered or explained to enhance materially the proposer's potential for award. The scope and extent of discussions are a matter of the contracting officer's judgment. The contracting officer may inform an offeror that its price is considered by the PHA to be too high, or too low, and reveal the results of the analysis supporting that conclusion. It is also permissible to indicate to all offerors the cost or price that the government's price analysis, market research, and other reviews have identified as reasonable. "Auctioning" (revealing one offeror's price in an attempt to get another offeror to lower their price) is prohibited.

- E. **Award.** After evaluation of the revised proposals, if any, the contract shall be awarded to the responsible firm whose technical approach to the project, qualifications, price and/or any other factors considered, are most advantageous to the MHA provided that the price is within the maximum total project budgeted amount established for the specific property or activity.
- F. **A/E Services.** The MHA must contract for A/E services using QBS procedures, utilizing a RFQ. Sealed bidding shall not be used for A/E solicitations. Under QBS procedures, competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. Price is not used as a selection factor under this method. QBS procedures **shall not** be used to purchase other types of services, though architectural/engineering firms are potential sources.

Noncompetitive Proposals

- A. **Conditions for Use.** Procurement by noncompetitive proposals (sole-source) may be used **only** when the award of a contract is not feasible using small purchase procedures, sealed bids, cooperative purchasing, or competitive proposals, **and** if one of the following applies:
 - 1. The item is available only from a single source, based on a good faith review of available sources;
 - 2. An emergency exists that seriously threatens the public health, welfare, or safety, or endangers property, or would otherwise cause serious injury to the MHA, as may arise by reason of a flood, earthquake, epidemic, riot, equipment failure, or similar event. In such cases, there must be an immediate and serious need for supplies, services, or construction such that the need cannot be met through any of the other procurement methods, and the emergency procurement shall be limited to those supplies, services, or construction necessary simply to meet the emergency;
 - 3. HUD authorizes the use of noncompetitive proposals, as in the case of Capital Fund Stimulus Grant activities, which permit noncompetitive proposals for public exigency that will not permit a delay resulting from competitive solicitation. Under Section 3 of the Recovery Act these funds must be managed and expended to achieve the purposes specified including commencing expenditures and activities as quickly as possible consistent with prudent management. Further the Recovery Act has imposed expeditious obligation and expenditure requirements on these funds and has directed HUD to assist PHAs as necessary to expedite and facilitate the use of these grants. MHA may use the noncompetitive proposal method but must do so on a contract-by-contract basis and in compliance with all Part 85 requirements including the requirement for a cost analysis and the conflict of interest requirement. No HUD pre-award review is required.
 - 4. After solicitation of a number of sources, competition is determined inadequate.
- B. **Justification.** Each procurement based on noncompetitive proposals shall be supported by a written justification for the selection of this method. The justification shall be approved in writing by the responsible Contracting Officer. Poor planning or lack of planning is not justification for emergency or sole-source procurements. The justification, to be included in the procurement file, should include, but is not limited to, the following information:
 - 1. Rationale for the method of procurement.
 - 2. Selection of contract type
 - 3. Contractor selection or rejection

4. The basis for the contract price.

Cooperative Purchasing/Intergovernmental Agreements

The MHA may enter into State and/or local cooperative or intergovernmental agreements to purchase or use common supplies, equipment, or services. The decision to use an interagency agreement instead of conducting a direct procurement shall be based on economy and efficiency. If used, the interagency agreement shall stipulate who is authorized to purchase on behalf of the participating parties and shall specify inspection, acceptance, termination, payment, and other relevant terms and conditions. The MHA may use Federal or State excess and surplus property instead of purchasing new equipment and property if feasible and if it will result in a reduction of project costs. The goods and services obtained under a cooperative purchasing agreement must have been procured in accordance with **24 CFR 85.36**.

COST AND PRICE ANALYSIS

For all purchases above the Micro Purchase threshold, the MHA shall prepare a Cost and Price Analysis prior to solicitation. The level of detail shall be commensurate with the cost and complexity of the item to be purchased.

Petty Cash and Micro Purchases

No formal cost or price analysis is required. Rather, the execution of a contract by the Contracting Officer (through a Purchase Order or other means) shall serve as the Contracting Officer's determination that the price obtained is reasonable, which may be based on the Contracting Officer's prior experience or other factors.

Small Purchases

A comparison with other offers shall generally be sufficient determination of the reasonableness of price and no further analysis is required. If a reasonable number of quotes is not obtained to establish reasonableness through price competition, the Contracting Officer shall document price reasonableness through other means, such as prior purchases of this nature, catalog prices, the Contracting Officer's personal knowledge at the time of purchase, or any other reasonable basis.

Sealed Bids

The presence of adequate competition should generally be sufficient to establish price reasonableness. Where sufficient bids are not received, and when the bid received is substantially more than the Cost Analysis, where the MHA cannot reasonably determine price reasonableness, the MHA must conduct a cost analysis consistent with federal guidelines to ensure that the price paid is reasonable.

Competitive Proposals

The presence of adequate competition should generally be sufficient to establish price reasonableness. Where sufficient bids are not received, the MHA must compare the price with the Cost Analysis. For competitive proposals where prices cannot be easily compared among offerors, where there is not adequate competition, or where the price is substantially greater than

the Cost Analysis, the MHA must conduct a cost analysis consistent with Federal guidelines to ensure that the price paid is reasonable.

Contract Modifications

A cost analysis shall be conducted for all contract modifications for projects that were procured through Sealed Bids, Competitive Proposals, or Non-Competitive Proposals, or for projects originally procured through Small Purchase procedures and the amount of the contract modification will result in a total contract price in excess of \$100,000.

SOLICITATION AND ADVERTISING

Method of Solicitation

- A. **Petty Cash and Micro Purchases.** The MHA may contact only one source if the price is considered reasonable.
- B. **Small Purchases.** Quotes may be solicited orally, through fax, email, or by any other reasonable method.
- C. **Sealed Bids and Competitive Proposals.** Solicitation must be done publicly. The MHA must use one or more following solicitation methods, provided that the method employed provides for meaningful competition.
 - 1. Advertising in newspapers or other print mediums of local or general circulations.
 - 2. Advertising in various trade journals or publications (for construction).
 - 3. E-Procurement. The MHA may conduct its public procurements through the Internet using e-procurement systems. However, all e-procurements must otherwise be in compliance with **24 CFR 85.36**, State and local requirements, and the Authority's procurement policy.

Time Frame

For purchases of more than \$100,000, the public notice should run not less than once each week for two consecutive weeks.

Form

Notices/advertisements should state, at a minimum, the place, date, and time that the bids or proposals are due, the solicitation number, a contact who can provide a copy of, and information about, the solicitation, and a brief description of the needed items(s).

Time Period for Submission of Bids

A minimum of 30 days shall generally be provided for preparation and submission of sealed bids and 15 days for competitive proposals. However, the Executive Director may allow for a shorter period under extraordinary circumstances.

Cancellation of Solicitations

- A. An IFB, RFP, or other solicitation may be cancelled before bids/offers are due if:
1. The supplies, services or construction is no longer required;
 2. The funds are no longer available;
 3. Proposed amendments to the solicitation are of such magnitude that a new solicitation would be best; or
 4. Other similar reasons.
- B. A solicitation may be cancelled and all bids or proposals that have already been received may be rejected if:
1. The supplies or services (including construction) are no longer required;
 2. Ambiguous or otherwise inadequate specifications were part of the solicitation;
 3. All factors of significance to the MHA were not considered;
 4. Prices exceed available funds and it would not be appropriate to adjust quantities to come within available funds;
 5. There is reason to believe that bids or proposals may not have been independently determined in open competition, may have been collusive, or may have been submitted in bad faith; or
 6. For good cause of a similar nature when it is in the best interest of the MHA.
- C. The reasons for cancellation shall be documented in the procurement file and the reasons for cancellation and/or rejection shall be provided upon request.
- D. A notice of cancellation shall be sent to all bidders/offerors solicited and, if appropriate, shall explain that they will be given an opportunity to compete on any resolicitation or future procurement of similar items.
- E. If all otherwise acceptable bids received in response to an IFB are at unreasonable prices an analysis should be conducted to see if there is a problem in either the specifications or the MHA's cost estimate. If both are determined adequate and if only one bid is received and the price is unreasonable, the Contracting Officer may cancel the solicitation and either
1. Re-solicit using an RFP; or
 2. Complete the procurement by using the competitive proposal method. The Contracting Officer must determine, in writing, that such action is appropriate, must inform all bidders of the MHA's intent to negotiate, and must give each bidder a reasonable opportunity to negotiate.
- F. If problems are found with the specifications, MHA should cancel the solicitation, revise the specifications and resolicit using an IFB.

Credit (or Purchasing) Cards

Credit card usage should follow the rules for all other small purchases. For example, the Contracting Officer may use a credit card for Micro Purchases without obtaining additional

quotes provided the price is considered reasonable. However, for amounts above the Micro Purchase level, the Contracting Officer would generally need to have obtained a reasonable number of quotes before purchasing via a credit card.

When using credit cards, the MHA should adopt reasonable safeguards to assure that they are used only for intended purposes (for instance, limiting the types of purchases or the amount of purchases that are permitted with credit cards).

BONDING REQUIREMENTS

The standards under this section apply to construction contracts that exceed \$100,000. There are no bonding requirements for small purchases or for competitive proposals. The MHA may require bonds in these latter circumstances when deemed appropriate; however, non-construction contracts should generally not require bid bonds.

- A. Bid Bonds. For construction contracts exceeding \$100,000, offerors shall be required to submit a bid guarantee from each bidder equivalent to 5% of the bid price.
- B. Payment Bonds. For construction contracts exceeding \$100,000, the successful bidder shall furnish an assurance of completion. This assurance may be any one of the following four:
 - 1. A performance and payment bond in a penal sum of 100% of the contract price; or
 - 2. Separate performance and payment bonds, each for 50 % or more of the contract price; or
 - 3. A 20 % cash escrow; or
 - 4. A 25 % irrevocable letter of credit.
- C. These bonds must be obtained from guarantee or surety companies acceptable to the U. S. Government and authorized to do business in the State where the work is to be performed. Individual sureties shall not be considered. U. S. Treasury Circular Number 570 lists companies approved to act as sureties on bonds securing Government contracts, the maximum underwriting limits on each contract bonded, and the States in which the company is licensed to do business. Use of companies on this circular is mandatory.

CONTRACTOR QUALIFICATIONS AND DUTIES

Contractor Responsibility

PHAs shall not award any contract until the prospective contractor, i.e., low responsive bidder, or successful offeror, has been determined to be responsible. A responsible bidder/offeror must:

- A. Have adequate financial resources to perform the contract, or the ability to obtain them;
- B. Be able to comply with the required or proposed delivery or performance schedule, taking into consideration all the bidder's/offeror's existing commercial and governmental business commitments;
- C. Have a satisfactory performance record;

- D. Have a satisfactory record of integrity and business ethics;
- E. Have the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them;
- F. Have the necessary production, construction, and technical equipment and facilities, or the ability to obtain them; and,
- G. Be otherwise qualified and eligible to receive an award under applicable laws and regulations, including not be suspended, debarred or under a HUD-imposed LDP.

If a prospective contractor is found to be non-responsible, a written determination of non-responsibility shall be prepared and included in the official contract file, and the prospective contractor shall be advised of the reasons for the determination.

Suspension and Debarment

Contracts shall not be awarded to debarred, suspended, or ineligible contractors. Contractors may be suspended, debarred, or determined to be ineligible by HUD in accordance with HUD regulations (**24 CFR Part 24**) or by other Federal agencies, e.g., Dept of Labor for violation of labor regulations, when necessary to protect housing authorities in their business dealings.

Vendor Lists

All interested businesses shall be given the opportunity to be included on vendor mailing lists. Any lists of persons, firms, or products which are used in the purchase of supplies and services (including construction) shall be kept current and include enough sources to ensure competition.

CONTRACT PRICING ARRANGEMENTS

Contract Types

Any type of contract which is appropriate to the procurement and which will promote the best interests of the MHA may be used, **provided the cost -plus-a-percentage-of-cost and percentage-of-construction-cost methods are not used**. All solicitations and contracts shall include the clauses and provisions necessary to define the rights and responsibilities of both the contractor and MHA.

For all cost reimbursement contracts, MHA must include a written determination as to why no other contract type is suitable. Further, the contract must include a ceiling price that the contractor exceeds at its own risk.

Options

Options for additional quantities or performance periods may be included in contracts, provided that:

- A. The option is contained in the solicitation;

- B. The option is a unilateral right of the Authority;
- C. The contract states a limit on the additional quantities and the overall term of the contract;
- D. The options are evaluated as part of the initial competition;
- E. The contract states the period within which the options may be exercised;
- F. The options may be exercised only at the price specified in or reasonably determinable from the contract; and
- G. The options may be exercised only if determined to be more advantageous to MHA than conducting a new procurement.

CONTRACT CLAUSES

All contracts should identify the contract pricing arrangement as well as other pertinent terms and conditions, as determined by the MHA.

Additionally, the forms HUD-5369, 5369-A, 5369-B, 5369, 5370, 5370-C, and 51915-A , which contain all HUD-required clauses and certifications for contracts of more than \$100,000, as well as any forms/clauses as required by HUD for small purchases, shall be used in all corresponding solicitations and contracts issued by this Authority.

CONTRACT ADMINISTRATION

The MHA shall maintain a system of contract administration designed to ensure that contractors perform in accordance with their contracts. These systems shall provide for inspection of supplies, services, or construction, as well as monitoring contractor performance, status reporting on major projects including construction contracts, and similar matters. For cost-reimbursement contracts, costs are allowable only to the extent that they are consistent with the cost principles in HUD Handbook 2210.18.

SPECIFICATIONS

General

All specifications shall be drafted so as to promote overall economy for the purpose intended and to encourage competition in satisfying MHA needs. Specifications shall be reviewed prior to issuing any solicitation to ensure that they are not unduly restrictive or represent unnecessary or duplicative items. Function or performance specifications are preferred. Detailed product specifications shall be avoided whenever possible. Consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase. For equipment purchases, a lease versus purchase analysis should be performed to determine the most economical form of procurement.

Limitation

The following types of specifications shall be avoided:

- A. geographic restrictions not mandated or encouraged by applicable Federal law (except for A/E contracts, which may include geographic location as a selection factor if adequate competition is available);
- B. brand name specifications (unless the specifications list the minimum essential characteristics and standards to which the item must conform to satisfy its intended use).

Nothing in this procurement policy shall preempt any State licensing laws. Specifications shall be reviewed to ensure that organizational conflicts of interest do not occur.

APPEALS AND REMEDIES

General

It is MHA policy to resolve all contractual issues informally and without litigation. Disputes will not be referred to HUD unless all administrative remedies have been exhausted. When appropriate, a mediator may be used to help resolve differences.

Informal Appeals Procedure

The MHA shall adopt an informal bid protest/appeal procedure for contracts of \$100,000 or less. Under these procedures, the bidder/contractor may request to meet with the appropriate Contract Officer. When appropriate, MHA may consider the use of informal discussions between the parties by representatives of the parties or third parties who did not participate substantially in the matter in dispute to help resolve the differences. HUD will only become involved in review of disputes and protests in cases involving violations of Federal law or regulations and failure of the MHA to review and resolve a complaint or protest.

Formal Appeals Procedure

A formal appeals procedure shall be established for solicitations/contracts of more than \$100,000.

- A. **Bid Protest.** Any actual or prospective contractor may protest the solicitation or award of a contract for serious violations of the principles of this Procurement Policy Statement. Any protest against a solicitation must be received before the due date for receipt of bids or proposals, and any protest against the award of a contract must be received within ten (10) calendar days after contract award, or the protest will not be considered. All bid protests shall be in writing, submitted to the Contracting Officer or designee, who shall issue a written decision on the matter. The protest shall include, as a minimum, the name, address and phone number of the protester, identification of the protested procurement, a statement of the reasons for the protest, supporting exhibits, evidence, or documents to substantiate any arguments, and the form of relief requested. The Contracting Officer may at his or her discretion suspend the procurement pending resolution of the protest if warranted by the facts presented; however, if a contract is let and the protest upheld, the contract may be terminated for convenience and either the contract re-awarded to the next eligible offeror of the procurement may be resolicited. The protest will be upheld only if there is clear and convincing evidence as to the existence of an impropriety and there is no other means of resolving the matter.

- B. **Contract Claims.** All claims by a contractor relating to performance of a contract shall be submitted in writing to the Contracting Officer or designee for a written decision within five (5) days of when the basis for the claim is known or should have been known. The claim shall include the nature and scope of the claim, the pertinent clause of the contract, a statement of the facts along with any supporting evidence, and any extra costs sought by the contractor. The contractor may request a conference on the claim. The Contracting Officer's decision shall inform the contractor of its appeal rights. Reference is made to HUD form 5370 that explains the procedure for handling contract claims.

ASSISTANCE TO SMALL AND OTHER BUSINESSES

Required Efforts

Consistent with Presidential Executive Orders 11625, 12138, and 12432, and Section 3 of the HUD Act of 1968, all feasible efforts shall be made to ensure that small and minority-owned businesses, women's business enterprises, and other individuals or firms located in or owned in substantial part by persons residing in the area of the MHA project are used when possible. Such efforts shall include, but shall not be limited to:

- A. Including such firms, when qualified, on solicitation mailing lists;
- B. Encouraging their participation through direct solicitation of bids or proposals whenever they are potential sources;
- C. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by such firms;
- D. Establishing delivery schedules, where the requirement permits, which encourage participation by such firms;
- E. Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce;
- F. Including in contracts, to the greatest extent feasible, a clause requiring contractors, to provide opportunities for training and employment for lower income residents of the project area and to award subcontracts for work in connection with the project to business concerns which provide opportunities to low-income residents, as described in **24 CFR Part 135** (so-called Section 3 businesses); and
- G. Requiring prime contractors, when subcontracting is anticipated, to take the positive steps listed above.

Goals shall be established periodically for participation by small businesses, minority-owned businesses, women-owned business enterprises, labor surplus area businesses, and Section 3 business concerns in MHA prime contracts and subcontracting opportunities.

Definitions

1. A **small business** is defined as a business that is: independently owned; not dominant in its field of operation; and not an affiliate or subsidiary of a business dominant in its field of operation. The size standards in **13 CFR Part 121** should be used to determine business size.
2. A **minority-owned business** is defined as a business which is at least 51% owned by one or more minority group members; or, in the case of a publicly-owned business, one in which at least 51% of its voting stock is owned by one or more minority group members, and whose management and daily business operations are controlled by one or more such individuals. Minority group members include, but are not limited to Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, Asian Indian Americans, and Hasidic Jewish Americans.
3. A **women's business enterprise** is defined as a business that is at least 51% owned by a woman or women who are U.S. citizens and who control and operate the business.
4. A "**Section 3 business concern**" is as defined under **24 CFR Part 135**.
5. A **labor surplus area business** is defined as a business which, together with its immediate subcontractors, will incur more than 50% of the cost of performing the contract in an area of concentrated unemployment or underemployment, as defined by the DOL in **20 CFR Part 654**, Subpart A, and in the list of labor surplus areas published by the Employment and Training Administration.

BOARD APPROVAL OF PROCUREMENT ACTIONS

Other than approval of this Procurement Policy, approval by the Board of Commissioners is not required for any procurement action. Rather, it is the responsibility of the Executive Director to make sure that all procurement actions are conducted in accordance with the policies contained herein.

DELEGATION OF CONTRACTING AUTHORITY

While the Executive Director is responsible for ensuring that the MHA's procurements comply with this Policy, the Executive Director may delegate all procurement authority as is necessary and appropriate to conduct the business of the Agency.

Further, and in accordance with this delegation of authority, the Executive Director shall, where necessary, establish operational procedures (such as a procurement manual or standard operating procedures) to implement this Policy. The Executive Director shall also establish a system of sanctions for violations of the ethical standards described in Section III below, consistent with Federal, State, or local law.

DOCUMENTATION

The MHA must maintain records sufficient to detail the significant history of each procurement action. These records **shall** include, but **shall not** necessarily be limited to, the following:

- A. Rationale for the method of procurement (if not self-evident);
- B. Rationale of contract pricing arrangement (also if not self-evident);

- C. Reason for accepting or rejecting the bids or offers;
- D. Basis for the contract price (as prescribed in this handbook);
- E. A copy of the contract documents awarded or issued and signed by the Contracting Officer;
- F. Basis for contract modifications; and
- G. Related contract administration actions.

The level of documentation should be commensurate with the value of the procurement.

Records are to be retained for a period of three years after final payment and all matters pertaining to the contact are closed.

DISPOSITION OF SURPLUS PROPERTY

Property no longer necessary for the MHA's purposes (non-real property) shall be transferred, sold, or disposed of in accordance with applicable Federal, state, and local laws and regulations.

FUNDING AVAILABILITY

Before initiating any contract, the MHA shall ensure that there are sufficient funds available to cover the anticipated cost of the contract or modification.

SELF-CERTIFICATION

The MHA self-certifies that this Procurement Policy, and the MHA's procurement system, complies with all applicable Federal regulations and, as such, the MHA is exempt from prior HUD review and approval of individual procurement action.

**SECTION 3 PLAN
for
THE MISSOULA HOUSING AUTHORITY**

Approved by the Board of Commissioners July 2009

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INTRODUCTION

The Missoula Housing Authority (PHA) has adopted this Section 3 Plan outlining a Section 3 program that will assist staff and contractors in complying with the requirements of Section 3 of the HUD Act of 1968, as amended in 1994. This program will ensure that employment, training, and other economic opportunities generated by HUD financial assistance shall, to the greatest extent feasible, be directed to low and very-low income persons, particularly those who are public housing residents and to businesses which provide economic opportunities to low and very-low income persons.

The PHA has established goals for both hiring and contracting that, when met, will demonstrate satisfactory efforts to comply with Section 3.

The PHA, by this program, affirms its commitment to maximize, to the greatest extent feasible, the creation of employment, training, and contracting opportunities for low and very-low income persons.

The PHA also commits to providing contractors with procedural assistance on all matters relating to this program, as needed, to achieve the program's goal.

I. EXECUTIVE SUMMARY

The Missoula Housing Authority (PHA) is committed to helping the residents of its communities achieve greater stability and self-reliance by providing opportunities for training and employment. The PHA provides employment opportunities by hiring qualified residents of PHA communities for available PHA positions. The PHA also provides employment opportunities on construction projects by encouraging its contractors to hire qualified residents of PHA communities, connecting residents to job training and placement activities, and providing program coordination that facilitates economic opportunities to residents.

Section 3 of the Housing and Urban Development Act of 1968, as amended by the Housing and Community Development Act of 1994, requires that, to the greatest extent feasible, employment and other economic opportunities generated by HUD funds be directed to low- and very low-income residents. Federal regulations at 24 CFR Part 135 establish the standards and procedures to be followed by public housing authorities in order to ensure that the requirements of Section 3 are met.

Section 3 applies to all contracts in public housing programs, except that contracts only for the purchase of materials and supplies are not Section 3 covered contracts. However, whenever a contract for materials includes the installation of the materials, the contract constitutes a Section 3 covered contract.

In order to be considered by HUD to be in compliance with the provisions of 24 CFR Part 135, the PHA will take the following actions:

1. The PHA will adopt recruiting and hiring practices with the goal that at least 30% of the aggregate number of new hires each year at PHA will be qualifying public housing residents or other low-income residents of the metropolitan area.
2. The PHA will establish a goal that all contractors and subcontractors that are not Section 3 businesses will hire qualifying Section 3 residents for at least 30% of the new positions created as a result of contracts with PHA.
3. The PHA will establish a goal that at least 10% of the total dollar amount of contracts for construction, repair and rehabilitation will be awarded to qualifying Section 3 business concerns.
4. The PHA will establish a goal that at least 3% of the total dollar amount of all other PHA contracts are awarded to qualifying Section 3 business concerns.
5. The PHA will develop and enhance its partnerships with the Missoula Job Service and other community employment and training organizations with the goal of identifying a ready pool of public housing residents trained to fill the positions offered by the PHA, its contractors, or subcontractors. The PHA will encourage its partner agencies to design training programs that will ensure that residents will meet the minimum requirements for PHA and contractor employment positions, i.e. valid driving license, high school diploma or equivalent, drug-free workplace requirement, and criminal background checks. The PHA will attempt to connect those residents to other community resources which may provide support services such as day care and transportation. It will also attempt to make residents of PHA communities aware of opportunities as they become available, and inform contractors how to contact Workforce Solutions and other community employment and training organizations that may be able to identify potential employees from PHA communities and other low income residents.

II. SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968

Section 3 of the Housing and Urban Development Act of 1968, as amended by the Housing and Community Development Act of 1994, requires that, to the greatest extent feasible, employment and other economic opportunities generated by HUD funds be directed to low- and very low-income residents. Federal regulations at 24 CFR Part 135 establish the standards and procedures to be followed to ensure that the objectives of Section 3 are met. The terms used in this Implementation Plan are as defined in 24 CFR Part 135.

HUD regulations require that the PHA make best efforts to ensure that 30% of new hires of the PHA and of its contractors funded through development assistance, operating assistance or modernization assistance from HUD be Section 3 residents. "Section 3 residents" includes persons living in the PHA's public housing and also other residents of the metropolitan area who have low incomes (below 80% of the area median income) or very low incomes (below 50% of the area median income). Furthermore, the regulations require that best efforts be made to ensure that 10% of all construction or repair related contracts and 3% of all other contracts be awarded to Section 3 business concerns. A Section 3 business concern is defined as a business concern that is 51% owned by PHA residents or other Section 3 residents, or a business in which

30% of the permanent full time employees are PHA residents or other Section 3 residents or have been within the past three years. A business also qualifies as a Section 3 business concern with respect to a particular contract if it provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded, to business concerns that are Section 3 business concerns.

A Section 3 business concern that is certified as such by another governmental entity is also considered to be a Section 3 business concern by the PHA.

III. OUTREACH AND RECRUITMENT OF QUALIFIED RESIDENTS AND BUSINESSES

In order to comply with 24 CFR Part 135, the PHA will establish procedures that facilitate the training and employment of residents of PHA communities. The PHA will do so by undertaking activities such as:

1. Publicizing PHA employment opportunities to PHA residents and assisting contractors or subcontractors to recruit qualified residents when they are hiring workers in connection with PHA contracts.
2. Referring residents to community agencies that may provide assessments, training, counseling and other assistance with job placement, job interviews, job applications, referrals to contracts seeking Section 3 residents, etc.
3. Encouraging those community agencies to maintain current lists of available and qualified PHA residents and to make the lists available to contractors.
4. Maintaining lists of Section 3 business concerns and their specialties.

Section 3 Coordinator. The PHA will designate a Section 3 Coordinator who will work with PHA departments, contractors, Section 3 business owners, members of the community, residents and Resident Councils to coordinate and monitor activities that contribute to Section 3 compliance. The Section 3 Coordinator will be responsible for preparing the annual report to HUD on Economic Opportunities for Low-Income Persons in conjunction with Assisted Projects (Form HUD 60002).

IV. PROCUREMENT AND CONTRACTING

The PHA's Purchasing Policy states the Agency's commitment to comply with Section 3 requirements in all contracting.

The PHA will develop, implement and monitor procurement and contracting procedures to:

- Ensure that PHA contractors and subcontractors maximize hiring of residents of PHA communities, and

- Facilitate contracting with Section 3 business enterprises.

To accomplish these goals, the PHA will employ strategies which may include, but are not limited to, the following:

1. The PHA will establish standards for structuring and awarding contracts that provide incentives for full participation in the provisions of Section 3 and for enforcing the Section 3 contract provisions.
2. All Section 3 covered contracts will include the “Section 3 clause” as required by 24 CFR Section 135.38.
3. Offering documents will include notification that the bidder/proposer must commit to comply with Section 3 requirements, with the details to be negotiated with staff after the apparent low bidder is determined.
4. The Contracting Officer will negotiate the terms of Section 3 compliance with the apparent low bidder on formal contracts. If the contractor is unable or unwilling to comply with Section 3 requirements to the satisfaction of the Contracting Officer, the Contracting Officer may recommend to the Board of Commissioners that the bid be rejected as non-responsive.

Contract Size

If the estimated value of the contract is less than \$5,000, Section 3 requirements apply, but no additional documentation from the contractor will be required. Staff will endeavor to award such contracts directly to Section 3 businesses, to the greatest extent feasible.

If the estimated value of the contract is \$5,000 or more, a successful bidder/proposer that is not a Section 3 business will be required to provide a Section 3 Action Plan that includes, at minimum, the following commitments:

1. 30% (as defined) of new employees to be hired for this contract work will be hired from among qualified Section 3 residents; or
2. 25% of subcontracted work under the contract will be subcontracted to Section 3 businesses; or
3. If the contractor is unable to meet the above goals, the contractor must demonstrate why meeting the goals was not feasible.

It is the responsibility of contractors, vendors and suppliers to implement progressive efforts to attain Section 3 compliance. Any bidder/proposer’s failure to agree a Section 3 Action Plan may render the bid non-responsive and cause the contractor to be disqualified from further consideration for this contract.

Section 3 Procurement Notice. The PHA will provide a notice to all interested bidders/proposers explaining HUD's Section 3 requirements and the PHA's procedures.

V. MONITORING AND COMPLIANCE

The PHA, through the Section 3 Coordinator and other staff, will monitor contractors' outreach and hiring practices and use of subcontractors, including monitoring the dollar value of subcontracts awarded to Section 3 businesses.

All contracts will be evaluated at closing for compliance with the Section 3 Action Plan for the contract. The contractor's compliance may be used to determine contractor responsibility and bid responsiveness on future contracting opportunities with the PHA.

The contractor will provide the following reports to the PHA to facilitate monitoring Section 3 hiring and contracting activity, compliance with Davis-Bacon Wage Rate requirements and the provision of economic opportunities for women and minorities:

1. A certified list of all new hires for each contractor, either biweekly or at other intervals specified in the Section 3 Action Plan. The certified lists will include: name, address, trade, section category, gender and ethnic group or race, date hired, indication of how contact was made (PHA referral, walk-in, resident council referral, etc.).
2. A weekly certified payroll for each contractor and subcontractor. The certified payroll will indicate: trade and status (i.e., apprentice, journeyman, master, foreman, superintendent, etc.), wage rate and hours worked each day, whether claimed as Section 3 employee, name and address of each employee.
3. A copy of each subcontract when executed, with cover sheet indicating dollar value of contract and gender and race or ethnicity of 51% owner and whether or not the business is a certified Section 3 business.
4. If the Section 3 Coordinator refers Section 3 residents to the contractor, the contractor will report back to the Section 3 Coordinator whether the resident is or is not hired.

The contractor shall maintain documentation of Section 3 outreach and recruitment activities available for review by the Section 3 Coordinator. Items to be made available for review include:

1. Walk-in applicant list indicating which job applicants were residents of PHA communities and status of their application/employment;
2. List of applicants and their application or employment status;
3. Equal Employment Opportunity Policy;

VI. PROTEST AND COMPLAINT PROCESSING

Cooperation in Achieving Compliance

The PHA recognizes that the success of ensuring that Section 3 residents and Section 3 business concerns have the opportunity to apply for jobs and to bid for contracts generated by covered HUD financial assistance depends upon the cooperation and assistance of the PHA, the contractors and subcontractors. As stated in the PHA Purchasing Policy, "It is the PHA's policy to resolve all contractual issues informally and without litigation." The same approach applies to Section 3 issues, although a Section 3 resident or business always has the right to file a complaint directly with HUD's Office of Fair Housing and Equal Opportunity.

All recipients shall cooperate fully and promptly with the HUD in Section 3 compliance reviews, in investigations of allegations of noncompliance made and with the distribution and collection of data and information.

The PHA shall refrain from entering into a contract with any contractor after notification to the recipient by HUD that the contractor has been found in violation of the regulations. The provisions of 24 CFR part 24 apply to the employment, engagement of services, awarding of contracts or funding of any contractors or subcontractors during any period of debarment, suspension or otherwise ineligible status.

Filing and Processing Complaints

Who may file a complaint? The following individuals and business concerns may, personally or through an authorized representative, file a complaint with HUD alleging noncompliance with Section 3:

1. Any Section 3 resident on behalf of himself or herself, or as a representative of persons similarly situated, seeking employment, training or other economic opportunities, or by a representative who is not a Section 3 resident but who represents one or more Section 3 residents;
2. Any Section 3 business concern on behalf of itself, or as a representative of other Section 3 business concerns similarly situated, seeking contract opportunities generated from the expenditure of Section 3 assistance from a recipient or contractor, or by an individual representative of Section 3 business concerns.

Where to file a complaint. A complaint must be filed with the PHA's Contracting Officer or with the Assistant Secretary for Fair Housing and Equal Opportunity, Department of Housing and Urban Development, Washington, DC 20410.

Time of Filing

1. A complaint must be received not later than 180 days from the date of the action or omission upon which the complaint is based, unless the time for filing is extended by the Assistant Secretary for good cause shown.

2. Where a complaint alleges noncompliance with Section 3 and the regulations of this part that is continuing, as manifested in a number of incidents of noncompliance, the complaint will be timely if filed within 180 days of the last alleged occurrence of noncompliance.
3. Where a complaint contains incomplete information, the Assistant Secretary shall request the needed information from the complainant. In the event this information is not furnished to the Assistant Secretary within sixty (60) days of the date of the request, the complaint may be closed.

Contents of Complaint

Written complaints: Each complaint must be in writing, signed by the complainant, and shall include:

1. Name and address of the complainant;
2. The name and address of the respondent;
3. A description of the acts or omissions by the PHA that is sufficient to inform the Assistant Secretary of the nature and date of the alleged non-compliance; and
4. A complainant may provide information to be contained in a complaint by telephone to HUD.

Amendment of Complaint

Complaints may be reasonably and fairly amended at any time. Such amendments may include, but are not limited to, amendments to cure, technical defects or omissions, including failure to sign or affirm a complaint, to clarify or amplify the allegations in a complaint, or to join additional or substitute respondents. Except for the purposes of notifying respondents, amended complaints will be considered as having been made as of the original filing date.

Resolution of complaint by the PHA

1. Within ten (10) days of a timely filing of a complaint, that contains complete information, the Contracting Officer shall determine whether the complainant alleges an action or omission by a recipient or the recipient's contractor that if proven qualifies as noncompliance with Section 3. If a determination is made that there is an allegation of noncompliance with Section 3, the complaint shall be sent to the recipient for resolution.
2. If the Contracting Officer believes that the complaint lacks merit, the Contracting Officer must notify the Assistant Secretary, in writing, of this recommendation with supporting reasons, within thirty (30) days of the date of receipt of the complaint. The determination that a complaint lacks merit is reserved to the Assistant Secretary.
3. If the Contracting Officer determines that there is merit to the complaint, the PHA will have sixty (60) days from the date of receipt of the complaint to resolve the matter with the complainant. At the expiration of the sixty (60) day period, the PHA must notify the Assistant Secretary in writing whether a resolution of the complaint has been reached.

If resolution has been reached, the notification must be signed by both the PHA and the complainant, and must summarize the terms of the resolution reached between the two parties.

4. Any request for an extension of the sixty (60) day period by the recipient must be submitted in writing to the Assistant Secretary, and must include a statement explaining the need for the extension.
5. If the recipient is unable to resolve the complaint within the sixty (60) day period (or more if extended by the Assistant Secretary), the complaint shall be referred to the Assistant Secretary for handling.

Judicial relief: Nothing in this procedure precludes a Section 3 resident or Section 3 business concerning from exercising the right, which may otherwise be available, to seek redress directly through judicial procedures.

Appendix 6.0(5a) Grievance Procedure

MISSOULA HOUSING AUTHORITY GRIEVANCE PROCEDURE FOR PUBLIC HOUSING

I. POLICY

This policy only applies to tenants of federally-subsidized public housing operated by the Missoula Housing Authority. Applicants to public housing are not entitled to the same hearing process afforded tenants in the MHA Grievance Procedure. The Grievance Procedure for Public Housing does not apply to:

1. Applicants for MHA housing;
2. Guests of tenants and live-in-aides;
3. Section 8 Voucher Program Participants, including Project-Based;
4. LIHTC tenants.

The Missoula Housing Authority shall direct its best efforts toward resolving tenant grievances at the lowest possible level of the MHA's organizational structure, while providing tenants an opportunity for a fair and impartial hearing where resolution of grievances at the staff level is not possible. This policy shall be incorporated and made part of MHA's public housing lease, by reference.

A grievance is any dispute a tenant may have with respect to MHA action or failure to act in accordance with the lease or regulations that adversely affects the individual tenant's rights, duties, welfare or status. The grievance policy is applicable only to individual tenant issues relating to MHA. It shall not be applicable to disputes between tenants that do not involve MHA or to class grievances, and shall not be used as a means of initiating or negotiating MHA policy changes which are subject to MHA Board of Commissioner approval.

The Missoula Housing Authority shall provide an opportunity for a fair and impartial hearing of the grievance provided that the grievance hearing request is made in a timely manner. If no request is made or, if a request is not made in a timely manner as defined in the Grievance Procedure, the tenant shall be deemed to have waived his or her right to a grievance hearing under this policy.

II. PROCEDURE

A. DEFINITIONS:

1. **Grievance:** Any dispute a tenant may have with respect to any MHA action or failure to act in accordance with the tenant's lease/rental agreement or housing authority regulations which adversely affect the individual tenant's rights, duties, welfare, or status.
2. **Complainant** shall mean any tenant whose grievance is presented to the MHA in accordance with the policies set forth below.
3. **Elements of due process.** An eviction action or a termination of tenancy in a state or local court shall require the following procedural safeguards:
 - a. Adequate notice to the tenant of the grounds for terminating the tenancy and for eviction;
 - b. Right of the tenant to be represented by counsel;

- c. Opportunity for the tenant to refute the evidence presented by MHA, including the right to confront and cross-examine witnesses and to present any affirmative legal or equitable defense which the tenant may have;
 - d. A decision on the merits;
4. **Hearing Officer:** An impartial person appointed by MHA according to the procedures set forth in this policy to hear grievances and render a decision.
 5. **Tenant:** the adult person (or persons), other than a live-in aid:
 - a. Who resides in the unit, and who executed the lease/rental agreement with MHA as lessee of the dwelling unit, or, if no such person now resides in the unit;
 - b. Who resides in the unit, and who is the remaining head of household of the tenant family residing in the dwelling unit.
 6. **Resident Organization** is the Resident Advisory Board (RAB) or other Resident Management Association of MHA.

B. INFORMAL SETTLEMENT OF GRIEVANCE:

The first required step in the grievance process is to attempt an informal settlement. Grievances always originate with the tenant.

1. A tenant may personally present the grievance either orally or in writing, to the MHA Public Housing Asset Manager. The tenant must make/file the grievance within **ten (10) business days of MHA's action or failure to act which gives rise to the grievance.** Grievances received after ten business days will not be considered.
2. If the grievance involves allegations of discrimination or harassment against staff, the tenant shall submit the grievance directly to the Operations Director or the Executive Director. If the grievance involves allegations of discrimination or harassment against the Operations Director, the tenant shall submit the grievance to either the Public Housing Asset Manager or the Executive Director. If the grievance involves allegations of discrimination or harassment against the Executive Director, the tenant shall submit the grievance to either the Public Housing Asset Manager or the Operations Director
3. Upon receipt of the grievance, it shall be reviewed by the Operations Director or other appropriate MHA staff. The tenant shall be contacted within **five (5) business days** of receipt of the grievance, to meet and discuss the issue informally and to attempt to settle the grievance if possible.
4. If a complainant fails to attend a scheduled meeting without prior notice to MHA staff, MHA will reschedule the appointment **only if the complainant can show good cause for failing to appear.** Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family.
5. MHA will prepare a summary of the informal settlement discussion and disposition within **five (5) business days;** one copy of the summary shall be given to the complainant and one copy of the summary shall be retained in MHA's tenant's file. The summary shall specify the names of the participants, date(s) of meeting(s), the nature of the proposed disposition of the grievance and the specific reasons for the disposition. The summary shall also specify the procedure by which a grievance hearing may be obtained by the complainant if the complainant is not satisfied with the informal settlement disposition.

C. PROCEDURE TO OBTAIN A FORMAL GRIEVANCE HEARING:

1. **Request for Hearing:** If the complainant is not satisfied with the outcome of the informal settlement, he or she may submit a written request for a formal grievance hearing to the MHA Public Housing Asset Manager within **five (5) business days** of the date of the written summary of discussion of the informal settlement. The written request for a grievance hearing shall specify:
 - a. The reason for the grievance; and
 - b. The action or relief sought.
2. **Failure to Request a Hearing:** If the complainant does not request a formal grievance, MHA's informal settlement disposition of the grievance shall become final. The complainant's failure to request a formal grievance hearing shall not constitute a waiver by the complainant of his or her right to contest MHA's decision about the grievance in an appropriate judicial proceeding.
3. **Hearing Prerequisite:** All grievances must first go through the Informal Settlement procedures set forth in Section II(B) of this policy. If it is determined the complainant has good cause for bypassing the informal settlement procedure, MHA or the Hearing Officer may waive this requirement. The reason for waiving this requirement shall be documented by MHA staff or the Hearing Officer in the complainant/tenant's file, along with the complainant's written request for the hearing.

D. ESCROW DEPOSITS FOR GRIEVANCES INVOLVING NON-PAYMENT OF RENT.

1. If a grievance involves the amount of rent owed by a tenant, before a hearing is scheduled, the tenant shall pay into an escrow account with MHA the amount of rent MHA states is due and owing as of the first of the month preceding the month in which the act or failure to act took place. After the first deposit, the tenant must deposit the same amount monthly until the grievance is resolved by a decision of the hearing officer.
2. MHA staff will notify the tenant of this requirement and the procedures for making the escrow deposits.
3. Failure to make an escrow deposit when due shall result in termination of the grievance procedure and all rent owed by the tenant shall become immediately due and payable. Failure to make an escrow deposit shall not constitute a waiver of any right the tenant may have to contest MHA's disposition of his grievance in any appropriate judicial proceeding.
4. MHA shall waive the escrow deposit requirement where required by § 5.630 of title 24 of the CFR's (financial hardship exemption from minimum rent requirements) or § 5.615 of title 24 of the CFR's (effect of welfare benefits reduction in calculation of family income). Unless MHA waives the requirement, the family's failure to make the escrow deposit will terminate the grievance procedure. A family's failure to pay the escrow deposit does not waive the family's right to contest in any appropriate judicial proceeding MHA's disposition of the grievance.

E. SCHEDULING OF HEARINGS:

Upon the complainant's compliance with paragraphs B, C, and D of Section II of this policy, a hearing shall be promptly scheduled for a time and place reasonably convenient to

both the complainant, MHA and the Hearing Officer. A written notification specifying the time, place and the procedures governing the hearing shall be delivered to the complainant and MHA. Under no circumstances, including rescheduling of a grievance hearing pursuant to Section H, shall a grievance hearing be rescheduled at the complainant's request more than two times. If the complainant cannot attend the grievance hearing after the third scheduled grievance hearing, it shall constitute a waiver of the complainant's right to a grievance hearing.

F. SELECTION OF A HEARING OFFICER;

MHA grievance hearings shall be conducted by a single hearing officer and not a panel. MHA shall select a person who has been appointed in the following manner:

1. The Hearing Officer shall be an impartial, disinterested person appointed by MHA. The Hearing Officer may be an employee or an independent hearing officer. No person who made or approved the action being grieved or who has some interest in the matter under review, or who appears to lack impartiality, shall be appointed.
2. The Operations Director shall retain and appoint hearing officers. The Operations Director shall maintain a list of the appointed hearing officers. This list shall be submitted to the RAB Board once a year for comment, or any time there are additional hearing officers added to the appointed hearing officers list. Any comments or recommendations submitted by the tenant organization shall be considered by the MHA regarding the appointment of a hearing officer.

G. PROCEDURE GOVERNING THE HEARING:

1. The hearing shall be held before a Hearing Officer.
2. The complainant shall receive a fair hearing with due process, which shall include:
 - a. At the request of the complainant, the opportunity to examine before the grievance hearing all documents, records and regulations of MHA that are relevant to the grievance hearing. The complainant may copy any such document(s) at the complainant's own expense, at a cost of \$.25 per page. The tenant must request discovery/examination of the documents no later than 12:00 p.m. on the business day prior to the hearing. If MHA does not make the document(s) available for examination upon request by the complainant, MHA may not rely on such document(s) at the formal grievance hearing.
 - b. The right to representation by counsel or other person chosen as the claimant's representative, and to have such person make statements on the complainant's behalf.
 - c. The right to a private hearing unless the complainant requests a public hearing.
 - d. The right to present evidence and arguments in support of the complainant's grievance, to contest or rebut evidence relied upon by MHA and to confront and cross-examine all witnesses.
 - e. A decision based solely and exclusively upon the facts presented at the hearing.
3. The Hearing Officer may render a decision without a hearing if the Hearing Officer determines that the issue has been previously decided in another proceeding.
4. At the hearing, the complainant must first show that he or she is entitled to the relief sought and thereafter MHA has the burden to justify its actions or failure to act.

5. The hearing shall be conducted informally and oral or documentary evidence may be received without regard to admissibility such as in judicial proceedings. All parties shall conduct themselves in an orderly fashion. Failure to comply with the directions of the Hearing Officer to obtain order may result in exclusion from the proceedings or in a decision adverse to the interests of the disorderly party and granting or denial of the relief sought, as appropriate.

6. Either MHA or the complainant may arrange in advance for transcription of the proceedings at their own expense. Any interested party may purchase a copy of the transcript.

7. MHA must provide reasonable accommodation for persons with disabilities to participate in the hearing. Reasonable accommodation may include qualified sign language interpreters, readers, accessible locations, or attendants. If the tenant is visually impaired, any notice to the tenant which is required must be in an accessible format.

H. FAILURE TO APPEAR FOR THE SCHEDULED HEARING:

1. If the complainant does not appear at the scheduled time of the formal grievance hearing, the Hearing Officer will wait up to 20 minutes. If the complainant appears within 20 minutes of the scheduled time, the hearing will be held. If the complainant does not appear within 20 minutes of the scheduled time, he or she will be considered to have failed to appear.

2. If the complainant fails to appear and was unable to reschedule the hearing in advance, a hearing will be automatically rescheduled if the complainant contacts MHA within 24 hours of the scheduled hearing date, excluding weekends and holidays, subject to the restrictions set forth in Section E of this procedure. The Hearing Officer may reschedule the hearing if a request is made by the complainant within five (5) days of the date of the hearing and the Hearing Officer determines the complainant has established good cause for his or her failure to appear. Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the tenant.

I. DECISION OF THE HEARING OFFICER:

1. The Hearing Officer shall prepare a written decision, with the reasons for the decision stated, within ten business days after the hearing. The written decision shall contain:

- a. A brief impartial statement of the reason for the hearing;
- b. A summary of the evidence presented;
- c. Findings of Facts made by the Hearing Officer based on a preponderance of the evidence; and
- d. A conclusion, which shall include a statement whether MHA's decision is upheld or overturned.

2. A copy of the decision shall be sent to the complainant and to MHA within ten business days after the hearing. A copy of the decision shall be maintained in the complainant/tenant's file. A copy of the decision, with all names and identifying references deleted, shall also be maintained on file by MHA and made available for inspection by a prospective complainant, his representative, or the hearing officer.

3. The Hearing Officer's decision shall be binding on MHA unless the Missoula Housing Authority's Board of Commissioners determines within a reasonable time, and promptly notifies the complainant of its determination that:

a. The grievance does not concern MHA action or failure to act in accordance with or involving the tenants lease/rental agreement or MHA regulations, which adversely affect the tenant's rights, duties, welfare or status;

b. The decision of the Hearing Officer is contrary to applicable Federal, State or local law, HUD regulations, or requirements of the Annual Contributions Contract (ACC).

4. A decision by the Hearing Officer or MHA Board of Commissioners in favor of MHA or which denies the relief requested by the complainant, in whole or in part, shall not constitute a waiver of, nor affect in any manner whatever, any rights the complainant may have to a judicial review of the decision through any judicial proceedings.

J. EXCEPTION(S) TO APPLICABILITY OF GRIEVANCE PROCEDURE

1. The Missoula Housing Authority grievance procedure does not apply to, and tenants will not be allowed to utilize the grievance procedure, for any termination of tenancy or eviction that involves:

(a) Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of MHA premises by other residents or MHA employees;

(b) Any drug related criminal activity on or near MHA premises.

2. HUD has issued a due process designation for the State of Montana. This determination holds that the State of Montana provides sufficient due process for tenants who face termination in these circumstances during eviction proceedings through the State of Montana's court system.

Appendix 6.0(5c) Informal Review Procedure

INFORMAL HEARING – VOUCHER PROGRAM

Section 1:

A participant has a right to an Informal Hearing in the following circumstances:

1. A determination of the amount of the total Tenant Payment.
2. A decision to terminate or deny assistance on behalf of the participant.
3. A decision to deny a request to move.
4. A determination that the participant is living in a unit with more bedrooms than appropriate under the occupancy standards and the MHA has denied a request for a waiver of the occupancy standards.
5. A determination of the number of bedrooms designated on a new Voucher for a participating family.

Section 2: A participant does not have a right to an informal hearing in the following circumstances:

1. Determination of family unit size under MHA subsidy standards.
2. Refusal to extend or suspend a voucher.
3. MHA determination not to grant approval of tenancy or a lease.
4. Determination that unit is not in compliance with HQS (if it is Landlord responsibility - MHA must provide hearing in the case of a family's breach of HQS because it is a family obligation determination).
5. Determination that unit is not in accordance with HQS due to family size or composition.
6. Discretionary administrative determinations by MHA.
7. General policy issues or class grievances .
8. Establishment of MHA schedule of utility allowances.
9. MHA determination to exercise or not exercise any right or remedy against the Owner under a HAP contract.
10. Any determination that has another review process, such as Request for Reasonable Accommodation.

Section 2:

The procedures for an Informal Hearing are:

1. The procedures for requesting and conducting an informal hearing will be provided to each family during the Voucher briefing and again whenever a decision subject to hearing is made, except the Total tenant Payment.
2. In the case of a participating family whose assistance is being terminated and the family is currently living in a unit with an active Housing Assistance Payment's Contract, the MHA will provide an opportunity for an informal hearing before the actual termination of the housing assistance payments.
3. Once a determination or decision is made as described in Section 1, the MHA will notify the participant of the determination or decision, the participants right to request further explanation within 3 business days of notice the determination or decision, and the participants right to request an informal hearing in writing, within ten (10) business days of the notice or within ten (10) business days of the explanation, if participant requests further explanation.
4. If no informal hearing is requested, the decision becomes effective ten (10) business days after the notice or ten (10) days after further explanation.
5. The MHA will schedule the informal hearing within ten (10) business days of MHA's receipt of the written request for an informal hearing. The MHA will select a Hearing Officer and schedule the informal hearing. The MHA will send written notification of the date, time and place of the informal hearing to the participant. The Informal Hearing Officer will be someone other than the person who made the decision under review or a subordinate of that person. Such person may be an MHA staff member.
6. The participant shall be given the opportunity, any time prior to the informal hearing, to examine and copy (at participant's expense) relevant MHA documents.
7. The participant may be represented by a lawyer or other representative.
8. The Informal Hearing Officer will be responsible to conduct the hearing in accordance with the following guidelines:
 - a. The Informal Hearing is not intended to duplicate procedures under judicial review so the rules of admissibility under such proceedings will not be applied in the course of the informal hearing.
 - b. The MHA or MHA's representative will present an overview of the circumstances requiring an informal hearing, including the determination or decision that was made that is the subject of the informal hearing as well as a history of the actions taken.
 - c. The participant or the participant's representative will be given an opportunity to present his/her objections to the specific determination or decision that is the subject of the informal hearing. The participant may present evidence or question witnesses at this time.
 - d. The MHA or the MHA's representative will then have an opportunity to further explain the determination or decision and to rebut the objections of the participant. The MHA may present evidence and question witnesses. The participant will then have the opportunity to question any MHA witnesses.

- e. Within ten (10) business days after the informal hearing, the Informal Hearing Officer will issue a written decision stating his or her decision and the reasons for the decision. A written decision may be issued at the hearing. The decision will be based on the evidence presented at the hearing. The MHA will send a copy of the decision by certificate of mailing to the participant within three (3) business days of receipt of the informal hearing officer's decision unless the decision was rendered at the informal hearing and given to the participant.
9. The MHA is not bound to the informal hearing decision under the following circumstances:
- a. When the decision rendered concerns or is based on an issue that is not identified as eligible for an Informal Hearing.
 - b. When the decision is contrary to HUD regulations, requirements or Federal, State and local law.
 - c. The MHA will notify the participant whether or not MHA agrees with the informal decision within (five) 5 business days of the date the decision was made by the Informal Hearing Officer.

Missoula Housing Authority
Family Self Sufficiency Program

ACTION PLAN

OVERVIEW AND PURPOSE

Missoula Housing Authority (MHA) has operated a Family Self Sufficiency Program (FSS) since 1992. Since then, MHA has met and exceeded its initial mandatory participant requirements through contract completions. In FY2006-2007, the program served a total of 115 and graduated 11 families. Total escrow disbursement was \$88,795.56.

The Missoula Housing Authority FSS goal is to serve a total of 125 participants; 100 Section 8 Voucher clients and 25 Public Housing residents. The program is designed to serve the economic self-sufficiency needs of MHA clients through collaborative community agency efforts and active MHA partnerships with regard to the supportive services these agencies provide.

The goal of the MHA FSS program is to maintain 98% program participation of both Section 8 and Public Housing clients at any given time; and to graduate a minimum of five (5) participants each fiscal year.

This plan identifies programs that meet these needs and the process that enables qualified families who participate in FSS to receive necessary supportive services.

FAMILY DEMOGRAPHICS

The Missoula Housing Authority Section 8 Voucher program income statistics reflect 58% of participants on Social Security, SSI and SSDI. Section 8 statistics also reveal a consistent 4% who receive TANF assistance. Two and a half percent (2.5%) report self-employment income; and 37% report wages. These specific demographics necessitate on-going partnership and consistent contact with community mental health and disabilities providers, as well as knowledge of and regular communication with the advocacy networks.

Of 743 Section 8 Vouchers filled in October 2007, 642 (86%) families listed a female head of household. Three hundred Forty Two (46%) are single and 401 (54%) are family voucher holders.

Fifty nine per cent (59%), or 966 individuals, of the total 1,635 Section 8 Voucher residents are over the age of 18 years; the remaining 41% are children under age 18. Fifteen per cent (15%) are over 55 (55-99) years of age.

The Missoula Housing Authority Public Housing income statistics reflect 30% of participants on Social Security, SSI and SSDI. Public Housing statistics reflect 5% of participants receive TANF assistance. Public Housing participants that have their own business are at 2%. Public

Housing participants that report wages is at 41%. The Missoula Housing Authority Public Housing housing statistics reflect 119 (70%) families listed a female head of household.

Estimate of Participants

A total of five (5) TANF/WoRC Public Housing participants and ten (10) TANF/WoRC Section 8 Voucher holders are annually expected to agree to execute a Family Self Sufficiency Contract of Participation.

FSS families will be selected from the pool of current, active and interested clients participating in either the Section 8 Voucher program or Public Housing program as follows:

- Mandatory 30 minute FSS information sessions can be arranged at any time in the process, either before or after an FSS Interest Statement is filed.
- An FSS Interest Statement form must be completed and submitted in order for MHA clients to be considered for FSS participation. Interest Statements will be date stamped as received.
- As long as Public Housing and Section 8 Voucher FSS slots are vacant, selections will be made on a first come, first serve basis. The FSS selection is accomplished when the Interest Statement is submitted, FSS Information Session completed and a one-hour FSS Intake appointment with Individual Training and Service Plan (ITSP) completed.
- In the event that all PH and S8 FSS slots are filled, a waiting list will be formed based on the date stamped FSS Interest Statement. Clients will be contacted based on the earliest Interest date.
- Waiting list contact will be handled by telephone and in writing. It is the obligation of the client to maintain current address and telephone information with MHA. If clients choose not to enter the program at the time of the next available slot, they will automatically go to the bottom of the waiting list on the date of deferral for future consideration.

At no time, will FSS selection be based on race, color, religion, age, sex, disability, familial status or national origin.

Participation may be denied in situations:

- ***where a family participated in the past, but failed to comply with the program;***
- ***where needed family services do not exist in the community;***
- ***where any Public Housing Authority debt exists; and***
- ***where discernible evidence of lack of motivation exists.***

Housing Programs and Family Self Sufficiency

Missoula Housing Authority is authorized to serve 100 Section 8 Voucher families and 25 Public Housing families. Before an FSS intake can be scheduled, the Coordinator checks to determine if an interim or annual HUD re-certification has been completed within the past 120 days. If not, an interim review must be scheduled with the MHA Occupancy Specialist to bring income, asset and household information up to date and, therefore, to make the most accurate escrow determination.

Although the FSS participation is dependent on compliance within the appropriate housing program, FSS participation does not reflect on or affect Section 8 or Public Housing program participation. A family will not be terminated from Section 8 and cannot be terminate from Public Housing because of Family Self Sufficiency program compliance.

Incentives to Encourage Participation

Currently, MHA offers the following incentives to encourage participation in the FSS Program:

- Case Management support.
- Information on employment and skill training, education, and home ownership programs.
- Referral to support services such as childcare, transportation, family counseling, medical/mental health services, financial counseling, and personal growth classes.
- Information regarding escrow account management.
- Homeownership information and referral.
- Budgeting and Domicile Deep-Cleaning Workshops

Outreach Efforts

Missoula Housing Authority provides initial FSS program information in the form of brochures to prospective participants at the first mandatory application orientation session. Clients hear FSS information once again at a Voucher briefing and Public Housing lease-up.

The FSS information is provided to Section 8 clients at the voucher lease-up and formal referrals of interested clients are made to the FSS Coordinator following this session. If clients choose not to enter the program at this point, Program Specialists make FSS referrals at annual re-certification appointments.

The FSS Coordinator presents the FSS program information sessions throughout the community social services programs, including; Temporary Assistance for Needy Families (TANF) programs, Adult Education and the Work Force Investment Act (WIA) programs. FSS information is provided in a continuing section of the MHA Newsletter, as well as at community and public functions like the annual JobLinc Community Management Team Cross-Training event.

Missoula Housing Authority assures that both minority and non-minority groups are informed about the Family Self Sufficiency program of services. All Public Housing and Section 8

Voucher clients are informed equally in the same sessions from application orientation through lease up and re-certification processes.

FSS Activities and Delivery of Supportive Services

The Missoula Housing Authority Family Self Sufficiency Program maintains on-going formal and informal partnerships with social services, health, and education and training programs throughout the community. The FSS Coordinator communicates regularly, consistently more often than weekly, to make referrals to specific staff for specific services in the majority of our local community resource programs. Staff members participate as regular members of a variety of formal community agency boards, teams and consortiums, including WIA, the At Risk Housing Coalition and the Healthy Indian Families Initiative.

The MHA FSS program currently exists with the cooperation of the following agencies:

- Montana TANF WoRC Program
- Dickinson Learning Center (Adult Basic and Continuing Education)
- Women's Opportunity Resource Development
- Vocational Rehabilitation
- Child Care Resources
- University of Montana
- University of Montana College of Technology
- University of Montana Career Services
- Western Montana Mental Health Services
- Montana Works
- Opportunities Resource Center
- Missoula Aging Services
- Head Start
- U of M Rural Institute on Disabilities
- Montana Fair Housing
- Families First
- Missoula Community Development Corporation
- Missoula Workforce Center
- YWCA
- homeward Home Ownership Programs

FSS Services

Identification of Family Support Needs

The Missoula Housing Authority Family Self Sufficiency Program uses an Assessment Tool developed for the program by University of Montana Masters in Social Work Interns in 2002. The assessment continues to be refined for specific FSS needs. It assesses knowledge, skills and abilities in the three areas of education, employment and finances.

Generally an FSS Information Session is scheduled as a result of a referral from either the MHA Assets or the Occupancy Department. Other times, community resources that we collaborate

with, may make a referral to the FSS program, particularly if they know the client is a Public Housing or Section 8 participant. Often they have done some sort of goal setting within their programs that coincide with FSS program goals. An additional referral source is other FSS families who tell their friends how they are benefiting from the program.

A half-hour appointment is scheduled to cover the basic information of the FSS program. The Coordinator reviews the program and answers any questions about FSS. Information in the FSS contract itself is emphasized, to determine if FSS is a good fit for them at the time. The following critical program requirements are noted:

- FSS is an employment program tied to good standing with MHA housing program responsibilities.
- The FSS participant must have obtained employment and be TANF-free in the final 12 months of the program.
- Program completion is dependent on completion of contract goals OR on having adjusted income that exceeds the Fair Market Rent (FMR) standard in their program.

Discussion about current family financial situations, any immediate plans for employment, education or personal goals takes place at the initial meeting and assessment. With the FSS intake form itself, potential clients are assured of the confidentiality of information they will be sharing. The intake is divided into different assessment areas. The importance of completing each area is stressed, so as to assist families to identify possible needs and steps needed to achieve long term goals. Using their own income information, the FSS Coordinator calculates some possible future scenarios. The Coordinator calculates the TTP (Total Tenant Payment) and together they determine if the FSS program would fit family needs and goals by comparing to future wages they would like to generate. They can now easily see how large or small an escrow may grow based on a comparison of current and future income information.

If the family determines that they cannot theoretically earn enough in the next five years, based on their current circumstances, to build an escrow they may choose not to enter the program. They are reminded that if their circumstances should change and their income decreases, they can choose to enter the program at another time. For example, if they are going to return to school and there will be a drop in income it will be a benefit to come to the FSS program sometime during their educational time period. There are two benefits of waiting. First, it fits nicely with educational contract goals; secondly, they enter the FSS with a lower TTP which benefits them in the bigger picture of building escrow as part of a five year plan.

Typically, the progression of an FSS participant through the program of services would be:

1. Referral or self-referral.
2. FSS Information Session.
3. Initial FSS Program Meeting and Assessment OR decision to defer program entry.
4. Interim (6-month) meetings.
5. Mandatory 12-month reviews.
6. Program completion or termination (voluntary or program initiated).

Case Management Process

All FSS families are required to participate in a mandatory annual review of contract goals. Changes in family circumstances are discussed and goals amended or changed, as needed. As part of both the Annual and Interim Reviews the FSS Coordinator documents progress and steps taken toward goal completion. This information is recorded directly on the ITSP. Accordingly, if participants have not followed through on an initial short term goal by the original timeline, the reasons are assessed and together the participant and Coordinator determine whether an amendment is necessary or what specific activities would help to achieve the goal. The participant leaves each appointment with an updated ITSP, with progress and completed steps documented.

In addition, it is expected that FSS participants will keep an interim appointment every six months to discuss any successful goal completions, as well as barriers that may necessitate goal amendment. The FSS Coordinator assists families in identifying appropriate community resources and makes specific referrals to assist in goal completion, as needed. In the event the family has more intensive case management needs (especially at the onset of the FSS contract), there may be an Interim Review every three months. There may also be specific issues requiring follow-up, including agency referrals or occupancy/lease compliance discussions. Case Management level of participation is determined largely by the individual FSS participant and what needs they express. Whenever other Case Management is already available to them as part of another program (TANF, etc.), the FSS case management is minimal so as not to duplicate services, although contact between the two agencies is consistent. Contracts that have goals that overlap are looked at as a whole to insure best continuity of services for the participant.

Escrow Account

The MHA annually provides the FSS family with an accounting of the escrow balance, including accrued interest. This information is provided by the MHA Fiscal Department to the FSS Coordinator at the end of the fiscal year. The Coordinator informs each FSS family by letter regarding the escrow balance.

The FSS family may request interim disbursement of a portion of the escrow account during the contract period. The disbursement must be for contract-related expenses and only if the family has successfully progressed toward meeting contract goals. The requested disbursement must be consistent with the goals noted in the ITSP (Individual Training and Service Plan – HUD-52650). Interim disbursements must be associated with unexpected costs related to housing, training or employment goals that are referenced in the FSS contract.

It is expected that all potential options be explored and documented before an interim escrow disbursement request can be submitted. Examples of allowable interim disbursements:

- School tuition or other school costs.
- Job training expenses.
- Business start-up expenses.
- Vehicle and major vehicle repair costs.
- Emergency medical/dental/optical expenses.
- Moving expenses.
- New employment costs, including tools, professional wardrobe, uniforms, etc.

MHA will grant interim disbursements only when all of the following are in order:

- Specific written request with all documentation attached.
- Documented confirmation of consistent progress toward contract goals.
- Missoula Housing Authority Management approval.

Final Escrow Disbursement

The FSS family head of household must be suitably employed; “suitable” meaning employment that will eventually ensure that the family will remain independent of welfare assistance.

“Suitability” of employment will be determined jointly by the FSS Coordinator and the family.

A final disbursement to the FSS family of the total and/or remaining escrow funds will occur when:

1. The Contract of Participation has been completed, whether or not the contract term has expired; or
2. 30% of the family’s monthly adjusted income equals or exceeds the existing housing FMR for the Voucher size or for the unit for which the family qualifies in public housing, based on the MHA occupancy standard, whether or not the five year contract is up.

Before making the final escrow disbursement, MHA will document that the family is not, and has not been for the prior 12 months, receiving TANF assistance. Missoula Housing Authority will not restrict a family’s use of FSS escrow account funds withdrawn as the result either of the above two occurrences.

Revisions and Termination of Contract and Services

TSP Revisions

Throughout the five year FSS Participation Contract, the FSS Coordinator will continue to monitor and meet every six months with the client on goal progress and completion. The FSS participant will have ample opportunity to refine and amend goals in this process. The Coordinator will continue to offer referral to resources throughout the community to assist with goal achievement as the contract timeframe progresses and to assist with revision of the contract as needed.

The contract may be modified at any time by mutual agreement of the FSS Coordinator and the family in the following areas:

- Individual Training and Services Plans.
- The contract term (portability and extension).
- Designation of the FSS head of family.

As the semiannual reviews progress, the FSS Coordinator will assess goal achievement progress in connection with family circumstance. If there is little evidence of effort toward goal achievement, the Coordinator will consider reasons for the family not being able to fulfill their

obligations under the contract. In situations where the contract history shows minimal effort to comply with the contract goals, the Coordinator may:

- withhold interim escrow disbursements, or
- determine to terminate the contract for cause.

When termination is being considered, as a good faith measure, the participant is provided with an opportunity to sign a conditional agreement whereby specific action will be taken and/or goals met and documented by specific dates. This agreement will be treated as a contract amendment, with failure to keep to the agreement resulting in termination from the FSS Program.

In a situation where the FSS Coordinator determines that FSS program termination is the only recourse, the adverse action must be in writing and provide for Administrative Review and Grievance Hearing rights.

If the head of the FSS family does not seek and maintain employment or never becomes employed during the contract's five-year term, the family has not met its FSS obligations. In cases where there is more than one Individual Training and Service Plan (spouse or other adult household member) in the Contract of Participation, *only the Head of Household noncompliance is considered* when making a determination to terminate the contract for cause.

The contract provides that the family must comply with the assisted lease. Therefore, noncompliance with the public housing lease, or the lease with the owner in Section 8, is grounds for termination of the FSS Contract of Participation.

FSS Program goals cannot be modified or changed in the last 18 months of the Contract of Participation unless extenuating circumstances apply as explained below.

Contract Extensions:

As the contract period progresses, the FSS Coordinator monitors advancement toward agreed upon goals. The initial contract term is five years. The contract may be extended, in writing, and at the family's request, for up to two additional years for good cause where there has been demonstrated effort to make progress toward goal achievement.

"Good Cause" is defined as any documented extenuating circumstance beyond the reasonable control of the family. Good cause circumstances may include any valid verified medical emergency, ongoing medical issues, major family/household composition changes, unexpected housing displacement, unexpected job termination or adverse change.

Grievance/Hearing Procedures

A family receiving any written adverse action, including termination from participation in the FSS Program, may request an informal hearing or present a grievance in accordance with the Section 8 Administrative Plan and the Public Housing Admissions and Continuing Occupancy Plan.

As an interim step, a family may request an Administrative Review of any written FSS adverse action. The request must be filed within five days and requires a review by the Missoula Housing Authority Executive Director or designee. The Director or designee will review the file information and informally communicate, either by phone or in person, with the FSS participant to reach a determination regarding validity of the adverse action. Within five days of the Administrative Review, the reviewer will issue a written recommendation regarding the FSS Coordinator decision.

If the FSS participant is not in agreement with the Executive Director recommendations, he/she may file a written grievance within ten days. An impartial Hearing Officer will be appointed to hear both sides of the FSS adverse action decision and make a decision regarding the situation within ten working days.

If a FSS family voluntarily terminates their participation in the FSS Program, they no longer have any right to access escrow account funds and they may not request a hearing regarding the matter.

Assurances of Non-Interference with Rights of Non-Participating Families

The Missoula Housing Authority assures that a family's election not to participate in the MHA FSS Program will not affect the family's admission to the Section 8 or Public Housing programs at any time, or to the family's right to occupancy in accordance with the lease.

Certification of Coordination

The Missoula Housing Authority certifies that this plan has been completed through collaboration with MHA Family Self Sufficiency Program Coordinating Committee. The FSS Program will continue its coordination with these agencies, both as a formal committee and individually, to avoid duplication of services.

Updated 7/08

Appendix 6.0(9a) Public Housing Pet Policy

A. MIXED POPULATION HOUSING PET POLICY

1. Exclusions

- a) The following policies do not pertain to animals that assist or provide service to persons with disabilities, referred to in this policy as “service animals.” Requests for service animals will be considered on a case-by-case basis. Requests must be made in writing prior to acquisition of the animal or prior to lease-up if the animal is already owned, and accompanied by a letter from a knowledgeable professional documenting the need for the animal as a reasonable accommodation for a person with a disability.
- b) Service animals are allowed in all units owned and managed by the Missoula Housing Authority with no restrictions other than those imposed on all tenants to maintain their units and associated facilities in a decent, safe, and sanitary manner and to refrain from disturbing their neighbors. Owners of service animals are required to be in compliance with all State and local public health, animal control, and animal anti-cruelty laws and regulations, including requirements for licensing and vaccinations. This exclusion applies to service animals that reside in public housing projects, as well as to service animals that visit these projects. Nothing in this policy:
 - (i) Limits or impairs the rights of persons with disabilities,
 - (ii) Authorizes the Missoula Housing Authority to limit or impair the rights of persons with disabilities;
 - (iii) Affects any authority that the Missoula Housing Authority may have to regulate service animals that assist, support or provide service to persons with disabilities, under Federal, State, or local law. (CFR 24 Section 5.303)

2. Pet Rules:

- a) You must have prior written approval from the Missoula Housing Authority before bringing any pet onto the premises. Prior to accepting a pet for residency, you must provide to MHA proof of animal’s licensing, vaccination record, proof of spaying or neutering, and the name and a photo of the animal(s). You are also required to sign a statement that you have read and received a copy of this Pet Policy and agree to comply with its provisions. Proof of licensing and vaccinations must be provided each year at the time of tenant’s annual recertification.
- b) Only domesticated, common household pets will be allowed. Pets of vicious or aggressive disposition or those with poisonous bites or stings deemed by management to be potentially harmful to the health and safety of others are prohibited. The following types of common household pets will be permitted under the following criteria:
 - (i) Dogs:
 - ◆ Only one dog is permitted
 - ◆ Must be 40 pounds or less when fully grown

- ◆ Must be licensed by the City of Missoula
 - ◆ Must have proof of spay or neuter
 - ◆ Must have proof of all required vaccinations
 - ◆ Must wear a collar with license tag affixed at all times the following breeds of dog are not allowed: Rottweilers, Pit Bulls, Doberman Pinschers, German Shepherds, or dogs of mixed-breed with identifiable characteristics specific to one of the prohibited breeds.
- (ii) Cats:
- ◆ Only one cat is permitted
 - ◆ Must have proof of spay or neuter
 - ◆ Must have proof of all required vaccinations
 - ◆ Must be trained to the litter box
- (iii) Birds:
- ◆ No more than two birds are permitted
 - ◆ Cages may be no larger than 4 feet high by 3 feet wide by 2 feet deep, and must have removable litter trays to permit daily cleaning.
 - ◆ Birds must be maintained inside of cage at all times
 - ◆ No birds of prey or other dangerous species are permitted.
- (iv) Small caged animals:
- ◆ Only Guinea pigs, hamsters, gerbils, or small non-poisonous lizards are permitted.
 - ◆ No more than two caged animals are permitted.
 - ◆ Small animals must be caged at all times.
- (v) Aquariums:
- ◆ Must not exceed twenty (20) gallons
 - ◆ One aquarium is permitted
- c) A maximum of three (3) common household pets is allowed. Only one dog or one cat is allowed; the second and third pet must be caged. If there is no cat or dog, a maximum of two (2) caged pets is allowed.
- d) A refundable pet deposit of \$100.00 per cat or dog must be paid in full before the pet is brought onto the premises. The pet deposit will be refunded, along with any interest accrued, less the cost of cleaning or damages directly attributable to the pet, when the resident moves out or no longer has a pet on the premises, whichever occurs first. In cases of financial hardship, MHA may allow tenant to make a payment arrangement which requires one-half (2) of the deposit when the pet is brought onto the premises with up to three (3) months to pay the balance due. (The pet deposit rule does not apply to pets in senior housing before the implementation date of this policy.)
- e) Owners of animals are required to reimburse the housing authority for the actual cost of any and all damages caused by his/her pet or service animal. If a pet deposit has been paid, damages will first be charged to the deposit. Owner is liable for any charges that exceed the amount of the pet deposit.

- f) MHA is not responsible for any action, injuries or damages caused by any tenant's animal(s). Animals are the sole responsibility of the owner. MHA assumes no liability for failure of the animal owner to control the pet. Any injury or harm to other persons, animals, or property is the sole responsibility and liability of the animal owner. It is recommended that owners purchase liability insurance for this purpose.
- g) Animals must be appropriately and effectively restrained and under the control of a responsible individual at all times when not inside the resident's unit. When outside the unit, dogs must be on a hand-held leash and under the owner's control at all times.
- h) Pets shall use common areas inside a building only for the purpose of passing to the outside of the building, except for service animals.
- i) Tenant is fully and solely responsible for promptly cleaning up and properly disposing of any waste or droppings, both inside and outside of their units. Pet waste must be bagged and disposed of in appropriate trash receptacles. Repeated failure by a resident to take responsibility for waste disposal shall be deemed a violation of the lease.
- j) Tenant shall take adequate precautions to keep the dwelling unit and surrounding areas free of pet odors, insect infestation, waste and litter, and maintain unit in a sanitary condition at all times.
- k) No unauthorized animal(s) may visit or be harbored in any unit owned by the MHA without prior written approval. Tenants are prohibited from feeding stray or wild animals (the exception, common birds that feed at bird feeders). Feeding of wild animals or strays shall constitute having a pet without permission.
- l) No animal will be allowed that constitutes a nuisance or threat to any tenant or detracts from any tenant's quiet enjoyment of their unit or the common areas of the complex. A nuisance or threat includes, but is not limited to, noise, smell, animal waste, and aggressive or vicious behavior.
- m) In the event your dog, cat, or other mammal bites an individual, you must report the event to the appropriate city police and/or health officials and the Housing Authority within twenty-four (24) hours of the bite.
- n) Tenant shall not alter the premises, including the unit, patio, or common area to create an enclosure for an animal, without express written permission from MHA management.
- o) If pets or service animals are left unattended for 24 hours or more, the MHA reserves the right to enter and remove the animal(s) and transfer them to the proper authority.
- p) If the health or safety of an animal is threatened by the death or incapacity of the

owner, or by other factors that render the animal owner unable to care for the animal, the tenant agrees that MHA has permission to enter the owner's unit, remove the animal, and place it in a facility that will provide care and shelter. MHA will take every precaution to place the animal in a reputable well-known facility, however MHA is not responsible for the care of the animal after the placement is made.

- q) An applicant who rejects an offer of housing because of a refusal to comply with the pet policy will not be allowed a "good cause" exception. All applicants are subject to the pet policy and may not move in with a pet that is not in compliance with this policy.
- r) An animal which displays vicious, dangerous, intimidating behavior, displays symptoms of severe illness, or demonstrates behavior that constitutes an immediate threat to the health or safety of others, shall be referred by MHA to the appropriate state or local entity authorized to remove such animals. Such animals are subject to immediate removal from the premises.
- s) Violation of any of the foregoing rules will result in a two-week notice to remove the animal from the premises. If this notice is disregarded, a thirty-day eviction notice will be issued.

B. FAMILY HOUSING PET POLICY

1. Exclusions:

- a) The following policies do not pertain to animals that assist or provide service to persons with disabilities, referred to in this policy as "service animals." Requests for service animals will be considered on a case-by-case basis. Requests must be made in writing prior to acquisition of the animal or prior to lease-up if the animal is already owned, and accompanied by a letter from a knowledgeable professional documenting the need for the animal as a reasonable accommodation for a person with a disability.
- b) Service animals are allowed in all units owned and managed by the Missoula Housing Authority with no restrictions other than those imposed on all tenants to maintain their units and associated facilities in a decent, safe, and sanitary manner and to refrain from disturbing their neighbors. Owners of service animals are required to be in compliance with all State and local public health, animal control, and animal anti-cruelty laws and regulations, including requirements for licensing and vaccinations. This exclusion applies to service animals that reside in public housing projects, as well as to service animals that visit these projects. Nothing in this policy:
 - (i) Limits or impairs the rights of persons with disabilities,
 - (ii) Authorizes the Missoula Housing Authority to limit or impair the rights of persons with disabilities;
 - (iii) Affects any authority that the Missoula Housing Authority may have to regulate service animals that assist, support or provide service to persons with disabilities, under Federal, State, or local law. (CFR 24 Section 5.303)

2. Pet Rules:

- a) You must have prior written approval from the Missoula Housing Authority before bringing any pet onto the premises. Prior to accepting a pet for residency, you must provide to MHA proof of animal's licensing, vaccination record, proof of spaying or neutering, and the name and a photo of the animal(s). You are also required to sign a statement that you have read and received a copy of this Pet Policy and agree to comply with its provisions. Proof of licensing and vaccinations must be provided each year at the time of tenant's annual recertification.
- b) Only domesticated, common household pets will be allowed. Pets of vicious or aggressive disposition or those with poisonous bites or stings deemed by management to be potentially harmful to the health and safety of others are prohibited. The following types of common household pets will be permitted under the following criteria:
 - (i) Dogs:
 - ◆ Only one dog is permitted
 - ◆ Must be 40 pounds or less when fully grown
 - ◆ Must be licensed by the City of Missoula
 - ◆ Must have proof of spay or neuter
 - ◆ Must have proof of all required vaccinations
 - ◆ Must wear a collar with license tag affixed at all times the following breeds of dog are not allowed: Rottweilers, Pit Bulls, Doberman Pinschers, German Shepherds, or dogs of mixed-breed with identifiable characteristics specific to one of the prohibited breeds.
 - (ii) Cats:
 - ◆ Only one cat is permitted
 - ◆ Must have proof of spay or neuter
 - ◆ Must have proof of all required vaccinations
 - ◆ Must be trained to the litter box
 - (iii) Birds:
 - ◆ No more than two birds are permitted
 - ◆ Cages may be no larger than 4 feet high by 3 feet wide by 2 feet deep, and must have removable litter trays to permit daily cleaning.
 - ◆ Birds must be maintained inside of cage at all times
 - ◆ No birds of prey or other dangerous species are permitted.
 - (iv) Small caged animals:
 - ◆ Only Guinea pigs, hamsters, gerbils, or small non-poisonous lizards are permitted.
 - ◆ No more than two caged animals are permitted.
 - ◆ Small animals must be caged at all times.
 - (v) Aquariums:
 - ◆ Must not exceed twenty (20) gallons

- ◆ One aquarium is permitted
- c) A maximum of three (3) common household pets is allowed. Only one dog or one cat is allowed; the second and third pet must be caged. If there is no cat or dog, a maximum of two (2) caged pets is allowed.
- d) A non-refundable fee of \$25.00 and a refundable pet deposit of \$100.00 per cat or dog must be paid in full before the pet is brought onto the premises. The pet deposit will be refunded, along with any interest accrued, less the cost of cleaning or damages directly attributable to the pet, when the resident moves out or no longer has a pet on the premises, whichever occurs first. In cases of financial hardship, MHA may allow tenant to make a payment arrangement which requires one-half (1/2) of the deposit when the pet is brought onto the premises with up to three (3) months to pay the balance due. (The pet deposit rule does not apply to pets in senior housing before the implementation date of this policy.)
- e) Owners of animals are required to reimburse the housing authority for the actual cost of any and all damages caused by his/her pet or service animal. If a pet deposit has been paid, damages will first be charged to the deposit. Owner is liable for any charges that exceed the amount of the pet deposit.
- f) MHA is not responsible for any action, injuries or damages caused by any tenant's animal(s). Animals are the sole responsibility of the owner. MHA assumes no liability for failure of the animal owner to control the pet. Any injury or harm to other persons, animals, or property is the sole responsibility and liability of the animal owner. It is recommended that owners purchase liability insurance for this purpose.
- g) Animals must be appropriately and effectively restrained and under the control of a responsible individual at all times when not inside the resident's unit. When outside the unit, dogs must be on a hand-held leash and under the owner's control at all times.
- h) Pets shall use common areas inside a building only for the purpose of passing to the outside of the building, except for service animals.
- i) Tenant is fully and solely responsible for promptly cleaning up and properly disposing of any waste or droppings, both inside and outside of their units. Pet waste must be bagged and disposed of in appropriate trash receptacles. Repeated failure by a resident to take responsibility for waste disposal shall be deemed a violation of the lease.
- j) Tenant shall take adequate precautions to keep the dwelling unit and surrounding areas free of pet odors, insect infestation, waste and litter, and maintain unit in a sanitary condition at all times.
- k) No unauthorized animal(s) may visit or be harbored in any unit owned by the MHA without prior written approval. Tenants are prohibited from feeding stray or wild animals (the exception, common birds that feed at bird feeders). Feeding of wild

animals or strays shall constitute having a pet without permission.

- l) No animal will be allowed that constitutes a nuisance or threat to any tenant or detracts from any tenant's quiet enjoyment of their unit or the common areas of the complex. A nuisance or threat includes, but is not limited to, noise, smell, animal waste, and aggressive or vicious behavior.
- m) In the event your dog, cat, or other mammal bites an individual, you must report the event to the appropriate city police and/or health officials and the Housing Authority within twenty-four (24) hours of the bite.
- n) Tenant shall not alter the premises, including the unit, patio, or common area to create an enclosure for an animal, without express written permission from MHA management.
- o) If pets or service animals are left unattended for 24 hours or more, the MHA reserves the right to enter and remove the animal(s) and transfer them to the proper authority.
- p) If the health or safety of an animal is threatened by the death or incapacity of the owner, or by other factors that render the animal owner unable to care for the animal, the tenant agrees that MHA has permission to enter the owner's unit, remove the animal, and place it in a facility that will provide care and shelter. MHA will take every precaution to place the animal in a reputable well-known facility, however MHA is not responsible for the care of the animal after the placement is made.
- q) An applicant who rejects an offer of housing because of a refusal to comply with the pet policy will not be allowed a "good cause" exception. All applicants are subject to the pet policy and may not move in with a pet that is not in compliance with this policy.
- r) An animal which displays vicious, dangerous, intimidating behavior, displays symptoms of severe illness, or demonstrates behavior that constitutes an immediate threat to the health or safety of others, shall be referred by MHA to the appropriate state or local entity authorized to remove such animals. Such animals are subject to immediate removal from the premises.
- s) Violation of any of the foregoing rules will result in a two-week notice to remove the animal from the premises. If this notice is disregarded, a thirty-day eviction notice will be issued.

Appendix 7.0 - Disposition

In April 2008, MHA amended its Annual Plan to identify 20 public housing units to include in an application for disposition to HUD. HUD's Final Rule for Disposition of Public Housing Units adopted on October 24, 2006 requires that for disposition of units one or more of the following criteria be met:

1. Condition in the areas surrounding the project adversely affect the health or safety of the tenants or the feasible operation of the project by the PHA
2. Disposition allows the acquisition, development, or rehabilitation of other properties that will be more efficiently or effectively operated as low-income housing developments.
3. The PHA determines that the sale is appropriate for reasons that are consistent with the goals of the PHA and the PHA Plan.

MHA proposed the disposition for the following reasons:

2. Disposition allows the acquisition, development, or rehabilitation of other properties that will be more efficiently or effectively operated as low-income housing developments.

- ◆ The majority of these units are situated on slopes and/or have configurations that do not allow for the conversion of the units into units accessible or visitable by persons with disabilities.
- ◆ One unit met accessibility guidelines when built but no longer meets current guidelines. Only one other property can be made accessible, but at a cost estimated to be over \$74,000.
- ◆ Scattered site large single family homes are expensive and inefficient to maintain. Replacement parts and materials cannot be standardized to take advantage of efficiencies in purchasing. Driving time for maintenance staff is increased.
- ◆ Most of the homes are over 30 years old and will soon require extensive modernization and repairs. Some have already required modernization to keep them in decent, safe condition. The Physical Needs Assessment forecasts costs between \$30,000 and \$70,000 per unit over the next five to seven years to keep the units in decent and safe condition. As an example, recent modernization work at 5611 Hillview cost over \$30,000.
- ◆ The amount of subsidy received for a large single family home is not significantly greater than that received for a one-bedroom multi-family unit. Rents for all households are capped at 30% of the household's adjusted gross income. This requires a significant amount of financial resources to be used to assist one family.
- ◆ Two of the units have 5 bedrooms. We have no waiting list for families who qualify for five bedroom units.
- ◆ Funds from the sale will enable the agency to improve, develop or purchase other more suitable property:
 - While MHA's waiting list demographics indicate that one and two bedroom units are most in demand, we also know that three, four or five bedroom affordable rentals to our residents are few and far between. These funds will allow MHA to build new units of all sizes, enough to provide 3 and 4 bedroom units that are affordable both as rentals or for homeownership for relocated families, and add additional one and two bedroom units as well.

- More units can be provided that will accommodate persons with disabilities, in particular accessible units with more than one bedroom.
- The funds can be leveraged with other funds to build more units. Condominiums or townhomes can be constructed for lease-to-purchase or homeownership programs at prices that our residents can afford to buy.
- These homes have the highest market value of MHA's public housing inventory and can generate enough funds to construct more than double the number of housing units sold, producing units which can be maintained in a more cost-effective manner and be more energy efficient.

3. The PHA determines that the sale is appropriate for reasons that are consistent with the goals of the PHA and the PHA Plan.

- ◆ MHA's 2007 annual plan speaks to the Resident Advisory Board's (RAB) understanding of the need to "dispose of hard to maintain public housing units and using money generated from the disposition to build newer, more efficient and economic units."
- ◆ MHA's 2004-2008 five-year plan includes in its goals:
 - Develop and implement a plan to dispose of additional public housing units based upon the results of the capital needs assessment including some or all units in Projects 009, 011, 012, and 014.
 - Shift MHA-owned property towards multi-family configuration and establish site-based waiting lists where appropriate.
 - Part 6 of the Five-Year Plan Template is checked "Yes" in response to the question "Does the PHA plan to conduct any demolition or disposition activities . . . in the Plan Fiscal Year. . . ." The project date of activity in the Plan was from 02/2007 to 08/2077. A plan amendment will be filed with HUD with a new timeline and the addresses of units proposed for disposition.
- ◆ The disposition is also consistent with the goals of the City of Missoula's Consolidated Plan:
 - Increase and preserve the supply of affordable rental units for low and moderate-income households, including special needs persons, to include acquisition, rehabilitation, and new construction.
 - Increase and preserve affordable homeownership for low and moderate income households, including special needs persons.
 - Increase accessibility in compliance with ADA requirements.

None of the families currently housed will lose their housing assistance as a result of disposition. All will receive, at their choice, another public housing unit, a Section 8 voucher, or even the opportunity to purchase a home if they meet the qualifications. MHA will provide housing counseling to these families as needed, and pay for all moving expenses.

Predevelopment costs, including staff time, appraisals, realtor fees, and relocation of tenants will be funded with Capital Fund grants until the sales of the units start generating cash flow.

Missoula Housing Authority has access to land on which replacement units can be developed as soon as funding mechanisms are in place. The configuration of the replacement units will be developed during the public process over the next two to three months.

From the proceeds of the last sale of public housing units in 2000-2001, MHA facilitated the production or preservation of 214 new units of housing and secured land for over 100 more. The

success of the previous disposition gives us confidence that we'll be able to take advantage of this opportunity to dramatically increase the supply of housing affordable to lower income families.

Units Proposed for Disposition:

Address	Type	Year Built	Bedrooms	Baths
5600 Ebb Way A	Duplex	1977	3	1
5600 Ebb Way B	Duplex	1977	3	1
192 Grandview	SF	1994	3	1
205 Grandview	SF	1994	3	1.5
207 Grandview	SF	1994	3	1.5
209 Grandview	SF	1994	3	2
211 Grandview	SF	1994	3	2
5611 Hillview	SF	1977	5	1.75
5614 Hillview	SF	1972	3	1.5
5606 Longview	SF	1977	3	2
2244 E. Summit	SF	1972	5	2
2311 W. Summit	SF	1972	3	1.5
2324 W. Summit	SF	1972	3	1.5
2327 W. Summit	SF	1972	4	2
2328 W. Summit	SF	1970	4	3
2244 E. Vista	SF	1973	4	2
2235 E. Vista	SF	1972	3	1
2308 W. Vista	SF	1972	3	1.5
2324 W. Vista	SF	1972	4	2
2328 W. Vista	SF	1972	3	1.5

An application for disposition was submitted in August 2008 and approval received from HUD on December 18, 2008. In January 2009, MHA applied for 20 tenant relocation vouchers to provide continuing assistance to the families who are relocated from the disposition units. Those vouchers were allocated to MHA in February 2009.

As the families relocate to new homes the units will be readied for market. A realtor has been procured and homes will be placed on the market in accordance with a marketing plan developed by the realtor to ensure the most favorable return to the housing authority. Four of the homes are on a single lot and must be subdivided before sale. Final plat filing of the subdivision is anticipated in July 2010.

Amendment to Disposition Proceeds Plan

The Missoula Housing Authority proposed to sell 20 single family, scattered site public housing units on the open market for FMV because the units are obsolete in terms of serving the needs of the waiting list, energy efficiency, and accessibility. At the same time, public housing provides a necessary housing resource in the Missoula community that cannot be replaced with another source. It is estimated that MHA will NET **\$3,000,000** from the sale of 20 single family homes.

In March of 2010, MHA requested and received approval from HUD to amend its disposition proceeds plan to provide for the replacement of up to 56 units of public housing, leveraging the proceeds from sales with other funding in mixed finance property development. The 56 units would bring MHA back up to its baseline allocation of 210 public housing units.

In May of 2009 an RFP for a developer partner was issued, and in response we were approached by a private developer to partner in a 115-unit affordable housing project funded by a State of Montana NSP grant and a HUD-insured 221(d)4 mortgage. MHA will bring \$1 million of disposition proceeds in exchange for 20 floating public housing units and will also manage the entire project. The HUD public housing approval process has been started, and is running parallel to the NSP and 221(d)4 approval processes. The project is scheduled to be under construction by January 2011.

MHA has engaged in discussions with the local Community Land Trust to explore the purchase of 2-4 accessible units of first-time homebuyer condos which, because of the mortgage crisis and economic downturn, they have been unable to sell.

The City of Missoula is contemplating a second NSP application to acquire foreclosed or abandoned properties. One of the properties, a foreclosed former assisted living facility located in a residential neighborhood, may be suitable for 5-8 units of public housing replacement. With the appropriate approvals, the City would acquire and demolish the existing structure with NSP funds and MHA would build the units with proceeds from disposition and RHF Capital Grant funds. The NSP application and commitment for purchase would need to be completed by September 30, 2010. The City would transfer the site to MHA, who would apply for HUD approval to replace public housing units on the site. Assuming a 6-12 month application process and development of construction drawings, the project could be under construction by September 2010.

MHA continues to seek other opportunities to partner with non-profit or for-profit developers to produce more replacement public housing.

The RFP for developer partners was recently extended for one year until May 31, 2011.

Mixed Finance for Modernization or Development

MHA plans to use mixed finance development for the new construction of replacement public housing units, combining disposition proceeds, replacement housing factor funds, tax credit financing, tax exempt bonds, and stimulus or other grant funding.

Mixed financing may be used to carry out modernization and greening of existing public housing units through an Energy Performance Contract. MHA has entered into Energy Services Agreement with Johnson Controls and a capital investment may be needed for financing. Work is scheduled to begin in August 2010.

Homeownership Programs

The Missoula Housing Authority in cooperation with homeWORD, Inc., District XI Human Resource Development Council, and Neighborworks Montana and Neighborworks Great Falls (State-wide organization), continues to operate a Section 8 Homeownership Voucher Program for up to 30 participants. Eligible Section 8 participants are offered the opportunity to participate in a First Time Homeowners Program through homeWORD, Inc. Preference is given to participants who are under contract in the MHA's Family Self Sufficiency Program. homeWORD, Inc. is a fully approved HUD Counseling Agency and in good standing.

MHA established a minimum homeowner downpayment requirement of at least 3 percent of purchase price and requires that at least 1 percent of the purchase price comes from the family's resources. It is required 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.

In addition families must be qualified existing program participant who has been receiving housing assistance from MHA for a minimum of one year, and who has successfully complied with all rental program and lease requirements during that time. No debt may be owing to MHA or any other housing authority.

The program was implemented in 2002, and later amended to waive the minimum income requirement for persons with disabilities to the amount of annual disability payments. To date 23 families have purchased homes with homeownership vouchers. Six homeowners no longer need voucher assistance and have returned their vouchers; 17 homeowners remain in the program.

Project Based Vouchers

MHA has already implemented a project-based voucher program, issued two Requests for Proposals and awarded 54 vouchers to the successful responders.

- 6 vouchers for existing housing for victims of domestic violence (requiring a supportive service plan to continue the treatment of those families) = YWCA of Missoula, 6 units.
- 17 vouchers for existing housing for homeless veterans (requiring a supportive service plan to continue the treatment of those individuals) = Valor House (Missoula Housing Authority owned property).
- 31 vouchers for existing or new, family housing = homeWORD, 3 vouchers for Gold Dust LIHTC housing (existing); Maclay Commons, new construction of 16 units in 8 duplexes for families facing homelessness; Orchard Gardens, homeWORD's new construction LIHTC project and of 35 units at Orchard Gardens, 7 are assisted with PBV; finally, 5 vouchers were attached to Union Place, a new construction LIHTC project.

It is projected that over the course of the next five years up to 70 additional vouchers could be project-based if it is demonstrated to the satisfaction of the Board of Commissioners that project-basing is necessary to increase or preserve affordable housing units. PBVs may be used with tax credit projects or in mixed finance development.

Missoula has historically had a very low rental vacancy rate. Voucher participants have had to compete with market rate renters for available and suitable rentals in addition to competing for units in a university town. Current market studies show that the vacancy rate for affordable units continues to be less than 2%, as it has been every year since 1999, except 2005 when the vacancy rate reached 5% because of a substantial amount of multi-family housing introduced to the market. In addition to a limited supply of existing housing, available land zoned for multifamily development, the credit crunch, economic downturn, and a faltering tax credit market have created a stagnant situation in terms of new units and multi-family building permits. With limited secondary financing, the portion of the renter population that would have moved into homeownership are continuing to rent creating more demand on existing rental units. This has led to tremendous demand for apartments and the market pricing of units well beyond extremely low income renters' ability to pay (extremely low is defined at 30% Area Median Income and below).

Simply put, there are insufficient units in the market to provide competitive rental rates for Section 8 tenant based units - - the Section 8 tenant based vouchers are used but at rental rates that are inflated due to the lack of units. By project basing units, MHA can both encourage new construction and preserve existing units which serve 50% AMI. Project basing also allows developers to specialize housing projects for special needs populations. Often these developments can address the specific and often sensitive issues that these populations face in becoming self-sufficient. These developments can be permanent or transitional (transitional in terms of maximum occupancy of two (2) years but minimum lease period of one year). Examples of transitional housing (with associated social services) for special needs populations include: homeless family housing, domestic violence, homeless veterans, and households graduating from chemical dependency treatment.

PBV can provide cash flow to developments necessary to make the project feasible while serving extremely to low income residents.

If the Board of Commissioners authorizes a new Project-Based Voucher Request for Proposals MHA will coordinate an open competition for developers and service providers to submit proposals for award of a PBV contract for up to 10 years or longer depending upon the type of the project, the status of regulations, and upon appropriation by Congress. As part of the contract, MHA will administer the vouchers and manage site-based waiting lists specific to the population of the development.

By using site-based waiting lists, MHA and the affordable housing provider can work together to draw applicants who may be specifically interested in the site or benefit from the program being run at the site. Examples of an appropriate sorting system(s) include: sorting by income tiers, Board approved preferences, special needs, and sorting by ranking.

All applicants will be given the opportunity to be included on any of the Missoula Housing Authority waiting lists if they meet the program's eligibility requirements. It is expected that site-specific waiting lists will have criteria specific to the population, and therefore each site-based waiting list will be independent of one another. Residents will be selected on a "first-come first-serve" basis. To be added to the waiting list(s), an applicant must provide initial application information to prove their eligibility for the program. Their eligibility status and income level will be verified at the time they reach the top of the waiting list.

All units assisted will meet or exceed housing quality standards as set forth by HUD. All project-based vouchers will be under guidance of MHA's Section 8 Administrative Policy.

If a family moves out of its project-based unit at any time after the first year of assisted occupancy, the Missoula Housing Authority (MHA) will offer the family the next available tenant based assistance. MHA will provide the family a voucher from the tenant-based section 8 voucher program. If a voucher is not available when the family is ready to move, MHA will give that family priority to receive the next available tenant-based voucher.

Of the 17 neighborhoods in Missoula, all but 5 have significant rental populations. Those 5 lie on the extreme outskirts of town, have the highest percentage of home ownership, limited public transportation, and nearly no nonresidential uses such as stores or offices for supportive services. MHA anticipates that a majority of its tenant and project based voucher holders will live in the other 12 neighborhoods that comprise an area that is roughly 4 miles by 4 miles in size. It is anticipated that over 90% of the project based vouchers will be awarded to projects in that 12 neighborhood area; MHA's current projects are in only 4 of those 12 neighborhoods. In addition to the goal of poverty de-concentration explained above, another goal is to scatter the units through those 12 of the City's neighborhoods, targeting first (but not necessarily limiting) the 8 neighborhoods where MHA has few or no units, to de-concentrate poverty.

MHA is applying for an allocation of 100 non-elderly disabled vouchers in response to the latest NOFA from HUD. Thirty-nine percent of our voucher families meet these criteria, and our waiting list is twice what we can currently serve. Additional vouchers to serve this population would also "free up" our current allocation to serve other eligible families. If an allocation is received, MHA may explore issuing a third RFP for project-based vouchers to enhance the financial feasibility of either new construction or preservation of affordable housing units. An estimate of the number that might be made available for project-basing is 5 – 20.

Appendix 9.0 Housing Needs

The City of Missoula's Consolidated Plan for 2009-2014 reports the following (statistics are from FY2007 unless noted otherwise):

There were 452 homeless people in Missoula on January 28, 2010, the date of the annual point-in-time survey of homeless performed for the State's Continuum of Care process. As in past years, Missoula has one of the highest populations of homeless persons in the State, second only to Billings, depending on which day the count is performed, with domestic violence, drug and alcohol use, and job loss or lack of job skills identified as the three primary reasons for homelessness. The City has 127 emergency shelter beds, 185 beds for family and individual transitional housing, and approximately 167 units of permanent housing, primarily supplied through MHA's Shelter Plus Care Program.

Missoula is home to 7,618 persons with disabilities between ages 16 and 64. There are 2,538 people 65 and older who have disabilities, 42.4% of the senior population. About 44% of the disabled are below poverty level.

State of Montana statistics showed in FY2007 that 10,820 Missoula adults and 1,454 youth (10-17) were in need of treatment for drug and/or alcohol abuse. Montana's State Block Grant funds paid for prevention services for 3,568 people in Missoula County. Approximately 800 receive services from other agencies, and 900 are in outpatient care. Substance abuse is the second highest cause of homelessness.

The Western Montana Mental Health Center serves approximately 1,800 unduplicated persons with mental illness per year. Their mobile crisis response team completes more than 1,900 contacts and serves more than 686 unduplicated clients per year. The largest provider of permanent housing for those suffering from mental illness is MHA's Shelter Plus Care Program.

While statewide the percentage growth of the senior population mirrors national statistics, about 10%, the City and County of Missoula predict elderly population growth of 57% and 138% respectively (based on growth of persons from 55-64.) Montana growth in the 45-54 age group is about 13% but in Missoula County is more than 58%. About 10% of Missoula's seniors live at or below the poverty level, but 69% have incomes that qualify them for programs funded through HUD.

On the following pages are wait list data for MHA's three HUD housing programs, Public Housing, Housing Choice Vouchers, and Shelter Plus Care. Please note that many families are on more than one list, and the count of elderly does not include elderly persons who also report a disability. The most striking statistics from the waiting lists are the number of single person households, over 40%, with many of them neither elderly nor disabled, and an overwhelming majority of households at extremely low income, 30% of median income or less. On the Shelter Plus Care list, the number of homeless families, as opposed to singles, has gone from 9% last year to 20% this year

Another startling statistic is that MHA's wait list numbers for the Public Housing and Housing Choice Voucher Program have doubled from five years ago, and even after just completing the annual update and purge of the waiting lists, the numbers are just as high as one year ago.

Housing Needs of Families on the Public Housing Waiting List (as of July 2010)			
	# of families	% of total families	Annual Turnover
Waiting list total	1019		35 (includes dispo)
Extremely low income <=30% AMI	866	85%	
Very low income (>30% but <=50% AMI)	153	15%	
Low income (>50% but <80% AMI)	0	0%	
Families with children	491	48%	
Elderly families	44	4%	
Families with Disabilities	220	22%	
1 person	449	44%	
2 persons	279	27%	
3 persons	181	18%	
4 persons or more	110	11%	
White	807	79%	
African-American	17	2%	
Am.Ind/Asian/Pacific Is./Other	195	19%	
Hispanic	40	4%	
Characteristics by Bedroom Size (Public Housing Only)			
1BR	487	48%	
2 BR	390	38%	
3 BR	121	12%	
4 BR	16	1.5%	
5 BR	5	.5%	
5+ BR	N/a	N/a	

Housing Needs of Families on the Voucher Waiting List (as of July 2010)			
	# of families	% of total families	Annual Turnover
Waiting list total	1323		53
Extremely low income <=30% AMI	1047	79%	
Very low income (>30% but <=50% AMI)	226	17%	
Low income (>50% but <80% AMI)	50	4%	
Families with children	683	52%	
Elderly families	62	5%	
Families with Disabilities	295	22%	
White	1060	80%	
1 person	535	40%	
2 persons	326	25%	
3 persons	245	10%	
4 persons or more	217	16%	
African-American	19	2%	
Am.Ind/Asian/Pacific Is./Other	244	18%	
Hispanic	53	4%	
Characteristics by Bedroom Size (Public Housing Only)			
1BR			
2 BR			
3 BR			
4 BR			
5 BR			
5+ BR			
Is the waiting list closed (select one)? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			

Housing Needs of Families on the Shelter Plus Care Waiting Lists (as of July 2010)			
	# of families	% of total families	Annual Turnover
Waiting list total	135		13
Extremely low income <=30% AMI	135	100%	
Very low income (>30% but <=50% AMI)	0	0%	
Low income (>50% but <80% AMI)	0	0%	
Families with children	27	20%	
Elderly families	2	1.5%	
Families with Disabilities	135	100%	
White	111	82%	
African-American	0	0%	
Am.Ind/Asian/Pacific Is./Other	24	18%	
Hispanic	5	4%	
Is the waiting list closed (select one)? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			

Again citing the City's Consolidated Plan, Missoula's housing needs reflect MHA's waiting lists in that non-family households comprise 50.9% of the City's residences, as compared to 42.8% in 1990. Single-person households account for 69% of the total non-family households. Some of the increase in non-family households can be attributed to the growth in the number of students at the University of Montana, now over 13,000. Overall growth in the City between 2000 and 2007 was nearly 18%. Since FY2003, a year when an unprecedented number of building permits was issued (1,530 of which 981 were multi-family and 130 were duplexes), Missoula's housing production has dropped dramatically. In 2006 only 453 permits were issued and in 2007 only 456, the total multi-family units in both years totaling 177. The number of multi-family permits issued in 2008 and 2009 reflect an even steeper decline in housing production, 94 and 41 respectively. The multi-family permit numbers include condominiums so the rental housing production is likely even lower. Over 59% of renters are cost-burdened, paying more than 30% of their incomes for housing. That number increases to over 90% for renters at extremely low income levels.

According to a market study completed in November 2009, the rental vacancy rate in Missoula for subsidized housing is 0%, .8% for tax credit affordable housing, and 5% for market rate housing, with two large properties accounting for almost all the vacancies. The 2010 Annual Missoula Housing Report produced by the Missoula Organization of Realtors reports that overall vacancy rates in Missoula still are less than 5%.

Appendix 9.1 Strategy for Addressing Housing Needs

In the past five years MHA has developed 47 units of new housing for homeless persons, 14 single-room occupancy, 16 for families, and 17 for veterans. In addition, in 2006 MHA purchased a downtown post-10 year tax credit project, the Palace Apartments, which provides 60 units of inexpensive, permanent housing for many formerly homeless persons and persons with disabilities. While clearly permanent housing for homeless is a need in Missoula, these properties require more staff time and attention than other traditional affordable housing types, stretching staff capacity and the financial resources of the agency. In the next five years MHA will balance serving these challenging populations with others that provide sufficient revenue to make us sustainable.

The shortage of affordable housing in Missoula affects all eligible populations. MHA's strategic planning sessions between November 2008 and April 2009 focused MHA's direction in addressing this shortage over the next five years:

2. Stay local (stabilize before considering any activities outside jurisdiction.)
 - a. Restrict business activities to our current jurisdiction at this time. Consider future possibility of any projects outside our jurisdiction only under the following circumstances: after having completed our current projects; after having ensured greater financial stability; if and only if we have engaged partner organizations in a conversation about the pros and cons of the proposed project or activity; and if and only if we have sufficient resources to hire additional staff and assume the risk of such an endeavor.
3. Grow management of rentals requiring compliance expertise.
4. Develop, acquire or manage additional multi-family and single family housing where appropriate and efficient.
5. Provide additional rental and homeownership opportunities by applying for additional HUD funding allocations.
6. Pursue funding and development of new rental and work force homeownership opportunities.
7. Follow through on current public housing disposition and explore ways to leverage funds for additional housing opportunities.
8. Continue and improve fiscal position by means such as effective rent collection, reduction of accounts receivable and increased efficiency.
9. Continue to evaluate portfolio to ensure effective and efficient use of property.
10. Evaluate Community Housing Needs to consider the population we serve.
11. Consider any targeting of population only on a value driven/mission driven basis. Evaluate any proposed program according to the following criteria:
 - a. Our mission. How central is serving this population to our mission?
 - b. In response to identified community need. Are we the best to serve this need?
 - c. To follow funding opportunity, as long as we have capacity to take on that opportunity. Do we have preferred access to new funds that can be brought into Missoula?
 - d. For internal business purposes, such as balancing serving challenging populations with others that provide sufficient revenue to make us sustainable. Will targeting this population leverage funds from profitable management activities to support other activities?
12. Partner with the City, the State of Montana, agencies, non-profits, and for-profits to create innovative opportunities for new construction and rehab of affordable housing.

MHA has convened one-on-one meetings with the community's non-profit housing providers, with the goal of group quarterly meetings once those are complete (all but one meeting have been completed as of the date of this plan.) These meetings are to coordinate grant applications, exchange information, and work toward creative partnerships where possible to address Missoula's severe housing shortage.

MHA has also spearheaded, along with the Office of the Mayor and Missoula Office of Planning & Grants, to conduct a community-wide homeless needs assessment. This effort involves not only the non-profit housing providers, but business people in the community, for-profit developers, and other City agencies. It is driven not only by changes in the law under the Hearth Act, but by Missoula's need to understand the scope of the homeless or at-risk-of-homeless issues. Who is homeless? Where are they? What resources are they already using? What do they want or need? How best can we funnel the available resources to make the most efficient and effective use of the funding? What is the role of the homeless shelter? The end result of the assessment will be a 10-year plan to end homelessness in Missoula.

For more details related to the above-referenced goals, please see Appendix 5.2. Five-Year Plan and Appendix 10.0 Progress Meeting Goals and Objectives .

Appendix 10.0 Progress Meeting Goals & Objectives

Public Housing

MHA submitted an application for disposition of 20 large, single-family, inefficient public housing units to HUD in August of 2008, and received approval for the disposition in December 2008. In January, application was made for 20 tenant protection vouchers to provide continuing assistance to families relocated as a result of the sale of their unit. Vouchers were allocated in February 2009. A realtor has been procured and houses are being placed on the market for sale following a marketing plan developed by the realtor to provide the most favorable return to the housing authority. Ten units have been sold to date producing net proceeds of about \$1.5 million. Funds received will be used to replace public housing units that better meet Missoula's demographics and can be maintained cost-effectively, increase our supply of handicapped accessible units, and leveraged to create additional affordable units for the City of Missoula

MHA continues to update its preferred vendors list and to advertise and contract for open purchase contracts where appropriate. The Procurement Policy was updated in October 2007, and a new streamlined Procurement Policy to be used only with American Recovery and Reinvestment Act Capital Funds, as permitted under the Act, was adopted in March 2009.

MHA has increased the capacity of the purchase and procurement staff by increasing to a full-time position the former part-time staff member who assists with capital planning, procurement and housing counseling for the tenants that live in the 20 public housing units being sold.

MHA has used a Physical Needs Assessment and Accessibility Study produced in 2003 for long-term planning and asset management. A new Physical Needs Assessment and Accessibility Study will be procured when HUD releases guidelines to be followed in compliance with ARRA funding regulations.

A Request for Proposals for an Energy Performance Contract was issued in April 2009. A contract was awarded in June 2009 for an investment grade audit to be followed by energy performance contracting work to be performed between Fall 2009 and Summer 2010. The RFP was designed for two contracts, one for public housing units, and a second for other properties owned by MHA. Johnson Controls, Inc. was the successful offerer, and an Energy Services Agreement was signed in May of 2010. Work will begin mid-summer 2010.

MHA successfully applied for a ROSS (Resident Opportunity and Self-Sufficiency) coordinator grant to provide services to public housing families, and senior and disabled residents. This three-year funding will allow us to provide tenants with the extra support that is so critical to increasing self-sufficiency and ensuring successful tenancy.

MHA also received a Public Housing FSS (Family Self-Sufficiency) grant in September 2009, and entered into a service contract with the Missoula Job Service, the local Work Force Agency, to provide staffing and space for the Public Housing FSS program. This innovative partnership is the first of its kind in the country (that we know of) and has been nominated for a NAHRO Award of Excellence.

Section 8

A new allocation of 20 tenant protection vouchers was applied for and received in February 2009 to provide continuing assistance to families relocated by the disposition of public housing units. These vouchers increase MHA's baseline allocation to 774 vouchers.

In FY2009 MHA again received a high-performing rating from the Section 8 Management Assessment Program (SEMAP), receiving a perfect score. MHA continues to maintain a utilization rate for their 774 vouchers of 95% or more.

In 2003 MHA was awarded a \$15,000 CDBG grant by the City of Missoula to be used as a security and utility deposit revolving loan fund. Interest-free loans are made to new or moving voucher holders who need assistance with deposits in order to secure housing. The fund is also used for grants to assist with property management application fees and fees associated with obtaining permanent identification documents. Loans are available for up to 50% of the security or utility deposit amount, with repayment agreements available for up to six months. An in-house committee reviews loan requests on a weekly basis. Over the past six years the fund has been reduced to about \$8,500 by grants or unpaid loan balances. MHA staff has been applying to small local and state private foundations for grants to replenish the fund and to date have secured an additional \$4,000. The assistance provided by these small loans and grants have made a significant difference in the ability of new voucher holders to secure housing.

MHA implemented a project-based voucher program in 2004. Two Requests for Proposals were issued, and 54 vouchers awarded to the successful responders as follows:

- 6 vouchers for existing housing for victims of domestic violence (requiring a supportive service plan to continue the treatment of those families) = YWCA of Missoula, 6 units.
- 17 vouchers for existing housing for homeless veterans (requiring a supportive service plan to continue the treatment of those individuals) = Valor House (Missoula Housing Authority owned property).
- 31 vouchers for existing or new, family housing = homeWORD, 3 vouchers for Gold Dust LIHTC housing (existing); Maclay Commons, new construction of 16 units in 8 duplexes for families facing homelessness; Orchard Gardens, homeWORD's new construction LIHTC project and of 35 units at Orchard Gardens, 7 are assisted with PBV; finally, 5 vouchers were attached to Union Place, a new construction LIHTC project.

For more information about SEMAP, please look under "Public Housing Programs" at <http://www.hud.gov/offices/pih/programs/ph/index.cfm>

Development

MHA's non-profit component unit, **Intermountain Development Company**, has cleared the 12-acre site of the old warehouse buildings in order to move closer to development. The buildings were all deconstructed and/ or relocated to save materials from the landfill. The property was subdivided into five lots in 2008 and an agreement reached with the Missoula Irrigation District to install siphons on either side of two access roads to the property to ensure the unobstructed flow of water through the ditch. A 37-unit LIHTC multi-family housing project was funded by the Montana Board of Housing in April 2008 and completed in phases between December 2009 and February 2010. The project was fully leased by February 22, 2010. There is a buy-sell agreement in place with a private developer for a market rate rental project on the remainder of the IDC site.

The 17-unit **Valor House** was complete in August of 2005 and provides quality housing for homeless veterans as well as associated supportive services. The project received National Recognition from NAHRO in 2006 for its innovation. MHA contracts with the Poverello Center to provide staffing and support services to the veterans, and both agencies work closely with the Veterans Administration and residents to ensure the program best meets the residents' needs in overcoming barriers to self sufficiency.

In 2008 MHA staff applied for and received a Veterans Administration van grant, raising over \$7,000 for the required match in less than two weeks. The van is available to residents of Valor House for group activities as well as for transportation to appointments and jobs. The van is driven by Poverello staff members and volunteer resident drivers who meet license and insurance requirements.

In an effort to reduce costs and streamline operations, the building which used to house the Joseph Residence on a 2 acre parcel in the Rattlesnake was closed down in the fall of FY2007. The building is monitored regularly for safety reasons, but the cost of maintaining the property has been significantly reduced. The property has also been rezoned to permit multi-family or single family housing uses which comply with the underlying zoning on the property.

In 2007, the duplex at Speedway in East Missoula received new windows and new siding to encapsulate and/or mitigate lead-based paint revealed by peeling paint. After more than a year offline, both units are rented and the property has become income producing again, in addition to returning two units of affordable housing to the Missoula community.

The **Uptown** Apartments (Single Room Occupancy) renovation was completed in January 2005 and is continually full. MHA staff continues to assess this housing for single homeless individuals to ensure project compliance and responsible tenancy. This 14 unit permanent housing project is the first of its kind in Montana, has received great public support, and has become an example of how to incorporate public art with subsidized housing in urban areas.

In 2006, Missoula Housing Authority successfully completed Montana's first new public housing in 12 years when it completed the 6-unit **9th Street Public Housing Project**. MHA teamed up with the Neighborhood Council and the City of Missoula to complete a **pedestrian bridge** over an irrigation canal adjacent to 9th Street. The bridge provides a critical accessible link for the neighborhood to Franklin Park. Families on the 9th Street side of the park previously had to walk several blocks on existing streets to get to the park.

In 2004 Missoula Housing Authority completed the remodel and lease up of three units of replacement public housing renovated from MHA's prior office space at our elderly/ disabled **public housing** project, Vantage Villa.

In 2006 MHA successfully developed **Maclay Commons**, which houses the Joseph Residence Program run by the Poverello Center. The Joseph Residence is long-term transitional housing for homeless families. Construction of the 16 units was completed in January 2006 with lease-up starting in February 2006. The project has maintained an average of 94% occupancy since initial lease-up.

The Missoula Housing Authority served as the development consultant for a Section 202 project awarded to the Missoula Housing Corporation. This 202 project resulted in 40, one-bedroom units for seniors 62 years of age and over, who are 50% Area Median Income or less. There is also a two

bedroom manager's unit. The project, **Glengarra Place**, was completed in October 2007 and is fully leased up.

In late 2006 the Missoula Housing Authority purchased an historical downtown building known as the **Palace Apartments**. The Palace will continue to provide 60 units of low income housing in downtown Missoula. Its period of affordability is through 2025, however MHA is planning to rehabilitate the Palace in 2010 using various funding sources which will extend the period of affordability. The project may use LIHTC funding, New Markets Tax Credit Funding, Energy Performance Contracting, HOME and/or CDBG funds, state or federal weatherization funds, tax exempt bonds, and private debt.

MHA has partnered with the City of Missoula and Rocky Mountain Development Group, a local private developer, for the construction of 115 units of affordable housing. Twenty of the units will be floating replacement public housing. The funding sources are a \$5 million NSP grant from the State of Montana, \$1 million of public housing disposition proceeds from MHA, and a 221(d)4 HUD-insured mortgage. MHA will also assume management of the entire property. Construction is slated to begin in January 2011.

Shelter Plus Care

In 2007, as part of the State of Montana Continuum of Care coalition, the Missoula Housing Authority applied for and was awarded 5 new Shelter Plus Care vouchers targeted to the chronically homeless. MHA now administers 101 Shelter Plus Care vouchers, the largest program in the State, and maintains utilization consistently at more than 100% as funding allows.

Client Services

The HCV Family Self Sufficiency Program consistently maintains an enrollment of approximately 100 participants. Approximately 50% of FSS participants have earned escrow accounts and on average there are two graduates a month. Approximately \$200,000 was disbursed in FY2009 through interim disbursement requests to assist participants in meeting their program goals, and graduation.

The Family Self Sufficiency Department actively participates in the Missoula community through the Program Coordination Committee, Winter Shelter, At Risk Housing Coalition (ARHC), Community Management Team and the HeadStart Policy Council.

As mentioned above, in 2009 MHA was successful in securing a three-year ROSS coordinator grant to provide services to residents in public housing, and a Public Housing FSS coordinator grant.

MHA is partnering with the University of Montana School of Social Work in designating the Palace Apartments as a permanent practicum site to provide support services to residents, many of whom have disabilities.

Partnership

In FY2008, MHA assumed management of tax credit properties owned by homeWORD, Inc., a Missoula CHDO, as well as two privately-owned four-plex tax credit developments. homeWORD's new LIHTC project, the Equinox, was added to our property management portfolio during the summer of 2009. The second phase of this project, the Solstice, is scheduled to be under construction by Fall 2010, and upon completion will also be added to MHA's management portfolio.

Since FY2007, MHA has partnered with students at the University of Montana Law School who have been trained to act as hearing officers for Housing Authority program participants. The students provide an invaluable service to MHA participants by bringing objectivity to the hearing process, and the students gain experience in an administrative aspect of legal work that they normally do not encounter as students. This program has been nominated for a NAHRO Award of Excellence.

During the spring semester of 2008, MHA benefited from the volunteer services of a Master in Public Administration student from the University of Montana, who compiled a historical database of rents in the Missoula market, as well as translating several of MHA's standard documents into Russian to better serve our program participants. He also provided translation services during public meetings about the disposition of 20 public housing units.

MHA served as a practicum site for a social work student during winter semester 2008. The student worked primarily with public housing residents to connect them to services they needed to maintain their housing.

MHA entered into a contract with Missoula Aging Services for their staff to provide referral services to residents of River Ridge Apartments, a senior LIHTC project. Under the LIHTC partnership agreement MHA is paid a monthly fee to provide the services and also gets a right of first refusal for purchase of the project at the end of the tax credit compliance period. MHA in turn transfers that monthly fee to Missoula Aging Services, who is the primary point of contact for senior referrals in Missoula, and was already visiting the site. The partnership has been mutually beneficial in that MHA's limited staff time is no longer required for the project, and Missoula Aging Services receives additional funding for its essential, but underfunded, services. The residents were already familiar with their staff and programs so the transition was smooth with no break in service to the residents.

MHA has partnered with the Missoula Job Service, the local Work Force Agency, to fill the role of the Public Housing FSS coordinator. This partnership provides a continuum of support for public housing residents who are working on self-sufficiency goals. The ROSS coordinators provide basic living skills, budgeting, problem-solving and educational needs for families, and when they are ready to transition to work, they are transitioned to the Public Housing FSS coordinator, a Missoula Job Service employee, who assists them with resume-writing, job search skills, and job placement. In this manner each agency provides support uniquely suited to their areas of expertise.

Strategic Planning

The Board of Commissioners held a strategic planning session in November 2008 to assess progress on goals to date and strategize on the direction of the agency for the future. Board and staff members met with the Mayor and other City officials to bring them into the planning process. A strategic plan for the next five years has been developed setting the work plan and priorities for staff over the next three to five years. A new mission statement, vision statement, and values statement were also developed.

An Annual Report was issued by the Housing Authority in April of 2008, the first report to the community since 2005. In June 2008 it received the Mountain Plains NAHRO (National Organization of Housing & Redevelopment Officials) Award for Best Annual Report in the Region.

Board of Commissioners and Administration

In 2008 MHA issued a Request for Proposals for a Master Insurance Policy to cover all of its properties, activities and associated entities. The successful bidder, Housing Authority Risk Retention Group, not only reduced the agency's insurance premiums by more than \$40,000, but brings many value-added benefits including policies written specifically to meet the needs of housing authorities, a risk management program, and free training for agency staff and Board members.

With the assistance of Deputy City Attorney Keithi Worthington, MHA has developed a master lease for the tax credit properties it owns and/or manages to ensure consistency and ease of administration for asset management staff.

MHA enrolled in Home Depot's "Gifts in Kind" program which makes available to non-profits and housing authorities surplus or discontinued items. MHA receives about one shipment a week, which is then sorted for items that MHA can use in its units, such as toilets, faucets, cabinets, tools, etc. What we cannot use is then donated to a local non-profit who specializes in recycling and reusing building materials, who then makes the items available to the general public free of charge. Through this membership we also are offered deep discounts from other companies, a couple of examples being a \$7,000 color laser printer we purchased for \$800 (delivered) and a pallet of painting supplies for \$129.

In May 2009 MHA invited a State Health & Safety representative to tour agency offices and sites in order to identify areas that could pose safety risks and assist in development of a safety program.

MHA staff has formed a Communications Committee whose first project was to develop a communication plan for the agency. They are now working on an orientation handbook for new employees which will be handed out with the Personnel Policy Manual.

MHA was the recipient of two alternate transportation awards in 2009 given by the City's Missoula in Motion Program, one for 100% participation by 100% of staff during Bike/Walk/Bus Week, and another, the Transportation Best Practices Award as the business that has gone the extra mile in making a solid commitment to sustainable transportation programs.

MHA continues to train existing and new staff on applicable subjects. Examples include Yardi software, rent calculation, inspection services, LIHTC compliance, boiler maintenance, fair housing design, property management, financial feasibility, property development, green and sustainable building design and other technical trainings where needed.

Housing Authority Staff from around the region has interviewed and visited the Missoula Housing Authority in order to gain assistance in Asset Management Reorganization. The Missoula Housing Authority has been a model agency for others to learn from. (Please see section of Asset Management below.)

MHA's Executive Director has given two presentations on the housing authority's unique partnership with the Veteran's Administration at Valor House, one at NAHRO's 2008 Summer Conference and the second at the invitation of the State of Virginia's Governor's Housing Conference in November 2008. She and a Commissioner were presenters on the topics of affordable housing and condo development at the New West Conference held in Missoula in September 2008, and at the Mayor's Housing Summit held in June 2010. She also sits on the Downtown Master Plan Technical Advisory and Implementation Committees, the City of Missoula Zoning Code Rewrite Technical Advisory

Committee, the NAHRO Nominating and Elections Committee, and participates in a number of ongoing local ad hoc committees and meetings.

Two Commissioners were recognized by the Missoula Organization of Realtors, one receiving the 2008 Lifetime Achievement Award and the other the 2008 Lender of the Year Award.

Two Commissioners serve on the Mayor's Affordable Housing Task Force, which was instrumental in assisting the City with crafting an Affordable Housing Resolution passed by the City Council in 2008. The Resolution identifies housing need and sets out a framework for the City's efforts at addressing the critical shortage of affordable housing in our community.

Asset Management

In early 2006, HUD began implementation of the final rule for Revisions to the Public Housing Operating Fund Program, published in the Federal Register on September 19, 2005 (79 FR 54983), which mandates that housing authorities move to asset management in order to more closely align operations with HUD's multi-family programs and the private market. MHA's eight public housing projects were reassigned to three Asset Management Projects (or AMPs) and staff changes were made to better accommodate the asset management structure. MHA continues to adjust its operations and staffing as the budget allows to absorb increased work loads and improve operations.

MHA also moved to a web based software program, known as Yardi, in order to more efficiently and effectively manage all aspects of housing authority business. The Yardi conversion is an integral part of the agency-wide reorganization from centralized management to a property-based asset management structure.

The conversion to asset management is an enormous change from the way housing authorities have been managed and funded in the past. It involves a complex network of modifications affecting every aspect of operations from maintenance to finance. For more information on HUD's conversion to asset management, please go to <http://www.hud.gov/offices/pih/programs/ph/am/>.

The first financial reporting year under asset management was FY2008.

Appendix 10.0(b) Significant Amendment & Substantial Deviation/Modification

The Missoula Housing Authority hereby defines substantial deviation and significant amendment or modification as any change in policy, which significantly and substantially alters the Authority's stated mission and the persons the Authority serves. This would include admissions preferences, demolition or disposition activities and conversion programs. Discretionary or administrative amendments consonant with the Authority's stated overall mission and basic objectives will not be considered substantial deviations or significant modifications.

Any policy changes or funding priorities as a result of future actions by HUD will not be considered significant amendments and/or substantial deviations from the plan.

Resident Advisory Board Comments

The Resident Advisory Board was called together as part of the Five-Year and Annual Plan Update process. MHA staff met with members of the RAB to discuss the updates in the Annual Plan and to talk about the future of the RAB and how we can make it a more effective group. Three of the 7 members of the current RAB made it to the meeting. Discussions took place regarding continued interest in RAB and Ellie and Holly will follow up with those that were unable to attend. If necessary, recruitment of new RAB members will begin.

Topics that were covered during the RAB Meeting were: Disposition Proceeds, Energy Performance Contracting, Capital Funds Usage, Palace Rehab Efforts, and Singles Preference for 1 bedroom units in Public Housing. The RAB Members in attendance did have a few questions but nothing to add in terms of additional items to the Annual Plan. They were supportive of the contents of the Plan and had no recommendations for changes.

RAB Members were generally receptive to the idea of making the RAB group more than a once a year group. RAB members and staff will work together to come up with a plan and more well defined purpose. The RAB members did request that when they become more organized that an MHA Board member attends the meetings on occasion if anyone is interested. They would like to "stay in the loop" on what is going on in the bigger picture for the organization. I reminded them that all Board Meetings are open to the public and gave them the schedule for the regular board meetings.