

# **ADMINISTRATIVE PLAN**

## **MISSOULA HOUSING AUTHORITY UPTOWN APARTMENTS SRO PROJECT**

### **SECTION 8 MODERATE REHABILITATION SINGLE ROOM OCCUPANCY PROGRAM**

**PROJECT NUMBER: MT01K20-0001 (PIN – MT32000)**

#### **A. NON-DISCRIMINATION/EQUAL HOUSING AND EMPLOYMENT PLAN**

It is the policy of the Missoula Housing Authority (MHA) to provide equal opportunity to all of its program applicants and participants, employees and applicants for employment, and contractors and bidding or proposing contractors to assure there shall be no discrimination against any person on the basis of race, color, religion, creed, national origin, sex, age, physical or mental disability, marital status or political beliefs unless related to a bona fide occupational requirement. To this end, MHA will take affirmative actions to equalize opportunity at all levels of operation for those classes of people who have traditionally been denied equal opportunity -- minority group members, women, and the citizens with disabilities. MHA recognizes an obligation to make reasonable accommodations to the known physical or mental limitations of an otherwise qualified handicapped applicant or employee unless the accommodation imposes an undue hardship.

The project will display the Equal Opportunity Housing logo on all appropriate advertisements and material. In accordance with the Affirmative Marketing Plan described below, special outreach and marketing efforts will be made to assure equal access to the project services. If necessary, program staff will meet with disabled clients at their home.

#### **B. MARKETING STRATEGY**

The jurisdiction of the Missoula Housing Authority, and therefore its market area, is the city of Missoula plus 10 miles outside of the city's borders. The market for the proposed project is comprised of very low-income individuals who are homeless. Currently, MHA has a combined Section 8 and public housing waiting list in excess of 900 persons. In addition, the Poverello Center (Missoula's emergency shelter) reports that it serves between 75 to 100 people per night. MHA will provide material to the Poverello and the Salvation Army's Housing Assessment Center informing them of the availability of the Uptown Apartments. There are no other rental projects that would be considered competition to this development. Missoula has a number of older motels that serve a semi-permanent population; however, none of them provide either the rent subsidy or the community and supportive services associated with the Uptown.

## **C. AFFIRMATIVE MARKETING PLAN**

In furtherance of the commitment to non-discrimination and equal opportunity in housing, the MHA has established the following procedures to affirmatively market to low and very low income individuals services funded in part by the HOME and Continuum of Care Programs. The purpose of the affirmative marketing efforts are to provide information and opportunity to eligible persons from all racial, ethnic, and gender groups in the City to become residents at the Uptown Apartments.

### **Outreach and Marketing Plan**

Outreach and marketing of the program has already begun through the organizations within ARHC who represent many of the clients who will qualify for occupancy at the Uptown. Additionally, MHA will conduct outreach for housing opportunities at the local homeless shelter (the Poverello Center), the Salvation Army's Assessment Center, the Montana Department of Mental Health, and the County Welfare Office on a monthly basis in order to develop a pool of bona fide applicants.

An informational brochure will be developed that outlines the availability of the units, their design and configuration, the application process, the eligibility requirements, and the proposed lease components. In addition, the following actions will be taken:

- Notices and announcements of the project will be placed in each local newspaper of general circulation, on each radio station, and on each local television station within the service area. Such announcements will be made at least twice.
- Posters announcing the availability of the project will be strategically placed in locations frequented by potentially eligible applicants throughout the service area.

### **Outreach to Those Community Members Least Likely to Apply**

Presentations about the availability of housing assistance will be made to a variety of organizations including but not limited to both those who are members of ARHC and other community groups, churches, and citizens with disabilities. Special presentations will be made to organizations that serve single women head of households, Native Americans, the Hmong, and any other special needs groups residing in the area.

All notices and announcements will include the equal housing opportunity logotype and/or slogan. In addition, presentations on the availability of the project will be made in languages other than English as the need arises.

### **Documentation of Affirmative Marketing Efforts**

All affirmative marketing efforts made in connection with the project will be documented. An Affirmative Marketing file will contain copies of all published

and posted notices, marketing brochures as well as dates and places distributed and/or presentations made. A sign-in sheet will be available to document participants at community presentations.

#### Assessment

The effectiveness of the affirmative marketing efforts will be assessed based on the characteristics of project applicants and participants. Should the assessment indicate that any group of persons is under-represented, additional outreach and marketing will be targeted to any such identified group.

#### Employment and Contracting

MHA actively works to identify and eliminate any barriers to program participation, employment, employment retention, and promotion, and has implemented equal opportunity policies that can identify and remedy race, sex, handicap, disability and national origin discrimination, both in employment and contracting services with the MHA. It takes steps to eliminate artificial barriers against any persons or classes of persons seeking employment or participation. Prior to solicitation of any contracted services, applicable minority and women owned businesses listed with the Montana Department of Labor be individually notified of the bid or proposal opportunity.

#### Conflicts of Interest

Potential conflicts of interest are identified during the application, hiring, or procurement process. Generally, when a conflict of interest (as defined in 24 CFR 92.3567) exists, the related party or business is excluded from receiving project benefits, employment, or contracted work associated with the project. However, if a potential conflict exists and is not excluded, HUD would be notified and would need to grant an exemption before proceeding. In order to grant the exemption, the conflict would be publicly disclosed (at an advertised public hearing), MHA would provide a letter from legal representation stating the interest would violate State or local law, and record of the opinion letter and public hearing would be forwarded to HUD-CPD in Denver Regional Office for final approval.

Lori Davidson, the Deputy Executive Director serves as MHA's personnel director and is responsible for the enforcement of all laws and regulations regarding employees and job applicants. Tom Chapman, Property Manager, and Rose Murphy, Assisted Housing Manager, have similar responsibility relative to existing and potential tenants. MHA has retained the services of an architect, licensed in the State of Montana, to complete the design of the facility and will charge him or her with the responsibility of ensuring all construction meets applicable fair housing and similar codes. The Planning and Development Coordinator will coordinate activities with the architect and contractor to ensure on-the-job and design conformity with applicable laws.

MHA conducts active outreach in all of its procurement practices to include as many woman and/or minority owned business in each job. In addition to the general advertisement notifying the community of new proposals or bids, MHA seeks out local businesses and attempts to alert them, through either e-mail or fax, of opportunities that may be of interest. Also, MHA reviews the list of contractors, suppliers, and professionals and provides them with notice of new jobs and projects.

#### **D. SUPPORTIVE SERVICES MONITORING**

Service needs will be assessed by MHA staff at the time the potential tenant reaches the top of the waiting list and is offered a unit in the SRO. If the tenant is not already connected to needed services, our social service coordinator will make the necessary contacts and follow up to the extent possible to be sure that referrals are made within 60 days of move-in. While MHA does not provide supportive services directly, our social service staff is experienced in assessing and referring participants to agencies that can provide those services. Local Missoula social service providers have pledged their support toward meeting the needs of SRO residents, and can offer a full range of necessary supportive services. Please refer to the attached letters of support for a description of these services.

In addition, regular checks by MHA maintenance staff and the Community Police Officer will assist in identifying problems rapidly so they can be addressed in a timely and effective manner.

MHA has run a successful Shelter Plus Care program since 1994. Our staff is experienced in identifying and verifying that potential residents meet the HUD definition of "homeless." The Shelter Plus Care model of supportive service delivery has proven very effective and will be implemented at the SRO as well. One of the requirements of the Shelter Plus Care program is an annual report in which the amount of matching client services is documented by case managers from the various agencies. We plan to couple collection of information about services provided at the SRO with these requests for documentation necessary for Shelter Plus Care annual reporting. In this way, case managers will have only one report to provide, which should give us enough information to assess the success of each program, S+C and SRO, separately. The information collected will be used to measure the level of services provided, who is receiving those services, and to attempt to fill any gaps that may be identified.

#### **E. RELOCATION POLICY**

There is no relocation of existing tenants in the Uptown Apartments project.

## **F. RESIDENT SELECTION**

All applicants are given the opportunity to be included on any of the Missoula Housing Authority program waiting lists if they meet the program's eligibility requirements. In the case of the SRO a site-based waiting list will be maintained as the eligibility requirements are specifically designated for homeless, income-eligible applicants. MHA's eight years of experience with the Shelter Plus Care program ensures that we have experienced staff trained in verifying that applicants meet the HUD definition of homeless and income eligibility. Residents will be selected on a "first-come first-serve" basis. In addition to verification of homeless status and income level at the time they reach the top of the waiting list, applicants will also be assessed for suitability to the SRO environment. Rent to tenant will be charged at 30% of adjusted gross income, in accordance with HUD regulations. Application and intake screening procedures are further described below.

## **G. APPLYING FOR ADMISSION**

### INTRODUCTION

The policy of the MHA is to ensure that all families who express an interest in housing assistance are given an equal opportunity to apply, and are treated in a fair and consistent manner. This section describes the policies and procedures for completing an initial application for assistance, placement and denial of placement on the waiting list, and limitations on who may apply. The primary purpose of the intake function is to gather information about the family, but the MHA will also utilize this process to provide information to the family so that an accurate and timely decision of eligibility can be made. Applicants will be placed on the waiting list in accordance with this Plan.

### I. OVERVIEW OF THE APPLICATION TAKING PROCESS

The purpose of application taking is to permit the MHA to gather information and determine eligibility and placement on the waiting list. The application will contain questions designed to obtain pertinent program information.

Families who wish to apply for any one of the MHA's programs must complete a written application form when the waiting list is open. Applications will be made available in an accessible format upon request from a person with a disability.

Applications will be mailed to interested families upon request.

The application process will involve two phases. The first is the "initial" application for assistance (referred to as a preapplication). This first phase is to determine the family's eligibility for, and placement on, the waiting list.

The preapplication will be dated and referred to the MHA's eligibility office where it will be maintained until such time as it is needed for processing.

The second phase is the "final determination of eligibility" (referred to as the full application). The full application takes place when the family reaches the top of the waiting list. At this time the MHA ensures that verification of all HUD and MHA eligibility factors is current in order to determine the family's eligibility for the issuance of a voucher.

## 2. OPENING/CLOSING OF APPLICATION TAKING

The MHA will utilize the following procedures for opening the waiting list.

When the MHA opens the waiting list, the MHA will advertise through public notice in the following newspapers, minority publications and media entities, location(s), and program(s) for which applications are being accepted:

*Missoulian*  
Poverello Center  
Joseph Residence  
YWCA  
Western Montana Mental Health Center  
Missoula Indian Center  
WORD, Inc.  
Salvation Army  
Refugee Assistance Center  
Human Resource Council  
Missoula Aging Services  
Summit Independent Living Center  
Veterans Affairs Division  
Office of Public Assistance

The notice will contain:

The dates, times, and the locations where families may apply.  
The programs for which applications will be taken.  
A brief description of the program.  
A statement that public housing residents must submit a separate application if they want to apply for Section 8.  
Limitations, if any, on who may apply.

The notices will be made in an accessible format if requested. They will provide potential applicants with information that includes the MHA address and telephone number, how to submit an application, information on eligibility requirements, and the availability of local preferences.

Upon request from a person with a disability, additional time will be given as an accommodation for submission of an application after the closing deadline. This accommodation is to allow persons with disabilities the opportunity to submit an

application in cases when a social service organization provides inaccurate or untimely information about the closing date.

If the waiting list is open, the MHA will accept applications from eligible families unless there is good cause for not accepting the application, such as denial of assistance because of action or inaction by members of the family for the grounds stated in the "Denial or Termination of Assistance" chapter of this Administrative Plan. [24 CFR 982.206(b)(2)]

### Closing the Waiting List

The waiting list may not be closed if it would have a discriminatory effect inconsistent with applicable civil rights laws.

The MHA will announce the closing of the waiting list by public notice.

The open period shall be long enough to achieve a waiting list adequate to cover projected turnover and new allocations over the next 24 months. The MHA will give at least 30 days' notice prior to closing the list. When the period for accepting applications is over, the MHA will add the new applicants to the list by:

Separating the new applicants into groups based on admissions preferences and ranking applicants within each group by date of application.

### Limits on Who May Apply

When the waiting list is open, any family asking to be placed on the waiting list for Section 8 rental assistance will be given the opportunity to complete an application.

When the application is submitted to the MHA, it establishes the family's date of application for placement order on the waiting list.

## 3. "INITIAL" APPLICATION PROCEDURES

The MHA will utilize a preliminary application form (preapplication form). The information is to be filled out by the applicant whenever possible. To provide specific accommodation for persons with disabilities, the information may be completed by a staff person over the telephone. It may also be mailed to the applicant and, if requested, it will be mailed in an accessible format. Attendance at an application orientation is required. For persons with disabilities special orientations may be arranged. For persons applying by mail, they may have a representative attend orientation on their behalf, schedule a private orientation, or commit to attending upon their arrival in Missoula on an upcoming scheduled trip.

The purpose of the preapplication is to permit the MHA to preliminarily assess family eligibility or ineligibility and to determine placement on the waiting list. The preapplication will contain questions designed to obtain the following information:

Names and ages of all family members  
Sex and relationship of all family members  
Street address and phone numbers  
Mailing address (if P.O. Box or other permanent address)  
Amount(s) and source(s) of income received by household members  
Assets  
Information regarding disabilities relating to program requirements (i.e., deductions)  
Information related to qualification for local admission preferences  
Social Security Numbers for all members  
Race/ethnicity  
Arrests or Convictions for Drug Related or Violent Criminal Activity  
Request for Specific Accommodation needed to fully utilize program and services  
Names and addresses of current and previous landlords  
Questions regarding previous participation in HUD programs

Ineligible families will not be placed on the waiting list.

Preapplications will require orientation interviews. The information on the application will be verified when the applicant has been selected for final eligibility determination. Final eligibility will be determined when the full application process is completed and all information is verified.

#### 4. APPLICANT STATUS WHILE ON WAITING LIST [CFR 982.204]

Applicants are required to inform the MHA of changes in address. Applicants are also required to respond to requests from the MHA to update information on their application and to determine their interest in assistance.

If after a review of the preapplication the family is determined to be preliminarily eligible, they will be placed on the waiting list.

If the family is determined to be ineligible based on the information provided in the preapplication, the MHA will notify the family in writing (in an accessible format upon request as a reasonable accommodation), state the reason(s), and inform them of their right to an informal review. Persons with disabilities may request to have an advocate attend the informal review as an accommodation.

#### 5. TIME OF SELECTION

When funding is available, families will be selected from the waiting list in their determined sequence, subject to income targeting requirements.

When there is insufficient funding available for the family at the top of the list, the MHA will not admit any other applicant until funding is available for the first applicant.

## 6. COMPLETION OF A FULL APPLICATION

All eligibility requirements claimed on the preapplication or while the family is on the waiting list will be verified:

Upon receipt of the preliminary application at the time of placement on the waiting list,

After the family is selected from the waiting list, during the full application process,

The requirements for eligibility must exist at the time the family is offered housing assistance regardless of the length of time an applicant has been on the waiting list because program eligibility is based on current status.

### Requirement to Attend Interview

The MHA utilizes the full application interview to discuss the family's circumstances in greater detail, to clarify information which has been provided by the family, and to ensure that the information is complete. The interview is also used as a vehicle to meet the informational needs of the family by providing information about the application and verification process, as well as to advise the family of other MHA services or programs which may be available.

The head of household is required to attend the interview and to certify by signature that all of the information is complete and accurate.

If an applicant fails to attend an application interview their application will be denied.

Reasonable accommodation will be made for persons with a disability who require an advocate or accessible offices. A designee will be allowed to participate in the interview process, but only with permission of the person with a disability. Requests for accommodation can be made by contacting the front desk.

If an application is denied due to failure to attend the full application interview, the applicant will be notified in writing and offered an opportunity to request an informal review.

All adult members must sign the HUD Form 9886, Release of Information, the application form and all supplemental forms required by the MHA, the declarations and consents related to citizenship/immigration status and any other documents required by the MHA. Applicants will be required to sign specific verification forms for information which is not covered by the HUD form 9886. Failure to do so will be cause for denial of the application for failure to provide necessary certifications and release as required by the MHA.

If the MHA determines at or after the interview that additional information or document(s) are needed, the MHA will request the document(s) or information in writing. The family will be given 14 days to supply the information.

If the information is not supplied in this time period, the MHA will provide the family a notification of denial for assistance.

#### Additional SRO Applicant Screening

As part of the full application process, either as part of the application interview or in a separate meeting with social service providers, SRO applicants will also be screened for suitability to the SRO environment. The purpose of this meeting is to determine whether the applicant has the capacity to live productively in an SRO environment and whether he or she has the support services to meet his/her needs.

### 7. VERIFICATION

Information provided by the applicant will be verified, using the verification procedures in the "Verification Procedures" section. Family composition, income, allowances and deductions, assets, eligibility and rent calculation factors, and other pertinent information will be verified. Verifications may not be more than 60 days old at the time of issuance of the Voucher.

### 8. FINAL DETERMINATION AND NOTIFICATION OF ELIGIBILITY

After the verification process is completed, the MHA will make a final determination of eligibility and suitability. This decision is based upon information provided by the family, the verification completed by the MHA, and screening for suitability to the SRO environment. If the family is determined to be eligible, the MHA will mail a notification of eligibility and a lease-up appointment will be scheduled. The following information will be provided at the lease-up appointment:

- a. Resident responsibilities under the lease;
- b. Important state and local laws that apply to the tenancy;
- c. Important Federal and fair housing laws that apply to the tenancy;
- d. The fact that the subsidy is tied to the unit and the family must occupy a unit rehabilitated under the program;
- e. The family's options under the Program should the family be required to move due to a change in family size.

9. The Housing Authority is responsible for tenant selection and may refuse any individual, provided it does not unlawfully discriminate. If an applicant is rejected and believes that the rejection was the result of unlawful discrimination, the individual may request an informal hearing with the Housing Authority, and may also file a complaint

with HUD's Office of Fair Housing and Equal Opportunity in accordance with 24 CFR 103.25. If the Housing Authority and the applicant cannot resolve the complaint promptly, the Housing Authority will advise the applicant that he or she may file a complaint with HUD, and provide the address of the nearest HUD Office of Fair Housing and Equal Opportunity.

## **H. VERIFICATION PROCEDURES**

### INTRODUCTION

HUD regulations require that the factors of eligibility and Total Tenant Payment be verified by the MHA. Applicants and program tenants must furnish proof of their statements whenever required by the MHA, and the information they provide must be true and complete. The MHA's verification procedures are designed to meet HUD's requirements and to maintain program integrity. This section explains the MHA's procedures and standards for verification of preferences, income, assets, allowable deductions, family status, and when there are changes in family members. The MHA will ensure that proper authorization for release of information is always obtained from the family before making verification inquiries.

#### 1. METHODS OF VERIFICATION AND TIME ALLOWED

The MHA will verify information through the four methods of verification acceptable to HUD in the following order:

- a. Third-Party Written: The MHA's first choice is a written third party verification to substantiate claims made by an applicant or resident.
- b. Third-Party Oral: The MHA may also use telephone verifications.
- c. Review of Documents: The MHA will review documents, when relevant, to substantiate the claim of an applicant or resident.
- d. Certification/Self-Declaration: A certification will be accepted when no other form of verification is available.

For applicants, verifications may not be more than forty-five (45) days old at the time of a unit offer. For participants, they are valid for sixty (60) from date of receipt.

#### Third-Party Written Verification

Third-party verification is used to verify information directly with the source. Third-party written verification forms will be sent and returned via first class mail. The family will be required to sign an authorization for the information source to release the specified information.

Verifications received electronically directly from the source are considered third party written verifications.

The MHA will accept verifications when delivered by the family. Such documents may be verified by third-party oral verification

### Third-Party Oral Verification

Oral third-party verification will be used when written third-party verification is delayed or not possible. When third-party oral verification is used, staff will be required to document the conversation, noting with whom they spoke, the date of the conversation, and the facts provided. If oral third party verification is not available, the MHA will compare the information to any documents provided by the Family. If provided by telephone, the MHA must originate the call.

### Review of Documents

All documents will be photocopied and retained in the applicant file. In cases where documents are viewed which cannot be photocopied, staff viewing the document(s) will complete a Certification of Document Viewed or Person Contacted form.

The MHA will accept the following documents from the family provided that the document is such that tampering would be easily noted:

- Printed wage stubs
- Computer print-outs from the employer
- Signed letters (the information may be confirmed by phone)
- Other documents noted in this Chapter as acceptable verification

The MHA will accept Faxed documents.

The MHA will accept photocopies if they are clear and readable.

If third-party verification is received after documents have been accepted as provisional verification, and there is a discrepancy, the MHA will utilize the third party verification.

## 2. RELEASE OF INFORMATION

Adult family members will be required to sign the HUD 9886 Release of Information/Privacy Act form.

In addition, family members will be required to sign specific authorization forms when information is needed that is not covered by the HUD form 9886, Authorization for Release of Information.

Family refusal to cooperate with the HUD prescribed verification system will result in denial of admission or termination of assistance because it is a family obligation to supply any information requested by the MHA or HUD.

### 3. COMPUTER MATCHING

Where allowed by HUD and/or other State or local agencies, computer matching will be done.

The MHA will utilize the HUD established computer-based Tenant Eligibility Verification System (TEVS) tool for obtaining Social Security benefits, Supplemental Security Income, benefit history and tenant income discrepancy reports from the Social Security Administration

When computer matching results in a discrepancy with information in the MHA records, the MHA will follow up with the family and verification sources to resolve this discrepancy. If the family has unreported or underreported income, the MHA will follow the procedures in the Program Integrity Addendum of the Administrative Plan.

### 4. ITEMS TO BE VERIFIED

Homeless status in accordance with HUD definition.

All income not specifically excluded by the regulations.

Full-time student status including High School students who are 18 or over.

Current assets including assets disposed of for less than fair market value in preceding two years.

Child care expense where it allows an **adult** family member to be employed or to further his/her education.

Total medical expenses of all family member in households whose head or spouse is elderly or disabled.

Disability assistance expenses to include only those costs associated with attendant care or auxiliary apparatus for a disabled member of the family, which allow an **adult** family member to be employed.

Disability for determination of preferences, allowances or deductions.

Legal identity.

U.S. citizenship/eligible immigrant status.

Social Security Numbers for all family members over 6 years of age or older.

"Preference" status, based on local preferences.

Familial status when needed for head or spouse definition.

Verification of Reduction in Benefits for Noncompliance:

The MHA will obtain written verification from the welfare agency stating that the family's benefits have been reduced for fraud or noncompliance *before* denying the family's request for rent reduction.

#### 5. VERIFICATION OF INCOME [24 CFR 982.516]

This section defines the methods the MHA will use to verify various types of income.

##### Employment Income

Verification forms request the employer to specify the:

Dates of employment

Amount and frequency of pay

Date of the last pay increase

Likelihood of change of employment status and effective date of any known salary increase during the next 12 months

Year to date earnings if income is irregular

Estimated income from overtime, tips, bonus pay expected during next 12 months

Acceptable methods of verification include, in this order:

1. Employment verification form completed by the employer.
2. Check stubs or earning statements which indicate the employee's gross pay, frequency of pay or year to date earnings.
3. W-2 forms plus income tax return forms.
4. Income tax returns signed by the family may be used for verifying self-employment income, or income from tips and other gratuities.

Applicants and program participants may be requested to sign an authorization for release of information from the Internal Revenue Service for further verification of income.

In cases where there are questions about the validity of information provided by the family, the MHA may require the most recent federal income tax statements.

#### Social Security, Pensions, Supplementary Security Income (SSI), Disability Income

Acceptable methods of verification include, in this order:

1. Benefit verification form completed by agency providing the benefits.
2. Award or benefit notification letters prepared and signed by the providing agency.
3. Computer report electronically obtained or in hard copy.

#### Unemployment Compensation

Acceptable methods of verification include, in this order:

1. Verification form completed by the unemployment compensation agency.
2. Computer printouts from unemployment office stating payment dates and amounts.
3. Payment stubs.

#### Welfare Payments or General Assistance

Acceptable methods of verification include, in this order:

1. MHA verification form completed by payment provider.
2. Written statement from payment provider indicating the amount of grant/payment, start date of payments, and anticipated changes in payment in the next 12 months.
3. Computer-generated Notice of Action.

## Alimony or Child Support Payments

Acceptable methods of verification include, in this order:

1. Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules.
2. Copy of latest check and/or payment stubs from Court Trustee. MHA must record the date, amount, and number of the check.
3. If payments are irregular, the family must provide:

A copy of the separation or settlement agreement, or a divorce decree stating the amount and type of support and payment schedules.

A statement from the agency responsible for enforcing payments to show that the family has filed for enforcement.

A welfare notice of action showing amounts received by the welfare agency for child support.

A written statement from an attorney certifying that a collection or enforcement action has been filed.

## Net Income from a Business

In order to verify the net income from a business, the MHA will view IRS and financial documents from prior years and use this information to anticipate the income for the next 12 months.

Acceptable methods of verification include:

1. IRS Form 1040, including:
  - Schedule C (Small Business)
  - Schedule E (Rental Property Income)
  - Schedule F (Farm Income)
2. If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.
3. Audited or unaudited financial statement(s) of the business.
4. Documents such as manifests, appointment books, cash books, bank statements, and receipts will be used as a guide for the prior six months (or lesser period if not in business for six months) to project income for the

next 12 months. The family will be advised to maintain these documents in the future if they are not available.

### Child Care Business

If an applicant/participant is operating a licensed day care business, income will be verified as with any other business.

If the family has filed a tax return, the family may be required to provide it.

The MHA may conduct interim reevaluations every ninety (90) days and require the participant to provide a log with the information about customers and income.

### Recurring Gifts

The family must furnish a self-certification which contains the following information:

- The person who provides the gifts
- The value of the gifts
- The regularity (dates) of the gifts
- The purpose of the gifts

### Zero Income Status

Families claiming to have no income will be required to execute verification forms to determine that forms of income such as unemployment benefits, TANF, SSI, etc. are not being received by the household.

The MHA will request information from the State Department of Labor.

The MHA may request information from IRS.

The MHA may check records of other departments in the jurisdiction (such as government utilities) that have information about income sources of customers.

### Full-Time Student Status

Only the first \$480 of the earned income of full time students 18 years of age or older, other than head or spouse, will be counted towards family income.

Financial aid, scholarships and grants received by full time students are not counted towards family income.

Verification of full time student status includes:

1. Written verification from the registrar's office or other school official.

2. School records indicating enrollment for sufficient number of credits to be considered a full-time student by the educational institution.

## 6. INCOME FROM ASSETS

Acceptable methods of verification include, in this order:

### Savings Account Interest Income and Dividends

Will be verified by:

1. Account statements, passbooks, certificates of deposit, or MHA verification forms completed by the financial institution.
2. Broker's statements showing value of stocks or bonds and the earnings credited the family. Earnings can be obtained from current newspaper quotations or oral broker's verification.
3. IRS Form 1099 from the financial institution, provided that the MHA must adjust the information to project earnings expected for the next 12 months.

### Interest Income from Mortgages or Similar Arrangements

1. A letter from an accountant, attorney, real estate broker, the buyer, or a financial institution stating interest due for next 12 months. (A copy of the check paid by the buyer to the family is not sufficient unless a breakdown of interest and principal is shown.)
2. Amortization schedule showing interest for the 12 months following the effective date of the certification or recertification.

### Net Rental Income from Property Owned by Family

1. IRS Form 1040 with Schedule E (Rental Income).
2. Copies of latest rent receipts, leases, or other documentation of rent amounts.
3. Documentation of allowable operating expenses of the property: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

## 7. VERIFICATION OF ASSETS

### Family Assets

The MHA will require the necessary information to determine the current cash value, (the net amount the family would receive if the asset were converted to cash).

1. Verification forms, letters, or documents from a financial institution or broker.
2. Passbooks, checking account statements, certificates of deposit, bonds, or financial statements completed by a financial institution or broker.
3. Quotes from a stock broker or realty agent as to net amount family would receive if they liquidated securities or real estate.
4. Real estate tax statements if the approximate current market value can be deduced from assessment.
5. Financial statements for business assets.
6. Copies of closing documents showing the selling price and the distribution of the sales proceeds.
7. Appraisals of personal property held as an investment.

Assets Disposed of for Less than Fair Market Value (FMV) during two years preceding effective date of certification or recertification

1. For all Certifications and Recertifications, the MHA will obtain the Family's certification as to whether any member has disposed of assets for less than fair market value during the two years preceding the effective date of the certification or recertification.
2. If the family certifies that they have disposed of assets for less than fair market value, verification is required that shows: (a) all assets disposed of for less than FMV, (b) the date they were disposed of, (c) the amount the family received, and (d) the market value of the assets at the time of disposition. Third party verification will be obtained wherever possible.

## 8. VERIFICATION OF ALLOWABLE DEDUCTIONS FROM INCOME

### Child Care Expenses

1. Written verification from the person who receives the payments is required. If the child care provider is an individual, s/he must provide a statement of the amount they are charging the family for their services.
2. Verifications must specify the child care provider's name, address, telephone number, the names of the children cared for, the number of hours the child care occurs, the rate of pay, and the typical yearly amount paid, including school and vacation periods.
3. Family's certification as to whether any of those payments have been or will be paid or reimbursed by outside sources.

### Medical and Handicapped Assistance Expenses

Families who claim medical expenses or expenses to assist a person(s) with disability will be required to submit a certification as to whether or not any expense payments have been, or will be, reimbursed by an outside source. All expense claims will be verified by one or more of the methods listed below:

1. Written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, of (a) the anticipated medical costs to be incurred by the family and regular payments due on medical bills; and (b) extent to which those expenses will be reimbursed by insurance or a government agency.
2. Written confirmation by the insurance company or employer of health insurance premiums to be paid by the family.
3. Written confirmation from the Social Security Administration's written of Medicare premiums to be paid by the family over the next 12 months. A computer printout will be accepted.
4. For attendant care:
  - a. A reliable, knowledgeable professional's certification that the assistance of an attendant is necessary as a medical expense and a projection of the number of hours the care is needed for calculation purposes.
  - b. Attendant's written confirmation of hours of care provided and amount and frequency of payments received from the family or agency (or copies of canceled checks the family used to make those payments) or stubs from the agency providing the services.

5. Receipts, canceled checks, or pay stubs that verify medical costs and insurance expenses likely to be incurred in the next 12 months.
6. Copies of payment agreements or most recent invoice that verify payments made on outstanding medical bills that will continue over all or part of the next 12 months.
7. Receipts or other record of medical expenses incurred during the past 12 months that can be used to anticipate future medical expenses. MHA may use this approach for "general medical expenses" such as non-prescription drugs and regular visits to doctors or dentists, but not for one-time, nonrecurring expenses from the previous year.
8. The MHA will use mileage at the IRS rate, or cab, bus fare, or other public transportation cost for verification of the cost of transportation directly related to medical treatment.

#### Assistance to Persons with Disabilities

1. In All Cases:
  - (a) Written certification from a reliable, knowledgeable professional that the person with disabilities requires the services of an attendant and/or the use of auxiliary apparatus to permit him/her to be employed or to function sufficiently independently to enable another family member to be employed.
  - (b) Family's certification as to whether they receive reimbursement for any of the expenses of disability assistance and the amount of any reimbursement received.
2. Attendant Care:
  - (a) Attendant's written certification of amount received from the family, frequency of receipt, and hours of care provided.
  - (b) Certification of family and attendant and/or copies of canceled checks family used to make payments.
3. Auxiliary Apparatus:
  - (a) Receipts for purchases or proof of monthly payments and maintenance expenses for auxiliary apparatus.

- (b) In the case where the person with disabilities is employed, a statement from the employer that the auxiliary apparatus is necessary for employment.

## 9. VERIFYING NON-FINANCIAL FACTORS

### Verification of Legal Identity

In order to prevent program abuse, the MHA will require applicants to furnish verification of legal identity for all family members.

The documents listed below will be considered acceptable verification of legal identity for household member 18 years of age and over. If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required.

- Certificate of Birth, naturalization papers
- Church issued baptismal certificate
- Current, valid Driver's license
- U.S. military discharge (DD 214)
- U.S. passport
- Department of Motor Vehicles Identification Card
- Hospital record of birth
- Social Security Administration printout of birth information & social security number

Documents considered acceptable for the verification of legal identity for minors may be one or more of the following:

- Certificate of Birth
- Adoption papers
- Custody agreement
- Church-issued baptismal certificate

### Verification of Marital Status

Verification of divorce status will be a certified copy of the divorce decree, signed by a Court Officer.

Verification of a separation may be a copy of court-ordered maintenance or other records.

Verification of marriage status is a marriage certificate.

## Familial Relationships

Certification will normally be considered sufficient verification of family relationships. In cases where reasonable doubt exists, the family may be asked to provide verification.

## Verification of Permanent Absence of Adult Member

If an adult member who was formerly a member of the household is reported permanently absent by the family, the MHA will consider any of the following as verification:

1. Husband or wife institutes divorce action.
2. Husband or wife institutes legal separation.
3. Order of protection/restraining order obtained by one family member against another.
4. Proof of another home address, such as utility bills, canceled checks for rent, drivers license, or lease or rental agreement, if available.
5. Statements from other agencies such as social services or a written statement from the landlord or manager that the adult family member is no longer living at that location.
6. If no other proof can be provided, the MHA will accept a self-certification from the family.
7. If the adult family member is incarcerated, a document from the Court or prison should be obtained stating how long they will be incarcerated.

## Verification of Change in Family Composition

The MHA may verify changes in family composition (either reported or unreported)[through letters, telephone calls, utility records, inspections, landlords, neighbors, credit data, school or DMV records, and other sources.

## Verification of Disability

Verification of disability must be receipt of SSI or SSA disability payments under Section 223 of the Social Security Act or 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7) or verified by appropriate diagnostician such as physician, psychiatrist, psychologist, therapist, rehabilitation specialist, or licensed social worker, using the HUD language as the verification format.

## Verification of Citizenship/Eligible Immigrant Status

To be eligible for assistance, individuals must be U.S. citizens or eligible immigrants. Individuals who are neither may elect not to contend their status. Eligible immigrants must fall into one of the categories specified by the regulations and must verify their status by providing the original of at least one of the types of acceptable documents of eligible immigration listed below. MHA may require that eligible immigrant status be verified by Immigration and Naturalization Service (INS). Each family member must declare their status once. Assistance cannot be delayed, denied, or terminated while verification of status is pending except that assistance to applicants may be delayed while the MHA hearing is pending.

- (a) Citizens or Nationals of the United States are required to sign a declaration under penalty of perjury.
- (b) Eligible Immigrants who were participants and 62 or over on June 19, 1995, are required to sign a declaration of eligible immigration status and provide proof of age.
- (c) Noncitizens with eligible immigration status must sign a declaration of status and verification consent form and provide their original immigration documents which are copied front and back and returned to the family. The MHA may verify the status through the INS SAVE system. If this primary verification fails to verify status, the MHA must request within ten days that the INS conduct a manual search.
- (d) Family members who do not claim to be citizens or eligible immigrants must be listed on a statement of non-contending family members signed by the head of household or spouse.
- (e) Noncitizen students on student visas are ineligible members even though they are in the country lawfully. They must provide their student visa but their status will not be verified and they do not sign a declaration but are listed on the statement of non-contending members.

Failure to Provide. If an applicant or tenant family member fails to sign required declarations and consent forms or provide documents, as required, they must be listed as an ineligible member. If the entire family fails to provide and sign as required, the family may be denied or terminated for failure to provide required information.

Time of Verification. For applicants, verification of U.S. citizenship/eligible immigrant status occurs at the same time as verification of other factors of eligibility for final eligibility determination. For tenant families, it is done at the first regular recertification after June 19, 1995. For family members added after other members have been verified, the verification occurs at the first recertification after the new member moves in. Once verification has been completed for any covered program, it need not be repeated

except that, in the case of port-in families, if the initial MHA does not supply the documents, the MHA must conduct the determination.

Extensions of Time to Provide Documents. The MHA will not grant an extension of time for families to submit evidence of eligible immigrant status.

Acceptable Documents of Eligible Immigration. The regulations stipulate that only the following documents are acceptable unless changes are published in the Federal Register.

- Resident Alien Card (I-551)
- Alien Registration Receipt Card (I-151)
- Arrival-Departure Record (I-94)
- Temporary Resident Card (I-688)
- Employment Authorization Card (I-688B)
- Receipt issued by the INS for issuance of replacement of any of the above documents that shows individual's entitlement has been verified

A birth certificate is not acceptable verification of status. All documents in connection with U.S. citizenship/eligible immigrant status must be kept five years.

#### Verification of Social Security Numbers

Social security numbers must be provided as a condition of eligibility for all family members six and over. Verification of Social Security numbers will be done through a Social Security Card issued by the Social Security Administration.

If a family member cannot produce a Social Security Card, only a Social Security Administration printout of birth information and social security number may be used for verification.

#### Medical Need for Larger Unit

A written certification that a larger unit is necessary must be obtained from a reliable, knowledgeable professional.

### 10. VERIFICATION OF SITE-BASED WAITING LIST ELIGIBILITY

The McKinney Act requires that first priority for occupancy of SRO units be given to homeless individuals. However, HUD will also provide rental assistance for homeless individuals currently residing in units who are eligible for Section 8 assistance.

Homeless persons are those who:

- a. are sleeping in places not meant for human habitation, such as cars, parks, sidewalks, and abandoned buildings;
- b. or are sleeping in emergency shelters.

This includes persons who ordinarily sleep in one of the above places but are spending a short time (30 consecutive days or less) in a hospital or other institution.

Other persons are also considered to be homeless if they:

- a. are graduating from transitional housing specifically for homeless persons or
- b. are being evicted within the week from private dwelling units and
  - 1. no subsequent residences have been identified; and
  - 2. they lack the resources and support networks needed to obtain access to housing; or
- c. are persons being discharged within the week from institutions in which they have been residents for more than 30 consecutive days; and
  - 1. no subsequent residences have been identified; and
  - 2. they lack the resources and support networks needed to obtain access to housing.

## **I. PROPERTY MANAGEMENT STRUCTURE**

MHA has a long and outstanding history of property management. The property manager will be in charge of cleaning, property policing, and other day-to-day operations. Larger repairs and unit turnovers will be handled as part of MHA's on-going property management function under the general direction of the Director of Maintenance. The Uptown will be included in MHA's yearly assessment of the capital needs of its properties (although funding for those improvements will come from the budgeted reserves for the project and not from MHA's HUD funded capital program). MHA's Assisted Housing and Property Management departments will handle all general management and admission duties. Community and supportive services will be provided through a series of agreements with local providers who currently provide those services to Missoula's population. Those providers have given MHA letters outlining the extent and value of their services, estimated to be in excess of \$300,000 yearly.

## **J. INTERIM AND ANNUAL RECERTIFICATIONS**

### **INTRODUCTION**

In accordance with HUD requirements, the MHA will reexamine the income and household composition of all families at least annually. Families will be provided accurate annual and interim rent adjustments. Recertifications and interim examinations will be processed in a manner that ensures families are given reasonable notice of rent increases. All annual activities will be coordinated in accordance with HUD regulation. It is a HUD requirement that families report all changes in household composition. This Chapter defines the MHA's policy for conducting annual recertifications and coordinating annual activities. It also explains the interim reporting requirements for families, and the standards for timely reporting.

## 1. ANNUAL ACTIVITIES

There are two activities the MHA must conduct on an annual basis

Recertification of Income and Family Composition

HQS Inspection

The MHA produces a monthly listing of units under contract to ensure that timely reviews of housing quality and factors related to Total Tenant Payment/Family Share can be made. Requests for rent adjustments and other monetary changes will be transmitted to the Section 8 Program Specialists.

## 2. ANNUAL RECERTIFICATION/REEXAMINATION

Families are required to be recertified at least annually. At the first interim or annual certification on or after June 19, 1995, family members must report and verify their U.S. citizenship/eligible immigrant status.

### Moves Between Reexaminations

When families move to another dwelling unit the anniversary date for the recertification will not be changed.

Income limits are not used as a test for continued eligibility at recertification.

### Reexamination Notice to the Family

The MHA will maintain a reexamination tracking system and the household will be notified by mail of the date and time for their interview at least 30 days in advance of the anniversary date. If requested as an accommodation by a person with a disability, the MHA will provide the notice in an accessible format. The MHA will also mail the notice to a third party, if requested as reasonable accommodation for a person with disabilities. These accommodations will be granted upon verification that they meet the need presented by the disability.

### Procedure

The MHA's procedure for conducting annual recertifications will be to schedule the date and time of appointments and mail a notification to the family.

### Completion of Annual Recertification

The MHA will have all recertifications for families completed before the anniversary date. This includes notifying the family of any changes in rent at least 30 days before the scheduled date of the change in family rent.

### Persons with Disabilities

Persons with disabilities who are unable to come to the MHA's office will be granted an accommodation by conducting the interview by mail, upon verification that the accommodation requested meets the need presented by the disability.

### Collection of Information [24 CFR 982.516(f)]

The MHA has established appropriate recertification procedures necessary to ensure that the income data provided by families is complete and accurate.

The MHA will require the family to complete an Annual Recertification Form prior to all recertification interviews.

### Requirements to Attend

The head of household will be required to attend the recertification interview:

If the head of household is unable to attend the interview the appointment will be rescheduled

### Failure to Respond to Notification to Recertify

The written notification must state which family members are required to attend the interview. The family may call to request another appointment date up to one day prior to the interview.

If the family does not appear for the recertification interview, and has not rescheduled or made prior arrangements with the MHA, the MHA will reschedule a second appointment.

If the family fails to appear for the second appointment, and has not rescheduled or made prior arrangements, the MHA will:

Send family notice of termination and offer them an informal hearing

Exceptions to these policies may be made by the Section 8 Program Specialist if the family is able to document an emergency situation that prevented them from canceling or attending the appointment or if requested as a reasonable accommodation for a person with a disability.

### Documents Required From the Family

In the notification letter to the family, the MHA will include instructions for the family to bring the following:

Documentation of income, including 6 months of bank statements

Authorization for Release of Information signed by all adult household members

Documentation of all assets

Documentation of any deductions/allowances

Recertification Form completed by head of household

### Verification of Information

The MHA will follow the verification procedures and guidelines described in this Plan. Verifications for reexaminations must be less than 90 days old.

### Tenant Rent Increase

If tenant rent increases, a thirty day notice is provided to the family prior to the scheduled effective date of the rent increase.

If less than thirty days are remaining before the scheduled effective date of the annual recertification, the tenant rent increase will be effective on the first of the month following the thirty day notice.

If there has been a misrepresentation or a material omission by the family, or if the family causes a delay in the reexamination processing, there will be a retroactive increase in rent to the scheduled effective date of the annual recertification.

### Tenant Rent Decreases

If tenant rent decreases, it will be effective on the first day of the month following completion of the reexamination processing by the MHA.

If the family causes a delay so that the processing of the reexamination is not complete by the anniversary date, rent change will be effective on the first day of the month following completion of the reexamination processing by the MHA.

### 3. REPORTING INTERIM CHANGES

Program participants must report all changes in household composition to the MHA between annual reexaminations. This includes additions due to birth, adoption and court-awarded custody. The family must obtain MHA approval prior to all other additions to the household.

If any new family member is added, family income must include any income of the new family member. The MHA will conduct a reexamination to determine such additional income and will make the appropriate adjustments in the housing assistance payment and family unit size.

The U.S. citizenship/eligible immigrant status of additional family members must be declared and verified as required at the first interim or regular recertification after moving into the unit.

### Increases in Income

#### Interim Reexamination Policy

MHA will not conduct interim reexams between annual recertifications when families have an increase in income, unless the family was previously at zero income.

Families with zero income will be required to report and verify all increases in income/assets within ten (10) days of the change. An interim reexam will be conducted.

Families participating in the Family Self Sufficiency (FSS) program are encouraged to continue to report increases in earned income because increases in the amount of escrow deposited monthly to their accounts are directly dependent upon increases in earned income.

### Decreases in Income

Participants may report a decrease in income and other changes which would reduce the amount of tenant rent, such as an increase in allowances or deductions. The MHA must calculate the change if a decrease in income is reported.

The decrease in rent will take effect the month following the calculation and will not be given retroactively. Recertification must be completed prior to the 25<sup>th</sup> of the month, unless an exception is made by the Section 8 housing specialist due to scheduling conflicts.

Program participants must report all changes in household composition to the MHA between annual reexaminations. This includes additions due to birth, adoption and court-awarded custody. The family must obtain MHA approval prior to all other additions to the household.

If any new family member is added, family income must include any income of the new family member. The MHA will conduct a reexamination to determine such additional income and will make the appropriate adjustments in the housing assistance payment and family unit size.

The U.S. citizenship/eligible immigrant status of additional family members must be declared and verified as required at the first interim or regular recertification after moving into the unit.

#### MHA Errors

If the MHA makes a calculation error at admission to the program or at an annual reexamination, an interim reexamination will be conducted, if necessary, to correct the error, but the family will not be charged retroactively. Families will be given decreases, when applicable, retroactive to when the decrease for the change would have been effective if calculated correctly.

#### 4. OTHER INTERIM REPORTING ISSUES

An interim reexamination does not affect the date of the annual recertification.

An interim request for information will be mailed to families with zero income every 90 days. Request for information must be completed and returned by family within 10 business days. Recertification appointments will be scheduled if needed, based on information provided by family.

As a reasonable accommodation the MHA may conduct the interim recertification by mail when requested.

#### 5. INCOME CHANGES RESULTING FROM WELFARE PROGRAM REQUIREMENTS

The MHA will not reduce the family share of rent for families whose welfare assistance is reduced specifically because of:

fraud; or

failure to participate in an economic self-sufficiency program; or

noncompliance with a work activities requirement

However, the MHA will reduce the rent if the welfare assistance reduction is a result of:

The expiration of a lifetime time limit on receiving benefits; or

A situation where the family has complied with welfare program requirements but cannot or has not obtained employment

The MHA will notify affected families that they have the right to an informal hearing regarding these requirements.

## 6. NOTIFICATION OF RESULTS OF RECERTIFICATIONS

The HUD form 50058 will be completed and transmitted as required by HUD.

The tenant is notified of the rent change at the time of recertification. A Notice of Rent Change is mailed to the owner. The tenant's signature is required by the MHA for any rent adjustment. If the family disagrees with the rent adjustment, they may request an informal hearing.

## 7. TIMELY REPORTING OF CHANGES IN INCOME (AND ASSETS) [24 CFR 982.516(c)]

### Standard for Timely Reporting of Changes

The MHA requires that families report interim changes to the MHA within ten (10) days of when the change occurs. Any information, document or signature needed from the family which is needed to verify the change must be provided at the time of recertification.

If the change is not reported within the required time period, or if the family fails to provide documentation or signatures, it will be considered untimely reporting.

### Procedures when the Change is Reported in a Timely Manner

The MHA will notify the family and the owner of any change in the Housing Assistance Payment to be effective according to the following guidelines:

Increases in the Tenant Rent are effective on the first of the month following at least thirty days' notice.

Decreases in the Tenant Rent are effective the first of the month following that in which the change is reported. The change may be implemented based on documentation provided by the family, pending third-party written verification. If verification is different from reported change, the family is responsible for repayment of assistance amount overpaid.

#### Procedures when the Change is Not Reported by the Family in a Timely Manner

If the family does not report the change as described under Timely Reporting, the family will have caused an unreasonable delay in the interim reexamination processing and the following guidelines will apply:

Increase in Tenant Rent will be effective retroactive to the date it would have been effective had it been reported on a timely basis. The family will be liable for any overpaid housing assistance and may be required to sign a Repayment Agreement or make a lump sum payment.

Decrease in Tenant Rent will be effective on the first of the month following the month that the change was reported. No retroactive payment will be made to the family.

#### Procedures when the Change is Not Processed by the MHA in a Timely Manner

"Processed in a timely manner" means that the change goes into effect on the date it should when the family reports the change in a timely manner. If the change cannot be made effective on that date, the change is not processed by the MHA in a timely manner.

In this case, an increase will be effective after the required thirty days' notice prior to the first of the month after completion of processing by the MHA.

If the change resulted in a decrease, the overpayment by the family will be calculated retroactively to the date it should have been effective, and the family will be credited for the amount.

#### 8. MISREPRESENTATION OF FAMILY CIRCUMSTANCES

If any participant deliberately misrepresents the information on which eligibility or tenant rent is established, the MHA may terminate assistance and may refer the family file/record to the proper authorities for appropriate disposition.