

Missoula Housing Authority Regular Board Meeting Wednesday March 20, 2024

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Tab 1
Agenda
Agenda Notes

MISSOULA HOUSING AUTHORITY
REGULAR BOARD MEETING
March 20th, 2024
1235 34th STREET, MISSOULA, MT

1. Call to Order
2. Attendance
3. Approval of Minutes:
 - a. February 21st, 2024
4. Commissioner Comments/Conflict of Interest Disclosure
5. Public Comments on Items not on the Agenda (limited to 3 minutes apiece.)
6. Action Items:

Resolution #1159 A Resolution Amending the Administrative Plan for the Housing Choice Voucher Program to Implement HOTMA Regulations

7. Staff Reports
 - a. MHA Annual Strategic Plan/Board Training update.
 - b. National Museum of Forest Service History Update.
 - c. Trinity and Villagio leasing update.
 - d. Light remodel/update at MHA Office.

Adjournment

The Missoula Housing Authority makes reasonable accommodations for any known disability that may interfere with a person's ability to participate in this meeting. Persons needing assistance should provide advanced notice to allow adequate time to make needed arrangements. Please call 549-4113 or write to the Missoula Housing Authority, at 1235 – 34th Street, Missoula, MT 59801, to make your request known.

MEMORANDUM

TO: MHA BOARD OF COMMISSIONERS
FROM: SAM OLIVER, EXECUTIVE DIRECTOR
SUBJECT: AGENDA NOTES BOARD MEETING MARCH 20TH, 2024
DATE: MARCH 18TH, 2024

6. Action Items:

Resolution #1159 A Resolution Amending the Administrative Plan for the Housing Choice Voucher Program to Implement HOTMA Regulations

Jim McGrath will be presenting a small package of discretionary policies (ones for which MHA has a choice) as we convert from REAC to HOTMA. We will bring those this month for discussion/debate. At the May Board Meeting, Jim will have prepared a package of mandatory policy changes requiring Board Resolution.

7. Staff Reports:

- a. As part of setting annual priorities, there has been discussion about starting an annual strategic planning session involving the Board and MHA Leadership Staff. This session would provide strategic goals as well as acting as an opportunity for the Board to come together for Board Training. Our Board Training and Annual Strategic Planning Session will take place April 17th, 3-7pm and will take the place of the Regular Monthly Board Meeting. The event will be held at River Ridge Apartments Community Room at 2940 Sant Fe Ct. and dinner will be provided.
- b. The project received robust interest during the Open Bid process. Bid tabulations, scope and spec clarifications, and critical path scheduling are currently taking place. Bristlecone is facilitating scope reductions and value engineering at the behest of the Owner. Hoping to finalize plans and submit for permit by April, still eyeing May/June groundbreaking.
- c. Trinity Apartments has been fully leased and is in stabilization! We have welcomed a new Property Manager at Maple Street Flats/Blue Heron Place, Nina Bailey. Erin Gillie was awarded the position of Compliance Specialist in the Asset Management office. Villagio has approximately 120 Units leased with approximately 10 pre-qualified (income) candidates in the pipeline. MHA Staff continue to actively market Villagio with the goal of having full occupancy by the end of May.
- d. In conjunction with improvements to bolster Staff safety, MHA is exploring a light remodel for the Main Office. New lighting, finishes, and efficiencies will give our Office a much-needed update. Draft remodel plans have been included on your Board Packets.

Tab 2
Minutes

Missoula Housing Authority Board

Regular Board Meeting

Wednesday, February 21, 2024

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MINUTES-

Members Present: Jack Richards, Kaia Peterson, Sam Oliver, Jennifer Cerutti
VIA Zoom: Tiegan Avery, Kila Shields

Members Absent: Collin Bangs, Sheena Comer Winterer

Staff Present: Mary Melton, Sara Stout, Adam Ragsdale, Jim McGrath, Debbie Hibbitts

Guests Present: VIA Zoom: Susan Aaberg

- I. Call to Order: The meeting was called to order at 5:30 pm.
- II. Attendance: See above
- III. Approval of Minutes: Regular Board Meeting – January 17, 2024
Richards: Moves
Cerutti: 2nd
Approved
- IV. Commissioner Comments/Conflict of Interest Disclosure:
Peterson: We are in the middle of Housing Conference planning May 20-22. The registration for that will go live March 5th. Missoula will be hosting this year.
Oliver: There will be a Bitterroot tour and a Missoula Tour.
- V. Public Comments on items not on the Agenda: None
- VI. Action Items:
 - a. Resolution #1158 – Board Approval of Second Amendment to Villagio HOME Program Loan Agreement and Authorization of Executive Director to Sign
Cerutti: Moves
Richards: 2nd
Approved
- VII. Staff Reports:

a. Audit Update

Oliver: We had our annual visit from our Auditors. They were here for about 10 days. It is a stressful time, but we pretty consistently do a wonderful job. The auditors inspected 88 tenant files and did not find anything wrong with a single one between Jim and Mary's departments. Huge shout out to those departments. They typically use us as a shining example for other housing authorities. There were a couple of management comments which we are actively working on addressing and correcting this year. This past year was a big mountain to climb and to have a glowing report despite those big projects coming online made me proud and makes my job a lot easier.

Peterson: You will share those results with us and if we have any questions, we will share them at the next board meeting.

Hibbitts: They may not be published by the next meeting but once completed we will share them with the board.

b. Discussion regarding MHA Annual Strategic Plan/Board Training

Oliver: We got ahold of Keegan, and we now have a tentative date and time for the event, April 17th 3-7PM at River Ridge. We talked about forgoing our regular monthly board meeting that month to focus on the training.

Richards: What does that training entail?

Oliver: We will be working with them to establish the agenda, but I have been told half the session will be strategic planning/ setting goals for the next year and out. The second half will be board member training for those who have not been through formal training on roles and responsibilities.

Peterson: I find Keegan's meetings to be very conversational. What I am hoping will come out of the meeting, on top of just getting further input and direction for Sam and staff, but what can we do as board members to do continue to support the work of the organization. We would really appreciate attendance from the full board, which would be most beneficial.

c. National Museum of Forest Service History

Oliver: Not much to say here. They completed the open bid process. Right now, they are clarifying spec questions. Bottom line the project is over budget, and they are going to have to make big decisions. It has been a time-consuming process, but it has given me the opportunity to test the waters on what we can expect for the next year while construction is underway. I have heard from design professionals that things are slowing down, and they are not seeing the same amount of work coming through apart from the constant small amount of commercial building. This has freed companies to respond to our inquiries.

d. Trinity and Villagio Leasing Update

Oliver: Trinity is fully leased and is stabilization. Everyone is settled in there nicely. We have had some staff member changes as of today. Erin Gillie will be coming back to the

main office as the compliance specialist and Nina Bailey will be taking over property management at Trinity.

As of this week Villagio has just over 100 units leased, and we are continuing to market aggressively. Hoping to be fully leased by the end of April. We are still working with Blueline to make it happen. We saw a pretty good uptick in leasing post Holidays. We remain optimistic but we really have to get after it.

Melton: We have all the 4 bedrooms filled. We are still working on 2 and 3 bedrooms. We have all PBVs filled with the exception of maybe one or two units.

Peterson: Remind me what our timeline is on this project?

Oliver: The intent, after conversations with investors, is to have the building filled by the end of April and start stabilization in May. We will hopefully convert to perm loan in the fall.

Peterson: Is there anything we as board members can do to help?

Oliver: Continue to spread the word. We are getting the word out as there is still availability.

Peterson: What is making this so difficult?

Melton: A lot of people are over income, and some are under income. We are seeing a lot more families over income than we have ever seen. It is a great thing, but many employers have raised wages, and the housing industry has not caught up with that yet. We use gross income never net income, which has a significant impact on income eligibility. If anyone from the board has any marketing ideas reach out to Sara, Sam, or me. We might go a little more statewide than we have been.

e. Light Remodel/Update at MHA Main Office

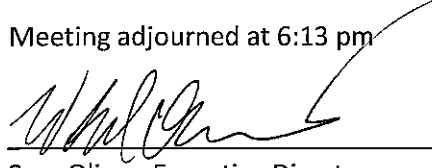
Ragsdale: Sam, Jim Flaherty, and I are working on doing some remodeling in the office. We are looking to remodel the front lobby to provide better security for staff and to keep folks from wondering. We are also looking at replacing light fixtures, painting, and flooring. Looking at doing an overall touch up of the building. We have done some asbestos testing and had some measurements taken and we will meet in Jim's office in the next week and look at some 3D renderings. We will keep everyone posted as we progress.

Oliver: A lot of it is brought on by the need for increased safety measures in the office.

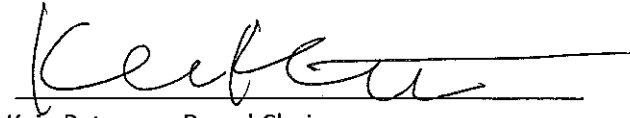
Ragsdale: It will allow us to open up to the public again while still keeping it safe for staff.

VIII. Other Matters: NONE

Meeting adjourned at 6:13 pm

A handwritten signature in black ink, appearing to read 'Sam Oliver', written over a horizontal line.

Sam Oliver, Executive Director

A handwritten signature in black ink, appearing to read 'Kaia Peterson', written over a horizontal line.

Kaia Peterson, Board Chair

Tab 3
Action Items

RESOLUTION NUMBER 1159

A Resolution Amending the Administrative Plan for the Housing Choice Voucher Program to Implement HOTMA Regulations

WHEREAS, the HUD Section 8 Rental Voucher Program (Section 8) and was created by the United States Housing Act of 1937,

WHEREAS, the Missoula Housing Authority (MHA) administers the Section 8 under terms of U.S. Department of Housing and Urban Development (HUD) Consolidated Annual Contributions Contract No. MT033VO,

WHEREAS, the MHA operates and administers its housing programs in accordance with Title 24 of the Code of Federal Regulations; all applicable HUD Regulations, Handbooks, and Notices; and all other applicable Federal, State and local laws, and

WHEREAS, the MHA seeks to maintain written policies which shall be guidelines for the MHA staff to follow in determining eligibility for admission and participation in the housing programs, such policies to be binding upon applicants, program participants, and the MHA, and

WHEREAS, effective July 18, 2000 the MHA established and adopted its *Administrative Plan for the Section 8 Voucher Program*, and

WHEREAS, HUD established new regulations to implement HOTMA that require MHA to amend its Administration Plan, the board of commissioners adopts revised language included in the attached Memo.

THEREFORE BE IT RESOLVED by the Board of Commissioners of the Missoula Housing Authority to amend its Administrative Plan as recommended in the attached memo.

THEREFORE BE IT FURTHER RESOLVED by the Board of Commissioners of the Missoula Housing Authority that the effective date of the changes be established based on when the PHA's software is able to submit to HUD's database HIP when it becomes operational.

Date: _____

Kaia Peterson, Chair
Board of Commissioners
Missoula Housing Authority

Memo to: Sam Oliver, executive director, Board of Commissioners
From: Jim McGrath, director of HUD programs
Date: March 12, 2024
Subj: HOTMA policy changes part 1

In your packet you should find a draft resolution adopting some of the policy changes needed to implement HOTMA, as well as a Guide describing them and four separate pieces with the specific language proposed.

HUD wants us to include them in the annual plan (it's definitely a "significant amendment" to our admin plan!) which needs to go out for public comment in May.

I am bringing the smaller package of discretionary policies—ones MHA has a choice on and therefore the board needs to decide—to the March meeting. That also gives us time if the board is not ready to adopt any particular policy to further deliberate.

Then in May, I will bring a large package of mandatory policies. It is much more of a lift than I anticipated, but the board really does not have a choice so it should need less discussion.

April board meeting is the strategic planning.

The May board meeting is scheduled for the last day of the housing conference, which means a lot of us will be busy prior to that.

Note: the official effective date is yet to be determined. Neither HUD nor our software provider, Yardi, is ready and capable of allowing us to submit compliant files. So the resolution states that.

Changes to HCV Admin Plan to Conform with HOTMA, part 1, Discretionary Policies

This summary is a guide to the policy choices being proposed that are before you. HOTMA will require an extensive revision of our administrative plan but the majority of those changes are mandatory and allow no local discretion. Those will be submitted in part 2 in May.

What follows are policies that HUD gives the local PHA some discretion on. They are drafted with staff's recommendation on the policy (not the full range of choices). In developing our recommendations, we used two fundamental principles as a guide. Does it benefit the participant? In cases where the policy choices clearly benefit the participant, we tended to lean in that direction. Is it easier to administer? In many cases, options might be simpler, similar to current policies, or require less work and we leaned towards those.

For many of them, I indicated the page number in our admin plan where the current policy is. Exactly where these revised policies end up in our plan may well change. The exception is the final set, Chapter 12, is a full line-and-strikeout rewrite of the chapter.

Note: the official effective date is yet to be determined. Neither HUD nor our software provider, Yardi, is ready and capable of allowing us to submit compliant files. So the resolution states that.

Asset limits

Currently, unlike some other programs, there are not asset limits for housing programs. That means that someone can have as much money, stocks, retirement accounts, real estate etc. as they want and still be eligible for housing. Housing cares about income, so we look at the amount of income those assets generate. Also currently, we look at actual income generated (e.g interest on a savings account) unless the total assets are over \$5,000 in which case we also calculate "imputed interest." So for example, if you have \$10,000 in a zero interest savings account, we impute an amount of interest you should earn.

HOTMA changes those and much more. Participants will now be able to self-certify assets up to \$50,000 and it will only be when total assets are above that that we impute interest. And the \$50k will be indexed and go up by inflation every year. Retirement accounts will no longer be considered assets.

On the other hand, there will now be an asset limit of \$100,000 (also indexed) plus if someone owns real property they can live in they can't get housing.

There are several critical choices we have local discretion on, however. These include allowing self-certification, defining real estate that does not disqualify participants and how we handle current participants who exceed the asset limit.

PHAs can either allow families to self-certify their assets below \$50,000 or verify them. We propose self-certification.

We have discretion on how to handle current participants that have more than \$100,000 in assets: we can terminate them (and determine how long that takes and what opportunities for remedy they would have), enforce it for certain kinds of participants and not others, or total non-enforcement. We recommend total non-enforcement. These are families that were admitted into our program under current rules and would face termination because of this change. (By the way, there are only one or two cases.)

When someone owns a house, it may not disqualify them because there may be any number of reasons why they can't reasonably live in it. The one we have to define is when a property's geographic location makes it too far to make it a hardship, for example to attend school or work. We propose using our jurisdiction as the limit for simplicity.

Hardship exceptions

Currently, elderly and disabled households can deduct out of pocket medical expenses if they exceed 3% of their income. HOTMA changes that threshold to 10%. But it establishes a phase-in of 12 months at 5%, another 12 months at 7.5%. But we are allowed to offer a general relief as well.

Currently families with children can deduct child care expenses needed to work, look for work or go to school. HOTMA places requirements on our actions when a family stops being eligible for child care expense (for example stops working). But it allows us to have a hardship exemption if we articulate the circumstances we will grant them.

Finally, we are allowed any other permissive deductions we choose, but they will not be funded so we have to be willing to do that.

We are proposing only a limited hardship exception for families that lose the child care deduction. We lay out the conditions and parameters of the hardship.

Release of information

Currently all adults must sign the HUD release of information so we can collect information about their income. It's an obligation and if they don't, we deny or terminate.

HOTMA allows them to revoke consent. That would prevent us from doing our job of verifying their income. We are allowed to let them revoke their consent but terminate or deny if they do. That's our recommended policy.

Verification of Social Security number

We are required to collect and verify social security numbers for all household members. If they don't have their cards we can accept some other documents that have the SSN on them (though there are fewer and fewer of these days.) HOTMA allows us to except self-certification by the applicant as long as we verify them through the HUD system (which we have to do anyway.)

Recertifications

Finally, HOTMA changes our requirements on when and whether we recertify families. Lots of changes. Some of them tighten things up and take away local discretion. Others mandate changes, sometimes with some local parameters.

Currently, if a family experiences a decrease in income we must recertify them and reduce their rent. We have local discretion over the reporting requirements and timelines and to some degree the timing of the change. If a family experiences an increase in income, however, we currently are allowed the local policy to ignore that increase until their annual review in most cases.

HOTMA requires us to adjust their rent if their income increases by 10% or more. HUD sells HOTMA as saving us work, but I can't see how this won't cause more work for us. Similarly, we must adjust their rent if their income drops by 10%.

HOTMA also forbids us from increasing their rent if their EARNED income increases. This means families in our FSS program can't benefit by earning escrow based on their increased income/rent. We do have the discretion to take earned income into consideration if they have previously had an adjustment for lower income. (This is a bit wonky, I realize. I can walk through examples if needed.) We are proposing to do that.

We propose keeping the same reporting timeline as it has been in place forever.

The chapter on recertifications is what convinced me what a large project this is. I am providing a line-and-strikeout version of the chapter. As you can see, a LOT is stricken and replaced. Most of it not discretionary and some of it not related to HOTMA but simply to the fact that overhauling our admin plan is overdue.

Verification of assets p. 55

discretionary

MHA will determine net family assets and anticipated income earned from assets at new admission based solely on a family self-certification that their net family assets are equal to or less than \$50,000.

After a family's assets of \$50,000 or less have been self-certified for two years in a row, at the next annual reexamination, MHA will fully verify net family assets and anticipated income earned from assets. After fully verifying the family's net family assets, MHA will resume accepting self-certification until the third annual reexam following the most recent full verification. If net family assets are greater than \$50,000, assets will be fully verified.

When fully verifying assets, MHA will obtain a minimum of one account statement to verify the balance and any interest on accounts, including any checking and savings accounts.

mandatory

When determining Net Family Assets, MHA will take the following steps:

1. Provide the family with a description of non-necessary personal property and ask the family to estimate the total value of their non-necessary personal property. If the family estimates that their non-necessary personal property is valued under \$50,000 (as adjusted annually for inflation) then the PHA will not ask the family to report the individual items of non-necessary personal property, except every third year when the PHA is fully verifying all assets.
2. If the family's non-necessary personal property has a net value over \$50,000, MHA will ask the family to report a full list of their non-necessary personal property. The PHA will assess the list to determine if any of the items are necessary personal property. The PHA will make a determination as to each item identified, based on guidance, and if the item is determined to be necessary, or otherwise excluded from net family assets, like a retirement account, educational savings account, etc, it will be excluded from the family's net assets.

discretionary

MHA will consider the following to be necessary items of personal property:

Any automobile regularly used by a member of the family to commute to work, school, or childcare

Any computer or electronic device (such as laptop, tablet, monitor, or cellphone) that is used by any family member to work, look for work, or study

Any item used for religious purposes (such as a historic book of scripture).

Any furniture used in the family's home

Jewelry or other keepsakes which hold religious or cultural value, or deep family significance. For example, a watch which has been in the family and passed down from generation to generation.

MHA will consider the following to be non-necessary items of personal property:

Bank accounts and other financial investments (e.g., checking account, savings account, stocks/bonds)

Any automobile that is used purely for recreation (such as an RV or camping trailer) and not for any of the defined "necessary" uses, is a "non-necessary" item of personal property and is included in the calculation of net family assets

Collectible items (such as sports cards or trading cards) that are not used for a work-related purpose by a family member

MHA may make case-specific determinations of other "necessary" items.

Retirement accounts are excluded from net family assets.

Assets over \$100,000

mandatory

At admission, ownership of net family assets that exceed \$100,000 (as adjusted) or ownership of disqualifying real property require denial of assistance. PHAs/MFH Owners do not have the discretion to not enforce or provide limited enforcement of the asset limitation at admission.

Discretionary

At annual and interim reexamination, PHAs/MFH Owners may choose not to enforce the asset limitation, if they establish a written non-enforcement policy. PHAs/MFH Owners may establish a total non-enforcement policy for all families at reexaminations, which would mean that they will not initiate termination or eviction proceedings for a family for non-compliance with the asset limitation. Where the PHA/MFH Owner exercises this discretion to allow families who would otherwise fail to comply with the asset limitation to continue renting their units, the families will continue to receive assistance. If they adopt a total non-enforcement policy, PHAs/MFH Owners must apply the non-enforcement policy the same for all families within a program (e.g., if adopted in a PHA's Admissions and Continued Occupancy Policy, it must apply to all Public Housing families). Any non-enforcement policy must be included in the PHA's Administrative Plan or ACOP or a MFH Owner's Tenant Selection Plan.

MHA chooses Total Non-enforcement policy,

Exemptions to the Real Property Restriction in the Asset Limitation

The real property restriction does not apply to the following:

- Any property for which the family is receiving assistance under 24 CFR § 982.620 (i.e., a manufactured home owned by a family who receives assistance to lease the space or lot in which it is located). Likewise, any property for which the family is receiving assistance under the Homeownership Option in 24 CFR Part 982. See 24 CFR § 5.618(a)(1)(ii)(A).
- Any property jointly owned by a family member and another individual who does not live with the family but who resides at the jointly owned property. See 24 CFR § 5.618(a)(1)(ii)(B).
- Any property owned by a family that includes a person who is a victim of domestic violence, dating violence, sexual assault, or stalking, as those terms are defined in 24 CFR Part 5 (Subpart L). For example, if the victim is a minor, the real property limitation does not apply to any property owned by the victim's parent or guardian. When a family requests an exemption from the real property limitation on this basis, the PHA/MFH Owner must accept self-certification and follow the confidentiality and documentation-request requirements established at 24 CFR § 5.2007. See 24 CFR § 5.618(a)(1)(ii)(C).
- Any property that the family is offering for sale. Documentary evidence of the sales process could include, for example, a contract with a realtor.

Legal Right to Reside in the Real Property

The real property restriction applies only when the family has the legal right to reside in the real property. Whether a family has the legal right to reside in a property may be dependent on state and local law. The family may own real property that legally they may not reside in. For example, the family may own a commercial property, such as a convenience store or other retail establishment, which cannot be occupied as a place of residence by the family. Families who claim they lack the legal right to reside in the real property must provide evidence to support their claim(s). What constitutes sufficient evidence will vary by circumstance.

Effective Legal Authority to Sell the Real Property

The real property restriction applies only when the family has the effective legal authority to sell the real property, based on the laws of the state or locality in which the property is located. There may be multiple reasons why a family does not have such legal authority. For example, when families are contesting ownership of a property in court, or an individual is in divorce proceedings, they may be unable to sell the property until the completion of those proceedings. Someone who owns heirs' property may not have the authority to sell until others' claims to fractional ownership have been settled. Families who claim they lack the legal authority to sell the real property must provide evidence to support their claim(s). What constitutes sufficient evidence will vary by circumstance. For example, a divorce pleading or complaint may demonstrate that there are actual divorce proceedings occurring.

Suitability of Real Property for Occupancy

A property will be considered suitable for occupancy unless the family demonstrates that the real property meets one of the following five conditions (24 CFR § 5.618(a)(2)):

- The property is not capable of meeting the disability-related needs of all members of the family (e.g., does not meet physical accessibility requirements, family has disability-related need for additional bedrooms, family needs proximity to accessible transportation). Documentary requirements to establish disability-related needs must comply with applicable fair housing and civil rights requirements.

-The property is not sufficient for the size of the family. A PHA/MFH Owner's occupancy standards may be used for such a determination.

-The property is geographically located so that it creates a hardship for the family (e.g., the distance or commuting time between the property and the family's place of work or school would place a hardship on the family, as determined by the PHA/MFH Owner. Distance or commute time to school/work are illustrative, but not exhaustive, examples of geographic hardships). Through written policies, PHAs/MFH Owners may set parameters on what constitutes such a hardship, but they must consider the specific circumstances of the family, including information provided by the family, in making a determination.

--MHA considers property outside its jurisdiction as located so that it creates a hardship--

-The property is not safe to reside in because of its physical condition (e.g., the property's physical condition poses a risk to the family's health and safety and the condition of the property cannot be easily remedied). Unsafe property conditions could include external circumstances or environmental factors outside the control of the family. The property may be deemed not suitable for occupancy if the alterations that would be needed to make it safe to live in are cost prohibitive.

-The family does not have the legal right to reside in the property.

Chapter 6

Pg 38

Insert:

Hardship exemptions

Phased-in Relief

All families who received a deduction for unreimbursed health and medical care and/or reasonable attendant care or auxiliary apparatus expenses based on their most recent income examination prior to January 1, 2024, will begin receiving the 24-month phased-in relief at their next annual or interim reexamination, whichever occurs first after the PHA implements HOTMA (this date will be publicly announced when available).

Families who receive this phased-in relief will have eligible expenses deducted as follows:

1st twelve months– in excess of 5% of annual income.

2nd twelve months – in excess of 7.5% of annual income.

After 24 months – in excess of 10% threshold will phase in and remain in effect

Once a family chooses to obtain General Relief, a family may no longer receive the phased-in relief.

Discretionary

No general relief proposed

Childcare expenses – exemption to continue

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Child Care Expenses: Deducted for the care of children under 13 when child care is necessary to allow an **adult** member to work, or attend school, or actively seek employment.

Mandatory

Families must report if the circumstances that made the family eligible for the hardship exemption are no longer applicable.

If the family reports the change in circumstances in a timely manner (within 10 days) MHA will provide the family with 30 days advance notice of any rent increase, and such rent increase will be effective the first day of the month beginning after the end of that 30-day notice period.

If the family does not report the change in a timely manner, the adjustment will be made retroactive to the date it would have been effective had the information been provided on a timely basis. The family will be responsible for any underpaid rent and may be offered a repayment agreement.

Discretionary

It is the policy of MHA to extend the child care expense deduction for additional 90-day periods if the family demonstrates that they are unable to pay their rent because of loss of the child care expense deduction, and the child care expense is still necessary even though the family member is no longer employed, looking for work, or furthering his or her education.

MHA may extend the hardship exemption for additional 90-day periods based on family circumstances.

MHA may terminate the hardship exemption if it is determined that the family no longer needs the exemption.

The child care deduction may continue to be necessary when the family has a hardship so that they continue to need child care.

It is the policy of **MHA** to offer general hardship relief for the child care deduction. Hardship includes the following situations:

One or more family members has lost employment.

A death has occurred in the family. In order to qualify under this provision, a family must describe how the death has created a need for child care.

A health/ medical issue in the family which has created the need for child care. In order to qualify under this provision, a family must describe how the health or medical issues have created a need for child care.

A family is considered to have a hardship when:

The household's family share of total housing costs including child care expenses and medical expenses not currently being deducted exceeds 35 percent of adjusted household income.

Or when the family would be evicted because it is unable to pay the tenant portion of the rent.

Consideration will be given if the family has a member enrolled in FSS.

Chapter 7

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B. 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.

At each annual or interim reexamination, **MHA** will determine if any family member turned 18 and has not yet signed the HUD-9886 form. Such a family member will be required to sign the appropriate form at the reexamination.

The executed consent form (Form HUD-9886) will remain effective until the family is denied assistance, the assistance is terminated, or if the family provides written notification to the PHA to revoke consent.

Families have the right to revoke consent by notice to **MHA**, however, revoking consent will result in termination or denial of assistance.

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.

Verification of SSN

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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. MHA will also accept an original document issued by a Federal, State, or local government agency, which contains the name and SSN of the individual.

If a member of the family is unable to provide a Social Security card or other evidence of their SSN, MHA will accept a document stating the person's name and a declaration from the person stating 1) why they cannot obtain their Social Security card and 2) what their SSN is.

If MHA has accepted any declarations as evidence of a SSN, MHA will review the Failed SSA Identity Report monthly to quickly identify any participants whose identity is not verified.

Chapter 12

RECERTIFICATIONS

[24 CFR 982.516]

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.

A. ANNUAL ACTIVITIES [24 CFR 982.516, 982.405]

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

Recertification of Income and Family Composition

HQS Inspection (See ~~A~~Housing Quality Standards and Inspections@ chapter.)

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.

B. ANNUAL RECERTIFICATION/REEXAMINATION [24 CFR 982.516]

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.

Pre-Merger Reexamination Issues

For all pre-merger tenancies the rent calculation methods will not change until the effective date of the second regular reexamination of family income and composition, following the merger date, unless the family moves or accepts a new lease from the owner.

If there has been an increase in the payment standard prior to the effective date of the first regular reexamination of a premerger Voucher following the merger date, the family will receive the benefit of the higher payment standard, provided there has not been a change in family size or composition that would require the MHA to adjust the family unit size.

Moves Between Reexaminations

When families move to another dwelling unit the anniversary date for the recertification will not be changed. [Res. 832]

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~~ recertification packet is due 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-responses are due~~ 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 [Personal Declaration] ~~prior to all recertification interviews.~~

Requirements to Attend

~~The head of household will be required to attend the annual recertification interview. If the head of household is unable to attend the interview the appointment will be rescheduled, or with good cause and at the discretion of the Executive Director, the recertification may be performed by mail. [Res. 755]~~

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~~ return the completed recertification packet for the recertification interview, and has not rescheduled or made prior arrangements with the MHA, the MHA will ~~reschedule~~ send a second appointment notice.

If the family fails to ~~appear for~~ respond to the second appointment notice, 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 supervisor of the department Section 8 Program Specialist if the family is able to document an emergency situation that prevented them from ~~canceled 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

(See Chapter 6 for full description of information needed.)

Verification of Information

The MHA will follow the verification procedures and guidelines described in this Plan. [Res. 832]

Tenant Rent Increase

If tenant rent increases, the change will take effect the first of the month ~~immediately~~ 30 days following the recalculation, or when a new lease is signed, ~~whichever is earlier~~.

[Res. 772]

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.

C. REPORTING INTERIM CHANGES [24 CFR 982.516]

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 it is not feasible to anticipate a level of income over a 12-month period (e.g. seasonal income). MHA may annualize the income for a shorter period, subject to a re-determination at the end of the shorter period. [24 CFR 5.609 (d)]~~
[Res. 832]

~~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. [Res. 832]~~

~~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.~~

Families must report all changes in family income or composition within 10 calendar days from the effective date of the change to be considered "timely."

• Timely reporting related to an increase in rent: When a family reports a change in family income or composition that will result in an increase in tenant rent, the family must be provided a minimum of 30 calendar days' notice of the rent increase. The rent increase will be effective on the first of the month following the end of the 30-day notice.

• Timely reporting related to a decrease in rent: Families that report changes in family income or composition within 10 calendar days from the effective date of the change that results in a decrease in tenant rent, the decrease will be effective the first day of the month after the date of the actual change leading to the interim reexamination of family income.

In the case of an HCV family, funds will be returned to the housing provider. Funds will only be provided directly to a family if they no longer reside in the unit.

Untimely reporting related to an increase in rent: Families that do not report changes in family income or composition within 10 calendar days from the effective date of the change, that will result in an increase to tenant rent, will have the rent increase implemented retroactively to the first of the month following the date of the change leading to the interim reexamination. The family will owe a one-time payment equal to the difference in the rent paid and the new increased rent for each monthly rental period from the time of the change in circumstances through the date of the interim reexamination.

• Untimely reporting related to a decrease in rent: When a family does not report a change in a timely manner that will result in a decrease in tenant rent, MHA will implement the decrease no later than the first of the month following completion of the reexamination.

• In case of any rent adjustment, the family will be provided with clear, written communication after the interim reexamination that shows: Any one-time charge or credit due to a retroactive adjustment.

The new monthly rent due.

The date that rent is due.

The date of the family's next annual income reexamination.

In the case of an HCV family, funds will be returned to the housing provider. Funds will only be provided directly to a family if they no longer reside in the unit.

Decreases income

An interim reexamination will be conducted when MHA becomes aware that the family's adjusted income has changed by an amount that is estimated to result in a decrease of at least 10% of the family's annual adjusted income.

Increases in income

MHA will perform an interim reexamination when the family reports a change in adjusted income that will result in an increase of 10% or more in annual adjusted income.

MHA will take into consideration not only changes to income but must also consider changes to eligible expenses, if applicable, to determine if an interim reexamination will be completed.

MHA will not consider any increases in earned income when estimating or calculating whether the family's adjusted income has increased unless the family had a previous interim examination where the family's income, of any type, decreased during the same reexamination cycle.

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.

De minimis errors

De minimis errors occur when a PHA's determination of a family's income deviates from the correct income determination by no more than \$30 per month in monthly adjusted income (or \$360 in annual adjusted income). HUD may revise the amount of de minimis error through rulemaking.

Mandatory

Once the MHA becomes aware of the existence of an income calculation error, the error(s) will be corrected retroactive to the effective date of the action resulting in an error regardless of the dollar amount associated with the error.

Families will not be required to repay MHA in instances where MHA miscalculated income resulting in a family being undercharged for rent. Once MHA becomes aware of the error the family will be provided with a 30-day notice of the increase to their rent portion.

MHA will take corrective action to credit or repay a family if the family was overcharged tenant rent, including de minimis errors, in the income determination.

In the case of HCV residents, the family's rent portion will be temporarily adjusted down with additional HAP going to the property owner. MHA will send a letter to the family and the landlord prior to the change in payments notifying them of the change and the duration of the change. If the participant has vacated the unit, the credit will be mailed or provided to the family

within [1 month] of becoming aware of the error. If MHA determines any credit to a landlord on behalf of a family continuing to reside in the unit is unreasonably high (for example will need to be credited over the course of many months or years) MHA may choose to pay the family directly.

D. 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.~~

Interim recertification appointments will be scheduled if needed, based on information provided by the family. Interim recertifications may be performed in person or by mail.

In the case of the elderly or a family whose head of household is a person with a disability, "in-home" recertifications may be scheduled.[Res. 755]

E. 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.

(See "Verification Procedures" chapter.)

F. NOTIFICATION OF RESULTS OF RECERTIFICATIONS [HUD Notice PIH 98-6]

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.

G. — TIMELY REPORTING OF CHANGES IN INCOME (AND ASSETS) [24 CFR 982.516(e)]

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. [Res.772]~~

~~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.

H. CHANGES IN VOUCHER SIZE AS A RESULT OF FAMILY COMPOSITION CHANGES [24 CFR 982.516(c)]

(See "Subsidy Standards" chapter.)

I. CONTINUANCE OF ASSISTANCE FOR "MIXED" FAMILIES [24 CFR 5.518]

Under the Noncitizens Rule, "Mixed" families are families that include at least one citizen or eligible immigrant and any number of ineligible members.

The Noncitizens Rule was implemented on or after November 29, 1996, and mixed families may receive prorated assistance only.

J. 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. (See Program Integrity Addendum.)

Tab 4
Staff Reports

Board report March 2024

Waiting list report

Total number of unduplicated households on our waiting list: as of 3/13/2024 1755

<u>Waiting lists</u>	<u>#units</u>	<u>#on list</u>	<u>Date of most recent pull from list</u>
Housing Choice Voucher	863	1326	2/29/24
MHA Homes	226	1388	1/17/24
Shelter Plus Care	98	--*	11/8/23
Uptown	14	408	2/27/24
YWCA	6	0*	1/2/24
Silvertip PBRA	8	1028	1/31/24
811	64	2*	3/31/22

New applicants

Since Feb 1, 2024 through Feb 29, 2024 148

*Note: our waiting lists for these programs understate the number because they are referred by other agencies.

The Mainstream vouchers come from our HCV waitlist, but they do not count in our leasing totals.

HUD VASH vouchers do not come from our waitlist but are directly referred. They do tally in our leasing count.

Note: new vouchers	leased	award	issued
FYI	6	11	5
Mainstream	58	66	4
VASH	35	52	0
EHV	12	12**	0

**Note: EHV will now slowly reduce because we can no longer issue turn over vouchers as of 9-30-23

Tenant-based assistance

HCV Voucher Utilization FY 2024

Month	Total UML	Homeowner	FYI	Ports	TPV	VASH	Other	PBV vacant
October	867	14	6	3	124	33	681	6
November	880	14	6	2	124	35	694	5
December	875	14	7	2	124	34	687	7
January	872	13	7	2	123	34	688	5
February	875	13	6	1	123	36	692	4
March	880	14	6	1	124	35	876	4

Total FY24 5249
 Full utilization 6220
 Under 971 84% w/o VASH 85%
 FY24

Percent new admissions <30% AMI 69%
 Annual percentage required 75%

HCV Voucher Utilization CY 2024

Jan 872
 Feb 875
 Mar 880

Total CY 24 2627 2522
 Full Utilization 3126 w/o VASH 2970
 84% 85%

NOTE: new voucher total is 1042, with 178 new TPVs from conversion, 11 FYI vouchers. Mainstream (66) is tabulated separately and VASH (52) doesn't count on SEMAP. The total number is varying each month as the number of FYI vouchers change. We also received 7 new HCV vouchers starting 10-1-22 and 20 new vouchers starting 9-1-23 and 20 new VASH vouchers starting 11-1-23. However, utilization is also based on funding. We are currently spending more than awarded and will spend all reserves. So we are fully utilized.

Current outgoing portables 1 Total HAP \$662

Shelter Plus care:

Shelter Plus Care 98 unit grant total to be served: 126
 Total units actually leased: 98 total # served: 154

Vouchers "on the street" (issued but not leased)

HCV 15
 SPC 1

Missoula Housing Authority HCV Family Self-Sufficiency Program:

February 2024 Board Report

Current Caseload Total: 146

YTD Caseload Total: 154

Total Graduates: 2

Total Escrow Balance to Date: \$472,157.56

Total Forfeit/HELP Account Balance: \$11,405.08

There were no graduates this month.

We submitted our first annual coordinator survey report to FSS headquarters in DC. The HUD team plans to utilize the data from all FSS programs throughout the country to make a report for congress. They are hoping that the report will lead to increased funding to expand the program further.

We continue to attend monthly meetings with the FSS HUD program directors in DC where we are continually implementing their suggestions and recommendations to improve our program and implement best practices.

In the past 12 months, the combined escrow our participants have saved has nearly doubled! We have a historically high percentage of households with escrow accounts established. Currently 75% of FSS families who have a "progress," meaning they have had a redetermination of income, have an escrow account established. We are proud of the families we serve!

Project Community Connect will be held on March 27th in the Missoula Public Library after a 4-year hiatus. Rebecca has been working with the planning committee. MHA will table at the event and FSS coordinators will be in attendance to market the FSS program and answer any questions.

The Winter Rental Assistance program continues to accept and review applications for assistance. The Salvation Army has awarded \$52,000 to help with deposits and rent arrears.

Annual escrow statements are going out to participants.

Ongoing committee work:

Tamara- Winter Rental Assistance Program

Rebecca- Veteran Support Network, NAMI & ARHC

Sierra- Co-Facilitator of AHRC General and Community Management Team

Partnerships and Referrals: NAMI, MCPS, Partnership Health, Voc Rehab, HUDVASH, 549-HOPE, CCR, Rural Dynamics, Homeword, MHA Homes, MHA Programs, Dependable Benefits, MLSA, Blue Line PM, Garden City PM, Missoula Area PM Co. HRC rent assistance, 211, Clearwater Credit Union, University of Montana, Missoula College, MJS, MERA, JOB Corps, Families First, MT Small Business Development Center, Adult Basic Education, Salvation Army, LIEAP, IDA, Habitat for Humanity, NMCDC, Social Security Administration, OPI, Foodbank, VA, HAN, WMMHC, YWCA, Summit ILC

Submitted by: Rebecca Stancil, Sierra Lowney, and Tamara Kindred
FSS Department 3/15/2024