

RESOLUTION 1001

**PHA Certifications of Compliance with the PHA Plans and Related Regulations:  
Board Resolution to Accompany the PHA 5-Year and Annual PHA Plan**

*Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the  X  5-Year and/or  X  Annual PHA Plan for the PHA fiscal year beginning  JULY, 1, 2011 , hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:*

1. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
2. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
3. The PHA certifies that there has been no change, significant or otherwise, to the Capital Fund Program (and Capital Fund Program/Replacement Housing Factor) Annual Statement(s), since submission of its last approved Annual Plan. The Capital Fund Program Annual Statement/Annual Statement/Performance and Evaluation Report must be submitted annually even if there is no change.
4. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, consulted with this Board or Boards in developing the Plan, and considered the recommendations of the Board or Boards (24 CFR 903.13). The PHA has included in the Plan submission a copy of the recommendations made by the Resident Advisory Board or Boards and a description of the manner in which the Plan addresses these recommendations.
5. The PHA made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the Plan and invited public comment.
6. The PHA certifies that it will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
7. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
8. For PHA Plan that includes a policy for site based waiting lists:
  - The PHA regularly submits required data to HUD's 50058 PIC/IMS Module in an accurate, complete and timely manner (as specified in PIH Notice 2006-24);
  - The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
  - Adoption of site-based waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;
  - The PHA shall take reasonable measures to assure that such waiting list is consistent with affirmatively furthering fair housing;
  - The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR part 903.7(c)(1).
9. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
10. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.

11. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
12. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
13. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
14. The PHA will provide the responsible entity or HUD any documentation that the responsible entity or HUD needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or Part 50, respectively.
15. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under Section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
16. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
17. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1992, and 24 CFR Part 35.
18. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments), 2 CFR Part 225, and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).
19. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its Plan.
20. All attachments to the Plan have been and will continue to be available at all times and all locations that the PHA Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its PHA Plan and will continue to be made available at least at the primary business office of the PHA.
21. The PHA provides assurance as part of this certification that:
  - (i) The Resident Advisory Board had an opportunity to review and comment on the changes to the policies and programs before implementation by the PHA;
  - (ii) The changes were duly approved by the PHA Board of Directors (or similar governing body); and
  - (iii) The revised policies and programs are available for review and inspection, at the principal office of the PHA during normal business hours.
22. The PHA certifies that it is in compliance with all applicable Federal statutory and regulatory requirements.

Helena Housing Authority

MT004

PHA Name

PHA Number/HA Code

X

\_\_\_\_\_ 5-Year PHA Plan for Fiscal Years 20 10 - 20 15

X

\_\_\_\_\_ Annual PHA Plan for Fiscal Years 20 12 - 20 13

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official  Daniel C Sullivan <i>Daniel C. Sullivan</i>	Title  Board of Commissioners Chair
Signature	Date  04/13/2011

## **1.0 PHA Information**

PHA Name: Helena Housing Authority

PHA Code: MT00400104J

PHA Type: High Performing

PHA Fiscal Year Beginning: 07/2011

**2.0 INVENTORY (Based on ACC units at time of FY beginning in 1.0 above)**

Number of PH units: 366

Number of HCV units: 345

### **3.0 SUBMISSION TYPE**

ANNUAL PLAN

## **5.1 MISSION**

**State the PHA's Mission for serving the needs of low-income, very low-income, and extremely low income families in the PHA's jurisdiction for the next five years:**

To provide all people with decent, safe, adequate and affordable housing and the opportunity to become self sufficient.

## 5.2 GOALS AND OBJECTIVES

**Identify the PHA's quantifiable goals and objectives that will enable the PHA to serve the needs of low-income and very low-income, and extremely low-income families for the next five years. Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5-Year Plan.**

### **GOAL 1: PRESERVE AND WHERE APPROPRIATE DEVELOP ADDITIONAL AFFORDABLE HOUSING OPPORTUNITIES FOR THE COMMUNITY**

#### **Action Steps**

- A. Working in collaboration with the Rocky Mountain Development Council and other community partners, expand HHA's affordable housing inventory through new construction and/or acquisition of existing rental housing.
- B. Develop and maintain affordable housing programs such as HHA's rental assistance payment programs (e.g. Section 8, Shelter + Care, VASH etc.) by diligently pursuing all notices of federal, state and local funding availability. Actively promote the participation of Helena's rental property owners in these programs. Maximize full lease-up and program utilization in all housing programs that the Housing Authority operates to ensure it is serving the maximum number of possible households.
- C. Collaborate with the private sector and other non-profit housing developers to create mixed-use and mixed income rental and/or owner occupied housing that is affordable to low and middle income households.
- D. Plan for new developments with adaptable universal design principles which best serve changing demographics from people with special needs, supportive housing for the homeless and affordable options for the aging baby boomer/retired population.
- E. Evaluate the feasibility and if appropriate build a mixed use and below market-rate rental development to replace obsolete public housing communities and/or scattered site units owned and managed by HHA.
- F. In cooperation with RMDC and others, utilize project based rental assistance to provide additional below market-rate housing options largely serving Veterans with special needs that require wrap around services to live independently.
- G. Assist local non-profit agencies who serve special needs populations in developing affordable housing for their low and moderate income clients where appropriate.
- H. Utilize local foundations to and other capital resources to expand housing and revenue sources not generally available to or specifically designed for "public" housing authorities.
- I. HHA's relationship with local schools, universities, the Archdiocese of Helena, Florence Crittenton Home and other non-profits, private business and institutions should provide the basis for comprehensive neighborhood revitalization as well as partnerships for improved public and community facilities in key locations within the city as determined by the HHA Board.
- J. In collaboration with RMDC and RMDC Inc, maximize utilization of State and federal funding programs for the development and preservation of affordable housing.
- K. Utilize Housing Authority Replacement Housing Funds (RHF), retained earnings and excess reserves to assist with the purchase of land and/or other existing rental housing developments.

### **GOAL 2: REDEVELOP, RENEW AND REPLACE OBSOLETE PROPERTIES WHERE APPROPRIATE WITH MIXED INCOME HOUSING OPPORTUNITIES FOR THE COMMUNITY**

#### **Action Steps**

- A. Engage residents at the Stewart Homes Public Housing Community about the redevelopment and replacement of the public housing complex with replacement public housing units elsewhere in the vicinity.

- B. Plan on the replacement of low rent public housing units at the ratio of 1:1; ensuring a minimization of resident displacement from the community of their choice; preferably within the same school catchment area.
- C. Engage the Administration (appointed staff) of the Helena School District about the prospect and manner of co-locating maintenance and/or administrative and child care facilities in the area including Stewart Homes.
- D. Utilize HUD resources available from the HOPE VI and/or Choice Neighborhoods Programs for the redevelopment and replacement of the Stewart Homes Public Housing Community.
- E. Utilize to the greatest extent possible resources available from the Department of Education Promise Schools Program and coordinate activities with the Helena School District.
- F. Utilize the Montana Public and Private Universities and other community resources as appropriate to ensure the redevelopment process, program and strategy is sustainable, affordable and feasible.
- G. Ensure and maximize to the greatest extent possible resident employment opportunities in the redevelopment program; (Section 3).
- H. Support City designation of the Stewart Homes Public Housing Community as Mixed Use within the next General Plan Update and Zoning Map/Overlay Map and Text amendments as appropriate.
- I. Rebalance the HHA portfolio to ensure all units are fully decent safe sanitary and well located.
- J. Consider reconfiguration of HHA senior housing complex (es) into senior-only buildings while providing ample opportunities for people with special needs elsewhere.
- K. Examine the disposition of HHA scattered site LRPH Properties for designation as homeownership units in cooperation with local partners including RMDC and RMDC Inc.
- L. Fully deploy and utilize HHA Replacement Housing Funds.
- M. Maximize the use of NSP 1 & NSP 2 funds available from federal, state and local sources to acquire, preserve and improve the foreclosed housing stock in Helena as affordable rental and homeownership opportunities.

### **GOAL 3: UTILIZE HOUSING AUTHORITY RESOURCES IN AN EFFICIENT, RESPONSIBLE, ETHICAL, COORDINATED AND RESULTS-ORIENTED MANNER**

#### **Action Steps**

- A. Establish major agency-wide and departmental goals with appropriate timelines by adopting an Annual Action Plan as part of HHA's annual budget process that is in alignment with this 5 Year Action Plan. Progress and achievement of goals shall be monitored and communicated through quarterly status reports. Integrate the Annual Action Plan into specific and measurable goals and performance objectives within the employee performance management system.
- B. Assess day-to-day operational procedures for improved efficiencies and service delivery.
- C. Continue to identify staff talents and interests so that work is assigned in a manner that motivates staff and capitalizes on their individual strengths and career goals.
- D. Develop a "green" operations policy that improves life cycle cost efficient and sustainable operations.

### **GOAL 4: PRESERVE THE HOUSING AUTHORITY'S SOUND FISCAL POSITION**

#### **Action Steps**

- A. Monitor expenditures and maintain revenues by producing accurate and timely monthly financial statements and key management indicator reports while seeking other revenue sources to sustain and develop new housing programs.
- B. Establish a long-term (20 year) capital budget for all Non-HUD (locally owned) properties.

- C. Promote HHA's fiscal stability by maintaining a healthy economic mix of lower income (and otherwise eligible) residents in various local housing programs.
- D. Advocate at the federal, state and local level for adequate funding for the operation and expansion of affordable housing programs.
- E. Work with the City of Helena and HUD to ensure fiscal integrity and accountability.

## **GOAL 5: PROMOTE AND SECURE SERVICES FOR HOUSING AUTHORITY RESIDENTS, PARTICIPANTS AND APPLICANTS**

### **Action Steps**

- A. Access all available federal, state, local and private foundation resources for the delivery and enhancement of resident services.
- B. Improve the quality of life for senior, disabled, and special needs residents through on-site supportive services.
- C. Develop and implement a "needs" survey to identify needed services and ways to improve, expand or develop programs to better serve residents.
- D. Align HHA policies and plans to City Housing Needs Assessment data and fill niches where appropriate.
- E. Promote and increase enrollment in progressive financial/social programs that promote client self-sufficiency.
- F. Establish educational, training and employment opportunities for HHA residents to promote their socio-economic achievement.
- G. Maintain enrollment levels in the Housing Authority's Family Self-Sufficiency program throughout the timeframe of this 5 Year Action Plan.
- H. Continue to develop and promote strong working relationships with other social service providers so that HHA residents eligible for their services are identified and appropriately served.
- I. Develop a variety of growth and learning opportunities/programs for resident children and youth.
- J. Maintain an active and involved resident's council that includes senior, family and disabled residents and secure input from the council on needed services for residents.
- K. Develop a "homeless prevention/housing stabilization program" that links HHA to other agencies to prevent chronic or systemic homelessness.
- L. Foster open and effective communication with HHA residents and the community to encourage their input and involvement in our work.

## **GOAL 6: FOSTER A WORK ENVIRONMENT THAT VALUES AND ENCOURAGES INDIVIDUAL AND TEAM COMMITMENT TO HOUSING AUTHORITY GOALS AND OBJECTIVES**

### **Action Steps**

- A. Foster improved communication, employee morale and problem solving among all staff through open transparent and respectful communication and high performance team problem solving.
- B. Continually review and improve the method and manner in which we do our work in order to accomplish our mission, embrace our vision, and be open to change.
- C. Enhance training and educational opportunities for staff professional and technical growth.
- D. Consult with and involve HHA staff in major resource allocation (annual budget) process.
- E. Empower staff to assume more challenging responsibilities.
- F. Reward innovation and promote team building through team building and semi-annual staff meetings.

- G. Require management/supervisory staff to continually monitor and update their unit and/or department performance optimizing their management function and value to the organization.

## **GOAL 7: PROMOTE HOUSING AUTHORITY'S ROLE AS A COMMUNITY LEADER IN THE DEVELOPMENT OF A SUSTAINABLE COMMUNITY THROUGHOUT HELENA**

### **Action Steps**

- A. Pursue and utilize all proven/practical "Green Building" techniques and strategies with respect to all construction and substantial rehabilitation related activities. At a minimum, build to Energy Star Standards and/or LEED standards.
- B. Promote and encourage conservation, recycling and use of recycled materials with employees, contractors, residents and vendors.
- C. Establish and maintain HHA's and positive image through increased involvement by Commissioners and staff in community issues and concerns.
- D. Promote staff, Commission and resident involvement in the community through service on boards, task forces and commissions related to the promotion of a sustainable community.
- E. Encourage regional solutions to housing, energy and transportation issues while participating as a partner in regional efforts to establish and maintain energy and environmental sustainability.

## **GOAL 8: FOSTER THE HOUSING AUTHORITY'S PARTNERSHIP WITH HELENA CITY GOVERNMENT, THE STATE OF MONTANA AND OTHERS TO PROVIDE FOR THE DEVELOPMENT OF REGIONAL AFFORDABLE HOUSING SOLUTIONS AND TO FURTHER THE HOUSING AUTHORITY'S MISSION**

### **Action Steps**

- A. Encourage and participate in joint meetings that include the Housing Authority Board of Commissioners and City elected and appointed officials to discuss current and future programs and projects.
- B. Maintain dialogue with key County staff including finance, community development and law to enhance partnerships.
- C. Ensure that Housing Authority staff continues to work closely with County and City staff on the County's Annual Consolidated Plan, Housing Element updates, as well as the General Plan update.
- D. Maintain strong partnerships with the US Department of Housing and Urban Development, local housing and community development organizations, neighborhood associations and non-profits with missions that are aligned with the values and mission of the Helena Housing Authority.

# **5 Year Capital Fund**

**Capital Fund Program Five-Year Action Plan**  
**Part II: Supporting Pages—Work Activities**

Activities for Year: 4  
 FFY Grant: 2013  
 PHA FY: 2014

Activities for Year: 5  
 FFY Grant: 2014  
 PHA FY: 2015

Development Name/Number	Major Work Categories	Estimated Cost
MT004000001P	Operations	\$ 32,000.00
MT004000001P	Operations	\$ 62,000.00
MT004000001P	Operations	\$ 14,620.00
MT004000001P	Management Improvements	\$ 57,466.67
MT004000001P	Management Improvements	\$ 57,466.67
MT004000001P	Management Improvements	\$ 57,466.67
MT004000001P	Administration	\$ 55,033.00
MT004000001P	Legal	\$ 25,000.00
MT004000001P	Fees and Costs	\$ 9,172.33
MT004000001P	Fees and Costs	\$ 9,172.33
MT004000001P	Fees and Costs	\$ 9,172.33
MT004000001P	Financial Consultants	\$ 6,874.00
MT004000001P	Financial Consultants	\$ 6,874.00
MT004000001P	Financial Consultants	\$ 6,874.00
MT004000001P	Off Line Unit Mod Rehab/Vacancy Turnaround	\$ 3,333.33
MT004000001P	Off Line Unit Mod Rehab/Vacancy Turnaround	\$ 3,333.33
MT004000001P	Off Line Unit Mod Rehab/Vacancy Turnaround	\$ 3,333.34
MT004000001P	Concrete sidewalk & Step repair	\$10,000.00
MT004000001P	Replace Water Main	\$ 10,000.00
MT004000001P	Replace Coin-op Washers& Dryers	\$14,400.00
MT004000001P	Replace Water Main	\$ 10,000.00
MT004000001P	Replace bathroom exhaust fans	\$83,200.00
MT004000001P	Replace furnaces	\$12,000.00
MT004000001P	Replace Coin-op Washers& Dryers	\$20,000.00
MT004000001P	Replace Kitchen cabinets	\$150,000.00
MT004000001P	Air Conditioners	\$90,000.00
MT004000001P	Replace all bathroom exhaust fans	\$13,340.00
MT004000001P	Replace faucets on all bathroom lavatories	\$30,000.00
MT004000001P	Insulate attics	\$10,000.00
MT004000001P	Replace Kitchen cabinets	\$150,000.00
MT004000001P	Replace Furnaces and Hot Water Heaters	\$20,000.00
MT004000001P	Insulate Attics	20,000
MT004000001P	Insulate attics	\$50,000.00
MT004000001P	New Irrigation System	\$81,000.00
MT004000001P	Replace all screen doors	\$ 18,900.00
MT004000001P	Replace all entry door locksets	\$ 11,880.00
MT004000001P	Irrigation Upgrade	\$ 14,000.00
MT004000001P	Replace exterior doors	\$ 25,000.00
MT004000001P	equipment	\$ 2,000.00
MT004000001P	Replace Yard Sprinkler System	\$ 15,000.00
MT004000001P	504 Compliance	\$ 10,000.00
MT004000001P	Replace bathroom medicine cabinets	\$ 5,200.00
MT004000001P	Tile Floors	\$ 40,000.00
MT004000001P	Replace faucets on all bathroom lavatories	\$ 4,000.00
MT004000001P	Replace all faucets on bathroom lavatories	\$ 3,600.00
<b>Total CFP Estimated Cost</b>		<b>\$ 1,342,712.00</b>

Development Name/Number	Major Work Categories	Estimated Cost
MT004000001P	Operations	\$ 32,000.00
MT004000001P	Operations	\$ 62,000.00
MT004000001P	Operations	\$ 14,620.00
MT004000001P	Management Improvements	\$ 57,466.67
MT004000001P	Management Improvements	\$ 57,466.67
MT004000001P	Management Improvements	\$ 57,466.67
MT004000001P	Administration	\$ 55,033.00
MT004000001P	Legal	\$ 25,000.00
MT004000001P	Fees and Costs	\$ 9,172.33
MT004000001P	Fees and Costs	\$ 9,172.33
MT004000001P	Fees and Costs	\$ 9,172.33
MT004000001P	Financial Consultants	\$ 6,874.00
MT004000001P	Financial Consultants	\$ 6,874.00
MT004000001P	Financial Consultants	\$ 6,874.00
MT004000001P	Off Line Unit Mod Rehab/Vacancy Turnaround	\$ 3,333.33
MT004000001P	Off Line Unit Mod Rehab/Vacancy Turnaround	\$ 3,333.33
MT004000001P	Off Line Unit Mod Rehab/Vacancy Turnaround	\$ 3,333.34
MT004000001P	Replace Water Main	\$ 10,000.00
MT004000001P	504 Compliance	\$ 10,000.00
MT004000001P	Replace all exterior door frame weather stripping	\$ 5,880.00
MT004000001P	Replace all screen doors	\$ 18,900.00
MT004000001P	Replace all entry door locksets	\$ 11,880.00
MT004000001P	Irrigation Upgrade	\$ 14,000.00
MT004000001P	Replace exterior doors	\$ 25,000.00
MT004000001P	equipment	\$ 2,000.00
MT004000001P	Replace Yard Sprinkler System	\$ 15,000.00
MT004000001P	504 Compliance	\$ 10,000.00
MT004000001P	Replace bathroom medicine cabinets	\$ 5,200.00
MT004000001P	Tile Floors	\$ 40,000.00
MT004000001P	Replace faucets on all bathroom lavatories	\$ 4,000.00
MT004000001P	Replace all faucets on bathroom lavatories	\$ 3,600.00
MT004000001P	Replace sections of VCT flooring	\$ 5,700.00
MT004000001P	Heated Sidewalk	\$ 6,000.00
MT004000001P	Equipment	\$ 2,000.00
MT004000001P	Install Yard Sprinkler System	\$ 80,000.00
MT004000001P	504 Compliance	\$ 15,000.00
MT004000001P	Rebuild Parking lots	\$ 80,000.00
MT004000001P	Replace bathroom exhaust fans	\$ 7,200.00
MT004000001P	Replace all bathroom medicine cabinets	\$ 4,680.00
MT004000001P	Tile Floors	\$ 100,000.00
MT004000001P	Replace all exterior door frame weather	\$ 4,536.00
MT004000001P	Replace furnaces	\$ 78,000.00
MT004000001P	Replace bathroom exhaust fans	\$ 8,000.00
MT004000001P	Equipment	\$ 2,000.00
MT004000001P	Carpet in all Units	\$ 90,000.00
MT004000001P	Replace Parking Bumpers	\$ 30,000.00
MT004000001P	Replace Fencing	\$ 10,000.00
MT004000001P	Balconies at MEA Replaced	\$ 120,369.00
MT004000001P	Carpet in M.E.Anderson	\$ 45,000.00
MT004000001P	Replace Roof at M.E.Anderson	\$ 60,000.00
MT004000001P	Tree Removal and trimming	\$ 80,000.00

**Total CFP Estimated Cost \$ 1,142,116.99**

# Capital Fund Program Five-Year Action Plan

## Part I: Summary

PHA Name	Original 5-Year Plan	Revision No:				
Helena Housing Authority	Development	Year 1	Work Statement for Year 2	Work Statement for Year 3	Work Statement for Year 4	Work Statement for Year 5
Number/Name/HA-Wide			FFY Grant: 2011 PHA FY: 2012	FFY Grant: 2012 PHA FY: 2013	FFY Grant: 2013 PHA FY: 2014	FFY Grant: 2014 PHA FY: 2015
COCC			\$ 55,033.00	\$ 55,033.00	\$ 55,033.00	\$ 55,033.00
MT004000001			\$ 425,663.33	\$ 276,846.33	\$ 273,446.33	\$ 222,334.00
MT004000002			\$ 269,031.33	\$ 227,846.33	\$ 398,846.33	\$ 230,346.33
MT004000003			\$ 318,325.34	\$ 394,434.34	\$ 465,806.34	\$ 480,054.67
<b>CFP Funds Listed for 5-year planning</b>			<b>\$ 1,068,053.00</b>	<b>\$ 954,160.00</b>	<b>\$ 1,193,132.00</b>	<b>\$ 987,768.00</b>
Replacement Housing Factor Funds					\$ -	

# Capital Fund Program Five-Year Action Plan

## Part II: Supporting Pages—Work Activities

Activities for  
Year 1  
FFY Grant: 2012

Activities for Year: 2  
FFY Grant: 2011  
PHA FY: 2012

Activities for Year: 3  
FFY Grant: 2012  
PHA FY: 2013

Development Name/Number	Major Work Categories	Estimated Cost	Development Name/Number	Major Work Categories	Estimated Cost
MT004000001P	Operations	\$ 32,000.00	MT004000001P	Operations	\$ 32,000.00
MT004000001P	Operations	\$ 82,000.00	MT004000001P	Operations	\$ 82,000.00
MT004000001P	Operations	\$ 14,620.00	MT004000001P	Operations	\$ 14,620.00
MT004000001P	Management Improvements	\$ 57,466.67	MT004000001P	Management Improvements	\$ 57,466.67
MT004000001P	Management Improvements	\$ 57,466.67	MT004000001P	Management Improvements	\$ 57,466.67
MT004000001P	Management Improvements	\$ 57,466.67	MT004000001P	Management Improvements	\$ 57,466.67
MT004000001P	Administration	\$ 55,033.00	MT004000001P	Administration	\$ 55,033.00
MT004000001P	Legal	\$ 25,000.00	MT004000001P	Legal	\$ 25,000.00
MT004000001P	Fees and Costs	\$ 9,172.33	MT004000001P	Fees and Costs	\$ 9,172.33
MT004000001P	Fees and Costs	\$ 9,172.33	MT004000001P	Fees and Costs	\$ 9,172.33
MT004000001P	Fees and Costs	\$ 9,172.33	MT004000001P	Fees and Costs	\$ 9,172.33
MT004000001P	Financial Consultants	\$ 6,874.00	MT004000001P	Financial Consultants	\$ 6,874.00
MT004000001P	Financial Consultants	\$ 6,874.00	MT004000001P	Financial Consultants	\$ 6,874.00
MT004000001P	Financial Consultants	\$ 6,874.00	MT004000001P	Financial Consultants	\$ 6,874.00
MT004000001P	Off Line Unit Mod Rehab/Vacancy Turnaround	\$ 3,333.33	MT004000001P	Off Line Unit Mod Rehab/Vacancy Turnaround	\$ 3,333.33
MT004000001P	Off Line Unit Mod Rehab/Vacancy Turnaround	\$ 3,333.33	MT004000001P	Off Line Unit Mod Rehab/Vacancy Turnaround	\$ 3,333.33
MT004000001P	Off Line Unit Mod Rehab/Vacancy Turnaround	\$ 3,333.34	MT004000001P	Off Line Unit Mod Rehab/Vacancy Turnaround	\$ 3,333.34
MT004000001P	Replace and Add Gutters and Downspouts	\$ 1,200.00	MT004000001P	Building Rooftop Vents/Ductwork (admin)	\$ 10,000.00
MT004000001P	Replace Existing Thermal Windows(admin)	\$ 6,080.00	MT004000001P	Replace Water Main	\$ 10,000.00
MT004000001P	Replace Water Main	\$ 10,000.00	MT004000001P	Irrigation system upgrade	\$ 45,000.00
MT004000001P	Replace and Add Gutters and Downspouts	\$ 18,779.00	MT004000001P	Replace Water Main	\$ 10,000.00
MT004000001P	Asphalt, Seal and Stripe Parking Lot	\$ 21,840.00	MT004000001P	Install well onsite	\$ 15,000.00
MT004000001P	Repair Garbage Enclosures	\$ 9,000.00	MT004000001P	Landscape Maintnence	\$ 8,000.00
MT004000001P	Replace Interior Doors with Solid Core	\$ 52,200.00	MT004000001P	Irrigation system upgrade	\$ 35,000.00
MT004000001P	Replace Byfolding Closet Doors	\$ 12,000.00	MT004000001P	Landscape Maintnence	\$ 10,000.00
MT004000001P	Washer/Dyer Plumbing Box	\$ 15,840.00	MT004000001P	Community Room	\$ 10,000.00
MT004000001P	Replace existing light fixtures in units	\$ 21,600.00	MT004000001P	Community Area Doors	\$ 7,000.00
MT004000001P	Replace outlets and switches	\$ 36,000.00	MT004000001P	Kitchen Common Area	\$ 15,000.00
MT004000001P	Replace and Add Gutters and Downspouts	\$ 11,438.00	MT004000001P	Replace Carpet in Apartments	\$ 25,000.00
MT004000001P	Asphalt, Seal and Stripe Parking Lot	\$ 21,840.00	MT004000001P	Replace furnace and Hot water heaters	\$ 90,000.00
MT004000001P	Repair Garbage Enclosures	\$ 6,000.00	MT004000001P	Exterior Metal (Soffit, Fascia)	\$ 13,200.00
MT004000001P	Replace existing light fixtures in units	\$ 18,000.00	MT004000001P	Exterior Painting	\$ 29,040.00
MT004000001P	Replace outlets and switches	\$ 30,000.00	MT004000001P	Wood Trim/Replace ext trim	\$ 12,848.00
MT004000001P	Landscape Maintenance	\$ 14,000.00	MT004000001P	Insulate attics	\$ 40,000.00
MT004000001P	New Irigation System	\$ 14,000.00	MT004000001P	Siding	\$ 33,000.00
MT004000001P	New Playground Equipment	\$ 1,000.00	MT004000001P	Bathroom Cabinets/Sinks	\$ 11,040.00
MT004000001P	Remedy Below Ground Moisture Problem	\$ 15,000.00	MT004000001P	Exhaust Fans	\$ 9,200.00
MT004000001P	Replace Portions of VCT Flooring	\$ 5,660.00	MT004000001P	Paint Exterior (Metal)	\$ 13,200.00
MT004000001P	Coverd Sidewalk along West sidewalk	\$ 8,000.00	MT004000001P	Paint Exterior	\$ 29,040.00
MT004000001P	Replace Smoke Detectors	\$ 13,200.00	MT004000001P	Community Room	\$ 10,000.00
MT004000001P	Replace Portions of VCT Flooring	\$ 4,300.00	MT004000001P	Halls/ Cooridors/stair wells	\$ 35,000.00
MT004000001P	Asphalt, Seal and Stripe Parking Lot	\$ 14,418.00	MT004000001P	Lobby	\$ 10,000.00
MT004000001P	Replace Existing Interior Water Valves	\$ 8,100.00	MT004000001P	Laundry Room Remodel	\$ 2,000.00
MT004000001P	Boller Pump Replacement	\$ 12,700.00	MT004000001P	Re-Seal Stripe Parking Areas	\$ 14,000.00
MT004000001P	Kitchen Remodel	\$ 46,667.00	MT004000001P	Landscape Maintnence	\$ 8,400.00
MT004000001P	Replace Common Area Smoke Detectors	\$ 8,000.00			
MT004000001P	Replace and Add Gutters and Downspouts	\$ 9,605.00			
MT004000001P	Replace Entry Doors, Lock Sets & Weather Striping	\$ 34,320.00			
MT004000001P	Replace Interior Doors with Solid Core	\$ 50,400.00			
MT004000001P	Replace Hot Water Heaters	\$ 41,800.00			
MT004000001P	Washer/Dyer Plumbing Box	\$ 9,680.00			
MT004000001P	Replace and Add Gutters and Downspouts	\$ 10,194.00			
MT004000001P	Replace existing light fixtures in units	\$ 18,000.00			
MT004000001P	Replace outlets and switches	\$ 10,800.00			
MT004000001P	Replace Common Area Smoke Detectors	\$ 7,200.00			
	<b>Total CFP Estimated Cost</b>	<b>\$ 1,068,053.00</b>		<b>Total CFP Estimated Cost</b>	<b>\$ 979,160.00</b>

**Capital Fund Program Five-Year Action Plan**  
**Part II: Supporting Pages—Work Activities**

Activities for Year: 4  
 FFY Grant: 2013  
 PHA FY: 2014

Activities for Year: 5  
 FFY Grant: 2014  
 PHA FY: 2015

Development Name/Number	Major Work Categories	Estimated Cost
MT004000001P	Operations	\$ 32,000.00
MT004000001P	Operations	\$ 62,000.00
MT004000001P	Operations	\$ 14,620.00
MT004000001P	Management Improvements	\$ 57,466.67
MT004000001P	Management Improvements	\$ 57,466.67
MT004000001P	Management Improvements	\$ 57,466.67
MT004000001P	Administration	\$ 55,033.00
MT004000001P	Legal	\$ 25,000.00
MT004000001P	Fees and Costs	\$ 9,172.33
MT004000001P	Fees and Costs	\$ 9,172.33
MT004000001P	Fees and Costs	\$ 9,172.33
MT004000001P	Financial Consultants	\$ 6,874.00
MT004000001P	Financial Consultants	\$ 6,874.00
MT004000001P	Financial Consultants	\$ 6,874.00
MT004000001P	Off Line Unit Mod Rehab/Vacancy Turnaround	\$ 3,333.33
MT004000001P	Off Line Unit Mod Rehab/Vacancy Turnaround	\$ 3,333.33
MT004000001P	Off Line Unit Mod Rehab/Vacancy Turnaround	\$ 3,333.34
MT004000001P	Concrete sidewalk & Step repair	\$10,000.00
MT004000001P	Replace Water Main	\$ 10,000.00
MT004000001P	Replace Coin-op Washers& Dryers	\$14,400.00
MT004000001P	Replace Water Main	\$ 10,000.00
MT004000001P	Replace bathroom exhaust fans	\$83,200.00
MT004000001P	Replace furnaces	\$12,000.00
MT004000001P	Replace Coin-op Washers& Dryers	\$20,000.00
MT004000001P	Replace Kitchen cabinets	\$150,000.00
MT004000001P	Air Conditioners	\$90,000.00
MT004000001P	Replace all bathroom exhaust fans	\$13,340.00
MT004000001P	Replace faucets on all bathroom lavatories	\$30,000.00
MT004000001P	Insulate attics	\$10,000.00
MT004000001P	Replace Kitchen cabinets	\$150,000.00
MT004000001P	Replace Furnaces and Hot Water Heaters	\$20,000.00
MT004000001P	Insulate Attics	20,000
MT004000001P	Insulate attics	\$50,000.00
MT004000001P	New Irrigation System	\$81,000.00
MT004000001P	Replace all screen doors	\$ 18,900.00
MT004000001P	Replace all entry door locksets	\$ 11,880.00
MT004000001P	Irrigation Upgrade	\$ 14,000.00
MT004000001P	Replace exterior doors	\$ 25,000.00
MT004000001P	equipment	\$ 2,000.00
MT004000001P	Replace Yard Sprinkler System	\$ 15,000.00
MT004000001P	504 Compliance	\$ 10,000.00
MT004000001P	Replace bathroom medicine cabinets	\$ 5,200.00
MT004000001P	Tile Floors	\$ 40,000.00
MT004000001P	Replace faucets on all bathroom lavatories	\$ 4,000.00
MT004000001P	Replace all faucets on bathroom lavatories	\$ 3,600.00
<b>Total CFP Estimated Cost</b>		<b>\$ 1,342,712.00</b>

Development Name/Number	Major Work Categories	Estimated Cost
MT004000001P	Operations	\$ 32,000.00
MT004000001P	Operations	\$ 62,000.00
MT004000001P	Operations	\$ 14,620.00
MT004000001P	Management Improvements	\$ 57,466.67
MT004000001P	Management Improvements	\$ 57,466.67
MT004000001P	Management Improvements	\$ 57,466.67
MT004000001P	Administration	\$ 55,033.00
MT004000001P	Legal	\$ 25,000.00
MT004000001P	Fees and Costs	\$ 9,172.33
MT004000001P	Fees and Costs	\$ 9,172.33
MT004000001P	Fees and Costs	\$ 9,172.33
MT004000001P	Financial Consultants	\$ 6,874.00
MT004000001P	Financial Consultants	\$ 6,874.00
MT004000001P	Financial Consultants	\$ 6,874.00
MT004000001P	Off Line Unit Mod Rehab/Vacancy Turnaround	\$ 3,333.33
MT004000001P	Off Line Unit Mod Rehab/Vacancy Turnaround	\$ 3,333.33
MT004000001P	Off Line Unit Mod Rehab/Vacancy Turnaround	\$ 3,333.34
MT004000001P	Replace Water Main	\$ 10,000.00
MT004000001P	504 Compliance	\$ 10,000.00
MT004000001P	Replace all exterior door frame weather stripping	\$ 5,880.00
MT004000001P	Replace all screen doors	\$ 18,900.00
MT004000001P	Replace all entry door locksets	\$ 11,880.00
MT004000001P	Irrigation Upgrade	\$ 14,000.00
MT004000001P	Replace exterior doors	\$ 25,000.00
MT004000001P	equipment	\$ 2,000.00
MT004000001P	Replace Yard Sprinkler System	\$ 15,000.00
MT004000001P	504 Compliance	\$ 10,000.00
MT004000001P	Replace bathroom medicine cabinets	\$ 5,200.00
MT004000001P	Tile Floors	\$ 40,000.00
MT004000001P	Replace faucets on all bathroom lavatories	\$ 4,000.00
MT004000001P	Replace all faucets on bathroom lavatories	\$ 3,600.00
MT004000001P	Replace sections of VCT flooring	\$ 5,700.00
MT004000001P	Heated Sidewalk	\$ 6,000.00
MT004000001P	Equipment	\$ 2,000.00
MT004000001P	Install Yard Sprinkler System	\$ 80,000.00
MT004000001P	504 Compliance	\$ 15,000.00
MT004000001P	Rebuild Parking lots	\$ 80,000.00
MT004000001P	Replace bathroom exhaust fans	\$ 7,200.00
MT004000001P	Replace all bathroom medicine cabinets	\$ 4,680.00
MT004000001P	Tile Floors	\$ 100,000.00
MT004000001P	Replace all exterior door frame weather	\$ 4,536.00
MT004000001P	Replace furnaces	\$ 78,000.00
MT004000001P	Replace bathroom exhaust fans	\$ 8,000.00
MT004000001P	Equipment	\$ 2,000.00
MT004000001P	Carpet in all Units	\$ 90,000.00
MT004000001P	Replace Parking Bumpers	\$ 30,000.00
MT004000001P	Replace Fencing	\$ 10,000.00
MT004000001P	Balconies at MEA Replaced	\$ 120,369.00
MT004000001P	Carpet in M.E.Anderson	\$ 45,000.00
MT004000001P	Replace Roof at M.E.Anderson	\$ 60,000.00
MT004000001P	Tree Removal and trimming	\$ 80,000.00

**Total CFP Estimated Cost \$ 1,142,116.99**

<b>Development Name/Number</b>	<b>Major Work Categories</b>		<b>Estimated Cost</b>
PHA Wide Management	Operations	\$	108,620.00
	Police Officer	\$	75,000.00
	Organizational Management	\$	20,000.00
	Training / Travel	\$	10,000.00
Administration	Salaries	\$	60,000.00
A/E	Professional fees/Financial Consultants	\$	60,000.00
	Legal	\$	20,000.00
	Off Line Modern Rehabilitation/Vacancy Unit Turnaround	\$	10,000.00
HA Wide	Replace all entry doors	\$	33,320.00
	Replace all screen doors	\$	24,500.00
MT004001	Replace Water Main	\$	10,000.00
MT004001	Replace all entry door locksets	\$	20,400.00
MT004001	Replace all exterior door frame weather stripping	\$	5,880.00
MT004001	Replace all entry doors	\$	25,704.00
MT004002	Replace all screen doors	\$	18,900.00
MT004002	Replace all entry door locksets	\$	11,880.00
MT004002	Irrigation Upgrade	\$	14,000.00
MT004002	Replace exterior doors	\$	25,000.00
MT004003	Tile Floors	\$	100,000.00
MT004003	Replace all exterior door frame weather stripping	\$	4,536.00
MT004003	Replace furnaces	\$	78,000.00
MT004003	Replace bathroom exhaust fans	\$	8,000.00
MT004004	Replace bathroom medicine cabinets	\$	5,200.00
MT004004	Tile Floors	\$	40,000.00
MT004004	Replace faucets on all bathroom lavatories	\$	4,000.00
MT004005	Reseal and re-strip parking lots	\$	17,292.00
MT004005	Replace bathroom exhaust fans	\$	7,200.00
MT004006	Replace all bathroom medicine cabinets	\$	4,680.00
MT004008	Replace all faucets on bathroom lavatories	\$	3,600.00
MT004008	Replace sections of VCT flooring	\$	5,700.00
MT004008	Heated Sidewalk	\$	6,000.00
<b>Total CFP Estimated Cost \$</b>			<b>837,412.00</b>

## **6.0 PHA PLAN UPDATE**

- (a) Identify all PHA Plan elements that have been revised by the PHA since its last Annual Plan submission:**

Annual Plan Goals & Objectives

5 Year Plan Goals & Objectives Update

Strategy for addressing housing needs

- (b) Identify the specific location(s) where the public may obtain copies of the 5-Year and Annual PHA Plan. For a complete list of PHA Plan elements, see Section 6.0 of the instructions.**

**A copy of Helena Housing Authorities 5-Year and Annual PHA Plan is located for public review at**

Helena Housing Authority office located at 812 Abbey Street, Helena, MT 59601

**An Electronic Copy is also available upon request.**

## **PHA PLAN ELEMENTS (24 CFR 903.7)**

### **1. ELIGIBILITY, SELECTION AND ADMISSIONS POLICIES, INCLUDING DECONCENTRATION AND WAIT LIST PROCEDURES.**

Describe the PHA's policies that govern resident or tenant eligibility, selection and admission including admission preferences for both public housing and HCV and unit assignment policies for public housing; and procedures for maintaining waiting lists for admission to public housing and address any site-based waiting lists.

## APPLICATIONS, WAITING LIST AND TENANT SELECTION

### INTRODUCTION

When a family wishes to receive Section 8 HCV assistance, the family must attend the HHA's orientation to provide the HHA with the information needed to determine the family's eligibility to be added to the waiting list. HUD requires the HHA to place all families that apply for assistance on a waiting list. When HCV assistance becomes available, the HHA must select families from the waiting list in accordance with HUD requirements and HHA policies as stated in the administrative plan and the annual plan.

The HHA is required to adopt a clear approach to accepting applications, placing families on the waiting list, selecting families from the waiting list and must follow this approach consistently. The actual order in which families are selected from the waiting list can be affected if a family has certain characteristics designated by HUD or the HHA to receive preferential treatment. Funding earmarked exclusively for families with particular characteristics may also alter the order in which families are served.

HUD regulations require that all families have an equal opportunity to apply for and receive housing assistance, and that the HHA affirmatively further fair housing goals in the administration of the program [24 CFR 982.53, HCV GB p. 4-1]. Adherence to the selection policies described in this chapter ensures that the HHA will be in compliance with all relevant fair housing requirements, as described in Chapter 2.

This chapter describes HUD and HHA policies for taking applications, managing the waiting list and selecting families for HCV assistance. The policies outlined in this chapter are organized into three sections, as follows:

Part I: The Application Process. This part provides an overview of the application process, and discusses how applicants can apply for assistance. It also specifies how the HHA will handle the information it receives.

Part II: Managing the Waiting List. This part presents the policies that govern how the HHA's waiting list is structured, when it is opened and closed, and how the public is notified of the opportunity to apply for assistance. It also discusses the process the HHA will use to keep the waiting list current.

Part III: Selection for HCV Assistance. This part describes the policies that guide the HHA in selecting families for HCV assistance as such assistance becomes available. It also specifies how in-person interviews will be used to ensure that the HHA has the information needed to make a final eligibility determination.

## **PART I: THE APPLICATION PROCESS**

### **4-I.A. OVERVIEW**

This part describes the policies that guide the HHA's efforts to accept information, and to make preliminary determinations of applicant family eligibility that affect placement of the family on the waiting list. This part also describes the HHA's obligation to ensure the accessibility of the application process to elderly persons, people with disabilities, and people with limited English proficiency (LEP).

### **4-I.B. APPLYING FOR ASSISTANCE [HCV GB, pp. 4-11 – 4-16]**

Any family that wishes to receive HCV assistance must apply for admission to the program. HUD permits the HHA to determine the format and content of HCV applications, as well how such applications will be made available to interested families and how applications will be accepted by the HHA.

#### HHA Policy

The HHA will use a pre-application process when it is expected that a family will not be selected from the waiting list for at least 60 days from the date of application. Under the two-step application process, the HHA initially will require families to provide only the information needed to make an initial assessment of the family's eligibility, and to determine the family's placement on the waiting list. The family will be required to provide all of the information necessary to establish family eligibility and level of assistance when the family is selected from the waiting list.

Families will be placed on the waiting list by attending the HHA's orientation; which is scheduled on Tuesday's at 2:00 p.m. and Thursday's at 10:00 a.m. (unless those days fall on a holiday) at the HHA office located at 812 Abbey, Helena.

This will enable the family to be placed on the waiting list and date and time stamp their application.

### **4-I.C. ACCESSIBILITY OF THE APPLICATION PROCESS**

#### **Elderly and Disabled Populations [24 CFR 8 and HCV GB, pp. 4-11 – 4-13]**

The HHA must take a variety of steps to ensure that the application process is accessible to those people who might have difficulty complying with the normal, standard HHA application process. This could include people with disabilities, certain elderly individuals, as well as persons with limited English proficiency (LEP). The HHA must provide reasonable accommodation to the needs of individuals with disabilities. The application-taking facility and the application process must be fully accessible, or the HHA must provide an alternate approach that provides full access to the application process. Chapter 2 provides a full discussion of the HHA's policies related to providing reasonable accommodations for people with disabilities.

### **Limited English Proficiency**

HHA is required to take reasonable steps to ensure meaningful access to their programs and activities by persons with limited English proficiency [24 CFR 1]. Chapter 2 provides a full discussion on the HHA's policies related to ensuring access to people with limited English proficiency (LEP).

### **4-I.D. PLACEMENT ON THE WAITING LIST**

The HHA must accept applications from families for whom the list is open unless there is good cause for not accepting the application (such as denial of assistance) for the grounds stated in the regulations [24 CFR 982.206(b)(2)]. Where the family is determined to be ineligible, the HHA must notify the family in writing [24 CFR 982.201(f)]. Where the family is not determined to be ineligible, the family will be placed on a waiting list of applicants.

No applicant has a right or entitlement to be listed on the waiting list, or to any particular position on the waiting list [24 CFR 982.202(c)].

### **Eligible for Placement on the Waiting List**

#### HHA Policy

The HHA will send written notification of the preliminary eligibility determination within 10 business days of receiving a complete application.

Placement on the waiting list does not indicate that the family is, in fact, eligible for assistance. A final determination of eligibility will be made when the family is selected from the waiting list.

Applicants will be placed on the waiting list according to any preference(s) for which they qualify, and the date and time their complete application is received by the HHA.

## **PART II: MANAGING THE WAITING LIST**

### **4-II.A. OVERVIEW**

The HHA must have policies regarding various aspects of organizing and managing the waiting list of applicant families. This includes opening the list to new applicants, closing the list to new applicants, notifying the public of waiting list openings and closings, updating waiting list information, purging the list of families that are no longer interested in or eligible for assistance, as well as conducting outreach to ensure a sufficient number of applicants.

In addition, HUD imposes requirements on how a HHA may structure its waiting list and how families must be treated if they apply for assistance from a HHA that administers more than one assisted housing program.

#### **4-II.B. ORGANIZATION OF THE WAITING LIST [24 CFR 982.204 and 205]**

The HHA's HCV waiting list must be organized in such a manner to allow the HHA to accurately identify and select families for assistance in the proper order, according to the admissions policies described in this plan.

The waiting list must contain the following information for each applicant listed:

- Applicant name;
- Family unit size (number of bedrooms family qualifies for under HHA subsidy standards);
- Number of persons in family;
- Date and time of application;
- Preference Status;
- Annual (gross) family income
- Racial or ethnic designation of the head of household.

HUD requires the HHA to maintain a single waiting list for the HCV program unless it serves more than one county or municipality. As such HHA is permitted, but not required, to maintain a separate waiting list for each county or municipality served.

##### HHA Policy

The HHA will maintain a single waiting list for the HCV program.

HUD directs that a family that applies for assistance from the HCV program must be offered the opportunity to be placed on the waiting list for any public housing, project-based voucher, shelter plus care or moderate rehabilitation program the HHA operates if 1) the other programs' waiting lists are open, and 2) the family is qualified for the other programs.

A family's decision to apply for, receive, or refuse other housing assistance must not affect the family's placement on the HCV waiting list, or any preferences for which the family may qualify.

##### HHA Policy

The HHA will not merge the HCV waiting list with the waiting list for any other program the HHA operates.

#### **4-II.C. OPENING AND CLOSING THE WAITING LIST [24 CFR 982.206]**

##### **Closing the Waiting List**

A HHA is permitted to close the waiting list if it has an adequate pool of families to use its available HCV assistance. Alternatively, the HHA may elect to continue to accept applications only from certain categories of families that meet particular preferences or funding criteria.

##### HHA Policy

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The HHA will close the waiting list when the estimated waiting period for housing assistance for applicants on the list reaches 24 months for the most current applicants. Where the HA has particular preferences or funding criteria that require a specific category of family, the HHA may elect to continue to accept applications from these applicants while closing the waiting list to others.

### **Reopening the Waiting List**

If the waiting list has been closed, it cannot be reopened until the HHA publishes a notice in local newspapers of general circulation, minority media, and other suitable media outlets. The notice must comply with HUD fair housing requirements and must specify who may apply, and where and when applications will be received.

#### HHA Policy

The HHA will announce the reopening of the waiting list at least 10 business days prior to the date applications will first be accepted. If the list is only being reopened for certain categories of families, this information will be contained in the notice.

The HHA will give public notice by publishing the relevant information in suitable media outlets including, but not limited to:

- Local papers of general circulation
- Minority papers of general circulation

### **4-II.D. FAMILY OUTREACH [HCV GB, pp. 4-2 to 4-4]**

The HHA must conduct outreach as necessary to ensure that the HHA has a sufficient number of applicants on the waiting list to use the HCV resources it has been allotted.

Because HUD requires the HHA to serve a specified percentage of extremely low income families (see Chapter 4, Part III), the HHA may need to conduct special outreach to ensure that an adequate number of such families apply for assistance [HCV GB, p. 4-20 to 4-21].

HHA outreach efforts must comply with fair housing requirements. This includes:

- Analyzing the housing market area and the populations currently being served to identify underserved populations
- Ensuring that outreach efforts are targeted to media outlets that reach eligible populations that are underrepresented in the program
- Avoiding outreach efforts that prefer or exclude people who are members of a protected class

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HHA outreach efforts must be designed to inform qualified families about the availability of assistance under the program. These efforts may include, as needed, any of the following activities:

- Submitting press releases to local newspapers, including minority newspapers
- Developing informational materials and flyers to distribute to other agencies
- Providing informational to other public and private agencies that serve the low income population
- Developing partnerships with other organizations that serve similar populations, including agencies that provide services for persons with disabilities

#### HHA Policy

The HHA will monitor the characteristics of the population being served and the characteristics of the population as a whole in the HHA's jurisdiction. Targeted outreach efforts will be undertaken if a comparison suggests that certain populations are being underserved.

### **4-II.E. REPORTING CHANGES IN FAMILY CIRCUMSTANCES**

#### HHA Policy

While the family is on the waiting list, the family must immediately inform the HHA of changes in contact information, including current residence, mailing address, and phone number. The changes must be submitted in writing.

### **4-II.F. UPDATING THE WAITING LIST [24 CFR 982.204]**

HUD requires the HHA to establish policies to use when removing applicant names from the waiting list.

#### **Purging the Waiting List**

The decision to withdraw an applicant family that includes a person with disabilities from the waiting list is subject to reasonable accommodation. If the applicant did not respond to a HHA request for information or updates because of the family member's disability, the HHA must reinstate the applicant family to their former position on the waiting list after receipt of verification. [24 CFR 982.204(c)(2)].

#### HHA Policy

The waiting list will be updated **annually** to ensure that all applicants and applicant information is current and timely.

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To update the waiting list, the HA will send an update request via first class mail to each family on the waiting list to determine whether the family continues to be interested in, and to qualify for, the program. This update request will be sent to the last address that the HHA has on record for the family. The update request will provide a deadline by which the family must respond and will state that failure to respond will result in the applicant's name being removed from the waiting list.

The family's response must be in writing and may be delivered in person, by mail, or by fax. Responses should be postmarked or received by the HHA not later than 15 business days from the date of the HHA letter.

If the family fails to respond within 15 business days, the family's application will be removed from the waiting list without further notice.

If the notice is returned by the post office with no forwarding address, the applicant will be removed from the waiting list without further notice.

If the notice is returned by the post office with a forwarding address, the notice will be re-sent to the address indicated. The family will have 15 business days to respond from the date the letter was re-sent.

If a family is removed from the waiting list for failure to respond, the Executive Director may reinstate the family if s/he determines the lack of response was due to HHA error, or to circumstances beyond the family's control.

## **Removal from the Waiting List**

### HHA Policy

If at any time an applicant family is on the waiting list, the HHA determines that the family is not eligible for assistance (see Chapter 3), the family will be removed from the waiting list.

If a family is removed from the waiting list because the HHA has determined the family is not eligible for assistance, a notice will be sent to the family's address of record as well as to any alternate address provided on the initial application. The notice will state the reasons the family was removed from the waiting list and will inform the family how to request an informal review regarding the HHA's decision (see Chapter 16) [24 CFR 982.201(f)].

## **PART III: SELECTION FOR HCV ASSISTANCE**

### **4-III.A. OVERVIEW**

As vouchers become available, families on the waiting list must be selected for assistance in accordance with the policies described in this part.

The order in which families receive assistance from the waiting list depends on the selection method chosen by the HHA and is impacted in part by any selection preferences that the family

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qualifies for. The source of HCV funding also may affect the order in which families are selected from the waiting list.

The HHA must maintain a clear record of all information required to verify that the family is selected from the waiting list according to the HHA's selection policies [24 CFR 982.204(b) and 982.207(e)].

#### **4-III.B. SELECTION AND HCV FUNDING SOURCES**

##### **Special Admissions [24 CFR 982.203]**

HUD may award funding for specifically-named families living in specified types of units (e.g., a family that is displaced by demolition of public housing; a non-purchasing family residing in a HOPE 1 or 2 projects). In these cases, the HHA may admit families that are not on the waiting list, or without considering the family's position on the waiting list. The HHA must maintain records showing that such families were admitted with special program funding.

##### **Targeted Funding [24 CFR 982.204(e)]**

HUD may award a HHA funding for a specified category of families on the waiting list. The HHA must use this funding only to assist the families within the specified category. Within this category of families, the order in which such families are assisted is determined according to the policies provided in Section 4-III.C.

##### HHA Policy

The HHA administers the following types of targeted funding:

##### **Shelter Plus Care**

##### **Regular HCV Funding**

Regular HCV funding may be used to assist any eligible family on the waiting list. Families are selected from the waiting list according to the policies provided in Section 4-III.C.

#### **4-III.C. SELECTION METHOD**

HHAs must describe the method for selecting applicant families from the waiting list, including the system of admission preferences that the HHA will use [24 CFR 982.202(d)].

##### **Local Preferences [24 CFR 982.207; HCV p. 4-16]**

HHAs are permitted to establish local preferences, and to give priority to serving families that meet those criteria. HUD specifically authorizes and places restrictions on certain types of local preferences. HUD also permits the HHA to establish other local preferences, at its discretion.

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Any local preferences established must be consistent with the HHA plan and the consolidated plan, and must be based on local housing needs and priorities that can be documented by generally accepted data sources.

### HHA Policy

A preference does not guarantee admission to the program. Preferences are used to establish the order of placement on the waiting list. Every applicant must meet the HHA's Selection Criteria as defined in this policy.

The HHA has selected the following system to apply local preferences:

- All local preferences will be treated equally.

Among applicants with equal preference status, the waiting list will be organized by date and time.

The HHA will offer public notice when changing its preference system.

The HHA uses the following local preference system:

### Substandard Housing

- \* Applicants who live in substandard housing are families whose dwelling meets one or more of the following criteria provided that the family did not cause the condition:
- \* Is dilapidated, as cited by officials of a code enforcement office and does not provide safe, adequate shelter; has or more critical defects or a combination of defects requiring considerable repair; endangers the health, safety, and well-being of family.
- \* Does not have operable indoor plumbing.
- \* Does not have usable flush toilet in the unit for the exclusive use of the family.
- \* Does not have adequate, safe electrical service.
- \* Does not have an adequate, safe source of heat.
- \* Should, but does not, have a kitchen. Single Room Occupancy (SRO) Housing is not substandard solely because it does contain sanitary and/or food preparation facilities in the unit.
- \* Has been declared unfit for habitation by a government agency.

Families who are residing with friends or relatives on a temporary basis will be included in the substandard definition.

- An applicant who is a "Homeless Family" is considered to be living in substandard housing.

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**“Homeless Families”:**

Lack a fixed, regular and adequate nighttime residence; AND

Have a primary nighttime residence that is a supervised public or private shelter providing temporary accommodations (including welfare hotels, congregate shelters and transitional housing), or an institution providing temporary residence for individuals intended to be institutionalized, or a public or private place not ordinarily used as a sleeping accommodation for human beings.

**\*Homeless families may maintain their place on the waiting list while completing a transitional housing program.**

A Homeless family does not include anyone imprisoned or detained pursuant to Federal, State or local law or an Act of Congress.

**Verification of Substandard Housing**

Verification of substandard housing includes written or oral verification by a government agency or a notarized statement from the applicant’s current landlord or owner of the unit that the unit’s condition meets the definition of standard. For “Homeless Families” verification is certification of this status from a public or private facility providing shelter to the family, or from local police or a social service agency.

**Rent Burden**

Families paying more than 50% of their income for rent and utilities for at least 90 days commencing before they were selected from the Waiting List and continuing through the verification of preference will receive this preference.

For purposes of this preference, “Family Income” is Gross Monthly Income as defined in the regulations.

“Rent” is defined as the actual amount due under a lease or occupancy agreement calculated on a monthly basis without regard to the amount actually paid, plus the monthly amount of resident-supplied utilities which can be either:

HHA’s reasonable estimate of the cost of such utilities, using the HCV/Section 8 Utility Allowance Schedule; or

The average monthly payments the family actually made for these utilities in the most recent 12-month period, or if information is not obtainable for the entire period, the average of at least the past 3 months.

An applicant family may choose which method to use to calculate utilities expense. Any amounts paid to or on behalf of a family under any energy assistance program must be subtracted from the total rent burden if included in Family Income. The applicant must

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show that they actually paid the utility bills, regardless of whose name the service is under.

**\* If the applicant pays their share of rent to a cohabitant and is not named on the lease, HHA will require both verification from the Landlord that the applicant resides in the unit, and verification from the cohabitant of the amount of rent paid by the applicant.**

Members of a cooperative are “renters” for the purposes of qualifying for the preference. In this case, “Rent” would mean the charges under the occupancy agreement.

### **Verification of Rent Burden**

**Families are required to verify their income, the amount of rent and utilities they are obligated to pay, and the period of time they have been residing in their current unit. Families must furnish copies of rental receipts and/or the lease. HHA may contact the landlord directly by mail or telephone.**

**In cases where the family pays rent to a co-renter or sublets the unit, HHA requires a notarized certification from the person who receives the money from the applicant, and verification from the owner that the family resides in the unit.**

**If there is no rental agreement, and no other landlord verification, HHA requires documentation verifying that rent and utilities is more than 50% of income for at least the previous 90 calendar days.**

**If there is no lease or occupancy agreement and the family is receiving public assistance, HHA may verify the amount of rent and address of the unit with the appropriate social service agency. If there is no lease or occupancy agreement, and the family is not receiving public assistance, HHA will require receipts and other forms of identification which indicate the residence. Such documents include receipts, telephone bills, utility bills, driver's license, school records. Documentation of the amount of rent due must be provided for a period of 90 calendar days.**

**HHA can use either the actual cost of utilities or HHA’s HCV utility allowance schedule In order to verify the amount the family actually paid for utilities that were not covered in the rent. If the HCV Utility Allowance Schedule is not used:**

**Copies of receipts, canceled checks, bills showing previous utility payments**

**Written verification of consumption costs directly from the utility or service supplier**

**Verification must be provided for a minimum period of 3 months**

**Victims of Domestic Violence:** HHA will offer a local preference to applicants that are a victim of domestic violence, dating violence, and stalking within the past 6 months. Families are also eligible for this preference if there is proof that the family is currently living in a situation where they are being subjected to or victimized by violence in the home. The following criteria are used to establish a family's eligibility for this preference:

No applicant for the HCV program who has been a victim of domestic violence, dating violence, or stalking shall be denied admission into the program if they are otherwise qualified.

This preference is for applicants where actual or threatened physical violence is directed against the applicant or other members of the applicant's household within the past 6 months. HUD defines this as "actual or threatened physical violence directed against one or more members of the applicant's family by a spouse or other members of the applicant's household."

Actual or threatened physical violence directed against the applicant or the applicant's family by a spouse or other household member who lives in the unit with the family.

An applicant who lives in a violent neighborhood or is fearful of other violence outside the household is not considered involuntarily displaced.

The applicant must certify that the abuser will not reside with the applicant unless HHA gives prior written approval.

HHA will approve the return of the abuser to the household under the following conditions:

HHA verifies that the abuser has received therapy or counseling that appears to minimize the likelihood of recurrence of violent behavior.

A counselor, therapist or other appropriate professional recommends in writing that the individual be allowed to reside with the family.

If the abuser returns to the family without approval of HHA, HHA will deny or terminate assistance for breach of the certification.

*Right to confidentiality* All information (including the fact that an individual is a victim of domestic violence, dating violence or stalking) provided to the HHA or to a HCV (Section 8)

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owner or manager in connection with a verification required under the Victim of Domestic Violence preference (HUD Form 50066) or verification provided in lieu of such verification where a waiver of verification is granted, shall be retained by the receiving party in confidence and shall neither be entered in any shared database nor provided to any related entity, except where disclosed is:

1. Requested or consented to by the individual in writing, or
2. Required for use in connection with a termination of HCV (Section 8) assistance, as permitted in VAWA, or
3. Otherwise required by applicable law.

### **Shelter Plus Care Transfers Preference**

To serve adult persons to assist in transitioning from Shelter Plus to independent living.

### **Treatment of Single Applicants**

Single applicants will be treated as any other eligible family on HHA waiting list.

### **Change in Circumstances**

Changes in an applicant's circumstances while on the waiting list may affect the family's entitlement to a preference. Applicants are required to complete a Change Form in writing when their circumstances change. When an applicant claims an additional preference, s/he will be placed on the waiting list in the proper order of their newly-claimed preference.

### **Income Targeting Requirement [24 CFR 982.201(b)(2)]**

HUD requires that extremely low-income (ELI) families make up at least 75% of the families admitted to the HCV program during the HHA's fiscal year. ELI families are those with annual incomes at or below 30% of the area median income. To ensure this requirement is met, HHA may skip non-ELI families on the waiting list in order to select an ELI family.

Low income families admitted to the program that are "continuously assisted" under the 1937 Housing Act [24 CFR 982.4(b)], as well as low-income or moderate-income families admitted to the program that are displaced as a result of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low-income housing, are not counted for income targeting purposes [24 CFR 982.201(b)(2)(v)].

### **HHA Policy**

The HHA will monitor progress in meeting the ELI requirement throughout the fiscal year. Extremely low-income families will be selected ahead of other eligible families on an as-needed basis to ensure the income-targeting requirement is met.

### **Order of Selection**

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The HHA system of preferences may select families either according to the date and time of application, or by a random selection process [24 CFR 982.207(c)]. When selecting families from the waiting list HHA is required to use targeted funding to assist only those families who meet the specified criteria, and HHA is not permitted to skip down the waiting list to a family that it can afford to subsidize when there are not sufficient funds to subsidize the family at the top of the waiting list [24 CFR 982.204(d) and (e)].

#### HHA Policy

Families will be selected from the waiting list based on the targeted funding or selection preference(s) for which they qualify, and in accordance with the HHA's hierarchy of preferences, if applicable. Within each targeted funding or preference category, families will be selected on a first-come, first-served basis according to the date and time their complete application is received by the HHA. Documentation will be maintained by the HHA as to whether families on the list qualify for and are interested in targeted funding. If a higher placed family on the waiting list is not qualified or not interested in targeted funding, there will be a notation maintained so that the HHA does not have to ask higher placed families each time targeted selections are made.

#### **4-III.D. NOTIFICATION OF SELECTION**

When a family has been selected from the waiting list, the HHA must notify the family.

#### HHA Policy

The HHA will notify the family by first class mail when it is selected from the waiting list. The notice will inform the family that they are reaching the top of the waiting list and to call HHA to schedule a briefing appointment. The letter will also indicate:

Who is required to attend the briefing;

Documents that must be provided at the briefing to document the legal identity of household members, including information about what constitutes acceptable documentation; and

Preference verification information and income guidelines.

If a notification letter is returned to the HHA with no forwarding address, the family will be removed from the waiting list.

#### **4-III.E. THE APPLICATION INTERVIEW**

HUD recommends that the HHA obtain the information and documentation needed to make an eligibility determination through a private interview/briefing [HCV GB, pg. 4-16]. Being invited to attend an interview/briefing does not constitute admission to the program.

A reasonable accommodation must be made for persons with disabilities who are unable to attend an interview due to their disability.

#### HHA Policy

Families selected from the waiting list are required to participate in an eligibility interview.

The head of household and the spouse/cohead will be strongly encouraged to attend the interview together. However, either the head of household or the spouse/cohead may attend the interview on behalf of the family. Verification of information pertaining to adult members of the household not present at the interview will not begin until signed release forms are returned to the HHA.

The interview will be conducted only if the head of household or spouse/cohead provides appropriate documentation of legal identity. (Chapter 7 provides a discussion of proper documentation of legal identity). If the family representative does not provide the required documentation, the appointment may be rescheduled when the proper documents have been obtained.

The family must provide the information necessary to establish the family's eligibility and determine the appropriate level of assistance, as well as completing required forms, providing required signatures, and submitting required documentation. If any materials are missing, the HHA will provide the family with a written list of items that must be submitted.

Any required documents or information that the family is unable to provide at the interview must be provided within 10 business days of the interview (Chapter 7 provides details about longer submission deadlines for particular items, including documentation of Social Security numbers and eligible noncitizen status). If the family is unable to obtain the information or materials within the required time frame, the family may request an extension. If the required documents and information are not provided within the required time frame (plus any extensions), the family will be sent a notice of denial (See Chapter 3).

An advocate, interpreter, or other assistant may assist the family with the application and the interview process.

Interviews will be conducted in English. For limited English proficient (LEP) applicants, the HHA will provide translation services in accordance with the HHA's LEP plan.

If the family is unable to attend a scheduled interview, the family should contact the HHA in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend a scheduled interview, the HHA will send another notification letter with a new interview appointment time. Applicants who fail to attend two scheduled interviews without HHA approval will be denied assistance based on the family's failure to supply information needed to determine eligibility. A notice of denial will be issued in accordance with policies contained in Chapter 3.

#### **4-III.F. COMPLETING THE APPLICATION PROCESS**

The HHA must verify all information provided by the family (see Chapter 7). Based on verified information, the HHA must make a final determination of eligibility (see Chapter 3) and must

confirm that the family qualified for any special admission, targeted admission, or selection preference that affected the order in which the family was selected from the waiting list.

HHA Policy

If the HHA determines the family is ineligible, the HHA will send written notification of the ineligibility determination within 10 business days of the determination. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal review (Chapter 16).

If a family fails to qualify for any criteria that affected the order in which it was selected from the waiting list (e.g. targeted funding, extremely low-income), the family will be returned to its original position on the waiting list. The HHA will notify the family in writing that it has been returned to the waiting list, and will specify the reasons for it.

If the HHA determines that the family is eligible to receive assistance, the HHA will invite the family to attend a briefing in accordance with the policies in Chapter 5.

## ELIGIBILITY

### INTRODUCTION

The HHA is responsible for ensuring that every individual and family admitted to the HCV program meets all program eligibility requirements. This includes any individual approved to join the family after the family has been admitted to the program. The family must provide any information needed by the HHA to confirm eligibility and determine the level of the family's assistance.

To be eligible for the HCV program:

- The applicant family must:
  - Qualify as a family as defined by HUD and the HHA.
  - Have income at or below HUD-specified income limits.
  - Qualify on the basis of citizenship or the eligible immigrant status of family members.
  - Provide social security number information for family members as required.
  - Consent to the HHA's collection and use of family information as provided for in HHA-provided consent forms.
  - Not be ineligible for assistance in accordance with the restrictions on assistance to students enrolled in an institution of higher education status (24 CFR 5.612)
- The HHA must determine that the current or past behavior of household members does not include activities that are prohibited by HUD or the HHA.

### Restrictions on Assistance to Students Enrolled In Institution of Higher Education

No assistance shall be provided under Section 8 of the 1937 Act to any individual who:

- Is enrolled as a student at an institution of higher education, as defined under section 102 of the Higher Education Act of 1965;
- Is under 24 years of age;
- Is not a veteran of the United States military;
- Is unmarried;
- Does not have a dependent child; and
- Is not otherwise individually eligible, or has parents who, individually or jointly, are not eligible on the basis of income to receive assistance under Section 8 of the 1937 Act.

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### Timing for the Verification of Qualifying Factors

The family's initial eligibility for placement on the waiting list will be made in accordance with the eligibility factors.

The qualifying factors of eligibility will not be verified until the family is in a position on the waiting list to be offered a voucher.

Applicants will be reviewed for any Sexual/Violent Offenders on the Registry at the time the application is received in the office located at 812 Abbey St. Helena, MT.

This chapter contains three parts:

Part I: Definitions of Family and Household Members. This part contains HUD and HHA definitions of family and household members and explains initial and ongoing eligibility issues related to these members.

Part II: Basic Eligibility Criteria. This part discusses income eligibility, and rules regarding citizenship, social security numbers, ineligible student and family consent.

Part III: Denial of Assistance. This part covers factors related to an applicant's past or current conduct (e.g. criminal activity) that can cause the HHA to deny assistance.

## PART I: DEFINITIONS OF FAMILY AND HOUSEHOLD MEMBERS

### 3-I.A. OVERVIEW

Some eligibility criteria and program rules vary depending upon the composition of the family requesting assistance. In addition, some requirements apply to the family as a whole and others apply to individual persons who will live in the assisted unit. This part provides information that is needed to correctly identify family and household members, and to apply HUD's eligibility rules.

### 3-I.B. FAMILY AND HOUSEHOLD [24 CFR 982.201(c), HUD-50058 IB, p. 13]

The terms *family* and *household* have different meanings in the HCV program.

#### Family

To be eligible for assistance, an applicant must qualify as a family. A family may be a single person or a group of persons. *Family* as defined by HUD includes a family with a child or children, two or more elderly or disabled persons living together, one or more elderly or disabled persons living with one or more live-in aides, or a single person. A single person family may be an elderly person, a displaced person, a disabled person, or any other single person. The HHA has the discretion to determine if any other group of persons qualifies as a family.

#### HHA Policy

A family also includes two or more individuals who are not related by blood, marriage, adoption, or other operation of law.

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Each family must identify the individuals to be included in the family at the time of application, and must update this information if the family's composition changes.

### **Household**

*Household* is a broader term that includes additional people who, with the HHA's permission, live in an assisted unit, such as live-in aides, foster children, and foster adults.

## **3-I.C. FAMILY BREAK-UP AND REMAINING MEMBER OF TENANT FAMILY**

### **Family Break-up [24 CFR 982.315]**

The HHA has discretion to determine which members of an assisted family continue to receive assistance if the family breaks up. However, if a court determines the disposition of property between members of the assisted family in a divorce or separation decree, the HHA is bound by the court's determination of which family members continue to receive assistance.

#### HHA Policy

When a family on the waiting list breaks up into two otherwise eligible families, only one of the new families may retain the original application date. Other former family members may make a new application with a new application date if the waiting list is open.

If a family breaks up into two otherwise eligible families while receiving assistance, only one of the new families will continue to be assisted.

In the absence of a judicial decision, or an agreement among the original family members, the HHA will determine which family retains their placement on the waiting list, or will continue to receive assistance taking into consideration the following factors: (1) the interest of any minor children, including custody arrangements, (2) the interest of any ill, elderly, or disabled family members, (3) any possible risks to family members as a result of domestic violence or criminal activity, and (4) the recommendations of social service professionals.

### **Remaining Member of a Tenant Family [24 CFR 5.403]**

The HUD definition of family includes the *remaining member of a tenant family*, which is a member of an assisted family who remains in the unit when other members of the family have left the unit. Household members such as live-in aides, foster children, and foster adults do not qualify as remaining members of a family.

If dependents are the only "remaining members of a tenant family" and there is no family member able to assume the responsibilities of the head of household, see Chapter 6, Section 6-I.B, for the policy on "Caretakers for a Child."

### **3-I.D. HEAD OF HOUSEHOLD [24 CFR 5.504(b)]**

*Head of household* means the adult member of the family who is considered the head for purposes of determining income eligibility and rent. The head of household is responsible for ensuring that the family fulfills all of its responsibilities under the program, alone or in conjunction with a cohead or spouse.

#### HHA Policy

The family may designate any qualified family member as the head of household.

The head of household must have the legal capacity to enter into a lease under state and local law. A minor who is emancipated under state law may be designated as head of household.

### **3-I.E. SPOUSE, COHEAD, AND OTHER ADULT**

A family may have a spouse or cohead, but not both [HUD-50058 IB, p. 13].

*Spouse* means the marriage partner of the head of household.

#### HHA Policy

A *marriage partner* includes the partner in a "common law" marriage as defined in state law. The term "spouse" does not apply to friends, roommates, or significant others who are not marriage partners. A minor who is emancipated under state law may be designated as a spouse.

A *cohead* is an individual in the household who is equally responsible with the head of household for ensuring that the family fulfills all of its responsibilities under the program, but who is not a spouse. A family can have only one cohead.

#### HHA Policy

Minors who are emancipated under state law may be designated as a cohead.

*Other adult* means a family member, other than the head, spouse, or cohead, who is 18 years of age or older. Foster adults and live-in aides are not considered other adults.

### **3-I.F. DEPENDENT [24 CFR 5.603]**

A *dependent* is a family member who is under 18 years of age or a person of over 18 who is a person with a disability or a full-time student. The following persons can never be dependents: the head of household, spouse, cohead, foster children/adults and live-in aides. Identifying each dependent in the family is important because each dependent qualifies the family for a deduction from annual income as described in Chapter 6.

#### **Joint Custody of Dependents**

#### HHA Policy

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Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or participant family 50 percent or more of the time.

When more than one applicant or participant family is claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, the HHA will make the determination based on available documents such as court orders, or an IRS return showing which family has claimed the child for income tax purposes.

### **3-I.G. FULL-TIME STUDENT [24 CFR 5.603, HVC GB p. 5-29]**

A *full-time student* (FTS) is a person who is attending school or vocational training on a full-time basis. The time commitment or subject load that is needed to be full-time is defined by the educational institution.

Identifying each FTS is important because (1) each family member that is an FTS, other than the head, spouse, or cohead, qualifies the family for a dependent deduction and (2) the earned income of such a FTS is treated differently from the earned income of other family members.

### **3-I.H. ELDERLY AND NEAR-ELDERLY PERSONS, AND ELDERLY FAMILY [24 CFR 5.100 and 5.403]**

#### **Elderly Persons**

An *elderly person* is a person who is at least 62 years of age.

#### **Near-Elderly Persons**

A *near-elderly person* is a person who is at least 50 years of age but below the age of 62.

#### **Elderly Family**

An *elderly family* is one in which the head, spouse, cohead, or sole member is an elderly person. Identifying elderly families is important because these families qualify for special deductions from income as described in Chapter 6.

### **3-I.I. PERSONS WITH DISABILITIES AND DISABLED FAMILY [24 CFR 5.403]**

#### **Persons with Disabilities**

Under the HCV program, special rules apply to persons with disabilities and to any family whose head, spouse, or cohead is a person with disabilities. The technical definitions of individual with disabilities are provided in Exhibit 3-1 at the end of this chapter. These definitions are used for a

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number of purposes and may include ensuring that persons with disabilities are not discriminated against based upon disability.

As discussed in Chapter 2, the HHA must make all aspects of the HCV program accessible to persons with disabilities and consider reasonable accommodations requested based upon a person's disability.

### **Disabled Family**

A *disabled family* is one in which the head, spouse, or cohead is a person with disabilities. Identifying disabled families is important because these families qualify for special deductions from income as described in Chapter 6.

Even though persons with drug or alcohol dependencies are considered persons with disabilities for the purpose of non-discrimination, this does not prevent the HHA from denying assistance for reasons related to alcohol and drug abuse following policies found in Part III of this chapter, or from terminating assistance following the policies in Chapter 12.

### **3-I.J. GUESTS [24 CFR 5.100]**

A *guest* is a person temporarily staying in the unit with the consent of a member of the household who has express or implied authority to so consent.

#### HHA Policy

A guest can remain in the assisted unit no longer than seven (7) consecutive days or a total of 30 cumulative calendar days during any 12-month period.

Children who are subject to a joint custody arrangement or for whom a family has visitation privileges, that are not included as a family member because they live outside of the assisted household more than 50 percent of the time, are not subject to the time limitations of guests as described above.

A family may request an exception to this policy for valid reasons (e.g., care of a relative recovering from a medical procedure is expected to last 40 consecutive days). An exception will not be made unless the family can identify and provide documentation of the residence to which the guest will return.

### **3.I.K. FOSTER CHILDREN AND FOSTER ADULTS**

*Foster adults* are usually persons with disabilities, unrelated to the tenant family, who are unable to live alone [24 CFR 5.609].

The term *foster child* is not specifically defined by the regulations.

Foster children and foster adults that are living with an applicant or assisted family are considered household members but not family members. The income of foster children/adults is not counted in family annual income and foster children/adults do not qualify for the \$480 dependent deduction [24 CFR 5.603 and HUD-50058 IB, p. 13].

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HHA Policy

A *foster child* is a child that is in the legal guardianship or custody of a state, county, or private adoption or foster care agency, yet is cared for by foster parents in their own homes, under some type of short-term or long-term foster care arrangement with the custodial agency.

A foster child or foster adult may be allowed to reside in the unit if their presence would not result in a violation of HQS space standards according to 24 CFR 982.401.

Children that are temporarily absent from the home as a result of placement in foster care are discussed in Section 3-I.L.

**3-I.L. ABSENT FAMILY MEMBERS**

Individuals may be absent from the family, either temporarily or permanently, for a variety of reasons including educational activities, placement in foster care, employment, illness, incarceration, and court order.

**Definitions of Temporarily and Permanently Absent**

HHA Policy

Generally an individual who is or is expected to be absent from the assisted unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally an individual who is or is expected to be absent from the assisted unit for more than 90 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

**Absent Students**

HHA Policy

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to the HHA indicating that the student has established a separate household or the family declares that the student has established a separate household.

**Absences Due to Placement in Foster Care [24 CFR 5.403]**

Children temporarily absent from the home as a result of placement in foster care are considered members of the family.

HHA Policy

If a child has been placed in foster care, the HHA will verify with the appropriate agency whether and when the child is expected to return to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will be counted as a family member.

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## Absent Head, Spouse, or Cohead

### HHA Policy

An employed head, spouse, or cohead absent from the unit more than 90 consecutive days due to employment will continue to be considered a family member.

## Family Members Permanently Confined for Medical Reasons [HCV GB, p. 5-22]

If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted [HCV GB, p. 5-22].

### HHA Policy

The HHA will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. If temporarily absent, the income of the person will be included. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

## Return of Permanently Absent Family Members

### HHA Policy

The family must request HHA approval for the return of any adult family members that the HHA has determined to be permanently absent. The individual is subject to the eligibility and screening requirements discussed elsewhere in this chapter.

## 3-I.M. LIVE-IN AIDE

*Live-in aide* means a person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who: (1) is determined to be essential to the care and well-being of the persons, (2) is not obligated for the support of the persons, and (3) would not be living in the unit except to provide the necessary supportive services [24 CFR 5.403].

The HHA must approve a live-in aide if needed as a reasonable accommodation in accordance with 24 CFR 8, to make the program accessible to and usable by the family member with disabilities.

A live-in aide is a member of the household, not the family, and the income of the aide is not considered in income calculations [24 CFR 5.609(b)]. Relatives may be approved as live-in aides if they meet all of the criteria defining a live-in aide. However, a relative who serves as a live-in aide is not considered a family member and would not be considered a remaining member of a tenant family or have any rights to the program.

### HHA Policy

A family's request for a live-in aide must be made in writing. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or

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case worker, that the live-in aide is essential for the care and well-being of the elderly, near-elderly, or disabled family member.

In addition, the family and live-in aide will be required to submit a certification stating that the live-in aide is (1) not obligated for the support of the person(s) needing the care, and (2) would not be living in the unit except to provide the necessary supportive services.

The HHA will not approve a particular person as a live-in aide, and may withdraw such approval if [24 CFR 982.316(b)]:

The person commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;

The person commits drug-related criminal activity or violent criminal activity; or

The person currently owes rent or other amounts to the HHA or to another HHA in connection with Section 8 or public housing assistance under the 1937 Act.

Within 15 business days of receiving a request for a live-in aide, including all required documentation related to the request, the HHA will be required to screen the live in aide in accordance with the federal regulations and upon final determination will notify the family of its decision in writing.

## **PART II: BASIC ELIGIBILITY CRITERIA**

### **3-II.A. INCOME ELIGIBILITY AND TARGETING**

#### **Income Limits**

HUD is required by law to set income limits that determine the eligibility of applicants for HUD's assisted housing programs, including the housing choice voucher program. The income limits are published annually and are based on HUD estimates of median family income in a particular area or county, with adjustments for family size.

#### **Types of Low-Income Families [24 CFR 5.603(b)]**

*Low-income family.* A family whose annual income does not exceed 80 percent of the median income for the area, adjusted for family size.

*Very low-income family.* A family whose annual income does not exceed 50 percent of the median income for the area, adjusted for family size.

*Extremely low-income family.* A family whose annual income does not exceed 30 percent of the median income for the area, adjusted for family size.

HUD may establish income ceilings higher or lower than 30, 50, or 80 percent of the median income for an area if HUD finds that such variations are necessary because of unusually high or low family incomes.

#### **Using Income Limits for Eligibility [24 CFR 982.201]**

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Income limits are used for eligibility only at admission. Eligibility is established by comparing a family's annual income with HUD's published income limits. To be income-eligible, a family must be one of the following:

- *A extremely low-income family*
- *A very low-income family*
- *A low-income family that has been "continuously assisted" under the 1937 Housing Act. A family is considered to be continuously assisted if the family is already receiving assistance under any 1937 Housing Act program at the time the family is admitted to the HCV program [24 CFR 982.4]*

#### HHA Policy

The HHA will consider a family to be continuously assisted if the family was leasing a unit under any 1937 Housing Act program at the time they were issued a voucher by the HHA.

- A low-income family that qualifies for voucher assistance as a non-purchasing household living in HOPE 1 (public housing homeownership), HOPE 2 (multifamily housing homeownership) developments, or other HUD-assisted multifamily homeownership programs covered by 24 CFR 248.173
- A low-income family that is displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract on eligible low-income housing as defined in 24 CFR 248.101

HUD permits the HHA to establish additional categories of low-income families that may be determined eligible. The additional categories must be consistent with the HHA plan and the consolidated plans for local governments within the HHA's jurisdiction.

#### HHA Policy

The HHA has not established any additional categories of eligible low-income families.

#### **Using Income Limits for Targeting [24 CFR 982.201]**

At least 75 percent of the families admitted to the HHA's program during a HHA fiscal year must be extremely low-income families. HUD may approve exceptions to this requirement if the HHA demonstrates that it has made all required efforts, but has been unable to attract an adequate number of qualified extremely low-income families.

Families continuously assisted under the 1937 Housing Act and families living in eligible low-income housing that are displaced as a result of prepayment of a mortgage or voluntary termination of a mortgage insurance contract are not subject to the 75 percent restriction.

### **3-II.B. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5, Subpart E]**

Housing assistance is available only to individuals who are U.S. citizens, U.S. nationals (herein referred to as citizens and nationals), or noncitizens that have eligible immigration status. At least one family member must be a citizen, national, or noncitizen with eligible immigration status in order for the family to qualify for any level of assistance.

All applicant families must be notified of the requirement to submit evidence of their citizenship status when they apply. Where feasible, and in accordance with the HHA's Limited English Proficiency Plan, the notice must be in a language that is understood by the individual if the individual is not proficient in English.

#### **Declaration [24 CFR 5.508]**

HUD requires each family member to declare whether the individual is a citizen, a national, or an eligible noncitizen, except those members who elect not to contend that they have eligible immigration status. Those who elect not to contend their status are considered to be ineligible noncitizens. For citizens, nationals and eligible noncitizens the declaration must be signed personally by the head, spouse, cohead, and any other family member 18 or older, and by a parent or guardian for minors. The family must identify in writing any family members who elect not to contend their immigration status (see Ineligible Noncitizens below). No declaration is required for live-in aides, foster children, or foster adults.

#### ***U.S. Citizens and Nationals***

In general, citizens and nationals are required to submit only a signed declaration that claims their status. However, HUD regulations permit the HHA to request additional documentation of their status, such as a passport.

#### HHA Policy

Family members who declare citizenship or national status will be required to provide additional documentation such as a birth certificate or other legal document.

#### ***Eligible Non-citizens***

In addition to providing a signed declaration, those declaring eligible noncitizen status must sign a verification consent form and cooperate with HHA efforts to verify their immigration status as described in Chapter 7. The documentation required for establishing eligible noncitizen status varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, the person's age, and the date on which the family began receiving HUD-funded assistance.

Lawful residents of the Marshall Islands, the Federated States of Micronesia, and Palau, together known as the Freely Associated States, or FAS, are eligible for housing assistance under section 141 of the Compacts of Free Association between the U.S. Government and the Governments of the FAS [Public Law 106-504].

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### ***Ineligible Non-citizens***

Those non-citizens who do not wish to contend their immigration status are required to have their names listed on a non-contending family members listing, signed by the head, spouse, or cohead (regardless of citizenship status), indicating their ineligible immigration status. The HHA is not required to verify a family member's ineligible status and is not required to report an individual's unlawful presence in the U.S. to the United States Citizenship and Immigration Services (USCIS).

Providing housing assistance to noncitizen students is prohibited [24 CFR 5.522]. This prohibition extends to the noncitizen spouse of a noncitizen student as well as to minor children who accompany or follow to join the noncitizen student. Such prohibition does not extend to the citizen spouse of a noncitizen student or to the children of the citizen spouse and noncitizen student. Such a family is eligible for prorated assistance as a mixed family.

### **Mixed Families**

A family is eligible for assistance as long as at least one member is a citizen, national, or eligible noncitizen. Families that include eligible and ineligible individuals are considered *mixed families*. Such families will be given notice that their assistance will be prorated, and that they may request a hearing if they contest this determination. See Chapter 6 for a discussion of how rents are prorated, and Chapter 16 for a discussion of informal hearing procedures.

### **Ineligible Families [24 CFR 5.514(d), (e), and (f)]**

HHA may elect to provide assistance to a family before the verification of the eligibility of the individual or one family member [24 CFR 5.512(b)]. Otherwise, no individual or family may be assisted prior to the affirmative establishment by the HHA that the individual or at least one family member is eligible [24 CFR 5.512(a)].

### **HHA Policy**

The HHA will not provide assistance to a family before the verification of at least one family member.

When a HHA determines that an applicant family does not include any citizens, nationals, or eligible noncitizens, following the verification process, the family will be sent a written notice within 10 business days of the determination.

The notice will explain the reasons for the denial of assistance, that the family may be eligible for pro-ration of assistance, and will advise the family of its right to request an appeal to the United States Citizenship and Immigration Services (USCIS), or to request an informal hearing with the HHA. The informal hearing with the HHA may be requested in lieu of the USCIS appeal, or at the conclusion of the USCIS appeal process. The notice must also inform the applicant family that assistance may not be delayed until the conclusion of the USCIS appeal process, but that it may be delayed pending the completion of the informal hearing process.

Informal hearing procedures are contained in Chapter 16.

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**Timeframe for Determination of Citizenship Status [24 CFR 5.508(g)]**

For new occupants joining the assisted family the HHA will be verified at the time they are added to the household.

If an individual qualifies for a time extension for the submission of required documents, the HHA must grant such an extension for no more than 30 days [24 CFR 5.508(h)].

Each family member is required to submit evidence of eligible status only one time during continuous occupancy.

HHA Policy

The HHA will verify the status of applicants at the time other eligibility factors are determined.

**3-II.C. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and 5.218]**

For every family member age 6 or older the family must provide documentation of a valid Social Security Number (SSN) or a certification stating that no SSN has been issued. If a family member who is required to execute a certification is less than 18 years old, the certification must be executed by the individual's parent or guardian [24 CFR 5.216(j)]. Assistance cannot be provided to a family until all SSN documentation requirements are met. A detailed discussion of acceptable documentation is provided in Chapter 7.

If a new member is added to the family, the new member's SSN documentation must be submitted by the family at the time they are added to the household. If any member of the family obtains a previously undisclosed SSN, or has been assigned a new SSN, the documentation must be submitted at the family's next regularly scheduled reexamination.

The HHA must deny assistance to an applicant family if they do not meet the SSN disclosure, documentation and verification, and certification requirements contained in 24 CFR 5.216.

**3-II.D. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.230, HCV GB, p. 5-13]**

HUD requires each adult family member, and the head of household, spouse, or cohead, 18 years or older, to sign form HUD-9886, Authorization for the Release of Information/Privacy Act Notice, and other consent forms as needed to collect information relevant to the family's eligibility and level of assistance. Chapter 7 provides detailed information concerning the consent forms and verification requirements.

The HHA must deny admission to the program if any adult member of the applicant family fails to sign and submit the consent forms for obtaining information in accordance with 24 CFR 5, Subparts B and F [24 CFR 982.552(b)(3)].

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## PART III: DENIAL OF ASSISTANCE

### 3-III.A. OVERVIEW

A family that does not meet the eligibility criteria discussed in Parts I and II, must be denied assistance.

In addition, HUD requires or permits the HHA to deny assistance based on certain types of current or past behaviors of family members.

#### **Forms of Denial [24 CFR 982.552(a)(2); HCV GB, p. 5-35]**

Denial of assistance includes any of the following:

- Not placing the family's name on the waiting list,
- Denying or withdrawing a voucher,
- Not approving a request for tenancy or refusing to enter into a HAP contract, or
- Refusing to process a request for or to provide assistance under portability procedures.

#### **Prohibited Reasons for Denial of Assistance [24 CFR 982.202(b)]**

HUD rules prohibit denial of assistance to the program based on any of the following criteria:

- Age, disability, race, color, religion, sex, or national origin. (See Chapter 2 for additional information about fair housing and equal opportunity requirements.)
- Where a family lives prior to admission to the program
- Where the family will live with assistance under the program. Although eligibility is not affected by where the family will live, there may be restrictions on the family's ability to move outside the HHA's jurisdiction (See Chapter 10, Portability.)
- Whether members of the family are unwed parents, recipients of public assistance, or children born out of wedlock
- Whether the family includes children
- Whether a family decides to participate in a family self-sufficiency program
- No applicant for the HCV program who has been a victim of domestic violence, dating violence, or stalking shall be denied admission into the program if they are otherwise qualified.

### 3-III.B. MANDATORY DENIAL OF ASSISTANCE [24 CFR 982.553(a)]

HUD requires the HHA to deny assistance in the following cases:

- Any member of the household has been evicted from federally-assisted housing in the last 3 years for drug-related criminal activity. HUD permits but does not require the HHA to admit an otherwise-eligible family if the household member has completed a HHA-approved drug

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rehabilitation program or the circumstances which led to eviction no longer exist (e.g. the person involved in the criminal activity no longer lives in the household).

HHA Policy

The HHA has determined and sets their policy to define “reasonable time” as 5 year period before the admissions decision for all drug related and violent criminal activity.

The HHA has determined and sets their policy to define “engaged in or engaging in or recent history of drug-related or violent criminal activity” to mean: any act within the past 5 years by applicants or participants, household members, or guests which involved drug-related or violent criminal activity including, without limitation, drug-related criminal activity, possession and/or use of narcotic paraphernalia, and any other violent criminal activity which did or did not result in the arrest and/or conviction of the applicant or participant, household members, or guests.

Persons evicted from public housing, Indian housing, Section 23, or any Housing Choice Voucher (Section 8) program because of drug-related criminal activity or violent criminal activity are ineligible for admission to Public Housing for a five-year period beginning on the date of such eviction.

HHA Policy

In determining reasonable cause, the HHA will consider all credible evidence, including but not limited to, any record of convictions, arrests, or evictions of household members related to the use of illegal drugs or the abuse of alcohol. A conviction will be given more weight than an arrest. The HHA will also consider evidence from treatment providers or community-based organizations providing services to household members.

- Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing
- Any household member is subject to a lifetime registration requirement under a state sex offender registration program.
- HHA will deny admission to any family in which a family member is subject to a lifetime sex offender registration requirement or individuals listed on the Montana Sexual and Violent Offenders Registry. This provision will not be waived for individuals subject to a lifetime sex offender registration and/or listed as Sexual Offenders on the Montana Sexual and Violent Offenders Registry.
- If a family member has been convicted of manufacturing or producing methamphetamine (speed) on an assisted housing site, Section 8 housing, or in Public Housing.
- Denied for Life if convicted for murder, rape, and/or other sex-related crimes, kidnapping, arson, production or manufacturing of methamphetamine, or lifetime sex offenders.

### 3-III.C. OTHER PERMITTED REASONS FOR DENIAL OF ASSISTANCE

HUD permits, but does not require the HHA to deny assistance for the reasons discussed in this section.

#### **Criminal Activity [24 CFR 982.553]**

HUD permits, but does not require, the HHA to deny assistance if the HHA determines that any household member is currently engaged in, or has engaged in during a reasonable time before the family would receive assistance, certain types of criminal activity.

#### HHA Policy

The HHA has determined and sets their policy to define “reasonable time” as a 3-year period before the admissions decision for all other criminal activity that would threaten the safety, health and peaceful enjoyment of the premises by other residents, HHA, HHA employees, contractors, subcontractors or agent of the HHA involved in housing operations.

The HHA has determined and sets policy to define “engaged in or engaging in or recent history of criminal activity to mean: any act within the past 3 years by applicants or participants, household members, or guests which involved criminal activity that would threatened the health, safety or right to peaceful enjoyment of the rental unit by other residents or employees of HHA, which did or did not result in the arrest and/or conviction of the applicant or participant, household members, or guests.

Persons evicted from public housing, Indian housing, Section 23, or any Housing Choice Voucher(Section 8) program because of all other criminal activity are ineligible for admission to the HCV Program for a three year period beginning on the date of such eviction.

*Drug-related criminal activity*, defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug [24 CFR 5.100].

*Violent criminal activity*, defined by HUD as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage [24 CFR 5.100].

Criminal activity that may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity; or

Criminal activity that may threaten the health or safety of property owners, management staff, and persons performing contract administration functions or other responsibilities on behalf of the HHA (including a HHA employee or a HHA contractor, subcontractor, or agent).

*Immediate vicinity* means within a twenty-block radius of the premises.

Evidence of such criminal activity includes, but is not limited to:

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Conviction for drug-related or violent criminal activity within the past 5 years.

Circumstantial evidence, a preponderance of evidence, or any arrests for drug-related or violent criminal activity within the past 5 years.

Any record of eviction from public or privately-owned housing as a result of criminal activity within the past 3 years.

If on probation or parole for any conviction, assistance will be denied until discharged from probation or parole.

In making its decision to deny assistance, the HHA will consider the factors discussed in Section 3-III.E. Upon consideration of such factors, the HHA may, on a case-by-case basis, decide not to deny assistance.

### **Previous Behavior in Assisted Housing [24 CFR 982.552(c)]**

HUD authorizes the HHA to deny assistance based on the family's previous behavior in assisted housing:

#### HHA Policy

The HHA **will not** deny assistance to an otherwise eligible family because the family previously failed to meet its obligations under the Family Self-Sufficiency (FSS) program or the Welfare to Work voucher program.

The HHA **will** deny assistance to an applicant family if:

The family does not provide information that the HHA or HUD determines is necessary in the administration of the program.

The family does not provide complete and true information to the HHA.

A person who has been evicted of any crime involving bodily injury, drug related or violent criminal activity or other criminal activity would not be considered for admission until a year has passed since full repaying of social debt, including probation. However, if HHA policies include longer time limitations prior to admission, those longer time limitations apply.

Any family member has been evicted from federally assisted housing in the last three years.

Any PHA has ever terminated assistance under the program for any member of the family.

Any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.

The family owes rent or other amounts to any PHA in connection with the HCV, Certificate, Moderate Rehabilitation or public housing programs, unless the family repays the full amount of the debt prior to being selected from the waiting list.

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If the family has not reimbursed any PHA for amounts the PHA paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease, unless the family repays the full amount of the debt prior to being selected from the waiting list.

The family has breached the terms of a repayment agreement entered into with the HHA or other PHA, unless the family repays the full amount of the debt covered in the repayment agreement prior to being selected from the waiting list.

A family will be given the opportunity to pay the debt within thirty days of the eligibility interview. If the family fails to meet their obligation to repay the debt, the applicant will be denied assistance.

Has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program, or any other federal/state assisted program.

A family member has engaged in or threatened violent or abusive behavior toward HHA personnel.

*Abusive or violent behavior towards HHA personnel* includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

*Threatening* refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

In making its decision to deny assistance, the HHA will consider the factors discussed in Section 3-III.E. Upon consideration of such factors, the HHA may, on a case-by-case basis, decide not to deny assistance.

### **3-III.D. SCREENING**

#### **Screening for Eligibility**

HHA is authorized to obtain criminal conviction records from law enforcement agencies to screen applicants for admission to the HCV program. This authority assists the HHA in complying with HUD requirements and HHA policies to deny assistance to applicants who are engaging in or have engaged in certain criminal activities. In order to obtain access to the records the HHA must require every applicant family to submit a consent form signed by each adult household member [24 CFR 5.903].

#### HHA Policy

The HHA will perform a criminal background check through local law enforcement for every person 18 years of age and older.

If the results of the criminal background check indicate that there may be past criminal activity, but the results are inconclusive, the HHA will request the applicant to be

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fingerprinted and will request the information from the National Crime Information center (NCIC).

HHA is required to perform criminal background checks necessary to determine whether any household member is subject to a lifetime registration requirement under a state sex offender program in the state where the housing is located, as well as in any other state where a household member is known to have resided [24 CFR 982.553(a)(2)(i)].

If the HHA proposes to deny assistance based on a criminal record or on lifetime sex offender registration information, the HHA must notify the household of the proposed action and must provide the subject of the record and the applicant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to a denial of admission. [24 CFR 5.903(f) and 5.905(d)].

### **Screening for Suitability as a Tenant [24 CFR 982.307]**

The HHA has no liability or responsibility to the owner for the family's behavior or suitability for tenancy. The HHA may opt to conduct additional screening to determine whether an applicant is likely to be a suitable tenant.

#### HHA Policy

The HHA will conduct additional screening to determine the applicant's suitability for tenancy.

The owner is responsible for screening and selection of the family to occupy the owner's unit. The HHA must inform the owner that screening and selection for tenancy is the responsibility of the owner. An owner may consider a family's history with respect to factors such as:

- Payment of rent and utilities,
- Caring for a unit and premises,
- Respecting the rights of other residents to the peaceful enjoyment of their housing,
- Drug-related criminal activity or other criminal activity that is a threat to the health, safety or property of others, and
- Compliance with other essential conditions of tenancy.

HUD requires the HHA to provide prospective owners with the family's current and prior address (as shown in HHA records) and the name and address (if known) of the owner at the family's current and prior addresses. HUD permits the HHA to provide owners with additional information, as long as families are notified that the information will be provided, and the same type of information is provided to all owners.

The HHA will advise families how to file a complaint if they have been discriminated against by an owner. The HHA will advise the family to make a Fair Housing complaint. The HHA may also report the owner to HUD (Fair Housing/Equal Opportunity) or the local Fair Housing Organization.

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HHA Policy

The HHA will inform owners of their responsibility to screen prospective tenants, and will provide owners with the required known name and address information, at the time of the initial HQS inspection or before. The HHA will not provide any additional information to the owner, such as tenancy history, criminal history, credit background, etc.

### 3-III.E. CRITERIA FOR DECIDING TO DENY ASSISTANCE

#### Evidence [24 CFR 982.553(c)]

##### HHA Policy

The HHA will use the concept of the preponderance of the evidence as the standard for making all admission decisions.

*Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not.

Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

#### Consideration of Circumstances [24 CFR 982.552(c)(2)]

HUD authorizes the HHA to consider all relevant circumstances when deciding whether to deny assistance based on a family's past history except in the situations for which denial of assistance is mandated (see Section 3-III.B).

##### HHA Policy

The HHA will consider the following factors prior to making its decision:

The seriousness of the case, especially with respect to how it would affect other residents

The effects that denial of assistance may have on other members of the family who were not involved in the action or failure

The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities

The length of time since the violation occurred, the family's recent history and the likelihood of favorable conduct in the future

In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully

The HHA will require the applicant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

Successfully completed an Anger Management program.

- Provides copies of certificates of completed program

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- Recommendation from a Social Worker
  - Recommendation from a Counselor
  - Recommendation from a Minister
  - Has been employed for the last (6) six months. Must provide documentation from employer.
  - I currently employed.
  - Completed a Self Sufficiency course. Must provide all documentation.

Once all the documentation is provided it will be determined whether or not the applicant may receive a voucher.

If accepted to receive a HCV Voucher, the client must agree to monthly special inspections for (1) one year. After the (1) one year probation, the client will then have special inspections every (3) 3 months for a 1 year period. Once completed both special inspections, the client will then receive annual inspections unless HHA warrants it necessary to continue the special inspections. The client must pass all inspections to continue to receive a HCV Voucher.

#### **Removal of a Family Member's Name from the Application [24 CFR 982.552(c)(2)(ii)]**

HUD permits HHAs to impose as a condition of admission, a requirement that family members who participated in or were culpable for an action or failure to act which results in the denial of assistance, to not reside in the unit.

#### HHA Policy

As a condition of receiving assistance, a family may agree to remove the culpable family member from the application. In such instances, the head of household must certify that the family member will not be permitted to visit or to stay as a guest in the assisted unit.

After admission to the program, the family must present evidence of the former family member's current address upon HHA request.

#### **Reasonable Accommodation [24 CFR 982.552(c)(2)(iv)]**

If the family includes a person with disabilities, the HHA's decision concerning denial of admission is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

#### HHA Policy

If the family indicates the behavior of a family member with a disability is the reason for the proposed denial of assistance, the HHA will determine whether the behavior is related to the disability. If so, upon the family's request, the HHA will determine whether alternative measures are appropriate as a reasonable accommodation. The HHA will only consider accommodations that can reasonably be expected to address the behavior that is

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the basis of the proposed denial of assistance. See Chapter 2 for a discussion of reasonable accommodation.

### **3-III.F. NOTICE OF ELIGIBILITY OR DENIAL**

#### **Eligible for Assistance**

If the family is eligible for assistance, the HHA will notify the family when it extends the invitation to attend the voucher briefing appointment, as discussed in Chapter 5.

If the HHA determines that a family is not eligible for the program for any reason, the family must be notified promptly. The notice must describe (1) the reasons for which assistance has been denied (2) the family's right to an informal review, and (3) the process for obtaining the informal review [24 CFR 982.554 (a)]. See Chapter 16, for informal review policies and procedures.

#### HHA Policy

The family will be notified of a decision to deny assistance in writing within 10 business days of the determination.

If a HHA uses a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J, as the basis of a denial, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy and relevance of the information before the HHA can move to deny the application. In addition, a copy of the record must be provided to the subject of the record [24 CFR 5.903(f) and 5.905(d)]. The HHA must give the family an opportunity to dispute the accuracy and relevance of that record, in the informal review process in accordance with program requirements [24 CFR 982.553(d)]

#### HHA Policy

If based on a criminal record or sex offender registration information, an applicant family appears to be ineligible the HHA will notify the family in writing of the proposed denial and upon request, will provide a copy of the record to the applicant and to the subject of the record. The family will be given 10 business days to dispute the accuracy and relevance of the information. If the family does not contact the HHA to dispute the information within that 10 business day period, the HHA will proceed with issuing the notice of denial of admission. A family that does not exercise their right to dispute the accuracy of the information prior to issuance of the official denial letter will still be given the opportunity to do so as part of the informal review process.

Notice requirements related to denying assistance to noncitizens are contained in Section 3-II.B.

<b>EXHIBIT 3-1: DETAILED DEFINITIONS RELATED TO DISABILITIES</b>
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#### **Person with Disabilities [24 CFR 5.403]**

The term *person with disabilities* means a person who has any of the following types of conditions:

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- Has a disability, as defined in 42 U.S.C. Section 423(d)(1)(A), which reads:

Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months; *or*

In the case of an individual who has attained the age of 55 and is blind (within the meaning of “blindness” as defined in section 416(i)(1) of this title), inability by reason of such blindness to engage in substantial gainful activity, requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.
  - Has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act [42 U.S.C.6001(8)], which defines developmental disability in functional terms as:

A severe, chronic disability of a person 5 years of age or older which:

    - Is attributable to a mental or physical impairment or combination of mental and physical impairments;
    - Is manifested before the person attains age twenty-two;
    - Is likely to continue indefinitely;
    - Results in substantial functional limitations in three or more of the following areas of major life activity: (i) self-care, (ii) receptive and responsive language, (iii) learning, (iv) mobility, (v) self-direction, (vi) capacity for independent living, and (vii) economic self-sufficiency; *and*
    - Reflects the person’s need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are of lifelong or extended duration and are individually planned and coordinated; except that such term, when applied to infants and young children, means individuals from birth to age 5, inclusive, who have substantial developmental delay or specific congenital or acquired conditions with a high probability of resulting in developmental disabilities if services are not provided.”
  - Has a physical, mental, or emotional impairment that is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently, and is of such a nature that the ability to live independently could be improved by more suitable housing conditions.

People with the acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for AIDS are not excluded from this definition.

A person whose disability is based solely on any drug or alcohol dependence does not qualify as a person with disabilities for the purposes of this program.

For purposes of reasonable accommodation and program accessibility for persons with disabilities, the term person with disabilities refers to an individual with handicaps.

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**Individual with Handicaps [24 CFR 8.3]**

*Individual with handicaps* means any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such an impairment; or is regarded as having such an impairment. The term does not include any individual who is an alcoholic or drug abuser whose current use of alcohol or drugs prevents the individual from participating in the program or activity in question, or whose participation, by reason of such current alcohol or drug abuse, would constitute a direct threat to property or the safety of others. As used in this definition, the phrase:

- (1) Physical or mental impairment includes:
  - (a) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine; or
  - (b) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term physical or mental impairment includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.
- (2) *Major life activities* means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.
- (3) Has a record of such an impairment means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.
- (4) *Is regarded as having an impairment* means:
  - (a) Has a physical or mental impairment that does not substantially limit one or more major life activities but that is treated by a recipient as constituting such a limitation;
  - (b) Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of others toward such impairment; or
  - (c) Has none of the impairments defined in paragraph (1) of this section but is treated by a recipient as having such an impairment.

## APPLYING FOR ADMISSION

### INTRODUCTION

The policy of **HHA** 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 Chapter 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 **orientation** function is to gather information about the family, but **HHA** 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 policy.

### A. HOW TO APPLY

The application process involves two phases.

1. The first is the "initial" application for admission (referred to as **the initial screening**). This first phase is to **make a preliminary determination regarding** the family's eligibility for, and placement on, the waiting list. **Applicants complete this phase by attending an orientation meeting at HHA.**

**If the applicant meets the preliminary requirements, the applicant will be placed on the waiting list by date, time, and preference, if any, at the conclusion of the orientation meeting.**

2. The second phase is the "final determination of eligibility for admission" (referred to as the full application). The full application takes place when the family **nears** the top of the waiting list. **At that time, the applicant will be mailed the full application and asked to complete the full application packet. HHA will then verify any claimed preference and** all HUD and **HHA** eligibility factors to determine the family's eligibility for an offer of **housing**.

### B. INITIAL SCREENING PROCEDURES

The purpose of the **initial screening** is to permit **HHA** to preliminarily assess family eligibility or ineligibility **for public housing** and to determine placement on the waiting list. **If the applicant meets the preliminary requirements, the applicant will be placed on the waiting list by date, time, and preference, if any, at the conclusion of the orientation meeting.**

**Placement on the waiting list does not guarantee that an applicant is eligible for public housing.**

**To complete the initial screening and be placed on the waiting list, if preliminarily eligible, the applicant must attend an orientation meeting at HHA. Meetings are held at the HHA office at 812 Abbey Street twice a week at regularly scheduled meeting times. The meeting times are published on pamphlets regarding the initial screening. The applicant may also check with HHA regarding the schedule for the meetings. All new applicants age 18 and older (or emancipated minors) must attend the meeting.**

**Persons unable to attend the orientation meeting, such as persons with disabilities or persons living outside the jurisdiction, may contact HHA to make alternative arrangements to complete the initial screening.**

The **initial screening** will contain questions designed to obtain the following information:

- Names of head **of household**
- Number of family members **including minors** (used to estimate bedroom size needed)
- Telephone numbers **for home and any other contact numbers**
- Mailing address (if PO Box or other permanent address)
- Annual income
- Social Security Number **for the head of household**
- Race/ethnicity
- Date of birth of head of household**
- Gender of head of household**

**\* The initial screening requires a short interview for placement on the waiting list. Information submitted at the initial screening will not be verified until 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.**

Applicants are requested to inform **HHA in writing or over the phone** of changes in family composition, income, and address, **as well as any changes in their preference status.** Applicants are also required to respond to requests from **HHA** to update information **and** to determine their continued interest in assistance.

**\* Failure to provide information or to respond to mailings will result in the applicant being removed from the waiting list.**

**\*C. NOTIFICATION OF APPLICANT STATUS**

Written notification of preliminary eligibility will be **given to the applicant at the time of the initial screening or mailed following the initial screening.** (Notification will be in an accessible format upon request, as a reasonable accommodation.)

If the family is determined to be ineligible based on the information provided **at the initial screening, HHA** 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 hearing. Persons with disabilities may request to have an advocate attend the informal hearing as an accommodation. See Chapter on "Appeals by Applicants Determined Ineligible."

#### **D. COMPLETION OF FULL APPLICATION**

The **completion of the** full application takes place when the family **nears** the top of the waiting list. **At that time, the applicant will be mailed the full application and asked to complete the full application form if the applicant is still interested in housing.** The full application will be **communicated as requested as an accommodation to a person with a disability.**

The application will contain questions designed to obtain the following information:

- Names of head **of household** and spouse
- Names of adult members and age of all members
- Number of family members (used to estimate bedroom size needed)
- Street address and phone numbers
- Mailing address (if PO Box or other permanent address)
- Annual income
- Source(s) of income received by household members to determine preference qualification
- Sufficient additional information to determine preference qualification
- Information regarding request for reasonable accommodation or for accessible unit
- Social Security Numbers
- Race/ethnicity
- \* Arrests and/or Convictions **for Drug Related or Violent Criminal Activity**
- \* **Previous addresses**
- \* **Names and addresses of current and previous landlords**
- \* **Questions regarding previous participation in HUD programs**
- \* **Dates of birth of all household members**

**\* Failure to provide information or to respond to mailings will result in the applicant being removed from the waiting list.**

**When the application is mailed to the applicant, HHA will also inform the applicant of the date and time of the final eligibility interview. The family must bring all documentation supporting their application. These documents will be used for verification only if third party verification cannot be obtained. Applications are accepted and the interview is conducted at the Helena Housing Authority Office, 812 Abbey, Helena, Montana.**

**In processing the application, HHA will verify any claimed preference and all HUD and HHA eligibility factors to determine the family's eligibility for an offer of a suitable unit. As the application is processed, HHA will keep in contact with the applicant regarding any additional information needed and request any documentation necessary to verify any factors.**

**\*All preferences claimed on the application or while the family is on the waiting list will be verified after the family is selected from the waiting list, and prior to completing the final eligibility determination.**

**\* If a claimed preference cannot be verified, the preference will be removed and the applicant will be returned to the proper place on the waiting list without the preference.**

**\* The qualification for preference must exist at the time the preference is verified regardless of the length of time an applicant has been on the waiting list because the preference is based on current status.**

**\* Duplicate applications, including applications from a segment of an applicant household, will not be accepted.**

**\* After all HUD and HHA eligibility factors and the preference, if any, are verified and when HHA is ready to select applicants, HHA will call the applicant and notify the applicant of selection. If the applicant is not available by phone, HHA will notify the applicant by letter.**

### **Requirement to Attend Interview**

HHA utilizes the **final eligibility** interview to discuss the family's circumstances in greater detail, to clarify information that 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 HHA services or programs which may be available.

**\* All adult family members must attend the interview and sign the housing application. Exceptions may be made for adult students attending school out of state or for members for whom attendance would be a hardship.**

**\* If the head of household cannot attend the interview, the spouse may attend to complete the application and certify for the family. The head of household, however, is required to attend an interview within 7 calendar days to review the information and to certify by signature that all of the information is complete and accurate.**

It is the applicant's responsibility to reschedule the interview if s/he misses the appointment. If the applicant does not reschedule or misses **two** scheduled meeting(s), HHA will reject the application.

Reasonable accommodation will be made for persons with a disability who require an advocate or accessible offices. A designee will be allowed to provide some information, but only with permission of the person with a disability.

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 hearing. (See Chapter "Appeals by Applicants Determined Ineligible.")

All adult members, and head of household and spouse regardless of age, must sign form HUD-9886, "Release of Information," the declarations and consents related to citizenship/immigration status and any other documents required by **HHA**. Applicants will be required to sign specific verification **and release of information** forms for information that is not covered by the HUD-9886. Failure to do so will be cause for denial of the application for failure to provide necessary certifications and releases as required by **HHA**.

Information provided by the applicant will be verified, including information related to family composition, income, allowances and deductions, assets, eligible immigration status, full time student status and other factors related to **preferences**, eligibility and rent calculation.

If **HHA** determines at or after the interview that additional information or document(s) are needed, **HHA** will request the document(s) or information in writing. The family will be given **7 calendar** days to supply the information.

If the information is not supplied in this time period, **HHA** will provide the family a notification of denial for assistance. (See Chapter "Appeals by Applicants Determined Ineligible.")

## **E. PROCESSING APPLICATIONS**

As families approach the top of the waiting list, the following items will be verified to determine qualification for admission to **HHA**'s housing:

### **\* Preference verification**

Family composition and type (elderly/non elderly)

Annual Income

Assets and Asset Income

Deductions from Annual Income

Social Security Numbers of all family members

Information used in applicant screening

Citizenship or eligible immigration status

Criminal History Report

## **F. FINAL DETERMINATION AND NOTIFICATION OF ELIGIBILITY**

After the verification process is completed, **HHA** will make a final determination of eligibility. This decision is based upon information provided by the family, the verification completed by **HHA**, and the **resident** suitability determination (see Chapter on Eligibility for Admission).

Because HUD can make changes in rules or regulations and family circumstances may have changed during the review process that affect an applicant's eligibility, it is necessary to make final eligibility determination.

The household is not actually eligible for a unit offer until this final determination has been made, even though they may have been preliminarily determined eligible and may have been listed on the waiting list.

## **ELIGIBILITY FOR ADMISSION**

**[24 CFR Part 960, Subpart B]**

### **INTRODUCTION**

This Chapter defines both HUD's and **HHA**'s criteria for admission and denial of admission to the program. The policy of **HHA** is to strive for objectivity and consistency in applying these criteria to evaluate the qualifications of families who apply. The **HHA** staff will review all information provided by the family carefully and without regard to factors other than those defined in this Chapter. Families will be provided the opportunity to explain their circumstances, to furnish additional information, if needed, and to receive an explanation of the basis for any decision made by **HHA** pertaining to their eligibility.

## **A. QUALIFICATION FOR ADMISSION**

It is **HHA's** policy to admit qualified applicants only. An applicant is qualified if he or she meets the following criteria:

Is a family as defined in this Chapter;

Heads a household where at least one member of the household is either a citizen or eligible non-citizen. (24 CFR Part 5, Subpart E).

Has an Annual Income at the time of admission that does not exceed the **low** income limit for occupancy established by HUD and posted separately in **the HHA offices**.

Provides a Social Security number for all family members, age 6 or older, or will provide written certification that they do not have Social Security numbers;

Meets or exceeds the **resident** Selection and Suitability Criteria as set forth in this policy, **including attendance at HHA's orientation meeting**.

### **Timing for the Verification of Qualifying Factors**

**\* The qualifying factors of eligibility will not be verified until the family is in a position on the waiting list to be offered a housing unit.**

## **B. FAMILY COMPOSITION**

### **Definition of Family**

The applicant must qualify as a Family. A Family may be a single person or a group of persons. **\*Discrimination on the basis of familial status is prohibited, and a group of persons may not be denied solely on the basis that they are not related by blood, marriage or operation of law. For occupancy standards purposes, the applicant may claim a spousal relationship. (See chapter on Occupancy Guidelines.)**

**\* A group of persons is defined by HHA as two or more persons who intend to share residency whose income and resources are available to meet the family's needs, and will live together in HHA housing.**

Elderly, disabled, and displaced families are defined by HUD in CFR 5.403.

The term "Family" also includes, but is not limited to:

A family with or without children;

An elderly family – **A family whose head, spouse, or sole member is a person who is at least 62 years of age; or two or more persons who are at least 62 years of age living together, or one or more persons who are at least 62 years of age living with one or more live-in aides. (CFR 5.403)**

A disabled family – **A family whose head, spouse, or sole member is a person with disabilities, or two or more person with disabilities living together; or one or more person with disabilities living with one or more live-in aides. (CFR 5.403)**

A displaced family – **A family in which each member, or whose sole governmental action, or a person whose dwelling has been extensively damaged declared or otherwise formally recognized pursuant to Federal disaster relief laws. (CFR 5.403)**

The remaining member of a **resident** family;

A single person who is not elderly, displaced, or a person with disabilities, or the remaining member of a **resident** family;

Two or more elderly or disabled persons living together, or one or more elderly or disabled persons living with one or more live-in aides is a family;

Two or more near-elderly persons living together, or one or more near-elderly persons living with one or more live-in aides.

The temporary absence of a child from the home due to placement in foster care shall not be considered in determining the family composition and family size.

### **\* Occupancy by Police Officers**

**\* In order to provide an increased sense of security for public housing residents HHA may allow public housing units to be occupied by police officers.**

**\* Police officers will not be required to be income eligible to qualify for admission to HHA's public housing program.**

### **Head of Household**

The head of household is the adult member of the household who is designated by the family as head, is wholly or partly responsible for paying the rent, and has the legal capacity to enter into a lease under State/local law.

**\* Emancipated minors who qualify under State law will be recognized as head of household if there is a court order recognizing them as an emancipated minor.**

**\* Persons who are married are legally recognized as adults under State law.**

**\* A family may designate an elderly or disabled family member as head of household solely to qualify the family as an Elderly Family, provided that the person is at least partially responsible for paying the rent.**

### **Spouse of Head**

Spouse means the husband or wife of the head.

For proper application of the Non-citizens Rule, the definition of spouse is: the marriage partner who, in order to dissolve the relationship, would have to be divorced. It includes the partner in a common law marriage. The term "spouse" does not apply to boyfriends, girlfriends, significant others, or co-heads.

### **Co-head**

An individual in the household who is equally responsible for the lease with the Head of Household. A household may have either a spouse or co-head, but not both. A co-head never qualifies as a dependent.

## Live-In Attendants

A Family may include a live-in aide provided that such live-in aide:

Is determined by **HHA** to be essential to the care and well being of an elderly person, a near-elderly person, or a person with disabilities,

Is not obligated for the support of the person(s), and

Would not be living in the unit except to provide care for the person(s).

A live-in aide is not considered to be an assisted family member and has no rights or benefits under the program:

Income of the live-in aide will not be counted for purposes of determining eligibility or level of benefits.

Live-in aides are not subject to Non-Citizen Rule requirements.

Live-in aides may not be considered as a remaining member of the **resident** family.

Relatives are not automatically excluded from being live-in aides, but they must meet all of the elements in the live-in aide definition described above.

Family members of a live-in attendant may also reside in the unit, providing doing so does not increase the subsidy by the cost of an additional bedroom and that the presence of the family member(s) does not overcrowd the unit.

A Live-in Aide may only reside in the unit with the approval of **HHA**. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or caseworker. The verification provider must certify that a live-in aide is needed for the care of the family member who is elderly, near-elderly (50-61) or disabled.

**\* After HHA approves the addition of a live-in aide on behalf of a resident, the resident must submit the specific live-in aide's name and information for approval by HHA within 30 calendar days of HHA's notification.**

**\* If the 30 calendar days expire, the resident will have to resubmit an application for approval of a live-in aide.**

**\* A specific live-in aide may only reside in the unit with the approval of HHA. HHA shall make the live-in aide subject to the agency's normal screening criteria, including but not limited to, criminal background checks.**

**\* HHA will require the live-in aide to execute a lease rider agreeing to abide by the terms and conditions of occupancy set forth in the lease agreement. If the live-in aide violates provisions of the lease rider, HHA may take action against the live-in aide separate from action against the assisted family.**

**\* If the live-in aide or their family members participate in drug-related or criminal activity, HHA will rescind the aide's right to occupy the unit. When the agency takes such**

**action against the live-in aide, the aide is not entitled to the grievance hearing process of the agency.**

**HHA** has the right to disapprove a request for a live-in aide based on the "Other Eligibility Criteria" described in this Chapter.

**C. MANDATORY SOCIAL SECURITY NUMBERS** [24 CFR 5.216]

Families are required to provide verification of Social Security Numbers for all family members age 6 and older prior to admission, if they have been issued a number by the Social Security Administration. This requirement also applies to persons joining the family after admission to the program.

Failure to furnish verification of social security numbers is grounds for denial of admission or termination of **residency**.

**Individuals who apply for legalization under the Immigration Reform and Control Act of 1986 (IRCA) have a SSN but do not have a SSN card until they receive eligible status. The INS issues IRCA applicants a letter assigning them a SSN. This letter is acceptable verification until the applicant is granted temporary lawful resident status.**

If a member does not have a Social Security Number they must sign a certification stating that they do not have one. The certification shall:

state the individual's name,

state that the individual has not been issued a Social Security Number;

state that the individual will disclose the Social Security Number, **within 60 (sixty) calendar days from the date on which the certification is executed. HHA may extend the period for an additional 60 (sixty) days if the individual is at least 62 years of age and is unable to submit the required documentation within the initial 60 (sixty) day period (CFR 5.216), and**

be signed and dated.

#### **D. CITIZENSHIP/ELIGIBLE IMMIGRATION STATUS**

In order to receive assistance, a family member must be a U.S. citizen or eligible immigrant. Individuals who are neither may elect not to contend their status. Eligible immigrants are persons who are in one of the six immigrant categories as specified by HUD.

For the Citizenship/Eligible Immigration requirement, the status of each member of the family is considered individually before the family's status is defined.

Mixed Families. A family is eligible for assistance as long as at least one member is a citizen or eligible immigrant. Families that include eligible and ineligible individuals are called "mixed". Such applicant families will be given notice that their income-based assistance (TTP) will be pro-rated and that they may request a hearing if they contest this determination. If such a family chooses flat rent, the flat rent will not be pro-rated if the flat rent is greater than the Public Housing Maximum Rent. If the Public Housing Maximum Rent is greater than the flat rent, and the family chooses flat rent, the flat rent will be pro-rated.

No eligible members. Applicant families that include no eligible members will be ineligible for assistance. Such families will be denied admission and offered an opportunity for a hearing.

Noncitizen students defined by HUD in the noncitizen regulations are not eligible for assistance.

**HHA** will establish and verify eligibility no later than the date of the family's annual reexamination following October 21, 1998.

**\*No individual or family applying for financial assistance may receive such financial assistance prior to the affirmative establishment and verification of eligibility of at least one individual or family member.**

## **E. OTHER ELIGIBILITY CRITERIA**

All applicants will be processed in accordance with HUD's regulations (24 CFR Part 960) and sound management practices. Applicants will be required to demonstrate ability to comply with essential provisions of the lease as summarized below.

All applicants must demonstrate through an assessment of current and past behavior the ability:

- to pay rent and other charges as required by the lease in a timely manner;
- to care for and avoid damaging the unit and common areas;
- to use facilities, appliances and equipment in a reasonable way;
- to create no health or safety hazards, and to report maintenance needs in a timely manner;
- not to interfere with the rights and peaceful enjoyment of others and to avoid damaging the property of others;
- not to engage in criminal activity or alcohol abuse that threatens the health, safety or right to peaceful enjoyment of other residents or staff and not to engage in drug-related criminal activity on or off **the HHA** premises;
- not to have ever been convicted of manufacturing or producing methamphetamine, also known as "speed," on the premises of assisted housing;
- not to contain a household member subject to lifetime sex offender registration requirement under a State sex offender registration program;
- to comply with necessary and reasonable rules and program requirements of HUD and **HHA**; and,
- to comply with local health and safety codes.

### **\* Denial of Admission for Previous Debts to HHA or Any Other PHA**

**\* Previous outstanding debts to HHA or any other PHA resulting from a previous tenancy in the public housing or Section 8 programs must be paid in full prior to admission. No Payment Agreement will be accepted.**

**\* Either spouse is responsible for the entire debt incurred as a previous HHA or PHA resident. Children of the head or spouse who had incurred a debt to HHA or another PHA will not be held responsible for the parent's previous debt.**

## **F. SCREENING FOR SUITABILITY** [24 CFR 960.203, 960.204, 960.205]

In developing its admission policies, the aim of **HHA** is to attain a **resident** body composed of families with a broad range of incomes and to avoid concentrations of the most economically deprived families and families with serious social problems. Therefore, it is the policy of **HHA**

to deny admission to applicants whose habits and practices may reasonably be expected to have a detrimental effect on the operations of the development or neighborhood, or on the quality of life for its residents.

**HHA** will conduct a detailed interview of all applicants. The interview form will contain questions designed to evaluate the qualifications of applicants to meet the essential requirements of tenancy. Answers will be subject to third party verification.

An applicant's intentional misrepresentation of any information related to eligibility, award of preference for admission, housing history, allowances, family composition or rent will result in denial of admission.

Applicants must be able to demonstrate the ability and willingness to comply with the terms of the lease, either all or with assistance that they can demonstrate that they have or will have at the time of admission. (24 CFR 8.3, Definition: Qualified Individual with Handicaps) The availability of assistance is subject to verification by **HHA**.

**\* As a part of the final eligibility determination, HHA will screen each applicant household to assess their suitability as renters.**

**\* HHA will complete a rental history check on all applicants.**

**\* HHA will complete a credit check on all applicants.**

**\* HHA shall rely upon sources of information which may include, but are not limited to HHA or PHA records, personal interviews with the applicant or resident, interviews with previous landlords, employers, family social workers, parole officers, criminal and court records, clinics, physicians or the police department, and home visits for persons who have had negative landlord reference(s) for poor housekeeping habits.**

**\* This will be done in order to determine whether the individual attributes, prior conduct, and behavior of a particular applicant is likely to interfere with other residents in such a manner as to diminish their enjoyment of the premises by adversely affecting their health, safety or welfare.**

**\* Factors to be considered in the screening are housekeeping habits, rent paying habits, prior history as a tenant, criminal records, the ability of the applicant to maintain the responsibilities of tenancy, and whether the conduct of the applicant in present or prior housing has been such that admission to the program would adversely affect the health, safety or welfare of other residents, or the physical environment, or the financial stability of the project.**

HHA's examination of relevant information pertaining to past and current habits or practices will include, but is not limited to, an assessment **and documentation** of:

The applicant's past performance in meeting financial obligations, **including rent, utilities and other charges owed to HHA or any other PHA.**

Eviction or a record of disturbance of neighbors sufficient to warrant a police call, destruction of property, or living or housekeeping habits at present or prior residences which may adversely affect the health, safety, or welfare of other **residents** or neighbors.

Any history of criminal activity on the part of any applicant family member involving criminal acts, including drug-related criminal activity.

Any history or evidence of repeated acts of violence on the part of an individual, or a pattern of conduct constituting a danger to peaceful occupancy by neighbors.

Any history of initiating threats or behaving in a manner indicating an intent to assault employees or other **residents**.

Any history of alcohol or substance abuse that would threaten the health, welfare, or right to peaceful enjoyment of the premises by other residents.

**Any history of a pattern of illegal use of a controlled substance which might interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.**

**Any history of involvement in the illegal manufacture, sale, distribution, use or possession of a controlled substance.**

**Any history of abandoning a public housing unit without advising PHA officials so that staff may secure the unit and protect its property from vandalism.**

**Any history or evidence of falsifying an application for leasing including uttering or otherwise providing false information about family income and size, using an alias on the application for housing, or making any other material false statement or omission intended to mislead.**

**Any history or record of serious disturbances of neighbors, destruction of property or other disruptive or dangerous behavior which consists of patterns of behavior which endanger the life, safety, or welfare of other persons by physical violence, gross negligence or irresponsibility; which damage the equipment or premises in which the applicant resides, or which are seriously disturbing to neighbors or disrupt sound family and community life, indicating the applicant's inability to adapt to living in a multi-family setting. This includes judicial termination of tenancy in previous housing on the grounds of nuisance or objectionable conduct, or frequent loud parties, which have resulted in serious disturbances of neighbors.**

**Any history of grossly unsanitary or hazardous housekeeping that includes the creation of a fire hazard through acts such as hoarding rags, papers, or other materials; severe damages to premises and equipment, if it is established that the family is responsible for the condition; seriously affecting neighbors by causing infestation, foul odors, depositing garbage in halls; or serious neglect of the premises.**

**Any history or reports of destruction of property from previous rentals.**

**\* In the event of the receipt of unfavorable information with respect to an applicant, consideration shall be given to the time, nature, and extent of the applicant's conduct and to factors which might indicate a reasonable probability of favorable future conduct or financial prospects.**

The ability and willingness of an applicant to comply with the essential lease requirements will be verified and documented by **HHA**. The information to be considered in the screening process shall be reasonably related to assessing the conduct of the applicant and other family members listed on the application in present and prior housing.

The history of applicant conduct and behavior must demonstrate that the applicant family can reasonably be expected not to:

Interfere with other residents in such a manner as to diminish their peaceful enjoyment of the premises by adversely affecting their health, safety, or welfare. [24CFR 960.203(c)]

Adversely affect the physical environment or financial stability of the project. [24CFR 960.203(c)]

Violate the terms and conditions of the lease. [24CFR 960.203(c)].

Require services from **HHA** staff that would alter the fundamental nature of **HHA's** program. [24 CFR 8.3]

### **Rent Paying Habits**

**HHA** will examine any Housing Authority records from a prior **residency**, and will request written references from the applicant's current landlord and may request written references from former landlords **for up to the past 5 years. The most current information must be provided.**

Based upon these verifications, **HHA** will determine if the applicant was chronically late with rent payments, was evicted at any time **during the past 5 years** for nonpayment of rent, or had other legal action initiated against him/her for debts owed. Any of these circumstances could be grounds for an ineligibility determination, depending on the amount of control the applicant had over the situation.

**\* HHA will undertake a balancing test that will consider: (1) amount of former rent; (2) loss of employment; (3) death or divorce from primary support; (4) illness or other circumstances beyond applicant's control. Any of these circumstances could be grounds for an ineligibility determination, depending on the amount of control the applicant had over the situation.**

**\* The lack of credit history will not disqualify a family, but a poor credit history may disqualify a family.**

## Screening Applicants Who Claim Mitigating Circumstances

Mitigating circumstances are facts relating to the applicant's record of unsuitable rental history or behavior, which, when verified would indicate both: (1) the reason for the unsuitable rental history and/or behavior; and (2) that the reason for the unsuitable rental history and behavior is no longer in effect or is under control, and the applicant's prospect for lease compliance is an acceptable one, justifying admission.

If unfavorable information is received about an applicant, consideration shall be given to the time, nature, and extent of the applicant's conduct and to factors that might indicate a reasonable probability of favorable future conduct. In order to be factored into **HHA's** screening assessment of the applicant, mitigating circumstances must be verifiable.

If the mitigating circumstances claimed by the applicant relate to a change in disability, medical condition or course of treatment, **HHA** shall have the right to refer such information to persons who are qualified and knowledgeable to evaluate the evidence and to verify the mitigating circumstance. **HHA** shall also have the right to request further information reasonably needed to verify the mitigating circumstance, even if such information is of a medically confidential nature. Such inquiries will be limited to the information necessary to verify the mitigating circumstances or, in the case of a person with disabilities, to verify a reasonable accommodation.

### Examples of Mitigating Circumstances

Evidence of successful rehabilitation;

Evidence of the applicant family's participation in and completion of social service or other appropriate counseling service approved by **HHA**;

Evidence of successful and sustained modification of previous disqualifying behavior.

Consideration of mitigating circumstances does not guarantee that the applicant will qualify for admission. **HHA** will consider such circumstances in light of:

The applicant's ability to substantiate through verification the claim of mitigating circumstances and his/her prospects for improved future behavior; and

The applicant's overall performance with respect to all the screening requirements.

## **Qualified and Unqualified Applicants**

Information that has been verified by **HHA** will be analyzed and a determination will be made with respect to:

The eligibility of the applicant as a *family*;

The eligibility of the applicant with respect to income limits for admission;

The eligibility of the applicant with respect to citizenship or eligible immigration *status*;

**\* Any local preference to which the family is entitled.**

Assistance to a family may not be delayed, denied or terminated on the basis of the family's ineligible immigration status unless and until the family completes all the verification and appeals processes to which they are entitled under both INS and **HHA** procedures, except for a pending **HHA** hearing.

Applicants who are determined to be unqualified for admission will be promptly notified with a Notice of Denial of Admission stating the reason for the denial. **HHA** shall provide applicants an opportunity for an informal hearing. (See Chapter 5A entitled "**Appeals by Applicants Determined Ineligible.**")

**HHA** will make every effort to accurately estimate an approximate date of occupancy. However, the date given by **HHA** does not mean that applicants should expect to be housed by that date. The availability of a suitable unit to offer a family is contingent upon factors not directly controlled by **HHA**, such as turnover rates, and market demands as they affect bedroom sizes and project location.

### **Prohibited Criteria for Denial of Admission**

Applicants will NOT be rejected because they:

Have no income;

Are not employed;

Do not participate in a job training program;

Will not apply for various welfare or benefit programs;

Have children;

Have children born out of wedlock;

Are on welfare;

Are students.

No applicant who has been a victim of domestic violence, dating violence, or stalking shall be denied admission in the program if they are otherwise qualified.

**G. DENIAL OF ADMISSION FOR DRUG-RELATED AND/OR OTHER CRIMINAL ACTIVITY**

**Purpose**

**\*All federally assisted housing is intended to provide a place to live and raise families, not a place to commit crime, to use or sell drugs or terrorize neighbors. It is the intention of the HHA to fully endorse and implement a policy that is designed to:**

**\*Help create and maintain a safe and drug-free community;**

**\*Keep our program participants free from threats to their personal and family safety;**

**\*Support parental efforts to instill values of personal responsibility and hard work;**

**\*Help maintain an environment where children can live safely, learn and grow up to be productive citizens; and**

**\* Assist families in their vocational/educational goals in the pursuit of self-sufficiency.**

## **HUD Definitions**

"Drug-related criminal activity" is the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute or use a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).

Drug-related criminal activity means *on or off the premises, not just on or near the premises*.

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

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

"Criminal activity" includes any criminal activity that threatens the health, safety or right to peaceful enjoyment of the resident's public housing premises by other residents or employees of **HHA**.

"Covered person" means a **resident**, any member of the **resident's** household, a guest, or another person under the **resident's** control.

"Household" means the family and **HHA**-approved live-in aide.

"Guest" for purposes of this Chapter, means a person temporarily staying in the unit with the consent of a **resident** or other member of the household who has express or implied authority to so consent on behalf of the **resident**.

"Other person under the resident's control," for the purposes of the definition of "covered person", means that the person, although not staying as a guest (as defined above) in the unit is, or was at the time of the activity in question, on the premises (as defined in this section) because of an invitation from the **resident** or other member of the household who has express or implied authority to so consent on behalf of the **resident**.

"Premises" means the building or complex or development in which the public housing dwelling unit is located, including common areas and grounds.

## **Standard for Violation**

Under 24 CFR 5.855 the HHA has the right to prohibit admissions of any household to federally assisted housing if any member of the household is currently or has been engaged in drug related criminal activity, violent criminal activity or other criminal activity that would threaten the health, safety or right to peaceful enjoyment of the premises by other residents during a reasonable time before the admissions decision.

## **Drug-related and Violent Criminal Activity**

The HHA has determined and sets their policy to define "reasonable time" as a 5-year period before the admissions decision for all drug related and violent criminal activity.

The HHA has determined and sets their policy to define "engaged in or engaging in or recent history of drug-related or violent criminal activity" to mean: any act within the past **5** years by applicants or participants, household members, or guests which involved drug-related or violent criminal activity including, without limitation, drug-related criminal activity, possession and/or use of narcotic paraphernalia, and any violent criminal activity which did or did not result in the arrest and/or conviction of the applicant or participant, household members, or guests.

Persons evicted from public housing, Indian housing, Section 23, or any Housing Choice Voucher (Section 8) program because of drug-related criminal activity or violent criminal activity are ineligible for admission to Public Housing for a five-year period beginning on the date of such eviction.

### **All Other Criminal Activity**

The HHA has determined and sets their policy to define "reasonable time" as a 3-year period before the admissions decision for all other criminal activity that would threaten the safety, health peaceful enjoyment of the premises by other residents, HHA, HHA employees, contractors, subcontractors or agent of the HHA involved in housing operations.

The HHA has determined and sets policy to define "engaged in or engaging in or recent history of criminal activity" to mean: any act within the past **3** years by applicants or participants, household members, or guests which involved criminal activity that would threaten the health, safety or right to peaceful enjoyment of the public housing premises by other residents or employees of **HHA**, which did or did not result in the arrest and/or conviction of the applicant or participant, household members, or guests.

Persons evicted from public housing, Indian housing, Section 23, or any Housing Choice Voucher (Section 8) program because of all other criminal activity are ineligible for admission to Public Housing for a three-year period beginning on the date of such eviction.

### **Current Criminal/Alcohol-Abuse Activity**

**HHA** will deny participation in the program to applicants where **HHA** determines there is reasonable cause to believe that the applicant or household members, or guests are currently illegally using a controlled substance or engages in drug-related, **violent** or other criminal activity. The same will apply if it is determined that the applicant or household members or guests abuses alcohol in a way that may interfere with the health, safety or right to peaceful enjoyment of the premises by other residents. This includes cases where **HHA** determines that there is a pattern of illegal use of controlled substances, criminal activity or a pattern of alcohol abuse.

### **Miscellaneous Standard of Violation**

**\* No family member may have engaged in or threatened abusive or violent behavior toward HHA personnel at any time.**

**\* No family member may have committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program in the last 5 years.**

**\* A person who has been convicted of any crime involving bodily injury, drug related or violent criminal activity or other criminal activity would not be considered for admission until a year has passed since full repaying of the social debt, including probation. However, if HHA policies include longer time limitations prior to admission, those longer time limitations apply.**

### **Permanent Denial of Admission**

HHA will permanently deny admission to public housing persons convicted of manufacturing or producing methamphetamine on the premises of the assisted housing project in violation of any Federal or State law. "Premises" is defined as the building or complex in which the dwelling unit is located, including common areas and grounds. HHA will not waive this requirement.

### **Prohibition of Persons Subject to Lifetime Sex Offender Registration Requirement or Individuals Listed on the Montana Sexual and Violent Offenders Registry**

*HHA will deny admission* to public housing to any family in which a family member is subject to a lifetime sex offender registration requirement **or individuals listed on the Montana Sexual and Violent Offenders Registry**. This provision will not be waived for individuals subject to a lifetime sex offender registration and/or listed as Sexual Offenders on the Montana Sexual and Violent Offenders Registry.

HHA shall perform necessary criminal history background checks in the State where the applicant's or household member's residence is located and in any other States where applicant or household members are known to have resided.

At the discretion of the HHA Executive Director, this provision may be waived for individuals listed as *violent offenders* on the Montana Sexual and Violent Offenders Registry. See Chapter 5A Appeals by Applicants.

### **Administration of Screening**

All screening procedures shall be administered fairly and in such a way as not to discriminate on the basis of race, color, nationality, religion, sex, familial status, disability or against other legally protected groups, and not to violate right to privacy.

To the maximum extent possible, HHA will involve other community and governmental entities in the promotion and enforcement of this policy.

### **Screening for Drug Abuse and Other Criminal Activity**

In an effort to prevent drug related and other criminal activity, as well as other patterns of behavior that pose a threat to the health, safety or the right to peaceful enjoyment of the premises

by other residents, HHA will endeavor to screen applicants as thoroughly and fairly as possible.

**\* If in the past HHA initiated a lease termination, which may or may not have resulted in eviction for any reason cited under the Screening and Eviction for Drug Abuse and Other Criminal Activity Notice, for a family, as a prior resident of public housing, HHA shall have the discretion to consider all circumstances of the case regarding the extent of participation by non-involved family members.**

**\* Initial screening includes routine inquiries of the family, a background check through the Helena Police Department of all adult household members and/or emancipated minors, and any other information provided to or obtained by HHA. The inquiries will be standardized and directed to all applicants.**

**\* If as a result of the inquiries, there is indication that the family or any family member is engaged in criminal activity; HHA will conduct closer inquiry to determine whether the family should be denied admission.**

**\* Use of FBI and Law Enforcement Records**

HHA will check criminal history for all **adults in the household and emancipated minors** to determine whether any member of the family has engaged in violent or drug-related criminal activity.

HHA will check criminal history for all **adults in the household** to determine whether any member of the family is subject to a lifetime sex offender registration requirement.

**\* Verification of any past activity will be done at final determination of eligibility and will include a check of conviction records.**

**\* HHA will do a name check only through its local law enforcement agency to access limited information from the NCIC.**

**\* If the local law enforcement agency indicates to HHA that there is a criminal history record indexed in the Interstate Identification Index which might belong to the applicant, HHA must submit an applicant fingerprint card to the FBI through the appropriate channel in order to verify whether the criminal record is in fact the applicant's. Should the applicant instead elect to withdraw their application, no further action will be necessary.**

**\* HHA will request a fingerprint card from those applicants who indicate they have prior criminal records and/or the local law enforcement agent indicates that there is a criminal history record indexed in the III which might belong to the applicant.**

**\* HHA acknowledges that a name check only may result in an inconclusive result without a positive fingerprint comparison. The results of an inconclusive name check will result in a positive fingerprint comparison.**

**\* HHA has applied to the Federal Bureau of Investigation (FBI) and obtained a unique Originating Agency Identifier (ORI) number in order to maximize its efforts in obtaining applicant criminal record history using fingerprint cards.**

**\* HHA has contracted with the State of Montana Department of Justice, an FBI approved channeling agent, to process and funnel requests on fingerprint cards in order to obtain National Crime Information Center (NCIC) data for the purpose of accessing FBI criminal records.**

**\* To gain the full content of the NCIC data through the FBI approved channeling agent, HHA will submit an applicant fingerprint card to the channeling agent.**

### **Confidentiality of Criminal Records**

**HHA will ensure that any criminal record received is maintained confidentially, not misused or improperly disseminated, and destroyed once the purpose for which it was requested is accomplished.**

**\* Misuse of the above information by any employee will be grounds for discipline or termination of employment.**

**\* If the family is determined eligible for initial or continued assistance, HHA's copy of the criminal report shall be shredded as soon as the information is no longer needed for eligibility or continued assistance determination.**

**\* If the family's assistance is denied or terminated, the criminal record information shall be shredded immediately upon completion of the review or hearing procedures and a final decision has been made.**

**\* HHA will document in the family's file that the family was denied admission or the tenancy was terminated due to findings in the Criminal History Report.**

## **Disclosure of Criminal Records to Family**

Before **HHA** takes any adverse action based on a criminal conviction record, the applicant and subject of record will be provided with a copy of the criminal record and an opportunity to dispute the record. Applicants will be provided an opportunity to dispute the record at an informal hearing. **Residents** may contest such records at the grievance hearing or court hearing in the case of evictions.

## **Discretionary Options for Admissions**

**HHA may admit the household if HHA determines:**

**The person demonstrates successful completion of the provision of HHA's Reentry Policy. The Reentry Policy is found at the end of this chapter.**

**The individual involved in drugs is no longer in the household because the person has died or is imprisoned.**

**\* HHA may permit eligibility for occupancy and impose conditions that the involved family member(s) does not reside in the unit. HHA will consider evidence that the person is no longer in the household such as divorce decree/incarceration/death/copy of a new lease with the owner's telephone number and address/or other substantiating evidence.**

## **Evidence**

**HHA** must have evidence of the violation.

"Preponderance of evidence" is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. The intent is not to prove criminal liability, but to establish that the act(s) occurred.

Preponderance of evidence is not to be determined by the number of witnesses, but by the greater weight of all evidence.

"Credible evidence" may be obtained from police and/or court records. Testimony from neighbors, when combined with other factual evidence, can be considered credible evidence. Other credible evidence includes documentation of drug raids or arrest warrants, evidence gathered by **HHA investigations**, inspectors and/or investigators, and evidence gathered from **information provided to HHA**.

**HHA** may pursue fact-finding efforts as needed to obtain credible evidence.

## **H. HEARINGS**

If information is revealed that would cause **HHA** to deny admission to the household and the person disputes the information, s/he shall be follow the appeal procedures as outlined in

## **CRIMINAL BACKGROUND ENTRY/REENTRY POLICY FOR HHA HOUSING CHOICE VOUCHER & PUBLIC HOUSING**

Helena Housing Authority is committed to providing safe, affordable housing to community members. In May 2001 HUD published 24 CFR Part 5 et al. implementing the applicant screening and resident eviction procedures. The purpose in issuing these procedures was to make HUD-assisted housing safer places to live. Crime Prevention in federally assisted housing will be advanced by the ability to screen-out those who engage in illegal drug use or other criminal activity. Also prevention and enforcement will be advanced by the authority's ability to evict and terminate assistance for persons who participate in drug related and criminal activity.

The Helena Housing Authority is also committed to the successful rehabilitation and self-sufficiently efforts of those who may have previously engaged in illegal drug use and other criminal activity.

In support of rehabilitation and self-sufficiency efforts and in its discretion the Helena Housing Authority **may take into consideration** waiving the three or five-year period of eligibility or setting in abeyance a termination of tenancy, if the person requests in writing that such action be reconsidered and provides documentation demonstrating several of the following:

- Successful completion of a treatment center program;
- Successful completion of a rehabilitation center program;
- Successful completion of a self sufficiently course;
- Recommendation from a social worker;
- Recommendation from a counselor;
- Recommendations from community members, such as a police officer, landlord, neighbor, employer, teacher, agency worker, etc. (Recommendations from family and friends will not be considered);
- Proof of current employment from the employer;
- Proof of employment for the previous (6) six-months from the employer; and
- Any other documentation HHA deems appropriate.

If the necessary documentation is submitted, the executive director will review and verify the documentation. The executive director will then grant or deny the request within thirty days after receiving the request and all documentation.

The determination of the Executive Director will be final and binding on the HHA.

## RESIDENT SELECTION AND ASSIGNMENT PLAN

(Includes Preferences and Managing the Waiting List)

[24 CFR 960.203, 960.204, 960.205, 960.206]

### INTRODUCTION

It is **HHA's** policy that each applicant shall be assigned an appropriate place **on the HHA jurisdiction-wide waiting list**.

Applicants will be listed in sequence based upon:

- date and time the application is received,
- the size and type of unit they require,
- and factors of preference or priority.**

In filling an actual or expected vacancy, **HHA** will offer the dwelling unit to an applicant in the appropriate sequence, **with the goal of accomplishing deconcentration of poverty and income-mixing objectives**. **HHA** will offer the unit until it is accepted. This Chapter describes **HHA's** policies with regard to the number of unit offers that will be made to applicants selected from the waiting list.

### HHA's Objectives

**\* HHA policies will be followed consistently and will affirmatively further HUD's fair housing goals.**

It is **HHA's** objective to ensure that families are placed in the proper order on the waiting list so that the offer of a unit is not delayed to any family unnecessarily or made to any family prematurely. This chapter explains the policies for the management of the waiting list.

**\* When appropriate units are available, families will be selected from the waiting list in their preference-determined sequence.**

By maintaining an accurate waiting list, **HHA** will be able to perform the activities which ensure that an adequate pool of qualified applicants will be available to fill unit vacancies in a timely manner. Based on **HHA's** turnover and the availability of appropriate sized units, groups of families will be selected from the waiting list to form a final eligibility "pool." Selection from the pool will be based on completion of verification.

## **A. MANAGEMENT OF THE WAITING LIST**

HHA will administer its waiting list as required by 24 CFR Part 5, Part 945 and Part 960, Subparts A and B. The waiting list will be maintained in accordance with the following guidelines:

The application will be a permanent file.

All applicants in the pool will be maintained **in order of preference and in order of date and time of application receipt.**

Applications equal in preference will be maintained by **date and time sequence.**

All applicants must meet applicable income eligibility requirements as established by HUD.

### **Multiple Families in Same Household**

When families apply that consist of two families living together, (such as a mother and father, and a daughter with her own husband or children), if they apply as a family unit, they will be treated as a family unit.

### **Treatment of Single Applicants**

**\* Single applicants will be treated as any other eligible family on the HHA waiting list.**

## **B. WAITING LIST PREFERENCES**

A preference does not guarantee admission to the program. Preferences are used to establish the order of placement on the waiting list. Every applicant must meet **HHA's** Selection Criteria as defined in this policy.

**HHA's** preference system will work in combination with requirements to match the characteristics for the family to the type of unit available, including units with targeted populations, and further deconcentration of poverty in public housing. When such matching is required or permitted by current law, **HHA** will give preference to qualified families.

Families who reach the top of the waiting list will be contacted by **HHA** to verify their preference and, if verified, **HHA** will complete a full application for occupancy. Applicants must complete the application for occupancy and continue through the application processing and may not retain their place on the waiting list if they refuse to complete their processing when contacted by **HHA**.

### **1. Date and time of receipt:**

**Among applicants of equal preference status, the waiting list is organized by date and time of the completion of the initial screening.**

### **2. Families with Incomes Needed to Achieve Deconcentration of Poverty and Income-Mixing:**

**This preference is for families with incomes needed to achieve deconcentration of poverty and income-mixing goals.**

## **Local Preferences**

**\* Local preferences will be used to select among applicants on the waiting list. Public hearing/ public notice with opportunity for public comment will be held before HHA adopts any local preference.**

**\*HHA has the following Local Preferences which are verified as indicated:**

**This preference is for families with incomes needed to achieve deconcentration of poverty and income-mixing goals.**

**3. Working Family/Elderly Family/Disabled Family Preference (24 CFR 960.206(b)(2)):**

**A working family is a family whose head, spouse or sole member is gainfully employed and/or enrolled in an educational or training program at least 30 hours per week at no less than minimum wage and has been continuously employed or enrolled as such for at least the immediate past sixty (60) calendar days. This preference is automatically extended to elderly families or families whose head or spouse meets the HUD/Social Security definition of disability.**

**As previously defined, an elderly family is a family whose head, spouse, or sole member is a person who is at least 62 years of age, or two or more persons who are at least 62 years of age living together, or one or more persons who are at least 62 years of age living with one or more live-in aides. (CFR 5.403)**

**As previously defined, a disabled family is a family whose head, spouse, or sole member is a person with disabilities, or two or more persons with disabilities living together, or one or more persons with disabilities living with one or more live-in aides. (CFR 5.403)**

**\*This preference includes families who are graduates of or are participants in educational and training programs designed to prepare the individual for the job market.**

**Verification of Working Family/Elderly Family/Disabled Family Preference**

**Employment and/or enrollment in an educational or training program will be verified by a signed statement from the employer and/or agency indicating dates of employment or enrollment, number of hours worked or spent in the educational or training program per week, hourly wage, and anticipation of continuous employment and/or enrollment. The verifications must establish that the head, spouse or sole member is gainfully employed and/or enrolled for at least 30 hours per week and, if working, at no less than minimum wage and has been continuously employed or enrolled as such for at least the immediate past sixty (60) calendar days. Age will be verified by documents establishing birth date. Disability is verified by completion of the verification of disability form.**

**4. Victim of Domestic Violence Preference:**

**HHA will offer a local preference to applicants that are a victim of domestic violence, dating violence, and stalking within the past 6 months. Families are also eligible for this preference if there is proof that the family is currently living in a situation where they are being subjected to or victimized by violence in the home. The following criteria are used to establish a family's eligibility for this preference:**

**No applicant for the program who has been a victim of domestic violence, dating violence, or stalking shall be denied admission in to the program if they are otherwise qualified.**

**This preference is for applicants where actual or threatened physical violence is directed against the applicant or other members of the applicant's household within the past 6 months. HUD defines this as "actual or threatened physical violence directed against one or more members of the applicant's family by a spouse or other members of the applicant's household."**

**Actual or threatened physical violence directed against the applicant or the applicant's family by a spouse or other household member who lives in the unit with the family.**

**An applicant who lives in a violent neighborhood or is fearful of other violence outside the household is not considered involuntarily displaced.**

**The applicant must certify that the abuser will not reside with the applicant unless HHA gives prior written approval.**

**HHA will approve the return of the abuser to the household under the following conditions:**

**HHA verifies that the abuser has received therapy or counseling that appears to minimize the likelihood of recurrence of violent behavior.**

**A counselor, therapist or other appropriate professional recommends in writing that the individual be allowed to reside with the family.**

**If the abuser returns to the family without approval of HHA, HHA will deny or terminate assistance for breach of the certification.**

**Right to confidentiality All information (including the fact that an individual is a victim of domestic violence, dating violence or stalking) provided to the HHA or to a HHA owner or manager in connection with a verification required under the Victim of Domestic Violence preference (HUD Form 50066) or verification provided in lieu of such verification where a waiver of verification is granted, shall be retained by the receiving party in confidence and shall neither be entered in any shared database nor provided to any related entity, except where disclosed is:**

- 1. Requested or consented to by the individual in writing, or**
- 2. Required for use in connection with a termination of HCV (Section 8) assistance, as permitted in VAWA, or**

**3. Otherwise required by applicable law.**

**Certification may also be submitted on letterhead from local police, social service agency, court, clergy, physician, public or private shelter, or counseling facility concerning the domestic violence.**

**5. Substandard Housing Preference:**

**\* Applicants who live in substandard housing are families whose dwelling meets one or more of the following criteria provided that the family did not cause the condition:**

**\* Is dilapidated, as cited by officials of a code enforcement office and does not provide safe, adequate shelter; has one or more critical defects or a combination of defects requiring considerable repair; endangers the health, safety, and well-being of family.**

**\* Does not have operable indoor plumbing.**

**\* Does not have usable flush toilet in the unit for the exclusive use of the family.**

**\* Does not have usable bathtub or shower in unit for exclusive family use.**

**\* Does not have adequate, safe electrical service.**

**\* Does not have an adequate, safe source of heat.**

**\* Should, but does not, have a kitchen. Single Room Occupancy (SRO) Housing is not substandard solely because it does not contain sanitary and/or food preparation facilities in the unit.**

**\* Has been declared unfit for habitation by a government agency.**

**\* Families who are residing with friends or relatives on a temporary basis will be included in the substandard definition.**

**\* An applicant who is a "Homeless Family" is considered to be living in substandard housing.**

**"Homeless Families":**

Lack a fixed, regular and adequate nighttime residence; AND

Have a primary nighttime residence that is a supervised public or private shelter providing temporary accommodations (including welfare hotels, congregate shelters and transitional housing), or an institution providing temporary residence for individuals intended to be institutionalized, or a public or private place not ordinarily used as a sleeping accommodation for human beings.

**\*Homeless families may maintain their place on the waiting list while completing a transitional housing program.**

**A Homeless Family does not include anyone imprisoned or detained pursuant to Federal, State or local law or an Act of Congress.**

**Verification of Substandard Housing**

**Verification of substandard housing includes written or oral verification by a government agency or a notarized statement from the applicant's current landlord or owner of the unit that the unit's condition meets the definition of substandard. For "Homeless Families" verification is certification of this status from a public or private facility providing shelter to the family, or from local police or a social service agency.**

**6. Rent Burden Preference**

**\* Families paying more than 50% of their income for rent and utilities for at least 90 calendar days continuing through the verification of preference will receive this preference.**

For purposes of this preference, "Family Income" is Gross Monthly Income as defined in the regulations.

"Rent" is defined as the actual amount due under a lease or occupancy agreement calculated on a monthly basis without regard to the amount actually paid, plus the monthly amount of tenant-supplied utilities which can be either:

**HHA's** reasonable estimate of the cost of such utilities, using the Section 8 Utility Allowance Schedule; or

The average monthly payments the family actually made for these utilities in the most recent 12-month period, or if information is not obtainable for the entire period, the average of at least the past **90 calendar days**.

An applicant family may choose which method to use to calculate utility expenses. Any amounts paid to or on behalf of a family under any energy assistance program must be subtracted from the total rent burden if included in Family Income. **\*The applicant must show that they actually paid the utility bills, regardless of whose name the service is under.**

**\* If the applicant pays their share of rent to a cohabitant and is not named on the lease, HHA will require both verification from the Landlord that the applicant resides in the unit, and verification from the cohabitant of the amount of rent paid by the applicant.**

Members of a cooperative are "renters" for the purposes of qualifying for the preference. In this case, "Rent" would mean the charges under the occupancy agreement.

### **Verification of Rent Burden**

**Families are required to verify their income, the amount of rent and utilities they are obligated to pay, and the period of time they have been residing in their current unit. Families must furnish copies of rental receipts and/or the lease. HHA may contact the landlord directly by mail or telephone.**

**In cases where the family pays rent to a co-renter or sublets the unit, HHA requires a notarized certification from the person who receives the money from the applicant, and verification from the owner that the family resides in the unit.**

**If there is no rental agreement, and no other landlord verification, HHA requires documentation verifying that rent and utilities is more than 50% of income for at least the previous 90 calendar days.**

**If there is no lease or occupancy agreement and the family is receiving public assistance, HHA may verify the amount of rent and address of the unit with the appropriate social service agency. If there is no lease or occupancy agreement, and the family is not receiving public assistance, HHA will require receipts and other forms of identification which indicate the residence. Such documents include receipts, telephone bills, utility bills, driver's license, school records. Documentation of the amount of rent due must be provided for a period of 90 calendar days.**

**HHA can use either the actual cost of utilities or HHA's HCV utility allowance schedule In order to verify the amount the family actually paid for utilities that were not covered in the rent. If the HCV Utility Allowance Schedule is not used:**

**Copies of receipts, canceled checks, bills showing previous utility payments**

**Written verification of consumption costs directly from the utility or service supplier**

**Verification must be provided for a minimum period of 3 months**

**C. ORDER OF SELECTION FOR GENERAL OCCUPANCY (FAMILY) DEVELOPMENTS**

- **Date – Time**
- **Deconcentration**
- **Local Preference**

**D. ORDER OF SELECTION FOR M.E. ANDERSON APARTMENTS**

A mixed population project is a public housing project, or portion of a project that was reserved for elderly families and disabled families at its inception (and has retained that character).

In accordance with the 1992 Housing Act, elderly families whose head spouse or sole member is at least 62 years of age, and disabled families whose head, co-head or spouse or sole member is a person with disabilities, will receive equal preference to such units.

No limit will be established on the number of elderly or disabled families that may occupy a mixed population property. All other **HHA** preferences will be applied.

**HHA** has established the following local admissions preferences for Mixed Population developments. Per HUD regulations, equal preference must be given to Elderly Families and Disabled Families:

**M.E. Anderson is designated for elderly families and disabled families only.**

## **E. VERIFICATION OF PREFERENCE QUALIFICATION**

**\* The family may be placed on the waiting list upon their certification that they qualify for a preference. When the family is selected from the waiting list for the final determination of eligibility, the preference will be verified.**

**\* HHA will reverify a preference claim if HHA feels the family's circumstances have changed.**

If the preference verification indicates that an applicant does not qualify for the preference, the applicant will be returned to the waiting list and ranked without the Local Preference.

**\* When HHA anticipates vacancies the family will be sent a full application packet to the applicant's last known address. The full application will include a preference verification, and reference request to be verified at the interview.**

### **Change in Circumstances**

Changes in an applicant's circumstances while on the waiting list may affect the family's entitlement to a preference. Applicants are required to notify **HHA** in writing **or by phone** when their circumstances change. When an applicant claims an additional preference, s/he will be placed on the waiting list in the proper order of their newly-claimed preference.

## **F. PREFERENCE DENIAL**

If **HHA** denies a preference, the applicant will be placed on the waiting list without benefit of the preference.

**HHA** will notify the applicant in writing of the reasons why the preference was denied and offer the applicant an opportunity for a **review**. The applicant will have **7 working** days to request the meeting **in writing**. If the preference denial is upheld as a result of the meeting, or the applicant does not request a meeting, the applicant will be placed on the waiting list without benefit of the preference. Applicants may exercise other rights if they believe they have been discriminated against.

**\* Any applicant who knowingly falsifies documents or makes false statements in order to qualify for any preference will be removed from the waiting list with notification to the family.**

## **G. FACTORS OTHER THAN PREFERENCES THAT AFFECT SELECTION OF APPLICANTS**

Before applying its preference system, **HHA** will first match the characteristics of the available unit to the applicants available on the waiting lists. Factors such as unit size; accessible features, deconcentration or income mixing, income targeting, or units in housing designated for the elderly limit, the admission of families to those characteristics that match the characteristics and features of the vacant unit available.

By matching unit and family characteristics, it is possible that families who are lower on the waiting list may receive an offer of housing ahead of families with an earlier date and time of application.

**\*HHA's Deconcentration Policy, as described in the PHA Plan, may include skipping of families on the waiting list in order to bring families above the established income range into developments below the established income range, and to bring families below the established income range into developments above the established income range.**

## **H. INCOME TARGETING**

**HHA** will monitor its admissions to ensure that at least 40 percent of families admitted to public housing in each fiscal year shall have incomes that do not exceed 30% of area median income of **HHA's** jurisdiction.

**\*Hereafter families whose incomes do not exceed 30% of area median income will be referred to as "extremely low income families."**

**HHA** shall have the discretion, at least annually, to exercise the "fungibility" provision of the QHWRRA by admitting less than 40 percent of "extremely low income families" to public housing in a fiscal year, to the extent that admissions of extremely low income families to the **HHA's** voucher program during **HHA's** fiscal year exceeds the 75 percent minimum targeting requirement for **HHA's** Section 8 Voucher Program. This fungibility provision discretion by **HHA** is also reflected in **HHA's** Administrative Plan.

The fungibility credits will be used to drop the annual requirement below 40 percent of admissions to public housing for extremely low income families by the lowest of the following amounts:

The number of units equal to 10 percent of the number of newly available vouchers in the fiscal year; or

The number of public housing units that 1) are in public housing projects located in census tracts having a poverty rate of 30% or more, and 2) are made available for occupancy by and actually occupied in that year by, families other than extremely low-income families.

The Fungibility Floor: Regardless of the above two amounts, in a fiscal year, at least 30% of **HHA's** admissions to public housing will be to extremely low-income families. The fungibility floor is the number of units that cause **HHA's** overall requirement for housing extremely low-income families to drop to 30% of its newly available units.

### **\* Low Income Family Admissions**

**HHA** will admit only families whose incomes do not exceed 80% of the HUD approved area median income.

**\* I. UNITS DESIGNATED FOR THE ELDERLY**

**\* In accordance with the 1992 Housing Act, elderly families with a head, spouse or sole member at least 62 years of age will receive a preference for admission to such units or buildings covered by a HUD-approved Allocation Plan, except for the units which are accessible, which may be offered to persons with disabilities.**

**\* HHA will take the following action when processing families for developments designated for the elderly:**

**When there are insufficient elderly families who wish to reside in a development, near-elderly families (head or spouse ages 50-61) receive a preference for this type of unit.**

**Families with members who require a unit with accessible features will receive preference for such units over families who do not require such features.**

**Procedure to Be Used When There Are Insufficient Applicants on the List**

**\* Where HHA anticipates that there are insufficient elderly or near-elderly families on the waiting list for these units HHA will notify local senior service centers and local media sources aimed at the elderly to recruit elderly families for the waiting list for these projects.**

**\* When there are no elderly applicants from other sites interested in the elderly-designated development, after conducting outreach, near-elderly applicants who are 50-61 years of age can be admitted to the elderly-designated development. If there are no near-elderly applicants on the list, the development housing management staff will contact near-elderly applicants on other development lists to determine interest and add to their list, if applicable.**

## **J. UNITS DESIGNATED FOR THE DISABLED**

In accordance with the 1992 Housing Act, disabled families with a head, spouse or sole member who qualifies as a person with disabilities as defined in 24 CFR 945.105 will receive a preference for admission to units that are covered by a HUD-approved Allocation Plan.

**\* HHA has units designed for persons with mobility, sight and hearing impairments (referred to as accessibility units). These units were designed and constructed specifically to meet the needs of persons requiring the use of wheelchairs and persons requiring other modifications.**

**\* Preference for occupancy of these units will be given to families with disabled family members who require the modifications or facilities provided in the units.**

## **K. DECONCENTRATION OF POVERTY AND INCOME-MIXING**

HHA's admission policy is designed to provide for deconcentration of poverty and income-mixing by bringing higher income **residents** into lower income **campus** and lower income **residents** into higher income projects.

Nothing in the deconcentration policy relieves HHA of the obligation to meet the income targeting requirement.

Gross annual income is used for income limits at admission and for income-mixing purposes.

### **Deconcentration and Income-Mixing Goals**

HHA's deconcentration and income-mixing goal, in conjunction with the requirement to target at least 40 percent of new admissions to public housing in each fiscal year to "extremely low-income families", will be to admit families above HHA's Established Income Range (EIR) to developments below the EIR, and families below HHA's EIR to developments above the EIR.

### **Deconcentration Applicability**

**\* HHA has covered developments (general occupancy, family developments) subject to the deconcentration requirement. These covered developments are described in the PHA Plan.**

### **Project Designation Methodology**

Annually, HHA will determine the average income of all families residing in general occupancy developments.

HHA will then determine the average income of all families residing in each general occupancy development.

HHA will then determine whether each general occupancy development falls above, within or below the Established Income Range (EIR).

The EIR is 85 percent to 115 percent (inclusive of 85 percent and 115 percent) of the HHA-wide average income for general occupancy developments.

If a covered development is both below the 30 percent area-wide median and above the 115 percent income average for HHA-wide covered developments, it will be considered to be within the EIR.

HHA will then determine whether or not developments outside the EIR are consistent with local goals and strategies in the PHA Plan. Any deconcentration policy as needed is described in the PHA Plan.

## **Deconcentration Policy**

If, at annual review, there are found to be development(s) with average income above or below the EIR, and where the income profile for a general occupancy development above or below the EIR is not explained or justified in the PHA Plan, HHA shall list these covered developments in the PHA Annual Plan.

HHA shall adhere to the following policies for deconcentration of poverty and income mixing in applicable developments

**\*Skipping a family on the waiting list to reach another family in an effort to further the goals of HHA's deconcentration policy:**

**If a unit becomes available at a development below the EIR, the first eligible family on the waiting list with income above the EIR will be offered the unit. If that family refuses the unit, the next eligible family on the waiting list with income above the EIR will be offered the unit. The process will continue in this order. For the available unit at the development below the EIR, if there is no family on the waiting list with income above the EIR, or no family with income above the EIR accepts the offer, then the unit will be offered to the first eligible family on the waiting list in preference order regardless of income.**

**If a unit becomes available at a development above the EIR, the first eligible family on the waiting list with income below the EIR will be offered the unit. If that family refuses the unit, the next eligible family on the waiting list with income below the EIR will be offered the unit. The process will continue in this order. For the available unit at the development above the EIR, if there is no family on the waiting list with income below the EIR, or no family with income below the EIR accepts the offer, then the unit will be offered to the first eligible family on the waiting list in preference order regardless of income.**

**Skipping of families for deconcentration purposes will be applied uniformly to all families.**

**A family has the sole discretion whether to accept an offer of a unit made under HHA's deconcentration policy. HHA shall not take any adverse action toward any eligible family for choosing not to accept an offer of a unit under HHA's deconcentration policy. However, HHA shall uniformly limit the number of offers received by applicants described in this Chapter.**

**\* HHA shall establish a preference for admission of working families in covered developments below the EIR.**

**Deconcentration Compliance**

If, at annual review, the average incomes at all general occupancy developments are within the Established Income Range, **HHA** will be considered to be in compliance with the deconcentration requirement.

**Skipping on the waiting list will only be in effect for as long as it takes to bring the development into compliance with the deconcentration policy.**

**L. PROMOTION OF INTEGRATION**

Beyond the basic requirement of nondiscrimination, **HHA** shall affirmatively further fair housing to reduce racial and national origin concentrations.

**HHA** shall not require any specific income or racial quotas for any development or developments.

**HHA** shall not assign persons to a particular section of a community or to a development or building based on race, color, religion, sex, disability, familial status or national origin for purposes of segregating populations

**M. OFFER OF PLACEMENT ON THE HOUSING CHOICE VOUCHERS (formerly known as Section 8) WAITING LIST**

**\* HHA will not merge the waiting lists for public housing and Housing Choice Vouchers (“HCV”). HHA will offer to place the family on both lists at the time of initial screening.**

## **N. REMOVAL FROM WAITING LIST AND PURGING**

The waiting list will be purged **at least annually** by a mailing to all applicants to ensure that the waiting list is current and accurate. The mailing will ask for current information and confirmation of continued interest.

If an applicant fails to respond within **14 calendar** days, s/he will be removed from the waiting list. If a letter is returned by the Post Office without a forwarding address, the applicant will be removed without further notice, and the envelope and letter will be maintained in the file.

If an applicant is removed from the waiting list for failure to respond, they will not be entitled to reinstatement unless a person with a disability requests a reasonable accommodation for being unable to reply within the proscribed period.

**\* Notices will be made available in accessible format upon the request of a person with a disability.**

**\* HHA allows a grace period of 10 calendar days after completion of the purge. Applicants who respond during this grace period will be reinstated.**

## **O. OFFER OF ACCESSIBLE UNITS**

**HHA** has units designed for persons with mobility, sight and hearing impairments, referred to as accessible units.

No non-mobility impaired families will be offered these units until all eligible mobility-impaired applicants have been considered.

Before offering a vacant accessible unit to a non-disabled applicant, **HHA** will offer such units:

First, to a current occupant of another unit of the same development, or other public housing developments under **HHA's** control, who has a disability that requires the special features of the vacant unit.

Second, to an eligible qualified applicant on the waiting list having a disability that requires the special features of the vacant unit.

When offering an accessible/adaptable unit to a non-disabled applicant, **HHA** will require the applicant to agree to move to an available non-accessible unit within 30 **calendar** days when either a current resident or an applicant needs the features of the unit and there is another unit available for the applicant. This requirement will be a provision of the lease agreement.

See "Leasing" chapter.

**P. PLAN FOR UNIT OFFERS**

The HHA plan for selection of applicants and assignment of dwelling units to assure equal opportunity and non-discrimination on grounds of race, color, disability, marital status, familial status, age, creed, gender, religion, or national origin is:

**\* Plan "A". Under this plan the first qualified applicant in sequence on the waiting list will be made two offers of a unit of the appropriate size.**

- **If more than one unit**
- **of the appropriate type and size is available, the first unit to be offered will be the first unit that is ready for occupancy.**

**If a family is offered a larger unit than the occupancy guidelines call for and the family rejects the unit, it will be considered an offer and a rejection. If a family is offered a smaller unit than the occupancy guidelines call for and the family rejects the unit, it will not be considered an offer and a rejection.**

**HHA will maintain a record of units offered, including location, date and circumstances of each offer, each acceptance or rejection, including the reason for the rejection.**

**Q. CHANGES PRIOR TO UNIT OFFER**

Changes that occur during the period between removal from the waiting list and an offer of a suitable unit may affect the family's eligibility or Total Tenant Payment. The family will be notified in writing of changes in their eligibility or level of benefits and offered their right to an informal hearing when applicable (See Chapter on Appeals by Applicants Determined Ineligible.)

**R. APPLICANT STATUS AFTER FINAL UNIT OFFER**

When an applicant rejects the final unit offer **HHA** will:

- \* **Place the applicant's name on the bottom of the waiting list.**

## **S. TIME-LIMIT FOR ACCEPTANCE OF UNIT**

Applicants must accept a unit offer within **2** working days of the date the offer is made. **Accordingly, the applicant must contact HHA regarding the offer on or before the second working day after the day the offer was made. If an applicant fails to respond on or before the second working day after the offer, the offer is considered rejected.** If unable to contact an applicant by telephone, **HHA will send a letter offering the unit. The applicant must contact HHA on or before the date indicated in the letter offering the unit or the unit is considered rejected.**

**The applicant may contact HHA regarding an offer by telephone, in writing, or in person.**

### **Applicants Unable to Take Occupancy**

If an applicant is willing to accept the unit offered, but is unable to take occupancy at the time of the offer for "*good cause*," **it will be considered a rejected offer.**

Examples of "*good cause*" reasons for the refusal to take occupancy of a housing unit include, but are not limited to:

An elderly or disabled family makes the decision not to occupy or accept occupancy in designated housing. [24 CFR 945.303(d)]

**T. REFUSAL OF OFFER**

If the unit offered is inappropriate for the applicant's disabilities, the family will retain their position on the waiting list.

## **2. Financial Resources**

The Helena Housing Authority receives annually funds from the Office of Housing and Urban Development to operations of Public Housing. Projected reductions in appropriations may result in a decrease of annual subsidy in the range of 17%. The housing authority will be working to budget this potential reduction. We anticipate funding for annual subsidy to be approximately \$1,006,000.00

In addition, Helena Housing Authority will receive approximately \$600,129.00 in Capital Funds from the Office of Housing and Urban Development for Public Housing improvements for 2012. HHA also expects to receive approximately \$703,104.00 from its 366 units of Public Housing rental income.

Helena Housing Authority expects to receive approximately \$1,678,764.00 as an annual contribution of its Tenant Based Housing Choice Voucher Program.

Helena Housing Authority will receive \$202,356.00 as an annual contribution for its Shelter Plus Care grant.

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**INCOME AND SUBSIDY DETERMINATIONS**  
[24 CFR Part 5, Subparts E and F; 24 CFR 982]

**INTRODUCTION**

A family's income determines eligibility for assistance and is also used to calculate the family's payment and the HHA's subsidy. The HHA will use the policies and methods described in this chapter to ensure that only eligible families receive assistance and that no family pays more or less than its obligation under the regulations. This chapter describes HUD regulations and HHA policies related to these topics in three parts as follows:

- Part I: Annual Income. HUD regulations specify the sources of income to include and exclude to arrive at a family's annual income. These requirements and HHA policies for calculating annual income are found in Part I.
- Part II: Adjusted Income. Once annual income has been established HUD regulations require the HHA to subtract from annual income any of five mandatory deductions for which a family qualifies. These requirements and HHA policies for calculating adjusted income are found in Part II.
- Part III: Calculating Family Share and HHA Subsidy. This part describes the statutory formula for calculating total tenant payment (TTP), the use of utility allowances, and the methodology for determining HHA subsidy and required family payment.

**PART I: ANNUAL INCOME**

**6-I.A. OVERVIEW**

The general regulatory definition of *Annual Income* shown below is from 24 CFR 5.609.

5.609 Annual income.

(a) Annual income means all amounts, monetary or non-monetary, which:

(1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or

(2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and

(3) Which are not specifically excluded in paragraph [5.609(c)].

(4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

In addition to this general definition, HUD regulations establish policies for treating specific types of income and assets. The full texts of those portions of the regulations are provided in exhibits at the end of this chapter as follows:

- Annual Income Inclusions (Exhibit 6-1)
- Annual Income Exclusions (Exhibit 6-2)
- Treatment of Family Assets (Exhibit 6-3)
- Earned Income Disallowance for Persons with Disabilities (Exhibit 6-4)
- The Effect of Welfare Benefit Reduction (Exhibit 6-5)

Sections 6-I.B and 6-I.C discuss general requirements and methods for calculating annual income. The rest of this section describes how each source of income is treated for the purposes of determining annual income. HUD regulations present income inclusions and exclusions separately [24 CFR 5.609(b) and 24 CFR 5.609(c)]. In this Plan, however, the discussions of income inclusions and exclusions are integrated by topic (e.g., all policies affecting earned income are discussed together in section 6-I.D). Verification requirements for annual income are discussed in Chapter 7.

**6-I.B. HOUSEHOLD COMPOSITIONS AND INCOME**

Income received by all family members must be counted unless specifically excluded by the regulations. It is the responsibility of the head of household to report changes in family composition. The rules on which sources of income are counted vary somewhat by family member. The chart below summarizes how family composition affects income determinations.

<b>Summary of Income Included and Excluded by Person</b>	
Live-in aides	Income from all sources is excluded [24 CFR 5.609(c)(5)].
Foster child or foster adult	Income from all sources is excluded [24 CFR 5.609(c)(2)].
Head, spouse, or cohead Other adult family members	All sources of income not specifically excluded by the regulations are included.
Children under 18 years of age	Employment income is excluded [24 CFR 5.609(c)(1)]. All other sources of income, except those specifically excluded by the regulations, are included.
Full-time students 18 years of age or older (not head, spouse, or cohead)	Employment income above \$480/year is excluded [24 CFR 5.609(c)(11)]. All other sources of income, except those specifically excluded by the regulations, are included.

### **Temporarily Absent Family Members**

The income of family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit [HCV GB, p. 5-18].

#### HHA Policy

Generally an individual who is or is expected to be absent from the assisted unit for 3 consecutive months or 90 days or more in a 12 month period of time is considered temporarily absent and continues to be considered a family member. Generally an individual who is or is expected to be absent from the assisted unit for more than 90 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

### ***Absent Students***

#### HHA Policy

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to the HHA indicating that the student has established a separate household or the family declares that the student has established a separate household.

### ***Absence due to Incarceration***

If the sole member is incarcerated for more than 90 consecutive days, s/he will be considered permanently absent. Any member of the household, other than the sole member, will be considered permanently absent if s/he is incarcerated for 90 days.

The HHA will determine if the reason for incarceration is for drug-related or violent criminal activity.

### ***Absences Due to Placement in Foster Care***

Children temporarily absent from the home as a result of placement in foster care are considered members of the family [24 CFR 5.403].

#### HHA Policy

If a child has been placed in foster care, the HHA will verify with the appropriate agency whether and when the child is expected to return to the home.

If the time period is to be greater than 12 months from the date of removal of the child/ren, the Voucher and/or bedroom size will be reduced. If all the children are removed from the home permanently, the voucher and/or bedroom size will be reduced in accordance with the HHA's subsidy standards.

## **Absent Head, Spouse, or Cohead**

### **HHA Policy**

An employed head, spouse, or cohead absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member.

## **Family Members Permanently Confined for Medical Reasons**

An individual permanently confined to a nursing home or hospital may not be named as head, spouse or co-head, but may continue as a family member at the family's discretion. The family has a choice with regard to how the permanently confined individual's income will be counted. The family may elect either of the following.

- Include the individual income and receive allowable deductions related to the medical care of the permanently confined individual or,
- Exclude the individual's income and not receive allowances based on s/he medical care of the permanently confined individual.

The permanently confined member is listed on the 50058 as an adult who is not head, spouse, or co-head when the permanently confined family is married to the person who is or will become the head of the family.

[HCV GB, p. 5-22].

### **HHA Policy**

The HHA will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. A person that is temporarily absent will have their income included. The family may present evidence the family member is confined on a permanent basis and request the person not be considered a family member. If the verification indicates the family member will return in less than 90 consecutive days (and up to 180 days after approval of the Section 8 Manager or authorized designee) the family member will not be considered permanently absent.

When an individual who has been counted as a family member is determined permanently absent, the family is eligible for the medical expense deduction only if the remaining head, spouse, or cohead qualifies as an elderly person or a person with disabilities.

## Joint Custody of Dependents

### HHA Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or participant family 50 percent or more of the time.

When more than one applicant or participant family is claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, the HHA will make the determination based on available documents such as court orders, or an IRS return showing which family has claimed the child for income tax purposes.

## Caretakers for a Child

### HHA Policy

If neither a parent nor a designated guardian remains in a household receiving HCV assistance, the HHA will take the following actions.

- (1) If a responsible agency has determined that another adult is to be brought into the assisted unit to care for a child for an indefinite period, the HHA will treat that adult as a visitor for the first 30 days.
- (2) If by the end of that period, court-awarded custody or legal guardianship has been awarded to the caretaker, the assistance will be transferred to the caretaker.
- (3) If custody is awarded for a limited time in excess of stated period, the HHA will state in writing that the transfer of the assistance is for that limited time or as long as they have custody of the children. The HHA will use discretion as deemed appropriate in determining any further assignment of the assistance on behalf of the children.
- (4) When the HHA approves a person to reside in the unit as caretaker for the child/ren, the income should be counted pending a final disposition. The HHA will work with the appropriate service agencies and the landlord to provide a smooth transition in these cases.
- (5) If a member of the household is subject to a court order that restricts him/her from the home for more than 90 days, the person will be considered permanently absent.

## 6-I.C. ANTICIPATING ANNUAL INCOME

The HHA is required to count all income “anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date” [24 CFR 5.609(a)(2)]. Policies related to anticipating annual income are provided below.

### **Basis of Annual Income Projection**

The HHA generally will use current circumstances to determine anticipated income for the coming 12-month period. HUD authorizes the HHA to use other than current circumstances to anticipate income when:

- An imminent change in circumstances is expected [HCV GB, p. 5-17]
- It is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income) [24 CFR 5.609(d)]
- The HHA believes that past income is the best available indicator of expected future income [24 CFR 5.609(d)]

### **HHA Policy**

When the HHA cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), the HA will review and analyze historical data for patterns of employment, paid benefits, and receipt of other income and use the results of this analysis to establish annual income. Anytime current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. In all such cases the family may present information and documentation to the HHA to show why the historic pattern does not represent the family's anticipated income.

#### ***Known Changes in Income***

If the HHA verifies an upcoming increase or decrease in income, annual income will be calculated by applying each income amount to the appropriate part of the 12-month period.

<p><b>Example:</b> An employer reports that a full-time employee who has been receiving \$6/hour will begin to receive \$6.25/hour in the eighth week after the effective date of the reexamination. In such a case the HHA would calculate annual income as follows: (<math>\\$6/\text{hour} \times 40 \text{ hours} \times 7 \text{ weeks}</math>) + (<math>\\$6.25 \times 40 \text{ hours} \times 45 \text{ weeks}</math>).</p>
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The family may present information that demonstrates that implementing a change before its effective date would create a hardship for the family. In such cases the HHA will calculate annual income using current circumstances and then require an interim reexamination when the change actually occurs. This requirement will be imposed even if the HHA's policy in Chapter 11 does not require interim reexaminations for other types of changes.

### Using Enterprise Income Verification (EIV) to Project Income

HUD strongly recommends the use of verification (EIV). EIV is “the verification of income, before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a large number of individuals” [VG, p. 7].

HUD allows HHA to use EIV information in conjunction with family-provided documents to anticipate income [EIV].

#### HHA Policy

HHA procedures for anticipating annual income will include the use of EIV methods approved by HUD in conjunction with family-provided documents dated within the last 60 days of the HHA interview date.

The HHA will follow “HUD Guidelines for Projecting Annual Income When Enterprise Income Verification (EIV) Data Is Available” in handling differences between EIV and family-provided income data. The guidelines depend on whether a difference is substantial or not. HUD defines *substantial difference* as a difference of \$200 or more per month.

**No Substantial Difference.** If EIV information for a particular income source differs from the information provided by a family by less than \$200 per month, the HHA will follow these guidelines:

If the EIV figure is less than the family’s figure, the HHA will use the family’s information.

If the EIV figure is more than the family’s figure, the HHA will use the EIV data unless the family provides documentation of a change in circumstances to explain the discrepancy (e.g., a reduction in work hours). Upon receipt of acceptable family-provided documentation of a change in circumstances, the HHA will use the family-provided information.

**Substantial Difference.** If EIV information for a particular income source differs from the information provided by a family by \$200 or more per month, the HHA will follow these guidelines:

The HHA will request written third-party verification from the discrepant income source in accordance with 24 CFR 5.236(b)(3)(i).

When the HHA cannot readily anticipate income (e.g., in cases of seasonal employment, unstable working hours, or suspected fraud), the HHA will review historical income data for patterns of employment, paid benefits, and receipt of other income.

The HHA will analyze all EIV, third-party, and family-provided data and attempt to resolve the income discrepancy.

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The HHA will use the most current verified income data and, if appropriate, historical income data to calculate anticipated annual income.

## 6-I.D. EARNED INCOME

### Types of Earned Income Included in Annual Income

***Wages and Related Compensation.*** The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services is included in annual income [24 CFR 5.609(b)(1)].

#### HHA Policy

For persons who regularly receive bonuses or commissions, the HHA will verify and then average amounts received for the two years preceding admission or reexamination. If only a one-year history is available, the HHA will use the prior year amounts. In either case the family may provide, and the HHA will consider, a credible justification for not using this history to anticipate future bonuses or commissions. If a new employee has not yet received any bonuses or commissions, the HHA will count only the amount estimated by the employer.

***Some Types of Military Pay.*** All regular pay, special pay and allowances of a member of the Armed Forces are counted [24 CFR 5.609(b)(8)] except for the special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(c)(7)].

### Types of Earned Income Not Counted in Annual Income

***Temporary, Nonrecurring, or Sporadic Income*** [24 CFR 5.609(c)(9)].

This type of income (including gifts) is not included in annual income.

#### HHA Policy

Sporadic income is income that is not received periodically and cannot be reliably predicted. For example, the income of an individual who works occasionally as a handyman would be considered sporadic if future work could not be anticipated and no historic, stable pattern of income existed.

***Children's Earnings.*** Employment income earned by children (including foster children) under the age of 18 years is not included in annual income [24 CFR 5.609(c)(1)]. (See Eligibility chapter for a definition of *foster children*.)

***Certain Earned Income of Full-Time Students.*** Earnings in excess of \$480 for each full-time student 18 years old or older (except for the head, spouse, or cohead) are not counted [24 CFR 5.609(c)(11)]. To be considered "full-time," a student must be considered "full-time" by an educational institution with a degree or certificate program [HCV GB, p. 5-29].

***Income of a Live-in Aide.*** Income earned by a live-in aide, as defined in [24 CFR 5.403], is not included in annual income [24 CFR 5.609(c)(5)]. (See Eligibility chapter for a full discussion of live-in aides.)

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***Income Earned under Certain Federal Programs.*** Income from some federal programs is specifically excluded from consideration as income [24 CFR 5.609(c)(17)], including:

- Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
- Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b))
- Awards under the federal work-study program (20 U.S.C. 1087 uu)
- Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
- Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
- Allowances, earnings, and payments to participants in programs funded under the Workforce Investment Act of 1998 (29 U.S.C. 2931)

***Resident Service Stipend.*** Amounts received under a resident service stipend are not included in annual income. A resident service stipend is a modest amount (not to exceed \$200 per individual per month) received by a resident for performing a service for the HHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the HHA's governing board. No resident may receive more than one such stipend during the same period of time [24 CFR 5.600(c)(8)(iv)].

***State and Local Employment Training Programs.*** Incremental earnings and benefits to any family member resulting from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff are excluded from annual income. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the training program [24 CFR 5.609(c)(8)(v)].

#### HHA Policy

The HHA defines *training program* as “a learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period to time. It is designed to lead to a higher level of proficiency, and it enhances the individual's ability to obtain employment. It may have performance standards to measure proficiency. Training may include, but is not limited to: (1) classroom training in a specific occupational skill, (2) on-the-job training with wages subsidized by the program, or (3) basic education” [expired Notice PIH 98-2, p. 3].

The HHA defines *incremental earnings and benefits* as the difference between (1) the total amount of welfare assistance and earnings of a family member prior to enrollment in a training program and (2) the total amount of welfare assistance and earnings of the family member after enrollment in the program [expired Notice PIH 98-2, pp. 3–4].

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In calculating the incremental difference, the HHA will use as the pre-enrollment income the total annualized amount of the family member's welfare assistance and earnings reported on the family's most recently completed HUD-50058.

End of participation in a training program must be reported in accordance with the HHA's interim reporting requirements.

**HUD-Funded Training Programs.** Amounts received under training programs funded in whole or in part by HUD [24 CFR 5.609(c)(8)(i)] are excluded from annual income. Eligible sources of funding for the training include operating subsidy, Section 8 administrative fees, and modernization, Community Development Block Grant (CDBG), HOME program, and other grant funds received from HUD.

#### HHA Policy

To qualify as a training program, the program must meet the definition of *training program* provided above for state and local government training programs.

**Earned Income Tax Credit.** Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)), are excluded from annual income [24 CFR 5.609(c)(17)]. Although many families receive the EITC annually when they file taxes, an EITC can also be received throughout the year. The prorated share of the annual EITC is included in the employee's payroll check.

**Earned Income Disallowance.** The earned income disallowance for persons with disabilities is discussed in section 6-I.E below.

### **6-I.E. EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES [24 CFR 5.617]**

The earned income disallowance (EID) encourages people with disabilities to enter the work force by not including the full value of increases in earned income for a period of time. The full text of 24 CFR 5.617 is included as Exhibit 6-4 at the end of this chapter. Eligibility criteria and limitations on the disallowance are summarized below.

#### **Eligibility**

This disallowance applies only to individuals in families already participating in the HCV program. To qualify, the family must experience an increase in annual income that is the result of one of the following events:

The definition of *previously unemployed* includes a person who has earned not more than could be earned working 10 hours per week for 50 weeks at the established minimum wage.

*A&O FAQs* • The established minimum wage is the federal minimum wage unless there is a higher state or local

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- minimum wage.
  - Employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment. *Previously unemployed* includes a person who annually has earned not more than could be working 10 hours per week for 50 weeks at the established minimum wage.
  - Increased earnings by a family member who is a person with disabilities and whose earnings increase during participation in an economic self-sufficiency or job-training program. A self-sufficiency program includes a program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work to such families [24 CFR 5.603(b)].
  - New employment or increased earnings by a family member who is a person with disabilities and who has received benefits or services under Temporary Assistance for Needy Families (TANF) or any other state program funded under Part A of Title IV of the Social Security Act within the past six months. If the benefits are received in the form of monthly cash maintenance, there is no minimum amount. If the benefits or services are received in a form other than monthly maintenance, such as one-time payments, wage subsidies, or transportation assistance, the total amount received over the six-month period must be at least \$500.

### Calculation of the Disallowance

Calculation of the earned income disallowance for an eligible member of a qualified family begins with a comparison of the member's current income with his or her "prior income."

#### HHA Policy

The HHA defines *prior income*, or *prequalifying income*, as the family member's last certified income prior to qualifying event for the EID.

The family member's prior, or prequalifying, income remains constant throughout the period that he or she is receiving the EID.

***Initial 12-Month Exclusion.*** During the initial 12-month exclusion period, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded. The 12 months are cumulative and need not be consecutive.

#### HHA Policy

The initial EID begins on the date a member who is a person with disabilities of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment.

***Second 12-Month Exclusion and Phase-In.*** During the second 12-month exclusion period, the exclusion is reduced to half (50 percent) of any increase in income attributable to employment or increased earnings. The 12 months are cumulative and need not be consecutive.

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***Lifetime Limitation.*** The EID has a four-year (48-month) lifetime maximum. The four-year eligibility period begins at the same time that the initial exclusion period begins and ends 48 months later. The one-time eligibility for the EID applies even if the eligible individual begins to receive assistance from another housing agency, if the individual moves between public housing and Section 8 assistance, or if there are breaks in assistance.

HHA will maintain a tracking system to ensure correct application of the earned income disallowance.

### **Tracking the Earned Income Exclusion**

The earned income exclusion will be reported on the HUD 50058 form. Documentation will be included in the family's file to show the reason for the reduced increase in rent.

Such documentation will include:

- Date the increase in earned income was reported by the family
- Name of the family member whose earned income increased
- Reason (new employment, participation in job training program, within 6 months after receiving TANF) for the increase in earned income
- Amount of the increase in earned income (amount to be excluded)
- Date the increase in income is first excluded from annual income
- Date(s) earned income ended and resumed during the initial cumulative 12-month period of exclusion (if any)
- Date the family member has received a total of 12 months of the initial exclusion
- Date the 12-month phase-in period began
- Date(s) earned income ended and resumed during the second cumulative 12-month period (phase-in) of exclusion (if any)
- Date the family member has received a total of 12 months of the phase-in exclusion
- Ending date of the maximum 48-month (four year) disallowance period (48 months from the date of the initial earned income disallowance)

Client must be notified within 30 days in writing for review of increase of rent due to completion of Mandatory Income Disallowance. Tenant rent will be adjusted accordingly to verification of income. Increase of rent will be initiated the following month of completion of Mandatory Income Disallowance.

### **6-I.F. BUSINESS INCOME [24 CFR 5.609(b)(2)]**

Annual income includes "the net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family" [24 CFR 5.609(b)(2)].

## Business Expenses

Net income is “gross income less business expense” [HCV GB, p. 5-19].

### HHA Policy

In order to verify the net income from a business, the HHA will view IRS and financial documents from prior years and use this information to anticipate 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)**

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.

2. Audited or un-audited financial statement(s) of the business.
3. Credit report or loan application.
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.

The HHA may request the documentation identified in #4 above, regardless of the verification used.

## Business Expansion

HUD regulations do not permit the HHA to deduct from gross income expenses for business expansion.

### HHA Policy

*Business expansion* is defined as any capital expenditures made to add new business activities, to expand current facilities, or to operate the business in additional locations. For example, purchase of a street sweeper by a construction business for the purpose of adding street cleaning to the services offered by the business would be considered a business expansion. Similarly, the purchase of a property by a hair care business to open at a second location would be considered a business expansion.

## Capital Indebtedness

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HUD regulations do not permit the HHA to deduct from gross income the amortization of capital indebtedness.

HHA Policy

*Capital indebtedness* is defined as the principal portion of the payment on a capital asset such as land, buildings, and machinery. This means the HHA will allow as a business expense interest, but not principal, paid on capital indebtedness.

**Negative Business Income**

If the net income from a business is negative, no business income will be included in annual income; a negative amount will not be used to offset other family income.

**Withdrawal of Cash or Assets from a Business**

HUD regulations require the HHA to include in annual income the withdrawal of cash or assets from the operation of a business or profession unless the withdrawal reimburses a family member for cash or assets invested in the business by the family.

HHA Policy

Acceptable investments in a business include cash loans and contributions of assets or equipment. For example, if a member of an assisted family provided an up-front loan of \$2,000 to help a business get started, the HHA will not count as income any withdrawals from the business up to the amount of this loan until the loan has been repaid.

Investments do not include the value of labor contributed to the business without compensation.

**Co-owned Businesses**

HHA Policy

If a business is co-owned with someone outside the family, the family must document the share of the business it owns. If the family's share of the income is lower than its share of ownership, the family must document the reasons for the difference.

**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 applicant/participant is operating a "cash and carry" operation (which may or may not be licensed), the HHA will require that the applicant/participant complete a form for each customer which indicates: name of person(s) whose child (children) is/are being cared for, phone number,

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number of hours child is being cared for, method of payment (check/cash), amount paid, and signature of person.

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

The HHA will conduct interim reevaluations every 120 days and require the participant to provide a log with the information about customers and income.

## **6-I.G. ASSETS [24 CFR 5.609(b)(3) and 24 CFR 5.603(b)]**

### **Overview**

There is no asset limitation for participation in the HCV program. However, HUD requires that the HHA include in annual income the “interest, dividends, and other net income of any kind from real or personal property” [24 CFR 5.609(b)(3)]. This section discusses how the income from various types of assets is determined. For most types of assets, the HHA must determine the value of the asset in order to compute income from the asset. Therefore, for each asset type, this section discusses:

- How the value of the asset will be determined
- How income from the asset will be calculated

Exhibit 6-1 provides the regulatory requirements for calculating income from assets [24 CFR 5.609(b)(3)], and Exhibit 6-3 provides the regulatory definition of *net family assets*. This section begins with a discussion of general policies related to assets and then provides HUD rules and HHA policies related to each type of asset.

### **General Policies**

#### ***Income from Assets***

The HHA generally will use current circumstances to determine both the value of an asset and the anticipated income from the asset. As is true for all sources of income, HUD authorizes the HHA to use other than current circumstances to anticipate income when (1) an imminent change in circumstances is expected (2) it is not feasible to anticipate a level of income over 12 months or (3) the HHA believes that past income is the best indicator of anticipated income. For example, if a family member owns real property that typically receives rental income but the property is currently vacant, the HHA can take into consideration past rental income along with the prospects of obtaining a new tenant.

#### **HHA Policy**

Anytime current circumstances are not used to determine asset income, a clear rationale for the decision will be documented in the file. In such cases the family may present information and documentation to the HHA to show why the asset income determination does not represent the family’s anticipated asset income.

#### ***Valuing Assets***

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The calculation of asset income sometimes requires the HHA to make a distinction between an asset's market value and its cash value.

- The market value of an asset is its worth (e.g., the amount a buyer would pay for real estate or the balance in an investment account).
- The cash value of an asset is its market value less all reasonable amounts that would be incurred when converting the asset to cash.

#### HHA Policy

Reasonable costs that would be incurred when disposing of an asset include, but are not limited to, penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions [HCV GB, p. 5-28].

#### ***Lump-Sum Receipts***

Payments that are received in a single lump sum, such as inheritances, capital gains, lottery winnings, insurance settlements, and proceeds from the sale of property, are generally considered assets, not income. However, such lump-sum receipts are counted as assets only if they are retained by a family in a form recognizable as an asset (e.g., deposited in a savings or checking account) [RHIIP FAQs]. (For a discussion of lump-sum payments that represent the delayed start of a periodic payment, most of which are counted as income, (See sections 6-I.H and 6-I.I.)

#### ***Imputing Income from Assets [24 CFR 5.609(b)(3)]***

When net family assets are \$5,000 or less, the HHA will include in annual income the actual income anticipated to be derived from the assets. When the family has net family assets in excess of \$5,000, the HHA will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income. Imputed income from assets is calculated by multiplying the total cash value of all family assets by the current HUD-established passbook savings rate.

#### ***Determining Actual Anticipated Income from Assets***

It may or may not be necessary for the HHA to use the value of an asset to compute the actual anticipated income from the asset. When the value is required to compute the anticipated income from an asset, the market value of the asset is used. For example, if the asset is a property for which a family receives rental income, the anticipated income is determined by annualizing the actual monthly rental amount received for the property; it is not based on the property's market value. However, if the asset is a savings account, the anticipated income is determined by multiplying the market value of the account by the interest rate on the account.

#### ***Withdrawal of Cash or Liquidation of Investments***

Any withdrawal of cash or assets from an investment will be included in income except to the extent the withdrawal reimburses amounts invested by the family. For example, when a family member retires, the amount received by the family from a retirement plan is not counted as income until the family has received payments equal to the amount the family member deposited into the retirement fund.

### *Jointly Owned Assets*

The regulation at 24 CFR 5.609(a)(4) specifies that annual income includes “amounts derived (during the 12-month period) from assets to which any member of the family has access.”

#### HHA Policy

If an asset is owned by more than one person and any family member has unrestricted access to the asset, the HHA will count the full value of the asset. A family member has unrestricted access to an asset when he or she can legally dispose of the asset without the consent of any of the other owners.

If an asset is owned by more than one person, including a family member, but the family member does not have unrestricted access to the asset, the HHA will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, the HHA will prorate the asset evenly among all owners.

### *Assets Disposed Of for Less than Fair Market Value [24 CFR 5.603(b)]*

HUD regulations require the HHA to count as a current asset any business or family asset that was disposed of for less than fair market value during the two years prior to the effective date of the examination/reexamination, except as noted below.

#### *Minimum Threshold*

The *HVC Guidebook* permits the HHA to set a threshold below which assets disposed of for less than fair market value will not be counted [HCV GB, p. 5-27].

#### HHA Policy

The HHA must count assets disposed of for less than fair market value during the two years preceding certification or reexamination. The HHA will count the difference between the market value and the actual payment received in calculating total assets.

Assets disposed of as a result of foreclosure or bankruptcy are not considered to be assets disposed of for less than fair market value. Assets disposed of as a result of a divorce or separation are not considered to be assets disposed of for less than fair market value.

The HHA will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past two years exceeds the gross amount received for the assets by more than \$3,000.

When the two-year period expires, the income assigned to the disposed asset(s) also expires. If the two-year period ends between annual re-certifications, the family may request an interim recertification to eliminate consideration of the asset(s).

Assets placed by the family in nonrevocable trusts are considered assets disposed of for less than fair market value except when the assets placed in trust were received through settlements or judgments.

### *Separation or Divorce*

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The regulation also specifies that assets are not considered disposed of for less than fair market value if they are disposed of as part of a separation or divorce settlement and the applicant or tenant receives important consideration not measurable in dollar terms.

#### HHA Policy

All assets disposed of as part of a separation or divorce settlement will be considered assets for which important consideration not measurable in monetary terms has been received. In order to qualify for this exemption, a family member must be subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.

#### *Family Declaration*

#### HHA Policy

Families must sign a declaration form at initial certification and on annual recertifications identifying all assets that have been disposed of for less than fair market value or declaring that no assets have been disposed of for less than fair market value. The HHA may verify the value of the assets disposed of if other information available to the HHA does not appear to agree with the information reported by the family.

### **Types of Assets**

#### ***Checking and Savings Accounts***

For regular checking accounts and savings accounts, *cash value* has the same meaning as *market value*. If a checking account does not bear interest, the anticipated income from the account is zero.

#### HHA Policy

In determining the value of a checking account, the HHA will use the average monthly balance for the last six months.

In determining the value of a savings account, the HHA will use the current balance.

In determining the anticipated income from an interest-bearing checking or savings account, the HHA will multiply the value of the account by the current rate of interest paid on the account.

#### ***Investment Accounts Such as Stocks, Bonds, Saving Certificates, and Money Market Funds***

Interest or dividends earned by investment accounts are counted as actual income from assets even when the earnings are reinvested. The cash value of such an asset is determined by deducting from the market value any broker fees, penalties for early withdrawal, or other costs of converting the asset to cash.

#### HHA Policy

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In determining the market value of an investment account, the HHA will use the value of the account on the most recent investment report.

How anticipated income from an investment account will be calculated depends on whether the rate of return is known. For assets that are held in an investment account with a known rate of return (e.g., savings certificates), asset income will be calculated based on that known rate (market value multiplied by rate of earnings). When the anticipated rate of return is not known (e.g., stocks), the HHA will calculate asset income based on the earnings for the most recent reporting period.

### ***Equity in Real Property or Other Capital Investments***

Equity (cash value) in a property or other capital asset is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset [HCV GB, p. 5-25].

Equity in real property and other capital investments is considered in the calculation of asset income except for the following types of assets:

- Equity accounts in HUD homeownership programs [24 CFR 5.603(b)]
- The value of a home currently being purchased with assistance under the HCV program Homeownership Option for the first 10 years after the purchase date of the home [24 CFR 5.603(b)]
- Equity in owner-occupied cooperatives and manufactured homes in which the family lives [HCV GB, p. 5-25]
- Equity in real property when a family member's main occupation is real estate [HCV GB, p. 5-25]. This real estate is considered a business asset, and income related to this asset will be calculated as described in section 6-I.F.
- Interests in Indian Trust lands [24 CFR 5.603(b)]
- Real property and capital assets that are part of an active business or farming operation [HCV GB, p. 5-25]

A family may have real property as an asset in two ways: (1) owning the property itself and (2) holding a mortgage or deed of trust on the property. In the case of a property owned by a family member, the anticipated asset income generally will be in the form of rent or other payment for the use of the property. If the property generates no income, actual anticipated income from the asset will be zero.

In the case of a mortgage or deed of trust held by a family member, the outstanding balance (unpaid principal) is the cash value of the asset. The interest portion only of payments made to the family in accordance with the terms of the mortgage or deed of trust is counted as anticipated asset income.

### HHA Policy

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In the case of capital investments owned jointly with others not living in a family's unit, a prorated share of the property's cash value will be counted as an asset unless the HHA determines that the family receives no income from the property and is unable to sell or otherwise convert the asset to cash.

### ***Trusts***

A *trust* is a legal arrangement generally regulated by state law in which one party (the creator or grantor) transfers property to a second party (the trustee) who holds the property for the benefit of one or more third parties (the beneficiaries).

#### ***Revocable Trusts***

If any member of a family has the right to withdraw the funds in a trust, the value of the trust is considered an asset [HCV GB, p. 5-25]. Any income earned as a result of investment of trust funds is counted as actual asset income, whether the income is paid to the family or deposited in the trust.

#### ***Nonrevocable Trusts***

In cases where a trust is not revocable by, or under the control of, any member of a family, the value of the trust fund is not considered an asset. However, any income distributed to the family from such a trust is counted as a periodic payment or a lump-sum receipt, as appropriate [24 CFR 5.603(b)]. (Periodic payments are covered in section 6-I.H. Lump-sum receipts are discussed earlier in this section.)

### ***Retirement Accounts***

#### ***Company Retirement/Pension Accounts***

In order to correctly include or exclude as an asset any amount held in a company retirement or pension account by an employed person, the HHA must know whether the money is accessible before retirement [HCV GB, p. 5-26].

While a family member is employed, only the amount the family member can withdraw without retiring or terminating employment is counted as an asset [HCV GB, p. 5-26].

After a family member retires or terminates employment, any amount distributed to the family member is counted as a periodic payment or a lump-sum receipt, as appropriate [HCV GB, p. 5-26], except to the extent that it represents funds invested in the account by the family member. (For more on periodic payments, see section 6-I.H.) The balance in the account is counted as an asset only if it remains accessible to the family member.

#### ***IRA, Keogh, and Similar Retirement Savings Accounts***

IRA, Keogh, and similar retirement savings accounts are counted as assets even though early withdrawal would result in a penalty [HCV GB, p. 5-25].

### ***Personal Property***

Personal property held as an investment, such as gems, jewelry, coin collections, antique cars, etc., is considered an asset [HCV GB, p. 5-25].

### HHA Policy

In determining the value of personal property held as an investment, the HHA will use the family's estimate of the value. However, the HHA also may obtain an appraisal if appropriate to confirm the value of the asset. The family must cooperate with the appraiser but cannot be charged any costs related to the appraisal.

Generally, personal property held as an investment generates no income until it is disposed of. If regular income is generated (e.g., income from renting the personal property), the amount that is expected to be earned in the coming year is counted as actual income from the asset.

Necessary items of personal property are not considered assets [24 CFR 5.603(b)].

### HHA Policy

Necessary personal property consists of items such as clothing, furniture, household furnishings, jewelry that is not held as an investment, and vehicles, including those specially equipped for persons with disabilities.

### *Life Insurance*

The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy, is included in the calculation of the value of the family's assets [HCV GB 5-25]. The cash value is the surrender value. If such a policy earns dividends or interest that the family could elect to receive, the anticipated amount of dividends or interest is counted as income from the asset whether or not the family actually receives it.

## **6-I.H. PERIODIC PAYMENTS**

Periodic payments are forms of income received on a regular basis. HUD regulations specify periodic payments that are and are not included in annual income.

### **Periodic Payments Included in Annual Income**

- Periodic payments from sources such as social security, unemployment and welfare assistance, annuities, insurance policies, retirement funds, and pensions. However, periodic payments from retirement accounts, annuities, and similar forms of investments are counted only after they exceed the amount contributed by the family [24 CFR 5.609(b)(4) and (b)(3)].
- Disability or death benefits and lottery receipts paid periodically, rather than in a single lump sum [24 CFR 5.609(b)(4) and HCV, p. 5-14]

### **Lump-Sum Payments for the Delayed Start of a Periodic Payment**

Most lump sums received as a result of delays in processing periodic payments, such as unemployment or welfare assistance, are counted as income. However, lump-sum receipts for the

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delayed start of periodic social security or supplemental security income (SSI) payments are not counted as income [CFR 5.609(b)(4)].

#### HHA Policy

Deferred periodic payments which have accumulated due to a dispute will be treated the same as periodic payments which are deferred due to delays in processing.

The HHA uses a prospectively calculation method depending on the circumstances.

#### **Prospective Calculation Methodology**

If the payment is reported on a timely basis, the calculation will be done prospectively and may result in an interim adjustment calculated as follows:

- At the next annual recertification, the HHA will apply the percentage balance to the lump sum and add it to the rest of the annual income.
- The lump sum will be added in the same way for any interims which occur prior to the next annual recertification change in family composition and/or families that are currently at zero income.
- If amortizing the payment over one year will cause the family to pay more than 40% of the family's adjusted income (before the lump sum was added) the Total Resident Payment, the HHA and family may enter in a Payment Agreement, with the approval of the Housing Specialist, for the balance of the amount over the 40% calculation. The beginning date for the Payment Agreement will start as soon as the one year is over.

#### **Periodic Payments Excluded from Annual Income**

- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the assisted family, who are unable to live alone) [24 CFR 5.609(c)(2)]

#### HHA Policy

The HHA will exclude payments for the care of foster children and foster adults only if the care is provided through an official arrangement with a local welfare agency [HCV GB, p. 5-18].

- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]
- Amounts received under the Low-Income Home Energy Assistance Program (42 U.S.C. 1626(c)) [24 CFR 5.609(c)(17)]

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- Amounts received under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q) [24 CFR 5.609(c)(17)]
  - Earned Income Tax Credit (EITC) refund payments (26 U.S.C. 32(j)) [24 CFR 5.609(c)(17)].  
*Note:* EITC may be paid periodically if the family elects to receive the amount due as part of payroll payments from an employer.
  - Lump sums received as a result of delays in processing Social Security and SSI payments (see section 6-I.J.) [24 CFR 5.609(b)(4)].

### 6-I.I. PAYMENTS IN LIEU OF EARNINGS

Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay, are counted as income [24 CFR 5.609(b)(5)] if they are received either in the form of periodic payments or in the form of a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment. If they are received in a one-time lump sum (as a settlement, for instance), they are treated as lump-sum receipts [24 CFR 5.609(c)(3)]. (See also the discussion of periodic payments in section 6-I.H and the discussion of lump-sum receipts in section 6-I.G.)

### 6-I.J. WELFARE ASSISTANCE

#### Overview

Welfare assistance is counted in annual income. Welfare assistance includes Temporary Assistance for Needy Families (TANF) and any payments to individuals or families based on need that are made under programs funded separately or jointly by federal, state, or local governments [24 CFR 5.603(b)].

#### Sanctions Resulting in the Reduction of Welfare Benefits [24 CFR 5.615]

The HHA must make a special calculation of annual income when the welfare agency imposes certain sanctions on certain families. The full text of the regulation at 24 CFR 5.615 is provided as Exhibit 6-5. The requirements are summarized below. This rule applies only if a family was receiving HCV assistance at the time the sanction was imposed.

#### *Covered Families*

The families covered by 24 CFR 5.615 are those “who receive welfare assistance or other public assistance benefits (‘welfare benefits’) from a State or other public agency (‘welfare agency’) under a program for which Federal, State or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance” [24 CFR 5.615(b)]

#### *Imputed Income*

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When a welfare agency imposes a sanction that reduces a family's welfare income because the family commits fraud or fails to comply with the agency's economic self-sufficiency program or work activities requirement, the HHA must include in annual income "imputed" welfare income. The HHA must request that the welfare agency inform the HHA when the benefits of an HCV participant family are reduced. The imputed income is the amount the family would have received if the family had not been sanctioned.

This requirement does not apply to reductions in welfare benefits: (1) at the expiration of the lifetime or other time limit on the payment of welfare benefits, (2) if a family member is unable to find employment even though the family member has complied with the welfare agency economic self-sufficiency or work activities requirements, or (3) because a family member has not complied with other welfare agency requirements, or (4) for inadvertent overpayment [24 CFR 5.615(b)(2)].

### *Offsets*

The amount of the imputed income is offset by the amount of additional income the family begins to receive after the sanction is imposed. When the additional income equals or exceeds the imputed welfare income, the imputed income is reduced to zero [24 CFR 5.615(c)(4)].

### **6-I.K. PERIODIC AND DETERMINABLE ALLOWANCES [24 CFR 5.609(b)(7)]**

Annual income includes periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing with an assisted family.

#### **Alimony and Child Support**

The HHA must count alimony or child support amounts awarded as part of a divorce or separation agreement.

#### HHA Policy

The HHA will accept verification that the family is receiving an amount less than the awarded if:

- The HHA receives verification from the agency responsible for enforcement or collection.
- The family furnishes documentation of child support or alimony collection action filed through a child support enforcement/collection agency, or has filed an enforcement or collection action through an attorney.
- It is the family's responsibility to supply a certified copy of the divorce decree.

#### **Regular Contributions or Gifts**

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The HHA must count as income regular monetary and nonmonetary contributions or gifts from persons not residing with an assisted family [24 CFR 5.609(b)(7)]. Temporary, nonrecurring, or sporadic income and gifts are not counted [24 CFR 5.609(c)(9)].

#### HHA Policy

Examples of regular contributions include: (1) regular payment of a family's bills (e.g., utilities, telephone, rent, credit cards, and car payments), (2) cash or other liquid assets provided to any family member on a regular basis, and (3) "in-kind" contributions such as groceries and clothing provided to a family on a regular basis.

Non-monetary contributions will be valued at the cost of purchasing the items, as determined by the HHA. For contributions that may vary from month to month (e.g., utility payments), the HHA will include an average amount based upon past history.

#### **Student Financial Assistance**

For the Section 8 Program only, and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or from an institution of higher education, shall be considered income to the individual, except that financial assistance described in this section is not considered income for persons over the age of 23 with dependent children. For purposes of determining income, financial assistance does not include loan proceeds.

#### **6-I.L. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME**

Other exclusions contained in 24 CFR 5.609(c) that have not been discussed earlier in this chapter include the following:

- Reimbursement of medical expenses [24 CFR 5.609(c)(4)]
- Subject to the additional income inclusion for the HCV program on annual income for students of higher education, the full amount of student financial assistance paid directly to the student or to the educational institution [24 CFR 5.609(c)(6)], except that in accordance with Section 224 of the FY 2005 Appropriations Act, the portion of any athletic scholarship assistance available for housing costs must be included in annual income [PIH Notice 2005-16].

#### HHA Policy

Regular financial support from parents or guardians to students for food, clothing personal items, and entertainment **is not** considered tuition and is included **in** annual income.

- Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program [24 CFR 5.609(c)(8)(iii)]

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- Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) [(24 CFR 5.609(c)(8)(ii)]
  - Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era [24 CFR 5.609(c)(10)]
  - Adoption assistance payments in excess of \$480 per adopted child [24 CFR 5.609(c)(12)]
  - Refunds or rebates on property taxes paid on the dwelling unit [24 CFR 5.609(c)(15)]
  - Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]
  - Amounts specifically excluded by any other federal statute [24 CFR 5.609(c)(17)]. HUD publishes an updated list of these exclusions periodically. It includes:
    - (a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b))
    - (b) Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
    - (c) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c))
    - (d) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e)
    - (e) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f))
    - (f) Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b)) (Effective July 1, 2000, references to Job Training Partnership Act shall be deemed to refer to the corresponding provision of the Workforce Investment Act of 1998 (29 U.S.C. 2931).)
    - (g) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04)
    - (h) The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408)
    - (i) Subject to the annual income inclusions for the HCV Program 24 CFR 5.609 (b) (9), the amounts of scholarships funded under title IV of the Higher Education Act of 1965, including awards under the federal work-study program or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu)

- (j) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
- (k) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *In Re Agent*-product liability litigation, M.D.L. No. 381 (E.D.N.Y.)
- (l) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721)
- (m) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)
- (n) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j))
- (o) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433)
- (p) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
- (q) Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran (38 U.S.C. 1805)
- (r) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602)
- (s) Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931)
- (t) The EID income exclusions as allowed for the regulations.
- (u) The Medicare incentive payments.

## PART II: ADJUSTED INCOME

### 6-II.A. INTRODUCTION

#### Overview

HUD regulations require HHA to deduct from annual income any of five mandatory deductions for which a family qualifies. The resulting amount is the family's adjusted income. Mandatory deductions are found in 24 CFR 5.611.

5.611(a) Mandatory Deductions. In determining adjusted income, the responsible entity [HHA] must deduct the following amounts from annual income:
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- (1) \$480 for each dependent;
- (2) \$400 for any elderly family or disabled family;
- (3) The sum of the following, to the extent the sum exceeds three percent of annual income:
  - (i) Unreimbursed medical expenses of any elderly family or disabled family;
  - (ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and
- (4) Any reasonable child care expenses necessary to enable a member of the family to be employed, further his or her education or seek employment.

This part covers policies related to these mandatory deductions. Verification requirements related to these deductions are found in Chapter 7.

### Anticipating Expenses

#### HHA Policy

Generally, the HHA will use current circumstances to anticipate expenses. When possible, for costs that are expected to fluctuate during the year (e.g., child care during school and nonschool periods and cyclical medical expenses), the HHA will estimate costs based on historic data and known future costs.

If a family has an accumulated debt for medical or disability assistance expenses, the HHA will include as an eligible expense the portion of the expense that the family expects to pay during the period for which the income determination is being made. However, amounts previously deducted will not be allowed even if the amounts were not paid as expected in a preceding period. The HHA may require the family to provide documentation of payments made in the preceding year.

### 6-II.B. DEPENDENT DEDUCTION

A deduction of \$480 is taken for each dependent [ 24 CFR 5.611(a)(1)]. *Dependent* is defined as any family member other than the head, spouse, or cohead who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents [24 CFR 5.603(b)].

### 6-II.C. ELDERLY OR DISABLED FAMILY DEDUCTION

A single deduction of \$400 is taken for any elderly or disabled family [24 CFR 5.611(a)(2)]. An *elderly family* is a family whose head, spouse, cohead, or sole member is 62 years of age or older, and it may include two or more persons who are at least 62 years of age living together, or one or more persons who are at least 62 years of age living with one or more live in aides. A *disabled family* is a family whose head, spouse, cohead, or sole member is a person with disabilities and it may include two or more persons who are disabled living together, or one or more persons who are disabled living with one or more live in aides. [24 CFR 5.403].

**6-II.D. MEDICAL EXPENSES DEDUCTION [24 CFR 5.611(a)(3)(i)]**

Unreimbursed medical expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed three percent of annual income.

The medical expense deduction is permitted only for families in which the head, spouse, or cohead is at least 62 or is a person with disabilities. If a family is eligible for a medical expense deduction, the medical expenses of all family members are counted [VG, p. 28].

**Definition of *Medical Expenses***

HUD regulations define *medical expenses* at 24 CFR 5.603(b) to mean “medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance.”

HHA Policy

The most current IRS Publication 502, *Medical and Dental Expenses*, will be used to determine the costs that qualify as medical expenses.

Summary of Allowable Medical Expenses from IRS Publication 502	
Services of medical professionals	Substance abuse treatment programs
Surgery and medical procedures that are necessary, legal, noncosmetic	Psychiatric treatment
Services of medical facilities	Ambulance services and some costs of transportation related to medical expenses
Hospitalization, long-term care, and in-home nursing services	The cost and care of necessary equipment related to a medical condition (e.g., eyeglasses/lenses, hearing aids, crutches, and artificial teeth)
Prescription medicines and insulin, but <u>not</u> nonprescription medicines even if recommended by a doctor	Cost and continuing care of necessary service animals
Improvements to housing directly related to medical needs (e.g., ramps for a wheel chair, handrails)	Medical insurance premiums or the cost

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	of a health maintenance organization (HMO)
<b>Note:</b> This chart provides a summary of eligible medical expenses only. Detailed information is provided in IRS Publication 502. Medical expenses are considered only to the extent they are not reimbursed by insurance or some other source.	

### Families That Qualify for Both Medical and Disability Assistance Expenses

#### HHA Policy

This policy applies only to families in which the head, spouse, or cohead is 62 or older, a disabled family.

When expenses anticipated by a family could be defined as either medical or disability assistance expenses, the HHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

### **6-II.E. DISABILITY ASSISTANCE EXPENSES DEDUCTION [24 CFR 5.603(b) and 24 CFR 5.611(a)(3)(ii)]**

Reasonable expenses for attendant care and auxiliary apparatus for a disabled family member may be deducted if they: (1) are necessary to enable a family member 18 years or older to work, (2) are not paid to a family member or reimbursed by an outside source, (3) in combination with any medical expenses, exceed three percent of annual income, and (4) do not exceed the earned income received by the family member who is enabled to work.

#### **Earned Income Limit on the Disability Assistance Expense Deduction**

A family can qualify for the disability assistance expense deduction only if at least one family member (who may be the person with disabilities) is enabled to work [24 CFR 5.603(b)].

The disability expense deduction is capped by the amount of “earned income received by family members who are 18 years of age or older and who are able to work” because of the expense [24 CFR 5.611(a)(3)(ii)]. The earned income used for this purpose is the amount verified after any earned income disallowances or income exclusions are applied. (HUD FAQ’s on RHIIP)

#### HHA Policy

The family must identify the family members enabled to work as a result of the disability assistance expenses. In evaluating the family’s request, the HHA will consider factors such as how the work schedule of the relevant family members relates to the hours of care provided, the time required for transportation, the relationship of the family

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members to the person with disabilities, and any special needs of the person with disabilities that might determine which family members are enabled to work.

When the HHA determines the disability assistance expenses enable more than one family member to work, the expenses will be capped by the sum of the family members' earned income of the individual freed to go to work.

### **Eligible Disability Expenses**

Examples of auxiliary apparatus are provided in the *HCV Guidebook* as follows: "Auxiliary apparatus are items such as wheelchairs, ramps, adaptations to vehicles, or special equipment to enable a blind person to read or type, but only if these items are directly related to permitting the disabled person or other family member to work" [HCV GB, p. 5-30].

HUD advises HHA to further define and describe auxiliary apparatus [VG, p. 30].

### ***Eligible Auxiliary Apparatus***

#### HHA Policy

Expenses incurred for maintaining or repairing an auxiliary apparatus are eligible. In the case of an apparatus that is specially adapted to accommodate a person with disabilities (e.g., a vehicle or computer), the cost to maintain the special adaptations (but not maintenance of the apparatus itself) is an eligible expense. The cost of service animals trained to give assistance to persons with disabilities, including the cost of acquiring the animal, veterinary care, food, grooming, and other continuing costs of care, will be included.

### ***Eligible Attendant Care***

The family determines the type of attendant care that is appropriate for the person with disabilities.

#### HHA Policy

Attendant care includes, but is not limited to, reasonable costs for home medical care, nursing services, in-home or center-based care services, interpreters for persons with hearing impairments, and readers for persons with visual disabilities.

Attendant care expenses will be included for the period that the person enabled to work is employed plus reasonable transportation time. The cost of general housekeeping and personal services is not an eligible attendant care expense. However, if the person enabled to work is the person with disabilities, personal services necessary to enable the person with disabilities to work are eligible.

If the care attendant also provides other services to the family, the HHA will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work. For example, if the care provider also cares for a child who is not the person with disabilities, the cost of care must be prorated. Unless otherwise

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specified by the care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

### ***Payments to Family Members***

No disability assistance expenses may be deducted for payments to a member of an assisted family [24 CFR 5.603(b)]. However, expenses paid to a relative who is not a member of the assisted family may be deducted if they are not reimbursed by an outside source.

### **Necessary and Reasonable Expenses**

The family determines the type of care or auxiliary apparatus to be provided and must describe how the expenses enable a family member to work. The family must certify that the disability assistance expenses are necessary and are not paid or reimbursed by any other source.

### **HHA Policy**

The HHA determines the reasonableness of the expenses based on typical costs of care or apparatus in the locality. To establish typical costs, the HHA will collect information from organizations that provide services and support to persons with disabilities. A family may present, and the HHA will consider, the family's justification for costs that exceed typical costs in the area.

### **Families That Qualify for Both Medical and Disability Assistance Expenses**

### **HHA Policy**

This policy applies only to families in which the head, spouse, or cohead is 62 or older, a disabled family. When expenses anticipated by a family could be defined as either medical or disability assistance expenses, the HHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

## **6-II.F. CHILD CARE EXPENSE DEDUCTION**

HUD defines *child care expenses* at 24 CFR 5.603(b) as “amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.”

### **Clarifying the Meaning of *Child* for This Deduction**

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Child care expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted family's household [VG, p. 26]. However, child care expenses for foster children that are living in the assisted family's household, are included when determining the family's child care expenses [HCV GB, p. 5-29].

## **Qualifying for the Deduction**

### ***Determining Who Is Enabled to Pursue an Eligible Activity***

#### HHA Policy

The family must identify the family member(s) enabled to pursue an eligible activity. The term *eligible activity* in this section means any of the activities that may make the family eligible for a child care deduction (seeking work, pursuing an education, or being gainfully employed).

In evaluating the family's request, the HHA will consider factors such as how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

### ***Seeking Work***

#### HHA Policy

If the child care expense being claimed is to enable a family member to seek employment, the family must provide evidence of the family member's efforts to obtain employment at each reexamination or interim reexamination. The deduction may be reduced or denied if the family member's job search efforts are not commensurate with the child care expense being allowed by the HHA.

### ***Furthering Education***

#### HHA Policy

If the child care expense being claimed is to enable a family member to further his or her education, the member must be enrolled in school (academic or vocational) or participating in a formal training program. The family member is not required to be a full-time student, but the time spent in educational activities, must be commensurate with the child care claimed.

### ***Being Gainfully Employed***

#### HHA Policy

If the child care expense being claimed is to enable a family member to be gainfully employed, the family must provide evidence of the family member's employment during the time that child care is being provided. Gainful employment is any legal work activity

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(full- or part-time) for which a family member is compensated. Child care will be capped by the amount of earned income of the individual that is freed to work. In the case of EID, the cap for the amount of earned income will be the amount after the EID is applied for the individual that is freed to work.

### **Earned Income Limit on Child Care Expense Deduction**

When a family member looks for work or furthers his or her education, the cap on the amount that may be deducted for child care is established a reasonable amount as determined by the HHA. However, when child care enables a family member to work, the deduction is capped by “the amount of employment income that is included in annual income” [24 CFR 5.603(b)].

The earned income used for this purpose is the amount of earned income verified after any earned income disallowances or income exclusions are applied.

When the person who is enabled to work is a person with disabilities who receives the earned income disallowance (EID) or a full-time student whose earned income above \$480 is excluded, child care costs related to enabling a family member to work may not exceed the portion of the person’s earned income that actually is included in annual income. For example, if a family member who qualifies for the EID makes \$15,000 but because of the EID only \$5,000 is included in annual income, child care expenses are limited to \$5,000.

The HHA must not limit the deduction to the least expensive type of child care. If the care allows the family to pursue more than one eligible activity, including work, the cap is calculated in proportion to the amount of time spent working [HCV GB, p. 5-30].

#### HHA Policy

When the child care expense being claimed is to enable a family member to work, only one family member’s income will be considered for a given period of time. When more than one family member works during a given period, the HHA generally will limit allowable child care expenses to the earned income of the individual that is freed to go to work.

### **Eligible Child Care Expenses**

The type of care to be provided is determined by the assisted family. The HHA may not refuse to give a family the child care expense deduction because there is an adult family member in the household that may be available to provide child care [VG, p. 26].

#### ***Allowable Child Care Activities***

#### HHA Policy

For school-age children, costs attributable to public or private school activities during standard school hours are not considered. Expenses incurred for supervised activities after school or during school holidays (e.g., summer day camp, after-school sports league) are allowable forms of child care.

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The costs of general housekeeping and personal services are not eligible. Likewise, child care expenses paid to a family member who lives in the family's unit are not eligible; however, payments for child care to relatives who do not live in the unit are eligible.

If a child care provider also renders other services to a family or child care is used to enable a family member to conduct activities that are not eligible for consideration, the HHA will prorate the costs and allow only that portion of the expenses that is attributable to child care for eligible activities. For example, if the care provider also cares for a child with disabilities who is 13 or older, the cost of care will be prorated. Unless otherwise specified by the child care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

### *Necessary and Reasonable Costs*

Child care expenses will be considered necessary if: (1) a family adequately explains how the care enables a family member to work, actively seek employment, or further his or her education, and (2) the family certifies, and the child care provider verifies, that the expenses are not paid or reimbursed by any other source.

### HHA Policy

The number of hours claimed for child care may not exceed the number of hours the family member is attending school, including reasonable travel time to and from school.

## **PART III: CALCULATING FAMILY SHARE AND HHA SUBSIDY**

### **6-III.A. OVERVIEW OF RENT AND SUBSIDY CALCULATIONS**

#### **TTP Formula [24 CFR 5.628]**

HUD regulations specify the formula for calculating the total tenant payment (TTP) for an assisted family. TTP is the highest of the following amounts, rounded to the nearest dollar:

- 30 percent of the family's monthly adjusted income (adjusted income is defined in Part II)
- 10 percent of the family's monthly gross income (annual income, as defined in Part I, divided by 12)
- A minimum rent between \$0 and \$50 that is established by the HHA

The HHA has authority to suspend and exempt families from minimum rent when a financial hardship exists, as defined in section 6-III.B.

The amount that a family pays for rent and utilities (the family share) will never be less than the family's TTP but may be greater than the TTP depending on the rent charged for the unit the family selects.

***Welfare Rent [24 CFR 5.628]***

HHA Policy

Welfare rent does not apply in this locality.

***Minimum Rent [24 CFR 5.630]***

HHA Policy

The minimum rent for this locality is \$40.00.

**Family Share [24 CFR 982.305(a)(5)]**

If a family chooses a unit with a gross rent (rent to owner plus an allowance for tenant-paid utilities) that exceeds the HHA's applicable payment standard: (1) the family will pay more than the TTP, and (2) at initial occupancy the HHA may not approve the tenancy if it would require the family share to exceed 40 percent of the family's monthly adjusted income. The income used for this determination must have been verified no earlier than 60 days before the family's voucher was issued. (For a discussion of the application of payment standards, see section 6-III.C.)

**HHA Subsidy [24 CFR 982.505(b)]**

The HHA will pay a monthly housing assistance payment (HAP) for a family that is equal to the lower of (1) the applicable payment standard for the family minus the family's TTP or (2) the gross rent for the family's unit minus the TTP. (For a discussion of the application of payment standards, see section 6-III.C.)

**Utility Reimbursement [24 CFR 982.514(b)]**

When the HA subsidy for a family exceeds the rent to owner, the family is due a utility reimbursement. HUD permits the HHA to pay the reimbursement to the family or directly to the utility provider.

HHA Policy

The HHA will make utility reimbursements to the family.

**6-III.B. FINANCIAL HARDSHIPS AFFECTING MINIMUM RENT [24 CFR 5.630]**

HHA Policy

The financial hardship rules described below do apply in this jurisdiction because the HHA has established a minimum rent of \$40.00.

## Overview

If the HHA establishes a minimum rent greater than zero, the HHA must grant an exemption from the minimum rent if a family is unable to pay the minimum rent because of financial hardship.

The financial hardship exemption applies only to families required to pay the minimum rent. If a family's TTP is higher than the minimum rent, the family is not eligible for a hardship exemption. If the HHA determines that a hardship exists, the family share is the highest of the remaining components of the family's calculated TTP.

## HUD-Defined Financial Hardship

Financial hardship includes the following situations:

- (1) The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.

### HHA Policy

A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent.

For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.

- (2) The family would be evicted because it is unable to pay the minimum rent.

### HHA Policy

For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent to the owner or tenant-paid utilities.

- (3) Family income has decreased because of changed family circumstances, including the loss of employment.
- (4) A death has occurred in the family.

### HHA Policy

In order to qualify under this provision, a family must describe and verify how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).

(5) The family has experienced other circumstances determined by the HHA.

HHA Policy

The HHA has not established any additional hardship criteria.

**Implementation of Hardship Exemption**

***Determination of Hardship***

When a family requests a financial hardship exemption, the HHA must suspend the minimum rent requirement beginning the first of the month following the family's request.

The HHA then determines whether the financial hardship exists and whether the hardship is temporary or long-term.

HHA Policy

The HHA defines temporary hardship as a hardship expected to last 90 days or less. Long term hardship is defined as a hardship expected to last more than 90 days.

When the minimum rent is suspended, the family share reverts to the highest of the remaining components of the calculated TTP. The example below demonstrates the effect of the minimum rent exemption.

<b>Example: Impact of Minimum Rent Exemption</b>	
Assume the HHA has established a minimum rent of \$35.	
<b>Family Share – No Hardship</b>	<b>Family Share – With Hardship</b>
\$0 30% of monthly adjusted income	\$0 30% of monthly adjusted income
\$15 10% of monthly gross income	\$15 10% of monthly gross income
N/A Welfare rent	N/A Welfare rent
\$35 Minimum rent	\$35 Minimum rent
Minimum rent applies. TTP = \$35	Hardship exemption granted. TTP = \$15

HHA Policy

To qualify for a hardship exemption, a family must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship and how the hardship has affected the family's ability to pay the minimum rent.

The HHA will make the determination of hardship within 30 calendar days.

### ***No Financial Hardship***

If the HHA determines there is no financial hardship, the HHA will reinstate the minimum rent and require the family to repay the amounts suspended.

#### HHA Policy

The HHA will require the family to repay the suspended amount within 30 calendar days of the HHA's notice that a hardship exemption has not been granted.

### ***Temporary Hardship***

If the HHA determines that a qualifying financial hardship is temporary, the HHA must suspend the minimum rent for the 90-day period beginning the first of the month following the date of the family's request for a hardship exemption.

At the end of the 90-day suspension period, the family must resume payment of the minimum rent and must repay the HHA the amounts suspended. HUD requires the HHA to offer a reasonable repayment agreement, on terms and conditions established by the HHA. The HHA also may determine that circumstances have changed and the hardship is now a long-term hardship.

#### HHA Policy

The HHA will enter into a repayment agreement in accordance with the procedures found in Chapter 16 of this plan.

### ***Long-Term Hardship***

If the HHA determines that the financial hardship is long-term, the HHA must exempt the family from the minimum rent requirement for so long as the hardship continues. The exemption will apply from the first of the month following the family's request until the end of the qualifying hardship. When the financial hardship has been determined to be long-term, the family is not required to repay the minimum rent.

#### HHA Policy

The hardship period ends when any of the following circumstances apply:

- (1) At an interim or annual reexamination, the family's calculated TTP is greater than the minimum rent.
- (2) For hardship conditions based on loss of income, the hardship condition will continue to be recognized until new sources of income are received that are at least equal to the amount lost. For example, if a hardship is approved because a family no longer receives a \$60/month child support payment, the hardship will continue to exist until the family receives at least \$60/month in income from another source or once again begins to receive the child support.

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- (3) For hardship conditions based upon hardship-related expenses, the minimum rent exemption will continue to be recognized until the cumulative amount exempted is equal to the expense incurred.

### 6-III.C. APPLYING PAYMENT STANDARDS [24 CFR 982.505]

#### Overview

The HHA's schedule of payment standards is used to calculate housing assistance payments for HCV families. This section covers the application of the HHA's payment standards. The establishment and revision of the HHA's payment standard schedule are covered in Chapter 16.

*Payment standard* is defined as "the maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family)" [24 CFR 982.4(b)].

The payment standard for a family is the lower of (1) the payment standard for the family unit size, which is defined as the appropriate number of bedrooms for the family under the HHA's subsidy standards [24 CFR 982.4(b)], or (2) the payment standard for the size of the dwelling unit rented by the family.

If the HHA has established an exception payment standard for a designated part of an FMR area and a family's unit is located in the exception area, the HHA must use the appropriate payment standard for the exception area.

The HHA is required to pay a monthly housing assistance payment (HAP) for a family that is the lower of (1) the payment standard for the family minus the family's TTP or (2) the gross rent for the family's unit minus the TTP.

If during the term of the HAP contract for a family's unit, the owner lowers the rent, the HHA will recalculate the HAP using the lower of the initial payment standard or the gross rent for the unit [HCV GB, p. 7-8].

#### Changes in Payment Standards

When the HHA revises its payment standards during the term of the HAP contract for a family's unit, it will apply the new payment standards in accordance with HUD regulations.

#### *Decreases*

If the amount on the payment standard schedule is decreased during the term of the HAP contract, the lower payment standard generally will be used beginning at the effective date of the family's second regular reexamination following the effective date of the decrease in the payment standard. The HHA will determine the payment standard for the family as follows:

**Step 1:** At the first regular reexamination following the decrease in the payment standard, the HHA will determine the payment standard for the family using the lower of the payment standard for the family unit size or the size of the dwelling unit rented by the family.

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**Step 2:** The HHA will compare the payment standard from step 1 to the payment standard last used to calculate the monthly housing assistance payment for the family. The payment standard used by the HHA at the first regular reexamination following the decrease in the payment standard will be the higher of these two payment standards. The HHA will advise the family that the application of the lower payment standard will be deferred until the second regular reexamination following the effective date of the decrease in the payment standard.

**Step 3:** At the second regular reexamination following the decrease in the payment standard, the lower payment standard will be used to calculate the monthly housing assistance payment for the family unless the HHA has subsequently increased the payment standard, in which case the payment standard will be determined in accordance with procedures for increases in payment standards described below.

### ***Increases***

If the payment standard is increased during the term of the HAP contract, the increased payment standard will be used to calculate the monthly housing assistance payment for the family beginning on the effective date of the family's first regular reexamination on or after the effective date of the increase in the payment standard.

Families requiring or requesting interim reexaminations will not have their HAP payments calculated using the higher payment standard until their next annual reexamination [HCV GB, p. 7-8].

### ***Changes in Family Unit Size***

Irrespective of any increase or decrease in the payment standard, if the family unit size increases or decreases during the HAP contract term, the new family unit size must be used to determine the payment standard for the family beginning at the family's first regular reexamination following the change in family unit size.

### **Reasonable Accommodation**

If a family requires a higher payment standard as a reasonable accommodation for a family member who is a person with disabilities, the HHA is allowed to establish a higher payment standard for the family within the basic range (90-110 percent). If a family requests a higher payment standard above the basic range HUD approval is required as a reasonable accommodation.

### **HHA Policy**

During Annual Re-examination the HHA will review each accommodation. If the family no longer requires such accommodation, then the HHA will no longer grant the accommodation. Example, if at lease up a family requires a reasonable accommodation to increase the Payment standard in order to qualify for a unit and the accommodation was granted. Then during the Annual Re-examination if the family no longer requires the increase in payment standard do to changes in income, deductions, etc. the accommodation will be removed.

## **6-III.D. APPLYING UTILITY ALLOWANCES [24 CFR 982.517]**

## Overview

A HHA-established utility allowance schedule is used in determining family share and HHA subsidy. The HHA must use the appropriate utility allowance for the size of dwelling unit actually leased by a family rather than the voucher unit size for which the family qualifies using HHA subsidy standards. See Chapter 5 for information on the HHA's subsidy standards.

For policies on establishing and updating utility allowances, see Chapter 16.

## Reasonable Accommodation

HCV program regulations require a HHA to approve a utility allowance amount higher than shown on the HHA's schedule if a higher allowance is needed as a reasonable accommodation for a family member with a disability. For example, if a family member with a disability requires such an accommodation for air-conditioning, the HHA will approve an allowance for air-conditioning, even if the HHA has determined that an allowance for air-conditioning generally is not needed.

The family must request the higher allowance and provide the HHA with an explanation of the need for the reasonable accommodation and information about the amount of additional allowance required [HCV GB, p. 18-8].

## Utility Allowance Revisions

At reexamination, the HHA must use the HHA current utility allowance schedule [24 CFR 982.517(d)(2)].

## HHA Policy

Revised utility allowances will be applied to a family's rent and subsidy calculations at the first next interim or annual reexamination that is effective after the allowance is adopted.

## **6-III.E. PRORATED ASSISTANCE FOR MIXED FAMILIES [24 CFR 5.520]**

HUD regulations prohibit assistance to ineligible family members. A *mixed family* is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members. The HHA must prorate the assistance provided to a mixed family. The HHA will first determine assistance as if all family members were eligible and then prorate the assistance based upon the percentage of family members that actually are eligible. For example, if the HHA subsidy for a family is calculated at \$500 and two of four family members are ineligible, the HHA subsidy would be reduced to \$250.

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**EXHIBIT 6-1: ANNUAL INCOME INCLUSIONS**

**24 CFR 5.609**

*(a) Annual income means all amounts, monetary or not, which:*

- (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
- (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
- (3) Which are not specifically excluded in paragraph (c) of this section.
- (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

*(b) Annual income includes, but is not limited to:*

- (1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- (2) The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;

(3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b)(2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;

(4) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph (c)(14) of this section);

(5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);

(6) Welfare assistance payments.

(i) Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments:

(A) Qualify as assistance under the TANF program definition at 45 CFR 260.31<sup>1</sup>; and

(B) Are not otherwise excluded under paragraph (c) of this section.

(ii) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

(A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus

(B) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

(7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;

(8) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c)(7) of this section)

<sup>1</sup> Text of 45 CFR 260.31 follows.

(9) For Section 8 programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition, that an individual receives under the Higher Education Act of 1965, from private sources, or from an institution of higher education, shall be considered income to the individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, "financial assistance" does not include loan proceeds for the purpose of determining income.

**HHA DEFINITION OF  
"ASSISTANCE"**

**45 CFR: GENERAL TEMPORARY  
ASSISTANCE FOR NEEDY FAMILIES**

**260.31 What does the term "assistance" mean?**

(a)(1) The term "assistance" includes cash, payments, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs (i.e., for food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses).

(2) It includes such benefits even when they are:

(i) Provided in the form of payments by a TANF agency, or other agency on its behalf, to individual recipients; and

(ii) Conditioned on participation in work experience or community service (or any other work activity under 261.30 of this chapter).

(3) Except where excluded under paragraph (b) of this section, it also includes

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supportive services such as transportation and child care provided to families who are not employed.

(b) [The definition of “assistance”] excludes: (1) Nonrecurrent, short-term benefits that:

(i) Are designed to deal with a specific crisis situation or episode of need;

(ii) Are not intended to meet recurrent or ongoing needs; and

(iii) Will not extend beyond four months.

(2) Work subsidies (i.e., payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training);

(3) Supportive services such as child care and transportation provided to families who are employed;

(4) Refundable earned income tax credits;

(5) Contributions to, and distributions from, Individual Development Accounts;

(6) Services such as counseling, case management, peer support, child care information and referral, transitional services, job retention, job advancement, and other employment-related services that do not provide basic income support; and

(7) Transportation benefits provided under a Job Access or Reverse Commute project, pursuant to section 404(k) of [the Social Security] Act, to an individual who is not otherwise receiving assistance.

**EXHIBIT 6-2: ANNUAL INCOME EXCLUSIONS**

**24 CFR 5.609**

*(c) Annual income does not include the following:*

- (1) Income from employment of children (including foster children) under the age of 18 years;
- (2) Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
- (3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in paragraph (b)(5) of this section);
- (4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- (5) Income of a live-in aide, as defined in Sec. 5.403;
- (6) Subject to paragraph (b) (9) of the inclusions, the full amount of student financial assistance paid directly to the student or to the educational institution;
- (7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- (8) (i) Amounts received under training programs funded by HUD;
- (ii) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security

Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

(iii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;

(iv) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the HHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the HHA's governing board. No resident may receive more than one such stipend during the same period of time;

(v) Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program;

(9) Temporary, nonrecurring or sporadic income (including gifts);

(10) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;

(11) Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);

(12) Adoption assistance payments in excess of \$480 per adopted child;

(13) [Reserved]

(14) Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.

(15) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;

(16) Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or

(17) Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to PHAs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. [See the following

chart for a list of benefits that qualify for this exclusion.]

Sources of Income Excluded by Federal Statute from Consideration as Income for Purposes of Determining Eligibility or Benefits

a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b));

b) Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058);

c) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c));

d) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e);

e) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f));

f) Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b)); (effective July 1, 2000, references to Job Training Partnership Act shall be deemed to refer to the corresponding provision of the Workforce Investment Act of 1998 (29 U.S.C. 2931);

g) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub.L- 94-540, 90 Stat. 2503-04);

h) The first \$2000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408);

i) Amounts of scholarships funded under title IV of the Higher Education Act of 1965, including awards under federal work-study program or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu);

j) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f));

k) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in In Re Agent-product liability litigation, M.D.L. No. 381 (E.D.N.Y.);

l) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721);

m) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q);

n) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j));

o) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433);

p) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d));

q) Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran (38 U.S.C. 1805);

r) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602); and

s) Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931).

**EXHIBIT 6-3: TREATMENT OF FAMILY ASSETS**

**24 CFR 5.603(b) Net Family Assets**

(1) Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

(2) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under Sec. 5.609.

(3) In determining net family assets, PHAs or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor.

In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

(4) For purposes of determining annual income under Sec. 5.609, the term "net family assets" does not include the value of a home currently being purchased with assistance under part 982, subpart M of this title. This exclusion is limited to the first 10 years after the purchase date of the home.

**EXHIBIT 6-4: EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES**

**24 CFR 5.617 Self-sufficiency incentives for persons with disabilities—Disallowance of increase in annual income.**

*(a) Applicable programs.* The disallowance of increase in annual income provided by this section is applicable only to the following programs: HOME Investment Partnerships Program (24 CFR part 92); Housing Opportunities for Persons with AIDS (24 CFR part 574); Supportive Housing Program (24 CFR part 583); and the Housing Choice Voucher Program (24 CFR part 982).

*(b) Definitions.* The following definitions apply for purposes of this section.

*Disallowance.* Exclusion from annual income.

*Previously unemployed* includes a person with disabilities who has earned, in the twelve months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.

*Qualified family.* A family residing in housing assisted under one of the programs listed in paragraph (a) of this section or receiving tenant-based rental assistance under one of the programs listed in paragraph (a) of this section.

(1) Whose annual income increases as a result of employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment;

(2) Whose annual income increases as a result of increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program; or

(3) Whose annual income increases, as a result of new employment or increased earnings of a family member who is a person with disabilities, during or within six months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the responsible entity in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WTW) programs. The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance-- provided that the total amount over a six-month period is at least \$500.

*(c) Disallowance of increase in annual income—*

(1) Initial twelve month exclusion. During the cumulative twelve month period beginning on the date a member who is a person with disabilities of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the responsible entity must exclude from annual income (as defined in the regulations governing the applicable program listed in paragraph (a) of this section) of a qualified family any increase in income of the family member who is a person with disabilities as a result of employment over prior income of that family member.

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(2) Second twelve month exclusion and phase-in. During the second cumulative twelve month period after the date a member who is a person with disabilities of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the responsible entity must exclude from annual income of a qualified family fifty percent of any increase in income of such family member as a result of employment over income of that family member prior to the beginning of such employment.

(3) Maximum four year disallowance. The disallowance of increased income of an individual family member who is a person with disabilities as provided in paragraph (c)(1) or (c)(2) is limited to a lifetime 48 month period. The disallowance only applies for a maximum of twelve months for disallowance under paragraph (c)(1) and a maximum of twelve months for disallowance under paragraph (c)(2), during the 48 month period starting from the initial exclusion under paragraph (c)(1) of this section.

*(d) Inapplicability to admission.* The disallowance of increases in income as a result of employment of persons with disabilities under this section does not apply for purposes of admission to the program (including the determination of income eligibility or any income targeting that may be applicable).

**EXHIBIT 6-5: THE EFFECT OF WELFARE BENEFIT REDUCTION**

**24 CFR 5.615**

**Public housing program and Section 8 tenant-based assistance program: How welfare benefit reduction affects family income.**

*(a) Applicability.* This section applies to covered families who reside in public housing (part 960 of this title) or receive Section 8 tenant-based assistance (part 982 of this title).

*(b) Definitions.* The following definitions apply for purposes of this section:

*Covered families.* Families who receive welfare assistance or other public assistance benefits ("welfare benefits") from a State or other public agency ("welfare agency") under a program for which Federal, State, or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance.

*Economic self-sufficiency program.* See definition at Sec. 5.603.

*Imputed welfare income.* The amount of annual income not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income for purposes of determining rent.

*Specified welfare benefit reduction.*

(1) A reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, as determined by the welfare agency, because of fraud by a family member in connection with the welfare program; or because of welfare agency sanction against a family member for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

(2) "Specified welfare benefit reduction" does not include a reduction or termination of welfare benefits by the welfare agency:

(i) at expiration of a lifetime or other time limit on the payment of welfare benefits;

(ii) because a family member is not able to obtain employment, even though the family member has complied with welfare agency economic self-sufficiency or work activities requirements; or

(iii) because a family member has not complied with other welfare agency requirements.

*(c) Imputed welfare income.*

(1) A family's annual income includes the amount of imputed welfare income (because of a specified welfare benefits reduction, as specified in notice to the PHA by the welfare agency), plus the total amount of other annual income as determined in accordance with Sec. 5.609.

(2) At the request of the PHA, the welfare agency will inform the PHA in writing of the amount and term of any specified welfare benefit reduction for a family member, and the reason for such reduction, and will also inform the PHA of any subsequent changes in the term or amount of such specified welfare benefit reduction. The PHA will use this information to determine the amount of imputed welfare income for a family.

(3) A family's annual income includes imputed welfare income in family annual income, as determined at the PHA's interim or regular

reexamination of family income and composition, during the term of the welfare benefits reduction (as specified in information provided to the PHA by the welfare agency).

(4) The amount of the imputed welfare income is offset by the amount of additional income a family receives that commences after the time the sanction was imposed. When such additional income from other sources is at least equal to the imputed

(5) The PHA may not include imputed welfare income in annual income if the family was not an assisted resident at the time of sanction.

*(d) Review of PHA decision.*

(1) Public housing. If a public housing tenant claims that the PHA has not correctly calculated the amount of imputed welfare income in accordance with HUD requirements, and if the PHA denies the family's request to modify such amount, the PHA shall give the tenant written notice of such denial, with a brief explanation of the basis for the PHA determination of the amount of imputed welfare income. The PHA notice shall also state that if the tenant does not agree with the PHA determination, the tenant may request a grievance hearing in accordance with part 966, subpart B of this title to review the PHA determination. The tenant is not required to pay an escrow deposit pursuant to Sec. 966.55(e) for the portion of tenant rent attributable to the imputed welfare income in order to obtain a grievance hearing on the PHA determination.

(2) Section 8 participant. A participant in the Section 8 tenant-based assistance program may request an informal hearing, in accordance with Sec. 982.555 of this title, to review the PHA determination of the amount of imputed welfare income that must be included in the family's annual income in accordance with this section. If the family claims that such amount is not correctly

calculated in accordance with HUD requirements, and if the PHA denies the family's request to modify such amount, the PHA shall give the family written notice of such denial, with a brief explanation of the basis for the PHA determination of the amount of imputed welfare income. Such notice shall also state that if the family does not agree with the PHA determination, the family may request an informal hearing on the determination under the PHA hearing procedure.

*(e) PHA relation with welfare agency.*

(1) The PHA must ask welfare agencies to inform the PHA of any specified welfare benefits reduction for a family member, the reason for such reduction, the term of any such reduction, and any subsequent welfare agency determination affecting the amount or term of a specified welfare benefits reduction. If the welfare agency determines a specified welfare benefits reduction for a family member, and gives the PHA written notice of such reduction, the family's annual incomes shall include the imputed welfare income because of the specified welfare benefits reduction.

(2) The PHA is responsible for determining the amount of imputed welfare income that is included in the family's annual income as a result of a specified welfare benefits reduction as determined by the welfare agency, and specified in the notice by the welfare agency to the PHA. However, the PHA is not responsible for determining whether a reduction of welfare benefits by the welfare agency was correctly determined by the welfare agency in accordance with welfare program requirements and procedures, nor for providing the opportunity for review or hearing on such welfare agency determinations.

(3) Such welfare agency determinations are the responsibility of the welfare agency, and the family may seek appeal of such

determinations through the welfare agency's normal due process procedures. The PHA shall be entitled to rely on the welfare agency notice to the PHA of the welfare agency's determination of a specified welfare benefits reduction.

## DETERMINATION OF TOTAL TENANT PAYMENT

[24 CFR 5.609, 5.611, 5.613, 5.615, 5.628, 5.630]

### INTRODUCTION

The accurate calculation of Annual Income and Adjusted Income will ensure that families are not paying more or less money for rent than their obligation under the regulations.

This Chapter defines the allowable deductions from Annual Income and how the presence or absence of household members may affect the Total Tenant Payment (TTP). Income and TTP are calculated in accordance with 24 CFR Part 5, Subpart F and further instructions set forth in HUD Notices, Memoranda and Addenda. However, the Quality Housing and Work Responsibility Act now gives PHAs broader flexibility. **HHA's** policies in this Chapter address those areas that allow **HHA** discretion to define terms and to develop standards in order to assure consistent application of the various factors that relate to the determination of TTP.

### A. MINIMUM RENT

The minimum rent for **HHA** is **\$40**. The minimum rent refers to a minimum total tenant payment and not a minimum **resident** rent.

The Total Tenant Payment is the greater of:

30% of the adjusted monthly income

10% of the monthly income

The Minimum rent as established by **HHA**

The Total Tenant Payment does not include charges for excess utility consumption or other charges.

### **HHH Procedures for Notification to Families of Hardship Exemptions**

HHH will notify all participant families subject to a minimum rent of their right to request a minimum rent hardship exemption under the law.

**\* HHA will notify all families at time of lease-up of their right to request a minimum rent hardship exemption.**

**\* A housing technician will document in the family's file that the family has been notified of their right to request a minimum rent hardship exemption.**

HHH notification will advise the family that hardship exemption determinations are subject to HHA grievance procedures.

HHH will review all **resident** requests for exemption from the minimum rent due to financial hardships.

**\* All requests for minimum rent exemption are required to be in writing.**

**\* Requests for minimum rent exemption must state the family circumstances that qualify the family for an exemption.**

**Exemptions to Minimum Rent**

**HHA** will immediately grant the minimum rent exemption to all families who request it **beginning the month following the family’s written request for a hardship exemption.**

The Minimum Rent will be suspended until **HHA** determines whether the hardship is:

Covered by statute

Temporary or long term

If **HHA** determines that the minimum rent is not covered by statute, **HHA** will impose a minimum rent including payment for minimum rent from the time of suspension.

**\* HHA will use its standard verification procedures to verify circumstances that have resulted in financial hardship, such as loss of employment, death in the family, etc.**

**HUD Criteria for Hardship Exemption**

In order for a family to qualify for a hardship exemption the family’s circumstances must fall into one of the following criteria:

The family has lost eligibility or is awaiting an eligibility determination for Federal, State, or local assistance;

The family would be evicted as a result of the imposition of the minimum rent requirement;

The income of the family has decreased because of changed circumstances, including:

Loss of employment

Death in the family

Other circumstances as determined by **HHA** or HUD

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## HHA Policy Regarding Hardship Exemption

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For purposes of providing the hardship exemption to minimum rent in a fair and consistent manner, HHA has established policy regarding the above-mentioned HUD criteria.

"Loss of employment" is:

**\* defined as being laid off or terminated through no fault of the employee. Loss of employment does not, for the purposes of exemption to minimum rent, include voluntarily quitting employment.**

**\* "Death in the family." Family, for the purposes of exemption to minimum rent, includes any adult on the public housing lease whose income is included in the determination of the TTP.**

### **\* Financial Hardship Exemption Only Applies to Waiving the Minimum TTP**

The financial hardship exemption only applies to the payment of minimum rent (minimum TTP). The exemption does not apply to the other elements used to calculate the Total Tenant Payment. When the family is granted the financial hardship exemption, the family's TTP shall be the greater of:

30 percent of monthly adjusted income

10 percent of monthly income

### **Temporary Hardship**

If HHA determines that the hardship is temporary (less than 90 **calendar** days), a minimum rent will be imposed, including back payment from time of suspension, but the family will not be evicted for nonpayment of rent during the 90 **calendar** day period commencing **the month following the family's request.**

### **Repayment Agreements for Temporary Hardship**

HHA will offer a repayment agreement to the family for any such rent not paid during the temporary hardship period.

**\* If the family owes HHA money for rent arrears incurred during the minimum rent period, HHA will calculate the total amount owed and divide it by 6 to arrive at a reasonable payment increment that will be added to the family's regular monthly rent payment. The family will be required to pay the increased amount until the arrears are paid in full.**

**\* HHA will not enter into a repayment agreement that will take more than 6 months to pay off.**

HHA's policies regarding repayment agreements are further discussed in the chapter entitled "Family Debts to HHA."

### **Retroactive Determination**

HHA will reimburse the family for minimum rent charges that took effect after October 21, 1998 that qualified for one of the mandatory exemptions.

**\* If the family is owed a retroactive payment, HHA will offset the family's future rent payments by the amount which HHA owes the family.**

## **B. INCOME AND ALLOWANCES**

**Income:** The types of money that are to be used as income for purposes of calculating the TTP are defined by HUD in federal regulations. In accordance with this definition, income from all sources of each member of the household is documented. (See Income Inclusions and Income Exclusions in the Glossary of Terms of this policy.)

**Annual Income** is defined as the gross amount of income anticipated to be received by the family during the 12 months after certification or recertification. Gross income is the amount of income prior to any HUD allowable expenses or deductions, and does not include income that has been excluded by HUD. Annual income is used to determine whether or not applicants are within the applicable income limits. (24 CFR 960.201)

**Adjusted Income** is defined as the Annual income minus any HUD allowable deductions.

### **Permissive Deductions**

**\* HHA does not adopt any additional permissive deductions to annual income of residents.**

### **Allowable Deductions**

HUD has five allowable deductions from Annual Income:

1. Dependent allowance: \$480 each for family members (other than the head or spouse), who are minors, and for family members who are 18 and older who are full-time students or who are disabled.
2. "Elderly" allowance: \$400 per household for families whose head or spouse is 62 or over or disabled.
3. Allowable medical expenses for all family members are deducted for elderly and disabled families when the expenses exceed 3 percent of the family's annual income.
4. Childcare expenses for children under 13 are deducted when childcare is necessary to allow an adult family member to work, actively seek work, or attend school (including vocational training).
5. Expenses for attendant care or auxiliary apparatus for persons with disabilities if needed to enable the individual or an adult family member to work, and if the expenses exceed 3 percent of the family's annual income.

**C. TRAINING INCOME EXCLUSIONS** [24 CFR 5.609(c)]

HHA believes that training income exclusions are an important factor in helping public housing participants move from welfare and dependence to greater self-sufficiency.

**\* HHA will share information regarding new policies governing training income derived from qualifying employment training programs with applicants, participants and local social service providers. HHA's objective is to encourage families to move toward self-sufficiency by excluding from their annual income certain amounts earned through participation in various qualifying training programs. These training programs are aimed at offering the resident gainful employment skills. The exclusion of training income, in the calculation of annual income, is meant to be an incentive. It is HHA's hope that welfare agencies will adopt or modify their programs so that welfare recipients living in Public Housing will receive the maximum benefits from these income exclusions.**

In order to be eligible for the exclusion the resident must actually receive training under the provisions of the program. For purposes of this exclusion, it is not enough for the resident to merely be enrolled.

**1. Training Income Exclusions in Accordance with 24 CFR 5.609(c)(8)(v)**

Income from training programs is excluded when the training program is in accordance with 24 CFR 5.609 (c) (8)(v) and has features that allow the training income of assisted housing residents to be excluded only while the resident is actively enrolled in the training program.

A training program qualifying under 24 CFR 5.609 (c)(8)(v) is defined as one with goals and objectives designed to lead to a higher level of proficiency, and one which enhances the individual's ability to obtain employment. The training program may have performance standards to measure proficiency. Training may include, but is not limited to:

- Classroom training in a specific occupational skill;
- On-the-job training with wages subsidized by the program, or
- Basic education.

For this purpose Annual Income does not include the following:

- Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs.

At all times the income to be excluded is the incremental income only.

"Incremental income" is defined by HUD as the increase between the total amount of welfare and earnings of a family member *prior* to enrollment in the training program and welfare and earnings of the family member *after* enrollment in the training program.

All other amounts, (such as child support and alimony), are treated in the usual manner in determining annual income. Child support, or other income that is not *earnings or benefits*, is not a factor and will not be considered in regard to training income exclusions, regardless of whether they have increased or decreased.

### **Who is Eligible for the Exclusion**

Any member of the resident's family is eligible for the exclusion, provided the individual is enrolled in the qualifying employment training program.

If a family has members who enroll in training programs at different times, the exclusion may be taken at different periods. The rules will be applied individually to each member based on which type of program they are enrolled in.

### **Verification**

Upon verification, residents who are actively enrolled in a qualifying training program will have the incremental income from the training program excluded from their annual income.

### **Other Factors to be Considered**

If a resident has no income the day they enter a training program, but has a history of employment in the past, **HHA** will review the resident's wages for the past 18 months and average the income. That averaged income will become the resident's base amount for determining incremental earnings. Exception: If the resident has no income and enrolls in a welfare program which requires participants to be enrolled in a job training program, the base pay for that resident will be zero.

The resident is required to notify **HHA** within **10 calendar** days of enrolling in a qualifying training program.

Residents who have a decrease in income as a result of enrolling in a training program may request an interim examination. **HHA** will determine the decrease in incremental income as a result of the training program and adjust the resident's rent accordingly.

Residents who do not notify **HHA** within **10 calendar** days of starting a training program, and have a decrease in income, will not have their rent adjusted retroactively.

**D. DISALLOWANCE OF EARNED INCOME FROM RENT DETERMINATIONS**

The annual income for qualified families may not be increased as a result of increases in earned income beginning on the date on which the increase in earned income begins and continuing for a cumulative 12-month period. After the family receives 12 cumulative months of the full exclusion, annual income will include a phase-in of half the earned income excluded from annual income.

A family qualified for the earned income exclusion is a family that occupies a dwelling unit in a public housing project, is paying income-based rent; and

1. Whose annual income increases as a result of employment of a family member who was previously unemployed for one or more years prior to employment;
2. Whose annual income increases as a result of increased earnings by a family member during participation in any economic self-sufficiency or other job training program; or
3. Whose annual income increases, as a result of new employment or increased earnings of a family member during or within six months after receiving assistance, benefits or services under any State program for TANF provided that the total amount over a six-month period is at least \$500. The qualifying TANF assistance may consist of any amount of monthly income maintenance, and/or at least \$500 in such TANF benefits and services as one-time payments, wage subsidies, and transportation assistance.

The HUD definition of “previously unemployed” includes a person who has earned in the previous 12 months no more than the equivalent earnings for working 10 hours per week for 50 weeks at the minimum wage. Minimum wage is the prevailing minimum wage in the state or locality.

The HUD definition of economic self-sufficiency program is: any program designed to encourage, assist, train or facilitate economic independence of assisted families or to provide work for such families. Such programs may include job training, employment counseling, work placement, basic skills training, education, English proficiency, workfare, financial or household management, apprenticeship, or any other program necessary to ready a participant to work (such as substance abuse or mental health treatment).

Amounts to be excluded are any earned income increases of a family member during participation in an economic self-sufficiency or job training program and not increases that occur after participation, unless the training provides assistance, training or mentoring after employment.

The amount that is subject to the disallowance is the amount of incremental increase in income of a family member. The incremental increase in income is calculated by comparing the amount of the family member's income before the beginning of qualifying employment or increase in earned income to the amount of such income after the beginning of employment or increase in earned income.

**Initial Twelve-Month Exclusion:**

During the cumulative 12-month period beginning on the date a member of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, **HHA** will exclude from annual income any increase in income of the family member as a result of employment over the prior income of that family member.

**Second Twelve-Month Phase-in Exclusion:**

During the second cumulative 12-month period after the expiration of the initial cumulative 12-month period referred to above, **HHA** must exclude from annual income of a qualified family 50 percent of any increase in income of a family member as a result of employment over income of that family member prior to the beginning of such employment.

**Maximum Four Year Disallowance:**

The earned income disallowance is limited to a lifetime 48-month period for each family member. For each family member, the disallowance only applies for a maximum of 12 months of full exclusion of incremental increase, and a maximum of 12 –months of phase-in exclusion during the 48-month period starting from the date of the initial exclusion.

If the period of increased income does not last for 12 consecutive months, the disallowance period may be resumed at any time within the 48-month period, and continued until the disallowance has been applied for a total of 12 months of each disallowance (the initial 12-month full exclusion and the second 12-month phase-in exclusion).

No earned income disallowance will be applied after the 48-month period following the initial date the exclusion was applied.

**Applicability to 18-month Training Income Exclusions [formerly found in 24 CFR 5.609(c)(13)]:**

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If a **resident** meets the criteria for the mandatory earned income disallowance as outlined in 24 CFR 960.255, **HHA** shall not deny a **resident** the disallowance based on receipt of the earlier 18-month exclusion.

**Applicability to Child Care and Disability Assistance Expense Deductions:**

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The amount deducted for childcare and disability assistance expenses necessary to permit employment shall not exceed the amount of employment income that is included in annual income. Therefore, for families entitled to the earned income disallowance, the amounts of the full and phase-in exclusions from income shall not be used in determining the cap for childcare and disability assistance expense deductions.

**Tracking the Earned Income Exclusion**

The earned income exclusion will be reported on the HUD 50058 form. Documentation will be included in the family’s file to show the reason for the reduced increase in rent.

**\*Such documentation will include:**

- \* **Date the increase in earned income was reported by the family**
- \* **Name of the family member whose earned income increased**
- \* **Reason (new employment, participation in job training program, within 6 months after receiving TANF) for the increase in earned income**
- \* **Amount of the increase in earned income (amount to be excluded)**
- \* **Date the increase in income is first excluded from annual income**
- \* **Date(s) earned income ended and resumed during the initial cumulative 12-month period of exclusion (if any)**
- \* **Date the family member has received a total of 12 months of the initial exclusion**
- \* **Date the 12-month phase-in period began**
- \* **Date(s) earned income ended and resumed during the second cumulative 12-month period (phase-in) of exclusion (if any)**
- \* **Date the family member has received a total of 12 months of the phase-in exclusion**
- \* **Ending date of the maximum 48-month (four year) disallowance period (48 months from the date of the initial earned income disallowance)**

**HHA** will maintain a tracking system to ensure correct application of the earned income disallowance.

**Inapplicability to Admission**

The earned income disallowance is only applied to determine the annual income of families residing in public housing, and therefore does not apply for purposes of admission (including the determination of income eligibility or any income targeting that may be applicable).

**E. INDIVIDUAL SAVINGS ACCOUNTS**

**\* HHA chooses not to establish a system of individual savings accounts for families who qualify for the disallowance of earned income.**

**F. TRAINING PROGRAMS FUNDED BY HUD**

All training income from a HUD sponsored or funded training program, whether incremental or not, is excluded from the resident's annual income while the resident is in training. Income from a Resident Services training program, which is funded by HUD, is excluded.

**G. WAGES FROM EMPLOYMENT WITH THE HHA OR RESIDENT ORGANIZATION**

Upon employment with **HHA** or officially-recognized Resident Organization, the full amount of employment income received by the person is counted. There is no exclusion of income for wages funded under the 1937 Housing Act Programs, which includes public housing and Section 8.

**H. AVERAGING INCOME**

When Annual Income cannot be anticipated for a full twelve months, **HHA** will:

**\* Average known sources of income that vary to compute an annual income.**

If there are bonuses or overtime which the employer cannot anticipate for the next twelve months, bonuses and overtime received the previous year will be used.

Income from the previous year may be analyzed to determine the amount to anticipate when third-party or check-stub verification is not available.

If by averaging, an estimate can be made for those families whose income fluctuates from month to month, this estimate will be used so that the housing payment will not change from month to month.

The method used depends on the regularity, source and type of income.

**Using Enterprise Income Verification (EIV) to Project Income**

HUD strongly recommends the use of verification (EIV). EIV is "the verification of income, before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a large number of individuals" [VG, p. 7].

HUD allows HHA to use EIV information in conjunction with family-provided documents to anticipate income [EIV].

**HHA Policy**

HHA procedures for anticipating annual income will include the use of EIV methods

approved by HUD in conjunction with family-provided documents dated within the last 60 days of the HHA interview date.

The HHA will follow “HUD Guidelines for Projecting Annual Income When Enterprise Income Verification (EIV) Data Is Available” in handling differences between EIV and family-provided income data. The guidelines depend on whether a difference is substantial or not. HUD defines substantial difference as a difference of \$200 or more per month.

**No Substantial Difference.** If EIV information for a particular income source differs from the information provided by a family by less than \$200 per month, the HHA will follow these guidelines:

If the EIV figure is less than the family’s figure, the HHA will use the family’s information.

If the EIV figure is more than the family’s figure, the HHA will use the EIV data unless the family provides documentation of a change in circumstances to explain the discrepancy (e.g., a reduction in work hours). Upon receipt of acceptable family-provided documentation of a change in circumstances, the HHA will use the family-provided information.

**Substantial Difference.** If EIV information for a particular income source differs from the information provided by a family by \$200 or more per month, the HHA will follow these guidelines:

The HHA will request written third-party verification from the discrepant income source in accordance with 24 CFR 5.236(b)(3)(i).

When the HHA cannot readily anticipate income (e.g., in cases of seasonal employment, unstable working hours, or suspected fraud), the HHA will review historical income data for patterns of employment, paid benefits, and receipt of other income.

The HHA will analyze all EIV, third-party, and family-provided data and attempt to resolve the income discrepancy.

The HHA will use the most current verified income data and, if appropriate, historical income data to calculate anticipated annual income.

**I. MINIMUM INCOME**

There is no minimum income requirement. Families who report zero income are required to **complete a written certification every 3 months and undergo an interim recertification every 3 months.**

**\* Families that report zero income will be required to provide information regarding their means of basic subsistence, such as food, utilities, transportation, etc.**

**\* HHA will request labor report for all adult members of families that report zero income.**

**\*Where credit reports show credit accounts open, HHA will take action to investigate the possibility of fraud or program abuse.**

**J. INCOME OF PERSON PERMANENTLY CONFINED TO NURSING HOME**

If a family member is permanently confined to a hospital or nursing home and there is a family member left in the household, **HHA** will calculate the Total Tenant Payment by:

- \* 1. Excluding the income of the person permanently confined to the nursing home and not giving the family deductions for medical expenses of the confined family member.**
- \*2. Including the income and deductions of the member if his/her income goes to a family member.**

**K. REGULAR CONTRIBUTIONS AND GIFTS** [24 CFR 5.609(a)(7)]

Regular contributions and gifts received from persons outside the household are counted as income for calculation of the Total Tenant Payment.

Any contribution or gift received every **2 months** or more frequently will be considered a "regular" contribution or gift, unless the amount is less than **\$600** per year. This includes rent and utility payments made on behalf of the family and other cash or non-cash contributions provided on a regular basis. It does not include casual contributions or sporadic gifts. (See Chapter on "Verification Procedures," for further definition.)

**\* If the family's expenses exceed their known income, HHA will make inquiry of the family about contributions and gifts.**

**L. ALIMONY AND CHILD SUPPORT** [24 CFR 5.609(a)(7)]

Regular alimony and child support payments are counted as income for calculation of Total Tenant Payment.

If the amount of child support or alimony received is less than the amount awarded by the court, **HHA** must use the amount awarded by the court unless the family can verify that they are not receiving the full amount.

**HHA** will accept as verification that the family is receiving an amount less than the award if:

**\* HHA receives verification from the agency responsible for enforcement or collection.**

**\* The family furnishes documentation of child support or alimony collection action filed through a child support enforcement/collection agency, or has filed an enforcement or collection action through an attorney.**

It is the family's responsibility to supply a copy of the divorce decree.

**M. LUMP-SUM RECEIPTS** [24 CFR 5.609(b)(4 and 5), (c)(3 and 14)]

Lump-sum additions to Family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses, are not included in income but may be included in assets.

Lump-sum payments caused by delays in processing periodic payments (unemployment or welfare assistance) are counted as income. Lump sum payments from Social Security or SSI are excluded from income, but any amount remaining will be considered an asset. Deferred periodic payments which have accumulated due to a dispute will be treated the same as periodic payments which are deferred due to delays in processing.

In order to determine amount of retroactive **resident** rent that the family owes as a result of the lump sum receipt:

**\* HHA uses a calculation method which calculates retroactively or prospectively depending on the circumstances.**

### **Prospective Calculation Methodology**

If the payment is reported on a timely basis, the calculation will be done prospectively and will result in an interim adjustment calculated as follows:

The entire lump-sum payment will be added to the annual income at the time of the interim.

**HHA** will determine the percent of the year remaining until the next annual recertification as of the date of the interim (three months would be 25% of the year).

At the next annual recertification, **HHA** will apply the percentage balance (75% in this example) to the lump sum and add it to the rest of the annual income.

The lump sum will be added in the same way for any interims that occur prior to the next annual recertification.

**\* If amortizing the payment over one year will cause the family to pay more than 40% of the family's adjusted income (before the lump sum was added) for Total Tenant Payment, HHA and the family may enter into a Repayment Agreement, with the approval of HHA's Finance Manager, for the balance of the amount over the 40% calculation.**

### **Retroactive Calculation Methodology**

**HHA** will go back to the date the lump-sum payment was received, or to the date of admission, whichever is closer.

**HHA** will determine the amount of income for each certification period, including the lump sum, and recalculate the **resident** rent for each certification period to determine the amount due **HHA**.

**\* At HHA's option, HHA may enter into a Repayment Agreement with the family, otherwise the family must pay the retroactive amount due HHA in a lump sum.**

The amount owed by the family is a collectible debt even if the family becomes unassisted.

### **Attorney Fees**

The family's attorney fees may be deducted from lump-sum payments when computing annual income if the attorney's efforts have recovered a lump-sum compensation, and the recovery paid to the family does not include an additional amount in full satisfaction of the attorney fees.

**N. CONTRIBUTIONS TO RETIREMENT FUNDS - ASSETS**

Contributions to company retirement/pension funds are handled as follows:

While an individual is employed, count as assets only amounts the family can withdraw without retiring or terminating employment.

After retirement or termination of employment, count any amount the employee elects to receive as a lump sum.

**O. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE**

**HHA** must count assets disposed of for less than fair market value during the two years preceding certification or reexamination. **HHA** will count the difference between the market value and the actual payment received in calculating total assets. The difference will be included in calculating total assets for two years.

Assets disposed of as a result of foreclosure or bankruptcy are not considered to be assets disposed of for less than fair market value. Assets disposed of as a result of a divorce or separation are not considered to be assets disposed of for less than fair market value.

**HHA's** minimum threshold for counting assets disposed of for less than Fair Market value is **\$600**. If the total value of assets disposed of within the two-year period is less than **\$1200**, they will not be considered an asset.

**P. CHILD CARE EXPENSES**

Unreimbursed childcare expenses for children under 13 may be deducted from annual income if they enable an adult to work, actively seek work, attend school full time, or attend full-time vocational training.

In the case of a child attending private school, only before or after-hours care can be counted as childcare expenses.

If a **resident** is eligible for the earned income disallowance, the amount of deduction for childcare expenses necessary to permit employment shall not exceed the amount of employment income that is included in annual income. Therefore, the disregarded or excluded amounts cannot be used in determining the cap for the childcare expense deduction.

**In cases where an adult family member is available to provide child care:**

**\* child care expenses will be allowed as a deduction when the family chooses a non-family member provider.**

Childcare expenses must be reasonable. Reasonable is determined by what the average childcare rates are in **HHA's** jurisdiction.

Allowability of deductions for childcare expenses is based on the following guidelines:

**Child care to work:** The maximum child care expense allowed must be less than the amount earned by the person enabled to work.

**\* Amount of Expense: HHA will survey local care providers and/or people paying verifiable child care in the community to determine what is reasonable. HHA will use the collected data as a guideline. If the hourly rate materially exceeds the guideline, HHA may calculate the allowance using the guideline.**

**Q. MEDICAL EXPENSES** [24 CFR 5.603]

**\* When it is unclear in the HUD rules as to whether or not to allow an item as a medical expense, IRS Publication 502 will be used as a guide.**

**\* Nonprescription medicines must be prescribed by a doctor or licensed health professional in order to be considered a medical expense.**

**\* Acupressure, acupuncture and related herbal medicines will be considered allowable medical expenses.**

**\* Chiropractic services will be considered allowable medical expenses.**

**R. PRORATION OF ASSISTANCE FOR "MIXED" FAMILIES** [24 CFR 5.520]

**Applicability**

Proration of assistance must be offered to any "mixed" applicant or participant family. A "mixed" family is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible members.

"Mixed" families that were participants on June 19, 1995, and that do not qualify for continued assistance must be offered prorated assistance. (See Chapter titled "Recertifications.") Applicant mixed families are entitled to prorated assistance. Families that become mixed after June 19, 1995, by addition of an ineligible member are entitled to prorated assistance.

**Prorated TTP Calculation for Mixed Families**

Prorated assistance will be calculated by subtracting the Total Tenant Payment from the applicable Maximum Rent for the unit the family occupies to determine the Family Maximum Subsidy. The family's TTP will be calculated by:

Dividing the Family Maximum Subsidy by the number of persons in the family to determine Member Maximum Subsidy.

Multiplying the Member Maximum Subsidy by the number of eligible family members to determine Eligible Subsidy.

Subtracting the amount of Eligible Subsidy from the applicable Maximum Rent for the unit the family occupies to get the family's Revised Total Tenant Payment.

**Prorated Flat Rent for Mixed Families**

- **HHA has no public housing units in which the applicable Maximum Rent is greater than the flat rent. Therefore, if the Mixed Family chooses flat rent, the family will pay the flat rent for the unit.**
- **If the family chooses the fat rent they will not be eligible for a utility allowance.**

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**S. INCOME CHANGES RESULTING FROM WELFARE PROGRAM REQUIREMENTS**

**HHA** will not reduce the public housing 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, **HHA** 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 a family member has complied with welfare agency economic self-sufficiency or work activities requirements but cannot or has not obtained employment; or
- A situation where a family member has not complied with other welfare agency requirements.

Imputed welfare income is the amount of annual income not actually received by a family as a result of a specified welfare benefit reduction that is included in the family's income for rental contribution.

Imputed welfare income is not included in annual income if the family was not an assisted resident at the time of sanction.

The amount of imputed welfare income is offset by the amount of additional income a family receives that begins after the sanction was imposed.

When additional income is at least equal to the imputed welfare income, the imputed welfare income is reduced to zero.

### **Verification Before Denying a Request to Reduce Rent**

**HHA** 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.

The welfare agency, at the request of **HHA**, will inform **HHA** of:

amount and term of specified welfare benefit reduction for the family;

reason for the reduction; and

subsequent changes in term or amount of reduction.

### **Cooperation Agreements**

\* **HHA has an unwritten cooperation agreement in place with the local welfare agency that assists HHA in obtaining the necessary information regarding welfare sanctions.**

\* **HHA has taken a proactive approach to culminating an effective working relationship between HHA and the local welfare agency for the purpose of targeting economic self-sufficiency programs throughout the community that are available to public housing residents.**

\* **HHA and the local welfare agency have mutually agreed to notify each other of any economic self-sufficiency and/or other appropriate programs or services that would benefit public housing residents.**

## **T. UTILITY ALLOWANCE AND UTILITY REIMBURSEMENT PAYMENTS**

If the cost of utilities (excluding telephone) is not included in the Tenant Rent, a utility allowance will be deducted from the total tenant payment. The Utility Allowance is intended to help defray the cost of utilities not included in the rent. The allowances are based on the monthly cost of reasonable consumption of utilities in an energy conservative household, *not* on a family's actual consumption.

When the Utility Allowance exceeds the family's Total Tenant Payment, **HHA** will provide a Utility Reimbursement Payment for the family each month. The check will be made out directly to **the utility company and the family will be notified that the check is made out directly to the utility company.**

### **Resident-Paid Utilities**

The following requirements apply to residents living in developments with resident-paid utilities or applicants being admitted to such developments:

**\* When a resident makes application for utility service in his/her own name, he or she must sign a third party notification agreement so that HHA will be notified if the resident fails to pay the utility bill.**

**\* If a resident or applicant is unable to get utilities connected because of a previous balance owed to the utility company or because the resident cannot pay the security deposit required by the utility company, the resident/applicant will not be permitted to move into a unit with resident paid utilities. This may mean that a current resident cannot transfer to a scattered site or that an applicant cannot be admitted to a unit with resident-paid utilities.**

**\* Paying the utility bill is the resident's obligation under the lease. Failure to pay utilities is grounds for eviction.**

## **U. EXCESS UTILITY PAYMENTS**

Residents in units where **HHA** pays the utilities may be charged for excess utilities if additional appliances or equipment are used in the unit. This charge shall be applied as specified in the lease. [24CFR 966.4(b)(2)]

## **V. FAMILY CHOICE IN RENTS**

### **Authority for Family to Select**

**HHA** shall provide for each family residing in a public housing unit to elect annually whether the rent paid by such family shall be 1) determined based on family income or 2) the flat rent.

**HHA** may not at any time fail to provide both such rent options for any public housing unit owned, assisted or operated by **HHA**.

**Families are required to sign a disclosure of rent verification form at lease-up and at each annual recertification.**

Families residing in public housing units **will be given the opportunity by HHA** to elect annually whether to pay income-based or flat rent.

### **Allowable Rent Structures**

#### **Flat Rents**

**HHA** has established, for each dwelling unit in public housing, a flat rent amount for the dwelling unit, which:

Is based on the rental value of the unit, as determined by **HHA**; and

Is designed so that the rent structures do not create a disincentive for continued residency in public housing by families who are attempting to become economically self-sufficient through employment or who have attained a level of self-sufficiency through their own efforts.

**HHA's** methodology used to establish flat rents is described in the PHA Plan.

**HHA** shall review the income of families paying flat rent not less than once every three years. Family composition will be reviewed annually for all families, including those paying flat rent.

#### **Income-Based Rents**

**\* The monthly Total Tenant Payment amount for a family shall be an amount, as verified by HHA, that does not exceed the greatest of the following amounts:**

30 percent of the family's monthly adjusted income;

10 percent of the family's monthly income; or

**HHA's** Minimum TTP of **\$40**.

### Switching Rent Determination Methods Because of Hardship Circumstances

In the case of a family that has elected to pay **HHA's** flat rent, **HHA** shall immediately provide for the family to pay rent in the amount determined under income-based rent, during the period for which such choice was made, upon a determination that the family is unable to pay the flat rent because of financial hardship, including:

Situations in which the income of the family has decreased because of changed circumstances, loss of or reduction of employment, death in the family, and reduction in or loss of income or other assistance;

An increase, because of changed circumstances, in the family's expenses for medical costs, child care, transportation, education, or similar items; and

Such other situations as may be determined by **HHA**.

**\* All hardship situations will be verified.**

Once a family switches to income-based rent due to hardship, the family must wait until the next annual reexamination to elect whether to pay income-based rent or flat rent.

### Annual Reexamination

**90 calendar days – 120 calendar days** in advance of the annual reexamination, the family will be sent a form from **HHA**, on which the family will indicate whether they choose flat rent or income-based rent. The **HHA** form will state what the flat rent would be, and an estimate, based on current information, what the family's income-based rent would be.

If the family indicates they choose flat rent, the family will fill out and return **the HHA** form to certify family composition. This form will be retained in the **resident** file.

If the family indicates they choose income-based rent, a reexamination appointment will be scheduled according to **HHA** policy.

Reserved

#### **4. OPERATION AND MANAGEMENT.**

A statement of the rules, standards, and policies of the PHA governing maintenance management of housing owned, assisted, or operated by the public housing agency (which shall include measures necessary for the prevention or eradication of pest infestation, including cockroaches), and management of the PHA and programs of the PHA.

systems.  
staff turnover.

with management personnel to develop a fiscally sound maintenance schedule, staff requirements, and known income sources. The department may enter into service contracts with outside firms to provide certain maintenance, painting, grounds maintenance, and pest control services.

Work shall be accomplished with the use of an adequate budget. Funds shall be obtained from any source including but not limited to work orders, emergency repairs, inspection, or preventive maintenance. A work order file shall be maintained to provide an adequate maintenance history of each dwelling unit. The department shall be available 24 hours. To the greatest extent feasible, all other work orders shall be completed within 24 hours. A tracking system shall be in place to assure all work orders are completed in a timely manner. Work orders shall be signed by the employee responsible for the work. Materials used. To the greatest extent feasible, resident requests shall be prioritized. Resident requests requesting the work upon completion. A copy of the work order shall be provided to the resident.

The department shall make all efforts to minimize non-productive time by matching employee job descriptions, plan repairs and replacement of equipment. The department shall take into account such factors as department organization, number of dwelling units, nature of work backlog, and seasonal variations in work.

Coordination with other departments is essential. The department shall coordinate its activities with management staff, occupancy staff, and other staff to enhance the effectiveness of the housing authority.

...ed in relation to cover after hours calls.  
...ng to the housing authority personnel policy.  
...e from an answering service, emergency services, police  
...other source.

...ment a pest control program that will control or eliminate  
...nts. Utilizing a licensed pest control firm, crawlspaces  
...appropriate times of the year in a manner which will  
...ad within dwelling units, treatment will be determined by  
...or, a pest control contractor will be hired to perform the

...e are delineated in the Dwelling Lease and Tenant  
...for damage above normal wear and tear which will be  
...ge caused by break-ins, if such damage is not reported to  
...or the cost of the damage.

...el will make every effort to perform their work in a  
...nselves, fellow employees, residents, and the general  
...rovide safety training to employees. Employees are  
...aining and sign the attendance sheet to document  
...l meet at least twice per year to discuss and recommend

#### ...es and Agreements:

...the maintenance department shall be in strict compliance  
...nts in effect, including but not limited to: Dwelling Lease  
...Policy, Personnel Policy, Organizational Chart,  
...irement Policy.

#### ...ban Development Regulations:

...department will be in compliance with HUD regulations.  
...one in a manner which will generate the highest possible  
...aluation.

**5. GRIEVANCE PROCEDURES.**

A description of the grievance and informal hearing and review procedures that the PHA makes available to its residents and applicants.

## COMPLAINTS AND GRIEVANCES

[24 CFR Part 966 Subpart B]

### INTRODUCTION

The informal hearing requirements defined in HUD regulations are applicable to participating families who disagree with an action, decision, or inaction of **HHA**. This Chapter describes the policies to be used when families disagree with a **HHA** decision. It is the policy of **HHA** to ensure that all families have the benefit of all protections due to them under the law. **Grievances are handled in accordance with HHA's grievance policy, if applicable.**

### A. COMPLAINTS

**HHA may receive complaints regarding a variety of issues from a variety of sources including, residents, families, staff and the public. All complaints shall be made either verbally or in writing to the HHA office. Complaints reported verbally shall then be put in writing either by the complainant or by the staff member taking the complaint. HHA has complaint forms that are available upon request. Complaints regarding the physical condition of any HHA property or grounds may be reported by phone to the HHA office or the Facilities Manager in the Maintenance Department.**

**Anonymous complaints will be checked when possible.**

**Complaints from residents.** Resident complaints will be referred to the **Housing Technician** handling the file. **If a resident has a complaint regarding the physical condition of their dwelling unit, the resident should contact the HHA office during business hours so that a work order may be submitted to the Maintenance Department.**

**Complaints from staff.** If a staff person reports a family is violating or has violated a lease provision or is not complying with program rules, the complaints will be referred to **their manager.**

**Complaints from the general public.** Complaints or referrals from persons in the community in regard to **HHA** or a family will be referred to the **Executive Director.**

**\* B. GRIEVANCE PROCEDURES**

**Definitions**

**Grievance.** Any dispute which a **resident** may have with respect to **an HHA** action or failure to act in accordance with the individual **resident's** lease or **HHA** regulations that adversely affect the individual **resident's** rights, duties, welfare, or status.

**Complainant.** Any **resident** whose grievance is presented to **HHA** or at the site/management office informally or as part of the informal hearing process.

**Hearing Officer.** The person selected in accordance with this grievance procedure to hear grievances and render a decision with respect thereto.

**Resident.** A lessee or the remaining head of household of any **resident** family residing in housing accommodations owned or leased by **HHA**.

**Elements of Due Process.** An eviction action or a termination of tenancy in a State or local court in which the following procedural safeguards are required:

Adequate notice to the **resident** of the grounds for terminating the tenancy and for eviction;

Opportunity for the **resident** to examine all relevant documents, records, and regulations of **HHA** prior to the trial for the purpose of preparing a defense;

Right of the **resident** to be represented by counsel;

Opportunity for the **resident** to refute the evidence presented by **HHA** including the right to confront and cross-examine witnesses and to present any affirmative legal or equitable defense which the **resident** may have; **and**

A decision on the merits of the case.

## Applicability

This Grievance Procedure applies to all individual grievances, except any grievance concerning a termination of tenancy or eviction that involves:

Any activity, not just criminal activity, that threatens the health, safety, or right to peaceful enjoyment of the premises of other residents or **HHA** employees;

Any drug-related criminal activity *on* or *off* such premises; **or**

**Any criminal activity that resulted in the felony conviction of a household member.**

**Rent:** In situations involving the amount of rent **HHA** claims is due, except grievances concerning imputed welfare benefits or use of minimum rent, before a hearing is scheduled the complainant shall pay to **HHA** all rent due and payable as of the month preceding the month in which the act or failure to act took place. Grievances concerning imputed welfare benefits and minimum rents are exempt from the escrow deposit requirement.

The complainant shall thereafter deposit the same amount of the monthly rent in an escrow account each month until the complaint is resolved by decision of the hearing official.

**HHA** may waive these escrow requirements in extraordinary circumstances.

Unless so waived, failure to make the required escrow payments shall result in termination of the grievance procedure.

Failure to make such payments does not constitute a waiver of any right the complainant may have to contest **HHA**'s disposition of the grievance in any appropriate judicial proceeding.

**HHA's grievance procedures are not applicable to disputes between residents not involving HHA or to class grievances. The grievance procedure is not intended as a forum for initiating or negotiating policy changes between a group or groups of residents and HHA's Board of Commissioners.**

## Pre-Hearing Procedures

### Informal Conference Procedures

Any grievance shall be **personally** presented orally or in writing to the **HHA office located at 812 Abbey, Helena, Montana**. Written grievances must be signed by the complainant. The grievance must be **personally** presented to **HHA** within **7 calendar days after an HHA action, failure to act, or service of notice of termination or other HHA action** that is the basis for the grievance. **However, if the basis of the grievance is a notice of termination for either 3 days or 5 days as set forth in the Dwelling Lease and the grievance procedure applies, the grievance must be personally presented to HHA on or before the termination date set forth in the 3-day or 5-day notice of termination.**

The grievance may be simply stated, but shall specify:

The particular grounds upon which it is based,

The action requested; and

The name, address, and telephone number of the complainant, and similar information about the complainant's representative, if any.

The purpose of the initial discussion is to discuss and to resolve the grievance without the necessity of a formal hearing. **A member of HHA management will participate in the informal conference and will make a decision regarding the disposition of the grievance at or after the conclusion of the informal conference.**

Within five calendar days, a summary of this discussion will be given to the complainant by a **HHA** representative. One copy will be filed in the **resident's** file.

The summary will include: the names of participants, the date of the meeting, the nature of the disposition, and the specific reasons for the disposition. The summary will also specify the steps by which a formal hearing can be obtained.

### Dissatisfaction with Informal Conference

If the complainant is dissatisfied with the proposed disposition of the grievance, s/he shall submit a written request for a hearing within **5** calendar days of the **delivery** of the summary of the informal meeting.

The **written** request for a hearing must be presented to **HHA's Executive Director**.

The **written** request must specify the reasons for the grievance request and the relief sought.

### Failure to Request a Formal Hearing

If the complainant does not request a formal hearing within **5** calendar days **after delivery of the summary of the informal meeting**, s/he waives his/her right to a hearing, and **HHA's** disposition of the grievance will become final. This section in no way constitutes a waiver of the complainant's right to contest **HHA's** disposition in an appropriate judicial proceeding.

### Right to a Hearing

After exhausting the informal conference procedures outlined above, a complainant shall be entitled to a hearing before a hearing officer.

**\* The head of household and any other adult household member requested by HHA must attend the hearing.**

**\* If rescheduling of the hearing is necessary, the complainant must give 48 hours notice of the conflict and the hearing must be rescheduled at the time the complainant gives notice of the conflict or the complainant waives their right to a hearing.**

**\* If the complainant fails to appear within 15 minutes of the time scheduled for the hearing, the complainant waives the right to a hearing.**

**HHA** will provide reasonable accommodation for persons with disabilities to participate in the hearing. **HHA** must be notified within **forty-eight hours** of the scheduled time for the hearing if special accommodations are required.

### Selection of Hearing Officer

A grievance hearing shall be conducted by **the Executive Director or another** impartial person or persons appointed by **HHA** other than the person who made or approved the **HHA** action under review, or a subordinate of such person.

## **Procedures to Obtain a Hearing**

### **Informal Prerequisite**

All grievances must be informally presented as a prerequisite to a formal hearing.

The hearing officer may waive the prerequisite informal conference if, and only if, the complainant can show good cause why s/he failed to proceed informally.

### **Scheduling**

If the complainant complies with the procedures outlined above, a hearing shall be scheduled by the **hearing officer** promptly within **10** calendar days at a time and place reasonably convenient to the complainant and **HHA**.

A written notification of the date, time, place, and procedures governing the hearing shall be delivered to the complainant and the appropriate **HHA** official.

## Hearing Procedures

The hearing shall be held before a hearing officer.

The complainant shall be afforded a fair hearing and be provided the basic safeguards of due process to include:

The opportunity to examine and to copy before the hearing, **at the expense of the complainant**, all documents, records and regulations of **HHA** that are relevant to the hearing with at least a 24-hour notice to **HHA** prior to the hearing. Any document not so made available after request by the complainant may not be relied upon by **HHA** at the hearing;

**HHA** shall also have the opportunity to examine and to copy **at the expense of HHA** all documents, records and statements that the family plans to submit during the hearing to refute **HHA's** inaction or proposed action **with at least 24-hour notice to the complainant prior to the hearing**. Any documents not so made available to **HHA** may not be relied upon at the hearing;

The right to a private hearing unless otherwise requested by the complainant;

The right to be represented by counsel or other person chosen as a representative;

The right to present evidence and arguments in support of the complaint, to controvert evidence presented by **HHA**, and to confront and cross-examine all witnesses upon whose testimony or information **HHA** relies, limited to the issues for which the complainant has received the opportunity for a formal hearing; and

The right to a decision based solely and exclusively upon the facts presented at the hearing.

If the <b>hearing officer</b> determines that the issue has been previously decided in another proceeding, a decision may be rendered without proceeding with the hearing.
--

If the complainant or **HHA** fail to appear at the scheduled hearing, the **hearing officer** may **make a determination that the party has waived his/her right to a hearing**. Such a determination in no way waives the complainant's right to appropriate judicial proceedings in another forum.

At the hearing, the complainant must first make a showing of an entitlement to the relief sought and thereafter **HHA** must sustain the burden of justifying the **HHA** action or failure to act against which the complaint is directed.

The **formal** hearing shall be conducted by the **hearing officer** as follows:

Oral and documentary evidence pertinent to the facts and issues raised by the complaint may be received without regard to admissibility under the rules of evidence applicable to judicial proceedings;

The **hearing officer** shall require **HHA**, complainant, counsel, and other participants and spectators to conduct themselves in an orderly manner. The failure to comply with the directions of the hearing official to maintain order will result in the exclusion from the proceedings, or a decision adverse to the interests of the disorderly party and granting or denial of the relief sought, as appropriate.

**HHA or the complainant may arrange in advance and at the expense of the party making the arrangement, for a transcript of the proceeding.** Any interested party may purchase a copy of such transcript.

### **Decisions of the Hearing Officer**

The **hearing officer** shall give **HHA** and the complainant a written decision, including the reasons for the decision, within **10** calendar days following the hearing. **HHA** will place one copy in the **resident's** file. The written decision will be sent to the **complainant's** address provided at the hearing.

**HHA will also maintain a copy of the decision, with all names and identifying references deleted, in a file at HHA and made available for inspections by a prospective complainant, his/her representative or a hearing officer.**

The decision of the **hearing officer** shall be binding on **HHA** which shall take all actions necessary to carry out the decision, unless the complainant requests Board action within **14** calendar days prior to the next Board meeting. **HHA** Commissioners' decision will be mailed to the complainant with **7 calendar** days following the Board meeting, and so notifies the complainant that:

The grievance does not concern **HHA** action or failure to act in accordance with or involving the complainant's lease or **HHA** regulations which adversely affect the complainant's rights, duties, welfare or status;

The decision of the **hearing officer** is contrary to applicable Federal, State, or local law, HUD regulations or requirements of the Annual Contributions Contract between HUD and **HHA**; or

**The HHA Commissioners affirm the decision of the hearing officer.**

A decision by the **hearing officer** or **HHA** Commissioners in favor of **HHA** or which denies the relief requested by the complainant in whole or part shall not constitute a waiver of, nor affect in any manner whatever, the rights of the complainant to a trial or judicial review in any proceedings which may thereafter be brought in the matter.

### **Housing Authority Eviction Actions**

If a **resident** has requested a hearing in accordance with these duly adopted Grievance Procedures on a complaint involving a **HHA** notice of termination of tenancy, and the **hearing officer** upholds the **HHA** action, **HHA** shall not commence an eviction action until it has served a notice to vacate on the **resident**.

In no event shall the notice to vacate be issued prior to the decision of the **hearing officer** having been mailed or delivered to the complainant.

Such notice to vacate must be in writing and specify that if the **resident** fails to quit the premises within the applicable statutory period, or on the termination date as stated in the notice of termination, whichever is later, appropriate action will be brought against the complainant. The complainant may be required to pay court costs and attorney fees.

**6. DESIGNATED HOUSING FOR ELDERLY AND DISABLED FAMILIES.**

*With respect to public housing projects owned, assisted, or operated by the PHA, describe any projects (or portions thereof), in the upcoming fiscal year, that the PHA has designated or will apply for designation for occupancy by elderly and disabled families. The description shall include the following information: 1) development name and number; 2) designation type; 3) application status; 4) date the designation was approved, submitted, or planned for submission, and; 5) the number of units affected.*

The Helena Housing Authority is currently investigating a strategy which would provide increased access to housing for people with disabilities and to consult with residents about the ramifications of enacting the policy at a date to be determined by the HHA Board of Commissioners.

## **7. COMMUNITY SERVICE AND SELF-SUFFICIENCY.**

**A description of: (1) Any programs relating to services and amenities provided or offered to assisted families; (2) Any policies economic and social self-sufficiency of assisted families, including programs under Section 3 and FSS; (3) How the PHA will comply with the requirement of community service and treatment of income changes resulting from the welfare program requirements. (Note: applies to only public housing).**

Currently Helena Housing Authority partners with the Career Training Institute to provide case management on two different levels.

The first is the Fresh Start Program which is offered to 6 residents in public housing; two from each AMP providing them case management and individualized appropriate services to enhance their job readiness skills and education.

The second program that is offered is the Family Investment Center, in which a total of 24 participants both public housing and housing choice voucher clients receive case management to include employment training and placement, educational opportunities and childcare assistance and other services mutually agreed upon by the CTI and HHA.

Each of the programs is designed to offer services to promote self sufficiency. Helena Housing Authority meets monthly with the Career Training Institute to receive progress reports and client participation information.

Community Service Requirement:

Each adult resident of HHA shall:

Contribute 8 hours per month of community service (not including political activities) within the community in which that adult resides; or

Participate in an economic self-sufficiency program (defined below) for 8 hours per month; or

Perform 8 hours per month of combined activities (community service and economic self-sufficiency program).

### **EXEMPTIONS**

**HHA** shall provide an exemption from the community service requirement for any individual who:

Is 62 years of age or older;

Is a blind or disabled individual, as defined under section 216[i][1] or 1614 of the Social Security Act, and who is unable to comply with this section, or is a primary caretaker of such individual;

Is engaged in a work activity as defined in section 407[d] of the Social Security Act;

Meets the requirements for being exempted from having to engage in a work activity under the State program funded under part A of title IV of the Social Security Act, or under any other welfare program of the State in which the public housing agency is located, including a State-administered welfare-to-work program; or

Is in a family receiving assistance under a State program funded under part A of title IV of the Social Security Act, or under any other welfare program of the State in which the public housing agency is located, including a State-administered welfare-to-work program, and has not been found by the State or other administering entity to be in noncompliance with such program.

**HHA** will re-verify exemption status annually except in the case of an individual who is 62 years of age or older.

**HHA** will permit residents to change exemption status during the year if status changes.

## **ANNUAL DETERMINATIONS**

For each public housing resident subject to the requirement of community service, **HHA** shall, at least 30 **calendar** days before the expiration of each lease term, review and determine the compliance of the resident with the community service requirement.

Such determination shall be made in accordance with the principles of due process and on a nondiscriminatory basis.

**HHA** will verify compliance annually. **If qualifying activities are administered by an organization other than HHA, the family member who is required to fulfill the service requirement must provide signed certification to HHA from the organization that the family member has performed the qualifying community service. HHA will then** obtain verification of family compliance from such third parties.

Family members will not be permitted to self-certify that they have complied with community service requirements.

## **INCOME CHANGES RESULTING FROM WELFARE PROGRAM REQUIREMENTS**

**HHA** will not reduce the public housing rent for families whose welfare assistance is reduced due to a “specified welfare benefit reduction,” which is a reduction in welfare benefits due to:

Fraud by a family member in connection with the welfare program; or

Noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program

A "specified welfare benefit reduction" does not include a reduction of welfare benefits due to:

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, such as:

the family has complied with welfare program requirements, but the durational time limit, such as a cap on the length of time a family can receive benefits, causes the family to lose their welfare benefits.

Noncompliance with other welfare agency requirements.

**Definition of Covered Family:**

A household that receives benefits for welfare or public assistance from a State or public agency program which requires, as a condition of eligibility to receive assistance, the participation of a family member in an economic self-sufficiency program.



## **8. Safety and Crime Prevention**

**For public housing only, describe the PHA's plan for safety and crime prevention to ensure the safety of the public housing residents. The statement must include: (i) A description of the need for measures to ensure the safety of public housing residents; (ii) A description of any crime prevention activities conducted or to be conducted by the PHA; and (iii) A description of the coordination between the PHA and the appropriate police precincts for carrying out crime prevention measures and activities.**

### **(i) Description of Need**

Helena Housing Authority has taken on the goal of providing a safe place for residents to live. Five years ago this seemed like an unattainable goal. HHA was seeing over 700 calls for service to its various sights. In addition, HHA was hearing from residents who felt some sights were not a safe environment for their families. Through countless efforts, HHA reduced the amount and types of calls for service dramatically through a local partnership with the City of Helena Police Department. In 2010, the total number of calls for service, police reports, was 458. This is the fourth year in a row that crime reports on our sites have decreased. In addition, the violent and drug related crimes decreased substantially. An analysis of the types of incidents the police respond to, show residents are helping HHA more proactive by calling in suspicious behavior and disturbances.

While HHA has seen a vast decrease in the crime on its sites, it is also important that we continue our services and level of preventive measures to ensure continued prevention.

### **(ii) A description of any crime prevention activities conducted or to be conducted by the PHA.**

The Helena Housing Authority (HHA) takes pride in the measures it takes to provide safe housing. In order to provide a safer place to live HHA has installed security cameras on its 2 largest sites. The Stewart Homes Complex currently has 3 video surveillance cameras that cover the entry and exit of the site. The M.E. Anderson has also been fitted with 9 video surveillance cameras to help address concerns that affect the building. While these cameras have helped reduce problems, we have also learned that crime always evolves. This has led HHA to investigate new safety measures and also new camera types.

In addition, the Helena Housing has made several improvements to the access of the M.E. Anderson building. This building is equipped with a phone board which requires visitors to announce their arrival with the desired party. If the resident so chooses to allow the guest access, they can unlock the main door from their apartment. This system helps limit

unauthorized guests from entering the building. Future plans are in the works to update the door system to allow for easier and a more secure access to the building

**(iii) A description of the coordination between the PHA and the appropriated police precincts for carrying out crime prevention measures and activities.**

In order for the Helena Housing Authority to achieve a safer environment for its residents, we have partnered with the City of Helena Police Department. This partnership allocates one full time officer to the needs of the housing authority. In turn, we provide partial salary costs associated with the assigned officer. This has been a fantastic partnership with the City of Helena and has been a vital element to our success.

Our officer works with other local officers to insure we are having enough police presence on all our sites. This presence has helped reduce calls for service and given residents a sense of security. In addition, our officer communicates with the local probation office, the local drug task force and residents to reduce potential problems before they arise. Often times this will involve extensive investigation and interviews with residents. Our officer has done a superb job in building a relationship with residents, most residents respect and view him as a valuable asset to HHA.

HHA feels confident that it has established a program that many housing authorities could benefit from. The success of this program is also a perfect example of how a partnership between the local authority and the city can work in collaboration to achieve a positive outcome.



**9. PETS.**

**A statement describing the PHAs policies and requirements pertaining to the ownership of pets in public housing.**

**PET POLICY**  
**GENERAL OCCUPANCY (FAMILY) PROJECTS**

**I. SERVICE ANIMALS ARE EXCLUDED FROM THE PET POLICY**

HHA's pet policies do not pertain to animals that assist or provide service to persons with disabilities, referred to in this policy as "service animals." This exclusion applies to service animals that reside in public housing, as well as to service animals that visit public housing campuses.

A request for the need of a service animal must be made in writing on the HHA Request for Accommodations form which requires identification of a medical professional who is able to certify the disability and need for a service animal as a reasonable Accommodation. The Verification of Disability is sent by the HHA to the medical professional upon completion of the Request for Accommodations. (*HHA Request for Accommodations, HHA Verification of Disability*)

Once the Verification of Disability form is returned to the HHA, HHA staff will determine whether the request is approved or denied. At this time the HHA Approval/Denial form, HHA letter, and an animal sticker will be sent to the resident. (*HHA Approval/Denial, HHA letter, Animal Sticker*)

Service animals are allowed in all units owned and managed by HHA without restriction other than those restrictions imposed on all residents such as the requirement that the dwelling units and associated facilities be maintained in a decent, safe, and sanitary manner and that the residents refrain from disturbing their neighbors. Owners of service animals are required to be in compliance with all State and local public health, animal control, and animal anti-cruelty laws and regulations, including requirements for licensing and vaccinations.

Nothing in this policy:

1. Limits or impairs the rights of persons with disabilities;
2. Authorizes HHA to limit or impair the rights of persons with disabilities; or
3. Affects any authority HHA may have to regulate service animals that assist, support or provide service to persons with disabilities, under Federal, State or local law. (CFR 24 section 5.3030)

**II. HHA'S PET POLICY FOR PUBLIC HOUSING:**

Pets are allowed on HHA property only with the express written approval of HHA.

## **A. APPROVAL OF PETS**

Before a pet will be approved, the resident must enter into a Pet Agreement with HHA verifying they have received and read a copy of this Pet Policy and agree to comply with all the provisions of the Pet Policy. Upon HHA approval, HHA will issue an animal sticker to be applied to the tenant's front door notifying HHA staff of the pet. (*Pet Agreement, Animal Sticker*)

Any unapproved pet found to be residing in a dwelling unit or on the premises, will result in the issuance of a fourteen (14) day notice of termination of tenancy as stated in the Dwelling Lease.

## **B. TYPES OF PETS ALLOWED**

Only domesticated, common household pets will be allowed. Residents are not permitted to have more than **one** of the following categories of pets:

### **1. Birds**

- a. **Two** birds are permitted;
- b. Birds must be confined in a birdcage at all times;
- c. Residents may only have canaries, parakeets or finches as pet birds;
- d. Absolutely no birds of prey are permitted at any time;
- e. The birdcage must be maintained in a clean and healthful condition and all waste resulting from the bird(s) must be appropriately removed and disposed of from the unit and/or the HHA premises;
- f. If applicable, the resident must have proof of licensing, vaccination, spaying or neutering in accordance with State and local laws now and in the future; and
- g. The resident must comply with all State and local laws and ordinances regarding their pet.

### **2. Fish**

- a. Only **one** aquarium is permitted;
- b. The size of the aquarium may not exceed 10 gallons;
- c. The aquarium must be maintained in a clean and healthful condition; and
- d. The resident must comply with all State and local laws and ordinances regarding their pet.

### **3. Turtles**

- a. Only **one** turtle is permitted
- b. The turtle must be confined in an appropriate cage or aquarium at all times;
- c. The size of the aquarium may not exceed 10 gallons;
- d. The cage or aquarium must be maintained in a clean and healthful condition; and

- e. The resident must comply with all State and local laws and ordinances regarding their pet.

### **C. TYPES OF PETS NOT ALLOWED**

Any pet not listed in the above section “TYPES OF PETS ALLOWED” will not be approved. Pets whose climatological needs cannot be met in the unaltered environment of the individual dwelling unit will not be approved. As determined by HHA management, animals deemed to have a vicious or aggressive disposition or animals deemed to be potentially harmful to the health and safety of others are prohibited and will not be approved and are not allowed on HHA property.

### **D. ADDITIONAL FEES AND DEPOSITS FOR PETS**

After a pet is approved by HHA, a refundable pet deposit of **\$25.00 for birds, \$50.00 for fish, and \$25.00 for Turtles** must be paid in full to HHA before the pet is brought onto the premises. HHA may change or increase the required deposit by amendment to these rules.

#### **1. REFUNDS**

- a. HHA will refund the Pet Deposit, less any damages attributed to the pet when the resident moves out or the pet is no longer on the premises, whichever occurs first.
- b. The resident is responsible and is required to reimburse HHA for the actual cost of any damages incurred by his/her pet as listed in the following “ADDITIONAL CHARGES FOR PETS.” Damages will first be charged to the pet deposit and the Dwelling Lease deposit. The owner is then liable for any charges that exceed the deposits.
- c. HHA will provide the resident or designee identified with a written list of any charges against the pet deposit. If the resident disagrees with the amount charged, the resident may file a grievance in accordance with the HHA grievance procedure.

#### **2. ADDITIONAL CHARGES FOR PETS**

- a. Cost of all repairs and replacements to the resident’s dwelling unit as a result of a pet;
- b. Cost of fumigation of the dwelling unit as a result of a pet;
- c. Cost of all repairs and replacements due to water damage caused by an aquarium;
- d. Cost of all repairs and replacements to the common areas of the premises;
- e. Cost of flea de-infestation shall be the responsibility of the resident. If this occurs while the resident is in occupancy, the

resident will be billed for such costs as current charges. If such charges occur as a result of move-out inspection, the charges will be deducted from the deposits. The resident will be charged any amount that exceeds the deposits; and

- f. A separate pet waste removal charge of \$5.00 per occurrence will be assessed against the resident for violations of the pet policy.

#### **E. PETS TEMPORARILY ON THE PREMISES**

1. No unauthorized animal(s) may visit or be harbored in any unit or premises owned by the HHA. Residents are prohibited from feeding stray or wild animals, with the exception of common birds that feed at bird feeders. Feeding of stray or wild animals shall constitute having an unauthorized pet and result in a fourteen (14) day eviction notice as stated in the Dwelling Lease.
2. This rule excludes visiting pet programs sponsored by a humane society or other non-profit organization and approved by HHA.

#### **F. DESIGNATION OF PET/NO-PET AREAS**

1. Pets must be maintained within the resident's dwelling unit.
2. Pets are not permitted in the following areas:
  - a. Common areas;
  - b. Laundry areas;
  - c. HHA playgrounds and spray park;
  - d. HHA community centers;
  - e. HHA recreation center areas;
  - f. HHA day care centers; and
  - g. HHA management offices.

#### **G. ALTERATIONS TO UNIT**

Residents/pet owners shall not alter their unit, patio, premises or common areas to create an enclosure for any animal. Installation of a pet door is prohibited.

#### **H. NOISE**

Residents/pet owners must agree to control the noise of pets so that such noise does not constitute a nuisance to other residents or interrupt their peaceful enjoyment of their housing unit or premises. This includes, but is not limited to, loud, whining, biting, scratching, chirping, or other such activities.

#### **I. CLEANLINESS REQUIREMENTS**

1. Bird Cage Requirements:
  - a. Birdcages shall be lined with paper. The resident shall remove the soiled paper from the bird cage every two (2) days. The soiled paper shall be disposed of in sealed plastic trash bags and placed in an outside trash bin. The bird cage shall be relined with paper;

- b. Bird cages shall be stored inside the resident's dwelling unit; and
  - c. Soiled paper shall not be disposed through the trash shoots at the M.E. Anderson Building.
2. Removal of Pet Waste
- a. The resident shall be responsible for the immediate removal of waste by placing it in a sealed plastic bag and disposing of it in an outside trash bin. This includes occurrences inside as well as any outside premises. Waste removal shall be in accordance with all State and local laws; and
  - b. The resident/pet owner shall take precautions to eliminate any pet odors within or around the unit and to maintain the unit in a sanitary condition at all times.

**J. PET CARE**

- 1. No pet of any type shall be left unattended in any dwelling unit for a period of time exceeding eight (8) hours.
- 2. All resident/pet owners shall be responsible for adequate care, nutrition, exercise and medical attention for his/her pet.
- 3. Resident/pet owners must recognize that other residents may have chemical sensitivities or allergies related to pets, or may be easily frightened or disoriented by animals. Residents must manage their pet accordingly and agree to exercise courtesy with respect to other residents.
- 4. The resident/pet owner is responsible for any actions, injuries or damages caused by his/her animal. Pets are the sole responsibility of the owner. HHA assumes no liability for failure of the owner to control the pet. Any injury or harm to other persons, animals or property is the sole responsibility and liability of the animal owner.
- 5. Pets must be appropriately and effectively restrained and under the control of a responsible individual at all times when not inside the resident's dwelling unit. When outside the unit, dogs and cats must be on a hand-held leash and under the owner's control at all times.

**K. RESPONSIBLE PARTIES**

- 1. The resident/pet owner is required to designate by name, address, and contact information, two (2) responsible people who are prepared to assume the care of the pet if the resident/pet owner is no longer able to care for the pet or if the health or safety of the pet is threatened by the incapacity or death of the resident/pet owner.
- 2. If another resident agrees to care for a resident's approved pet for a limited time and for good reason, the resident/pet owner must notify

HHA and the resident caring for the pet must also contact HHA and agree in writing to abide by all of the provisions in the pet policy and pet agreement. (*Pet Assignee Agreement*)

**L. INSPECTIONS**

If HHA receives a complaint regarding the conduct or condition of the pet or the condition of the dwelling unit, HHA may enter and inspect the dwelling unit. As stated in the Dwelling Lease, HHA will provide the resident written notice 48 hours before entering and inspecting. HHA has the right to enter the resident's dwelling unit without prior notice or the consent of the resident, if HHA has reasonable cause to believe there is an emergency in accordance with the Dwelling Lease.

**M. PET RULE VIOLATION NOTICE**

If HHA determines on the basis of objective facts, supported by written statements, that a pet owner has violated a rule governing the owning or keeping of pets, HHA may serve written notice of pet rule violation on the pet owner. The notice of pet rule violation will:

1. Contain a brief statement of the factual basis for the determination and the pet rule or rules alleged to be violated;
2. State that the pet owner has 10 days from the effective date of service of the notice to correct the violation (including, in appropriate circumstances, removal of the pet) or to make a written request for a meeting to discuss the violation. (The resident is presumed to have received the notice three (3) days after the date the notice was mailed. Otherwise, the notice will be hand delivered);
3. State that the pet owner is entitled to be accompanied by another person of his or her choice at the meeting; and
4. State that the pet owner's failure to correct the violation, to request a meeting, or to appear at a requested meeting may result in initiation of procedures to terminate the pet owner's tenancy.

**N. PET RULE VIOLATION MEETING**

If the pet owner makes a timely request for a meeting to discuss an alleged pet rule violation, HHA establish a mutually agreeable time and place for the meeting, no later than 15 days from the effective date of service of the notice of pet rule violation (unless HHA agrees to a later date). (The resident is presumed to have received the notice three (3) days after the date the notice was mailed. Otherwise, the notice will be hand delivered.)

At the pet rule violation meeting, the pet owner and HHA shall discuss any alleged pet rule violation and attempt to correct it. HHA may, in its

discretion, as a result of the meeting, give the pet owner additional time to correct the violation.

**O. NOTICE FOR PET REMOVAL**

If the pet owner and HHA are unable to resolve the pet rule violation at the pet rule violation meeting, or if HHA determines that the pet owner has failed to correct the pet rule violation, the project owner may serve a written notice on the pet owner requiring the pet owner to remove the pet. The notice will:

1. Contain a brief statement of the factual basis for the determination and the pet rule or rules that have been violated;
2. State that the pet owner must remove the pet within 10 days of the effective date of service of the notice of pet removal. (The resident is presumed to have received the notice three (3) days after the date the notice was mailed. Otherwise, the notice will be hand delivered);
3. State that failure to remove the pet may result in initiation of procedures to terminate the pet owner's tenancy.

**P. TERMINATION OF TENANCY**

The HHA may initiate procedures for termination of tenancy based upon a pet rule violation if:

1. The pet owner has failed to remove the pet or correct a pet rule violation within 10 days of the effective date of service of the notice of pet removal. (The resident is presumed to have received the notice three (3) days after the date the notice was mailed. Otherwise, the notice will be hand delivered); and
2. The pet rule violation is sufficient to begin procedures to terminate the pet owner's tenancy under the terms of the Dwelling Lease and the applicable regulations.

**Q. REMOVAL OF PET**

HHA or an appropriate community authority may require the removal of any pet, if the pet's conduct or condition is duly determined to constitute, under the provision of State or local law, a nuisance or a threat to the health or safety of other occupants or of other persons in the community. HHA may remove a pet from the dwelling unit for other good cause, including but not limited to:

1. If the resident becomes unable to care for the pet or if the resident dies, the resident agrees that HHA has permission to remove the pet and place it in an environment that will provide care and shelter.

a. HHA will contact the resident's specified designees to inform him/her of the situation. If no response is received,

b. HHA will contact the appropriate entity to remove the pet from the dwelling. HHA will make every effort to place the pet in a reputable facility. However, HHA is not responsible for the care of the pet after placement is made.

2. If the pet displays vicious, dangerous, intimidating behavior, symptoms of illness, or demonstrates behavior that constitutes an immediate threat to the health or safety of others, HHA shall report the situation to the appropriate state or local entity authorized to remove such animals.

3. In the event of the death of the pet, the resident is required to properly remove the pet from inside the dwelling unit. The deceased pet must be removed to a location off the HHA premises by the resident. If the resident is unable to remove the pet off the premises as stated, the resident/pet owner may call HHA for assistance with the removal.

## **10. CIVIL RIGHTS CERTIFICATION.**

**A PHA will be considered in compliance with the Civil Rights and AFFH Certification if; it can document that it examines its programs and proposed programs to identify any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with the local jurisdiction to implement any of the jurisdiction's initiatives to affirmatively further fair housing; and assures that the annual plan is consistent with any applicable Consolidated Plan for its jurisdiction.**

**11. FISCAL YEAR AUDIT.**

**The results of the most recent fiscal year audit for the PHA.**



October 29, 2010

To the Board of Commissioners  
Helena Housing Authority

We have audited the financial statements of Helena Housing Authority for the year ended June 30, 2010, and have issued our report thereon dated October 29, 2010. Professional standards require that we provide you with the following information related to our audit.

### **Our Responsibility under Generally Accepted Auditing Standards**

As stated in our engagement letter, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may exist and not be detected by us.

As a part of our audit, we considered the internal control structure of Helena Housing Authority. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control structure.

### **Significant Accounting Policies**

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Helena Housing Authority are described in Note A to the financial statements. Currently as a result of federal regulations the Housing Authority has adopted the generally accepted accounting principles.

### **Significant Audit Adjustments**

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. These adjustments may include those proposed by us but not recorded by the Housing Authority that could potentially cause future financial statements to be materially misstated, even though we have concluded that such adjustments are not material to the current financial statements. We proposed no audit adjustments that could, in our judgment, either individually or in the aggregate, have a significant effect on the Housing Authority's financial reporting process.

### **Disagreements with Management**

For the purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

**Difficulties Encountered in Performing the Audit**

We encountered no difficulties in auditing Helena Housing Authority.

**CURRENT AUDIT FINDINGS:**

There are no current audit findings for noncompliance, significant deficiencies or material weakness that were identified during the scope of our audit.

**OTHER MATTERS OR CONCERNS**

1. In review of the detailed depreciation schedule we noted that certain capital improvement items were listed as "various unidentified improvements." Although the Housing Authority is consolidating the public housing AMPs into one consolidated ledger, its important that the capital asset improvements be properly identified in order to determine the appropriate useful life and possible disposition or write-off should the asset be disposed of.
2. The PHA should be careful to properly accrue accounts payable at the end of each fiscal year. Per our subsequent review we determined that there was approximately \$10,000 in amounts due at June 30, 2010 which were unpaid and not in the accounts payable accrual. Due to the immaterial nature of the adjustment a correcting entry was not recorded in our audited financials.

This information is intended solely for the use of the Audit Committee, the Finance Committee, the Board of Commissioners, the management agent, and management of Helena Housing Authority and should not be used for any other purpose.

Very truly yours,



Rector & Reeder, P.C.  
Certified Public Accountants

**HELENA HOUSING AUTHORITY**  
**Helena, Montana**

**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**AND AUDITED FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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**HELENA HOUSING AUTHORITY**  
**Helena, Montana**

**REPORT ON EXAMINATION  
OF FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**



## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Helena Housing Authority  
Helena, Montana 59601

Rocky Mountain, Denver  
Public Housing Division  
1670 Broadway  
Denver, Colorado 80202

We have audited the accompanying financial statements of the Helena Housing Authority as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Helena Housing Authority, as of June 30, 2010, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2010 on our consideration of the Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Management's Discussion and Analysis* is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of the Helena Housing Authority. The accompanying Schedule of Expenditures of Federal Awards as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as well as the Financial Data Schedules and Special Reports required by the U.S. Department of Housing and Urban Development, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion; the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Rector & Reeder, P.C.  
Rector & Reeder, P.C.  
Certified Public Accountants

Lawrenceville, Georgia  
October 29, 2010

**HELENA HOUSING AUTHORITY**

**Helena, Montana**

**MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**HELENA HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2010**

As management of the Helena Housing Authority, we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activity of the Authority for the year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with the Authority's audited financial statements.

Questions concerning any of the information provided in this report or requests for any additional information should be addressed to the Executive Director, Helena Housing Authority.

**FINANCIAL HIGHLIGHTS**

- The total assets of the Authority exceeded its total liabilities as of June 30, 2010 by \$9,268,882 (net assets).
- The Authority's unrestricted cash balance as of June 30, 2010 was \$875,648 representing an increase of \$182,738 from June 30, 2009. This increase was primarily the result of an increase in subsidy funding to the AMPs.
- The Authority had intergovernmental revenues of \$2,903,387 from HUD operating grants and \$1,023,417 from HUD capital grants for the year ended June 30, 2010.
- The Authority's invested in capital assets for the year increased by \$304,419. This was the result of capital fund program grant improvements incurred net of depreciation expenses on assets already placed into service.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial statements included in this annual report are those of a special-purpose government engaged only in a business-type activity. The financial statements consist of three parts: management's discussion and analysis (this section), the basic financial statements, and supplementary information. The basic financial statements include a balance sheet, statement of revenues, expenses and changes in net assets, and a statement of cash flows.

- The basic financial statements consist of fund financial statements of the Authority's major and non-major enterprise funds, which operate similar to business activities and for which the Authority follows an accrual basis of accounting.
- The basic financial statements also include a "Notes to Basic Financial Statements" section that explains some of the information in the fund financial statements and provides more detailed data.
- The Notes to Basic Financial Statements are followed by a "Supplementary Information" section, which presents the Financial Data Schedules of the Authority required by the U.S. Department of Housing and Urban Development (HUD).

**HELENA HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2010**

**BASIC FINANCIAL STATEMENTS**

The basic financial statements provide detailed information about the Authority's most significant funds. The Authority has one kind of fund:

- Enterprise Fund – The Authority's activities are its Enterprise Fund, which is accounted for in a manner similar to businesses operating in the public sector. The funding is primarily made available through the HUD operating subsidy and grant income. The net assets of these funds represent accumulated earnings since their inception and are generally restricted for program purposes.

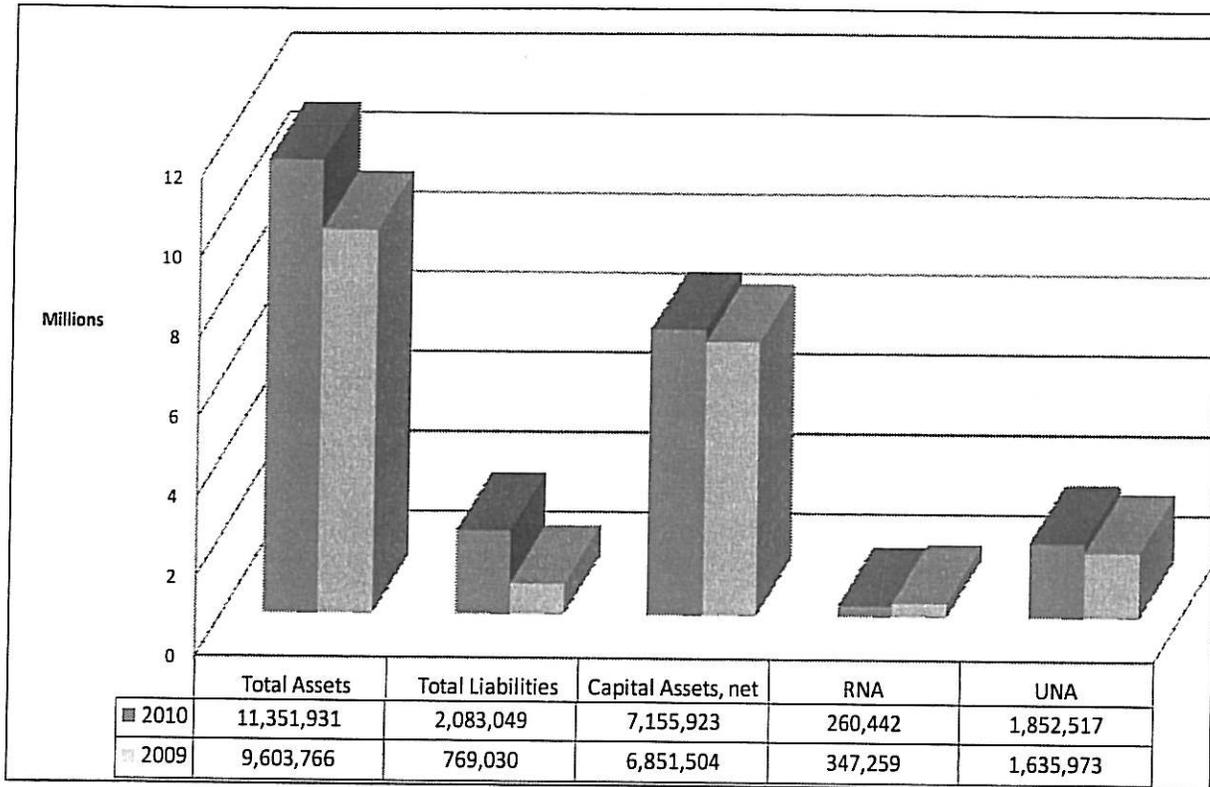
**FINANCIAL ANALYSIS OF THE AUTHORITY**

The following is management's representation of how the Authority performed during the fiscal year ended June 30, 2010 as compared to the prior year's actual results.

The following table summarizes the changes in assets, liabilities, and equity between June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>	<u>Net Change</u>
Current Assets	\$ 1,798,522	\$ 1,602,450	\$ 196,072
Capital Assets	8,901,008	7,345,661	1,555,347
Non-Current Asset	652,401	655,655	(3,254)
<b>Total Assets</b>	<b><u>11,351,931</u></b>	<b><u>9,603,766</u></b>	<b><u>1,748,165</u></b>
Current Liabilities	377,798	249,994	127,804
Other Liabilities	47,512	24,879	22,633
Long-Term Debt, capital projects	1,657,739	494,157	1,163,582
<b>Total Liabilities</b>	<b><u>2,083,049</u></b>	<b><u>769,030</u></b>	<b><u>1,314,019</u></b>
Net Investments in Capital Assets	7,155,923	6,851,504	304,419
Restricted Net Assets (RNA)	260,442	347,259	(86,817)
Unrestricted Net Assets (UNA)	1,852,517	1,635,973	216,544
<b>Total Net Assets</b>	<b><u>\$ 9,268,882</u></b>	<b><u>\$ 8,834,736</u></b>	<b><u>\$ 434,146</u></b>

**HELENA HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2010**



A discussion of the changes in assets, liabilities, and equity for the fiscal year 2010 compared to the fiscal year 2009 is as follows:

- Total Assets increased by \$1,748,165. Current Assets increased by \$196,072 or 12.24%. This was due to an increase in cash and investments of \$131,085, an increase in receivables of \$50,627, and an increase in other assets of \$14,360. The increase in Non-Current Assets is a result of the increase in Capital Assets of \$1,555,347, due to work performed under the Energy Performance Contract (EPC).
- Total Liabilities increased by \$1,314,019. Current Liabilities increased by \$127,804, due mainly to an increase in payables of \$66,372 and an increase in current loan liability of \$87,346. The current loan liability is directly related to the accumulation of long-term debt related to capital projects under an Energy Performance Contract (EPC). This, along with an increase in accrued compensated absences, caused an increase in Non-Current Liabilities of \$1,186,215.
- Unrestricted net assets (operating equity) increased by \$216,544 in light of appropriation increases.

**HELENA HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2010**

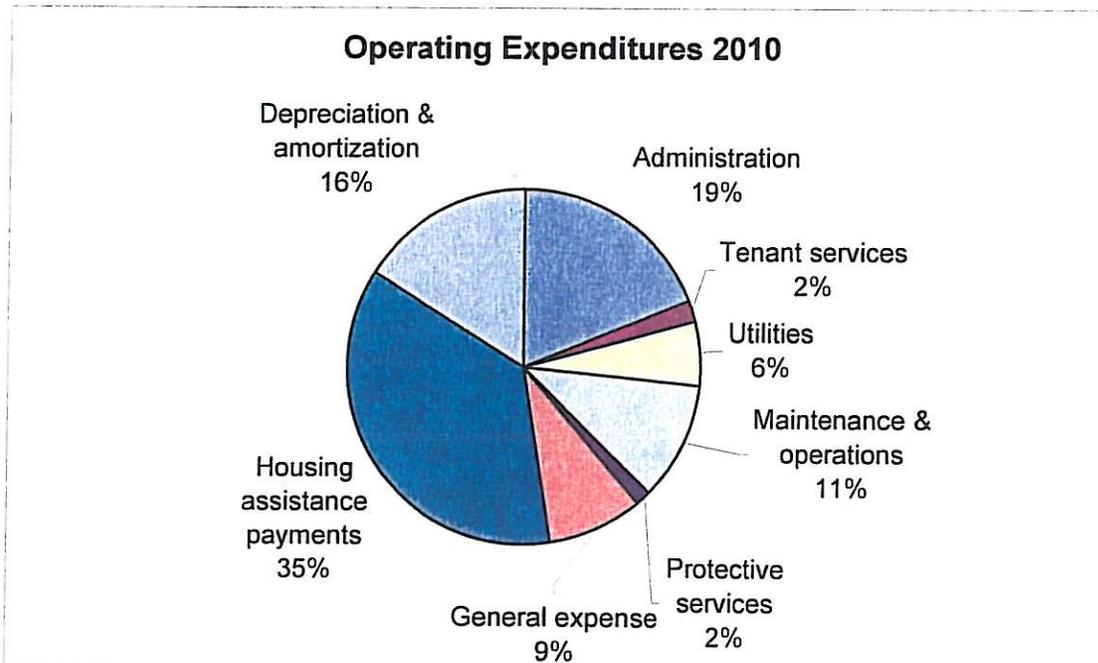
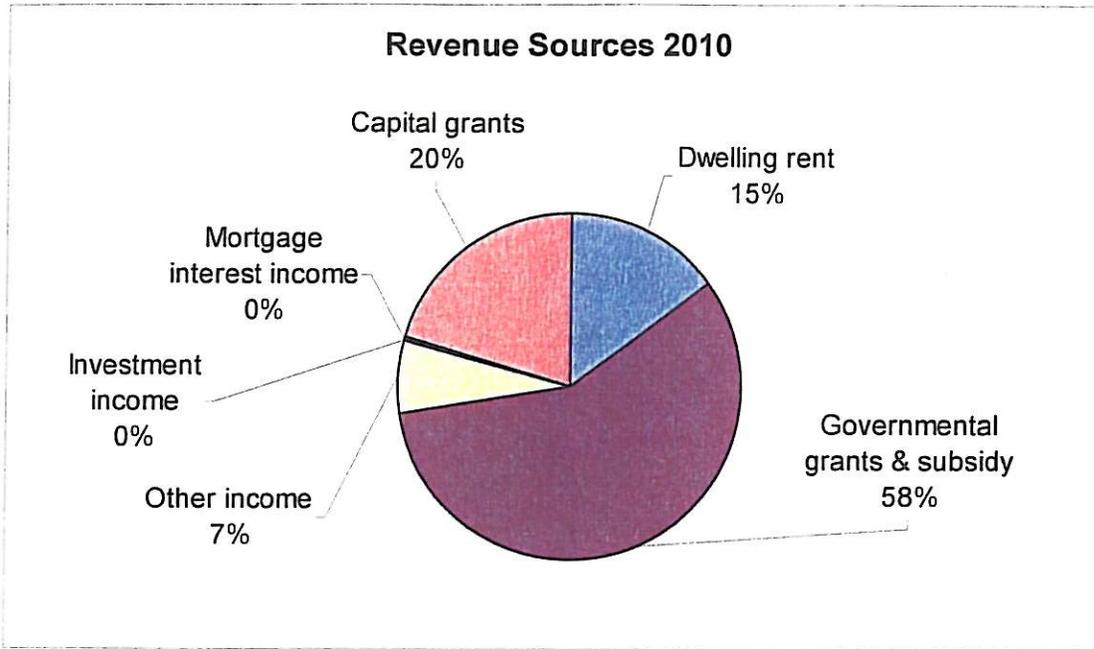
**FINANCIAL ANALYSIS OF THE AUTHORITY (continued)**

The following table summarizes the changes in revenues and expenses between June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>	<u>Net Change</u>
<b>Operating Revenue:</b>			
Tenant Rental Revenue	\$ 734,422	\$ 716,851	\$ 17,571
Governmental Operating Grants	2,903,387	2,461,070	442,317
Other Revenue	336,104	274,564	61,540
<b>Total Operating Revenue</b>	<u><b>3,973,913</b></u>	<u><b>3,452,485</b></u>	<u><b>521,428</b></u>
<b>Operating Expenses:</b>			
Administrative	858,874	910,312	(51,438)
Tenant Services	85,572	82,868	2,704
Utilities	258,694	296,293	(37,599)
Maintenance	493,297	471,906	21,391
Protective Services	71,821	55,000	16,821
Housing Assistance Payments	1,642,572	1,608,312	34,260
Other Operating Expenses	386,468	303,980	82,488
Depreciation	735,504	738,902	(3,398)
<b>Total Operating Expenses</b>	<u><b>4,532,802</b></u>	<u><b>4,467,573</b></u>	<u><b>65,229</b></u>
<b>Operating Gain/Loss</b>	<u><b>(558,889)</b></u>	<u><b>(1,015,088)</b></u>	<u><b>456,199</b></u>
<b>Non-Operating (Expenses)/Revenues:</b>			
Investment Income	24,255	14,477	9,778
Extraordinary Maintenance	-	-	-
Interest Expense	(54,637)	(363)	(54,274)
<b>Total Non-Operating Revenue</b>	<u><b>(30,382)</b></u>	<u><b>14,114</b></u>	<u><b>(44,496)</b></u>
Capital Grants	1,023,417	369,455	653,962
<b>Change in Net Assets</b>	<u><b>434,146</b></u>	<u><b>(631,519)</b></u>	<u><b>411,703</b></u>
Net Assets, Beginning Balance	8,834,736	9,466,255	(631,519)
Equity Contributions	-	-	-
<b>Net Assets, Ending Balance</b>	<u><b>\$ 9,268,882</b></u>	<u><b>\$ 8,834,736</b></u>	<u><b>\$ (219,816)</b></u>

**HELENA HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2010**

**FINANCIAL ANALYSIS OF THE AUTHORITY (continued)**



**HELENA HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2010**

**FINANCIAL ANALYSIS OF THE AUTHORITY (continued)**

A discussion of the change between the revenues and expenses for the fiscal year 2010 compared to 2009 is as follows:

- Overall Revenue increased by a net amount of \$1,185,168.
  - Tenant rental revenue increased by \$17,571 from the prior fiscal year primarily due to the improved collection of other fees charged to the tenants such as late, damages and cleaning fees.
  - Governmental operating grants increased by \$442,317. This increase was the result of additional HUD funding in both the Housing Choice Voucher Program and subsidy to the Amp's.
  - Other revenues increased by \$61,540. This is a net increase in the various components of other revenue, which includes interest income, developer fees from tax credit projects, and other miscellaneous revenues.
  - Capital Grant revenue increased by \$653,962. This increase was the direct result of ARRA funding received from HUD.
  
- Overall Expenses increased by a net amount of \$119,503.
  - Administrative expenses decreased by \$51,438, which is primarily the result of lower legal expenses and administrative salaries.
  - Tenant (resident) services increased by \$2,704 due to normal inflation.
  - Utilities expense decreased by \$37,599. The decrease is essentially the net result of lower costs and consumption since the Authority put the energy performance contract into place. Management remains committed to conservation and continues to educate both residents and employees of the Authority to conserve the use of electric, gas, and water.
  - Maintenance expenses increased by \$21,391. The increase is largely due to the increase in maintenance labor costs and materials used in unit turnovers.
  - Protective Service costs increased by \$16,821 as additional resources were requested from the local police force.

**HELENA HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2010**

**FINANCIAL ANALYSIS OF THE AUTHORITY (continued)**

- Housing Assistance Payments increased by \$34,260 due to higher fair market rents paid to landlords in the Helena area; along with, additional lease-up activity.
- Other general expenses increased by \$82,488. The primary factor for the increase is the write-off of bad tenant debts and interest expense on the EPC loan.

**CAPITAL ASSETS**

The following table summarizes the changes in capital assets between June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>	<u>Net Change</u>
Land	\$ 869,114	\$ 869,114	\$ -
Building	20,685,425	20,409,018	276,407
Equipment (dwelling & admin)	452,906	483,795	(30,889)
Infrastructure	126,538	141,433	(14,895)
Leasehold improvements	2,525,592	-	2,525,592
Construction in Progress	20,000	527,088	(507,088)
<b>Total</b>	<u>24,679,575</u>	<u>22,430,448</u>	<u>2,249,127</u>
Accumulated Depreciation	<u>(15,778,567)</u>	<u>(15,084,787)</u>	<u>(693,780)</u>
<b>Net Capital Asset</b>	<u>\$ 8,901,008</u>	<u>\$ 7,345,661</u>	<u>\$ 1,555,347</u>

The change in Capital Assets is primarily due to the EPC contract in place, as a result of this, leasehold improvements were made to increase the value of land and buildings. The other change in capital assets is the effect of the current year depreciation.

**DEBT ADMINISTRATION**

The following table summarizes the changes in long-term debt between June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>	<u>Net Change</u>
Long-term Capital Debt (current portion)	\$ 87,346	\$ -	\$ 87,346
Long-term Capital Debt, net of current	<u>1,657,739</u>	<u>494,157</u>	<u>1,163,582</u>
<b>Total Long-Term Capital Debt</b>	<u>\$ 1,745,085</u>	<u>\$ 494,157</u>	<u>\$ 1,250,928</u>

The change in long-term debt was solely related to the energy performance contract that was put in to effect.

**HELENA HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2010**

**CURRENTLY KNOWN FACTS AND/OR CONDITIONS / EXPECTATIONS**

The Helena Housing Authority will strive to maintain a rating of "high performer" from HUD. The Authority devoted much of fiscal year 2010 to improving program efficiencies and maximizing existing programs. The Housing Authority staff has also worked hard to facilitate new relationships within the community that will provide supportive services to residents. The Authority's Board of Commissioners has approved the operating budgets for both the Low Income Public Housing and Housing Choice Voucher programs. The fiscal year 2010 budgets continue to reflect the Authority's vision, goals, and focus on the future.

**Financial Stability**

In 2009, the Helena Housing Authority requested and was granted to combine into one Asset Management Property. Given the size of the PHA and the confusion over transactions and maintenance employee assignment between AMP's, the consolidation to one AMP will help to improve inefficiencies and fiscal management.

**Community Focus**

At the direction of the Board of Commissioners, the Executive Director will focus on educating local and community partners about the challenges in the housing area. Further education and awareness will help build support for future increases in housing stock. The Authority is moving forward with a redevelopment plan that may include the disposition, demolition and/or reconstruction of public housing units. Considerable time and energy will be spent pursuing these opportunities.

As a first step, the Housing Authority has partnered with the Helena Realtors Association and the City of Helena and conducted a Housing Needs Assessment for the greater Helena Area. This study will help determine the needs of future developments.

The Helena Housing Authority will continue to provide a monthly newsletter to our residents. The newsletters have proved to be an effective tool for keeping residents abreast of changes that may affect their housing. Newsletters also inform resident of available opportunities that may be available to them.

The Helena Housing Authority will be working on producing an additional community newsletter that will highlight recent success stories within housing. The community newsletter will also help educate local residents about HHA programs, demographics and populations served.

**HELENA HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2010**

**CURRENTLY KNOWN FACTS AND/OR CONDITIONS / EXPECTATIONS (continued)**

Celebrating Success

The Board of Commissioners and management recognize the importance of well-trained and motivated staff. The current fiscal year would not have been as successful had it not been for the dedicated staff. The Board of Commissioners and management are committed to focusing on improving employee morale through team building, pay-for-performance, significant training opportunities and the celebration of great successes. The Helena Housing Authority has invested a substantial amount of time in reviewing position structures, pay structures, and facilitating employee input on how to become a more effective agency. Board of Commissioners have directed the Executive Director to make additional efforts to create a work atmosphere within the Authority that will reward high performance, and provide a work environment that encourages team building.

This past year significant improvements have been made throughout the agency in all areas. HHA has maximized programs within the agency and provided more housing opportunities than the previous year. HHA also partnered with the Career Training Institute, a local non-profit agency, to establish several programs that promote self sufficiency. Through this partnership thirty residents received key services necessary to obtain employment. Of these residents, nine received GED and post-secondary educational activities and fourteen residents became employed with jobs above the minimum wage threshold.

In addition, twelve residents enrolled in our Fresh Start Program. This program is an intense program designed to wrap a full spectrum of supportive services around an individual to help them achieve their education and life goals.

Resident Services

Fiscal year 2011 saw an increase in federal funding which in turn allowed HHA's ability to provide continued support services to those who live in public housing and receive housing choice vouchers. HUD did not provide additional funds for the Authority's FSS program and ROSS grants, nor did they provide additional funding to provide drug education and elimination programs. The Authority will continue to partner with the City of Helena to provide a Summer Kids program.

The Authority has also entered into a partnership with the newly reorganized Resident Council/Resident Management Corporation RC/RMC). This new agreement allows for the Authority to pass through a portion of HUD allocated resident services fees directly to the RC/RMC. The RC/RMC has agreed to provide numerous services to the residents and is looking forwarded to an expanding and strengthened organization.

**HELENA HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2010**

**CURRENTLY KNOWN FACTS AND/OR CONDITIONS / EXPECTATIONS (continued)**

**Capital Fund Program**

In 2010, the Helena Housing authority wrapped up its Energy Performance Program and fully spent the ARRA funds. Together, these two programs will save the Helena Housing Authority an estimated two hundred thousand dollars in utility reductions. With the implementation of this Energy Performance Contract, the Helena Housing Authority will free up several Capital Fund Grants that can be focused on additional needed repairs that may have been postponed for a longer period of time.

The Helena Housing Authority will also continue to use a portion of the Capital Funds to continue to provide police services to our residents and sites. Over the last several years, HHA has seen a dramatic decrease in violent and drug related crimes due to the unique partnership between the City of Helena Police Department and the Housing Authority.

**Public Housing Re-development**

The Stewart Homes re-development project was tabled by the Board of Commissioners in November 2009. The Board of Commissioners felt it was important to assess the entire stock of public housing and investigate the needs of the Housing Authority as a whole.

The Board of Commissioners recently approved the issuance of a Request for Qualifications for Developer. The selected developer will work with the Housing Authority and the Board of Commissioners to plan, design, obtain funding and re-develop existing housing stock. Although the Authority has made extraordinary efforts in maintaining and rehabilitating public housing units over the years, long term improvements need to be assessed in order to reduce ongoing maintenance costs and to fulfill changing demographics and needs.

**CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, Helena Housing Authority, 812 Abbey Street, Helena, MT 59601.

**HELENA HOUSING AUTHORITY**  
**Helena, Montana**

**FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

## LIABILITIES & NET ASSETS

### Current Liabilities

Accounts payable	\$	75,032
Accrued liabilities		43,971
Unearned revenue		7,257
Long-term liabilities - current portion		87,346
Tenant security deposits/escrow deposits		164,192
		<hr/>
Total Current Liabilities		377,798

### Noncurrent Liabilities

Mortgage & Notes payable		1,657,739
Accrued compensated absences		40,405
Trust deposit liabilities		7,107
		<hr/>
Total Noncurrent Liabilities		1,705,251

### TOTAL LIABILITIES

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2,083,049

### NET ASSETS

Invested in capital assets, net of related debt		7,155,923
Restricted net assets		260,442
Unrestricted net assets		1,852,517
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TOTAL NET ASSETS		9,268,882

### TOTAL LIABILITIES & NET ASSETS

\$ 

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11,351,931

**HELENA HOUSING AUTHORITY**  
**Helena, Montana**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

<b><u>Operating Revenue</u></b>	
Dwelling rent	\$ 734,422
Governmental grants & subsidy	2,903,387
Other income	336,104
<b>Total Operating Revenue</b>	<b><u>3,973,913</u></b>
<b><u>Operating Expenses</u></b>	
Administration	858,874
Tenant services	85,572
Utilities	258,694
Maintenance & operations	493,297
Protective services	71,821
General expense	386,468
Housing assistance payments	1,642,572
Depreciation & amortization	735,504
<b>Total Operating Expense</b>	<b><u>4,532,802</u></b>
<b>Net Operating Income/(Loss)</b>	<b><u>(558,889)</u></b>
<b><u>Nonoperating Revenues/(Expenses)</u></b>	
Investment income	15,001
Mortgage interest income	9,254
Interest expense	(54,637)
<b>Net Nonoperating Revenues/(Expenses)</b>	<b><u>(30,382)</u></b>
<b>Net Income/(Loss) before capital contributions</b>	<b>(589,271)</b>
Capital grants	<b><u>1,023,417</u></b>
<b>Increase/(Decrease) in Net Assets</b>	<b>434,146</b>
Total Net Assets - beginning	<b><u>8,834,736</u></b>
Total Net Assets - ending	<b><u>\$ 9,268,882</u></b>

The accompanying notes are an integral part of the financial statements.

**HELENA HOUSING AUTHORITY**  
**Helena, Montana**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers and users	\$ 1,070,526
Governmental grants & subsidy - operations	2,903,387
Payments to suppliers	(1,485,118)
Payments for housing assistance	(1,642,572)
Payments to employees	<u>(671,406)</u>
 NET CASH PROVIDED/(USED) FROM OPERATING ACTIVITIES	 <u>174,817</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Proceeds from notes receivable	3,157
Interest received	<u>24,255</u>
 NET CASH PROVIDED/(USED) FROM INVESTING ACTIVITIES	 <u>27,412</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Grant revenue - capital grants	1,023,417
Acquisition of capital assets - capital grants	(1,023,417)
Acquisition of capital assets - public housing equipment	(10,834)
Acquisition of capital assets - public housing EPC costs	(1,256,601)
Proceeds from notes payable - EPC costs	1,256,601
Repayment of notes payable	(5,673)
Payment of interest	<u>(54,637)</u>
 NET CASH PROVIDED/(USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	 <u>(71,144)</u>
 NET INCREASE/(DECREASE) IN CASH	 131,085
CASH AT BEGINNING OF PERIOD	<u>1,477,568</u>
 CASH AT END OF PERIOD	 <u>\$ 1,608,653</u>

The accompanying notes are an integral part of the financial statements.

**HELENA HOUSING AUTHORITY**  
**Helena, Montana**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**Reconciliation of operating income to net cash**

**provided by operating activities:**

Net Income/(Loss) from operations	\$ (558,889)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation & amortization	735,504
Decrease (Increase) in accounts receivable	(50,529)
Decrease (Increase) in prepaid expenses	(7,885)
Decrease (Increase) in inventory	(6,475)
Increase (Decrease) in accounts payable	66,372
Increase (Decrease) in accrued expenses	3,911
Increase (Decrease) in deferred revenue	(925)
Increase (Decrease) in security/trust deposits	<u>(6,267)</u>
 NET CASH PROVIDED/(USED) FROM OPERATING ACTIVITIES	 \$ <u><u>174,817</u></u>

The accompanying notes are an integral part of the financial statements.

**HELENA HOUSING AUTHORITY**  
**Helena, Montana**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY:**

**1. Introduction:**

The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP). The Authority's reporting entity applied all relevant Government Accounting Standards Board (GASB) pronouncements. Proprietary funds and similar component units apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB Pronouncements in which case, GASB prevails. The more significant of the government's accounting policies are described below:

**2. Organization:**

The Helena Housing Authority ("The Authority") is a public body and a body corporate and politic organized under the laws of the State of Montana for the purpose of providing adequate housing for qualified low-income individuals. Created on October 1, 1938 under the requirements of Section 7-15-44, Montana Code Annotated, the Authority is governed by a board of seven commissioners appointed by the Mayor of the City of Helena. The Authority sets policy for the operation and management of Public Housing properties, HUD, Section 8 program, and other affordable housing. Additionally, the Authority has entered into annual contribution contracts with the U. S. Department of Housing and Urban Development ("HUD") to be the administrator of the housing and housing related programs described herein. The Authority is not subject to Federal or State income taxes and is not required to file Federal or State income tax returns.

**3. Reporting Entity:**

In determining how to define the reporting entity, management has considered all potential component units by applying the criteria set forth in Section 2100 and 2600 of the *Codification of Government Accounting Standards Board and Financial Accounting Standards Board and Statement Number 14 of the Government Accounting Standards Board, the Financial Reporting Entity*.

**Financial Accountability** - The Authority is responsible for its debts, does not impose a financial burden on the City of Helena and is entitled to all surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the Authority.

**Appointment of a Voting Majority** - The Authority is governed by a Board of Commissioners appointed by the Mayor of Hamilton and has governance responsibilities over all activities related to all housing activities within the City of Helena. The Board of Commissioners has decision making authority and the power to designate management. The members do not serve at the discretion of the City; i.e., they can be removed only for cause. The Authority's Board elects its own chairperson.

**Imposition of Will** - The County has no influence over the management, budget, or policies of the Authority. The Authority's Board of Commissioners has the responsibility to significantly influence the Authority's operations. This includes, but is not limited to, adoption of the budget, personnel management, sole title to, and residual interest in all assets (including facilities and properties), signing contracts, issuing bonds, and deciding which programs are to be provided.

**HELENA HOUSING AUTHORITY**  
Helena, Montana

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**  
(Continued)

**NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)**

**3. Reporting Entity: (Cont'd)**

On the basis of the application of these criteria, the Authority is a legally separate entity that is fiscally independent of other governments, and there are no other entities that are to be reported as component units of the Authority nor for the Authority to be included in the City's financial reports therefore, the Authority reports independently. During the review of the Authority's budgets, annual contributions contract, minutes of the Board of Commissioner's meetings, cash receipts and cash disbursements for the reporting period disclosed that the Authority operated the following programs under Annual Contributions Contracts:

**Low Rent Public Housing Program** – The objective of the program is to provide decent, safe, and sanitary housing and related facilities for eligible low-income families and the elderly. HUD makes grants to the Authority based on housing needs to ensure the lower income character of the project operated by the Authority. Low Rent is composed of the Central Operating Cost Center, ME Anderson project, Stewart Homes project, and Scattered Sites projects.

**Family Investment Center** – The objective of this program is to provide families living in public and Indian housing with better access to educational and employment opportunities by: developing facilities in or near public housing for training and support services; mobilizing public and private resources to expand and improve the delivery of such services; providing funding for essential training and support services that cannot otherwise be funded; and improving the capacity of management to access the training and service needs of families, coordinate the provision of training and services that meet such needs and ensure the long-term provision of such training and services.

**Section 8 Housing Choice Voucher Program** – The objective of the program is to help low-income families obtain decent, safe, and sanitary housing through a system of rental subsidies. HUD entered into an Annual Contributions Contract (ACC) with the Authority. The Authority enters into a housing assistance payment contract with owners of private dwellings. The owners rent housing to eligible low-income families who typically pay the highest of 30 percent of adjusted income, 10 percent of gross income, or the portion of welfare assistance designated to meet housing costs for rent. The Authority, in a housing assistance payment pays the remaining portion of the rent for the unit to the owner

**Capital Fund Program** - The objective of this program is to improve the physical condition of the Low-Income Public Housing units and upgrade the management of the program.

**Business Activities:**

**Stewart Homes Redevelopment** - The objective of this program is to redevelop 132 public housing units that are in need of demolition and replacement. The Authority is currently in the process of obtaining funding for this project.

**HELENA HOUSING AUTHORITY**  
**Helena, Montana**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**  
(Continued)

**NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)**

**4. Basis of Presentation, Basis of Accounting and Measurement Focus:**

Basis of Accounting - The Authority uses the accrual basis of accounting in the proprietary funds. Under this method, revenues are recorded when earned, and expenses are recorded when liabilities are incurred, regardless of when the related cash flow takes place.

Basis of Presentation - The financial statements of the Authority are presented from a fund perspective. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Authority functions. The fund is a separate accounting entity with a self-balancing set of accounts. The accounting and financial reporting method applied by a fund is determined by the fund's measurement focus. The accounting objectives are determination of net income, financial position and cash flows. All assets and liabilities associated with the Proprietary Fund's activities are included on the Statement of Net Assets. The Authority uses the following fund:

Proprietary fund:

Enterprise fund - This type of fund is reported using an economic resources measurement focus. Additionally, it is used to account for operations that are financed and operated in a manner similar to private businesses where a fee is charged to external users for services provided.

**5. Revenues and Expenses:**

Revenues and expenses are recognized in essentially the same manner as used in commercial accounting. Revenues relating to the Authority's operating activities including rental related income, interest income and other sources of revenues are recognized in the accounting period in which they are earned. Other major sources of revenues include the operating subsidy from HUD and other HUD funding for capital and operating expenses.

**6. Encumbrances:**

Encumbrances represent commitments related to unperformed contracts for goods or services. The Authority does not utilize encumbrance accounting.

**7. Budgets:**

The Authority adopts budgets on the basis of accounting consistent with the basis of accounting for the fund to which the budget applies. The Authority prepares annual operating budgets that are formally adopted by its Governing Board of Commissioners. The budgets for programs funded by HUD form the basis of the Federal Financial Assistance received through HUD.

**8. Inventories:**

Inventories of operating supplies are valued at the lower of cost or market, using the first-in, first-out cost method.

**HELENA HOUSING AUTHORITY**  
**Helena, Montana**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**  
(Continued)

**NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)**

**9. Capital Assets and Depreciation:**

Capital assets used in operations are recorded at historical cost, or estimated historical cost if historical cost is not available. The Authority has established a capitalization floor limit of \$500. Depreciation of capital assets is computed using the straight-line method at rates considered sufficient to prorate the cost of the property, plant, and equipment over the estimated useful life of the asset. Useful lives are estimated to be as follows:

The estimated useful lives for each major class of depreciable capital assets are as follows:

Buildings	40-75 years
Improvements	15-40 years
Equipment	3-10 years

**10. Collection Losses:**

Collection losses on accounts receivable are expensed, in the appropriate Fund, on the specific write-off method.

**11. Insurance:**

The primary technique used for risk financing is the purchase of insurance policies from commercial insurers that include a large deductible amount. The use of a large deductible clause reduces the cost of insurance, but, should losses occur, the portion of the uninsured loss is not expected to be significant with respect to the financial position of the Authority. The Authority secures required insurance coverage through the competitive bid process. As of the date of the fieldwork, the Authority had the required coverage in force.

**12. Cash and Investments:**

Montana statutes authorize the Authority to invest in direct obligations of the United States Government and securities issued by agencies of the United States if the investment is a direct obligation of the agency; in savings or time deposits in a state or national bank, building or loan association, savings and loan association, or credit union located in Montana; in investments of the S.T.I.P. managed by the Montana Board of Investments; or in repurchase agreements. Investments of local governmental entities are subject to various risks. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. Concentration of credit risk is the risk of loss attributed to the magnitude of a local government's investment in a single issuer. Custodial credit risk is the risk that in the event of a bank failure, the local government's deposits may not be returned to it. Of these risks, only custodial credit risk pertains to the types of investments held by the Authority during the year ended June 30, 2010.

HELENA HOUSING AUTHORITY  
Helena, Montana

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010  
(Continued)

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

**13. Compensated Absences:**

Employees of the Authority accrue vacation and sick leave benefits based on the hours worked during the year and the employee's years of service. Compensated absences are absences for which employees will be paid, i.e., sick leave, vacation, and other approved leaves. In accordance with GASB Statement No.16, *Accounting for Compensated Absences*, the Authority accrues the liability for those absences that the employee has earned the rights to the benefits. Accrued amounts are based on the current salary rates. Full-time, permanent employees are granted vacation and sick leave benefits in varying amounts to specified maximums depending on tenure with the Authority. Vacation and sick pay is recorded as an expense and related liability in the year earned by employees. Employees of the Authority accrue vacation and sick leave benefits based on the hours worked during the year and the employee's years of service.

**14. Operating Revenue:**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for rents. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Subsidies received from HUD or other grantor agencies, for operating purposes, are recorded as operating revenue in the operating statement while capital grant funds are added to the net assets below the non-operating revenue and expense.

**15. New Accounting Pronouncements:**

In fiscal year 2010, the Housing Authority did not implement any new accounting standards issued by GASB.

NOTE B - CASH AND CASH EQUIVALENTS:

Cash and cash equivalents consist of cash on hand and cash in bank. Cash in bank is held in various demand deposit, savings deposit, and certificates of deposit accounts. The carrying amount of cash and cash equivalents at June 30, 2010 totaled \$1,608,653, with the bank balance totaling \$1,615,801. Of the bank balance, \$250,000 is covered by FDIC insurance and \$1,365,801 is uninsured. The uninsured portion is collateralized by investments of the financial institution up to \$2,345,390, leaving \$0 uninsured and uncollateralized.

*Interest rate risk* - As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's typically limits its investment portfolio to maturities of 12 months or less.

*Credit risk* - The Authority has no policy regarding credit risk.

**HELENA HOUSING AUTHORITY**  
**Helena, Montana**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**  
(Continued)

**NOTE B - CASH AND CASH EQUIVALENTS: (Cont'd)**

*Custodial credit risk* - For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All cash balances are in Wachovia Bank and Colonial Bank and are fully collateralized at 100% and pledged securities are in the custody of another banking party. The Authority has no policy on custodial credit risk.

*Concentration of credit risk* - The Authority places no limit on the amount that it may invest in certificates of deposits. The Authority has no policy regarding credit risk.

Cash and cash equivalents are contained in the following types of accounts at various financial institutions.

	Interest Rate	
Demand Deposits	0% - .4%	\$1,306,934
Savings Deposits	.15%	7,107
Certificates of Deposit	1.75 - 2.85%	<u>294,612</u>
		<u>\$1,608,653</u>

**Restricted Cash and Investments:**

The Authority participates in the Family Self Sufficiency program by which tenants who participate can accumulate a savings account that provides incentive for completing the program. As the participants income increases, they would normally face an increase in the amount they contribute towards rent. FSS program participants have this amount deposited into an account on their behalf, to be turned over to them upon completion of the program.

The restricted cash for the FSS program is the balance of these accounts that has been deposited on behalf of participants. The balance payable upon completion is reflected as a noncurrent liability.

The FSS escrow cash balances and liabilities are as follows:

FSS escrow – cash	\$ <u>7,107</u>
FSS escrow – liability	\$ <u>7,107</u>

The Authority reserves cash in the amount of HAP equity as required by HUD. The HAP cash and equity balances are as follows:

HAP – cash	\$ <u>260,442</u>
HAP – equity	\$ <u>260,442</u>

**HELENA HOUSING AUTHORITY**  
**Helena, Montana**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**  
(Continued)

**NOTE B - CASH AND CASH EQUIVALENTS: (Cont'd)**

Rental deposits are reserved until refunded to the tenant or used to cover expenses upon departure. The tenant security deposit cash and liability balances are as follows:

Tenant security deposit – cash	<u>\$ 164,192</u>
Tenant security deposit – liability	\$ 164,192
Less: Accounts Receivable	<u>(15,525)</u>
 Tenant security deposit – liability (net)	 <u>\$ 148,667</u>

Resident Management Council (RMC) deposits are reserved until they are used to cover expenses. The RMC escrow cash and liability balances are as follows

RMC – cash	<u>\$ 6,652</u>
 RMC escrow - liability	 <u>\$ 6,652</u>

**Collateralization:**

As of June 30, 2010 the following securities were pledged as collateral to secure the deposits of the Helena Housing Authority:

**Federal Home Loan Bank Seattle**

<u>Security</u>	<u>CUSIP</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Market Value</u>
CCS	188687DH7	03/01/2020	4.9%	\$ 380,622
CCB	200578TG7	12/01/2033	5.0%	530,316
MTBA	555412FU4	04/01/2022	5.0%	108,108
RM	7633252M8	02/01/2027	4.8%	<u>1,326,344</u>
				 <u>\$ 2,345,390</u>

**NOTE C - ACCOUNTS RECEIVABLE:**

Accounts receivable at June 30, 2010, consisted of the following:

Tenants (net of allowance of \$4,599)	\$ 10,926
HUD	81,960
Notes receivable – current portion	3,254
City of Helena (net of allowance \$49,378)	39,750
Tenants security deposits receivable	13,182
Other	4,715
Fraud	<u>2,140</u>
	 <u>\$ 155,927</u>

**HELENA HOUSING AUTHORITY**  
**Helena, Montana**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**  
(Continued)

**NOTE D - DEFERRED CHARGES:**

Deferred charges at June 30, 2010, consisted of the following:

Prepaid insurance	\$ 15,336
Inventory (net of allowance of \$1,569)	<u>18,606</u>
	<u>\$ 33,942</u>

**NOTE E - CAPITAL ASSETS:**

A summary of changes in capital assets are as follows:

	Beginning Balances	Increases	Decreases	Depreciation	Ending Balances
<b>Enterprise Activities</b>					
<b>Capital assets not being depreciated:</b>					
Land	\$ 869,114	\$ -	\$ -	\$ -	\$ 869,114
Construction in progress	<u>527,088</u>	<u>-</u>	<u>(507,088)</u>	<u>-</u>	<u>20,000</u>
<b>Total capital assets not being depreciated</b>	<u>1,396,202</u>	<u>-</u>	<u>(507,088)</u>	<u>-</u>	<u>889,114</u>
Buildings & improvements	20,409,018	3,108,816	(306,817)	-	23,211,017
Infrastructure	141,433	12,930	(27,825)	-	126,538
Furniture & equipment	<u>483,795</u>	<u>23,991</u>	<u>(54,880)</u>	<u>-</u>	<u>452,906</u>
<b>Total capital assets being depreciated</b>	<u>21,034,246</u>	<u>3,145,737</u>	<u>(389,522)</u>	<u>-</u>	<u>23,790,461</u>
Less accumulated depreciation for:					
Buildings & improvements	14,727,183	-	-	681,852	15,409,035
Infrastructure	37,756	-	-	6,973	44,729
Furniture & equipment	<u>319,848</u>	<u>-</u>	<u>(41,724)</u>	<u>46,679</u>	<u>324,803</u>
<b>Total accumulated depreciation</b>	<u>15,084,787</u>	<u>-</u>	<u>(41,724)</u>	<u>735,504</u>	<u>15,778,567</u>
<b>Total capital assets being depreciated</b>	<u>5,949,459</u>				<u>8,011,894</u>
<b>Enterprise activity capital assets, net</b>	<u>\$ 7,345,661</u>				<u>\$ 8,901,008</u>

**NOTE F - NOTES RECEIVABLE:**

**Roadrunner Residence LP**

(advances made toward the development of the Roadrunner Residence)

Note receivable, interest at 3% per annum, principal and interest of \$2,783 due annually beginning December 31, 1999, maturing December 31, 2029, secured by land and building	\$ 55,083
Note receivable, interest at 3% per annum, principal and interest of \$3,629 due annually beginning December 31, 2004, maturing December 31, 2029, secured by land and building	51,675
Note receivable, interest at 3% per annum, principal and interest of \$4,920 due annually beginning December 31, 2010, maturing December 31, 2029, secured by land and building	66,875

**HELENA HOUSING AUTHORITY**  
**Helena, Montana**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**  
(Continued)

**NOTE F - NOTES RECEIVABLE: (Cont'd)**

**Wilder Apartments LP**

(advances made by the Authority toward the development of the Wilder Apartments):

Note receivable, interest at 2% per annum, interest only payment of \$6,000 due annually beginning January 1, 2007, maturing January 1, 2026, secured by land and building	300,000
Note receivable, interest at 1% per annum, loan deferred until maturity of January 1, 2021, unsecured	182,022
Total Notes Receivable at June 30, 2010	\$ 655,655
Less current portion	<u>(3,254)</u>
Notes Receivable – long-term	<u>\$ 652,401</u>

**NOTE G - ACCOUNTS PAYABLE:**

Accounts payable at June 30, 2010, consisted of the following:

Vendors and contractors payable	\$ 75,032
Tenant security deposits	<u>164,192</u>
	<u>\$ 239,224</u>

**NOTE H - ACCRUED LIABILITIES & UNEARNED REVENUE:**

Accrued liabilities and unearned revenue at June 30, 2010, consisted of the following:

Accrued wages / payroll taxes	\$ 27,943
Accrued compensation absences – current portion	6,442
RMC resident funds	6,652
Unearned revenue – low rent operating subsidy	7,257
Loan liability – current	87,346
Other current liabilities	<u>2,934</u>
	<u>\$ 138,574</u>

**HELENA HOUSING AUTHORITY**  
Helena, Montana

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**  
(Continued)

**NOTE I - OTHER NON-CURRENT LIABILITIES:**

As on June 30, 2010, non-current liabilities consisted of the following:

FSS Escrows	\$ 7,107
Accrued compensation absences – noncurrent portion	<u>40,405</u>
	<u>\$ 47,512</u>

	Beginning Balances	Increases	Decreases	Ending Balances	Current Portion
FSS Escrows	\$ 9,838	\$ 2,912	\$ (5,643)	\$ 7,107	\$ 0
Compensated absences	<u>44,286</u>	<u>83,069</u>	<u>(80,508)</u>	<u>46,847</u>	<u>6,442</u>
Total long-term liabilities	<u>\$ 54,124</u>	<u>\$ 85,981</u>	<u>\$ (86,151)</u>	<u>\$ 53,954</u>	<u>\$ 6,442</u>

**NOTE J - LONG-TERM DEBT:**

During 2010, the Housing Authority issued a Line of Credit in the amount of \$1,745,085 to finance an Energy Performance Contract (EPC). Interest on the line-of-credit is at a rate of 4.00% and repayment terms are for monthly interest on the outstanding principal balance not to exceed 12 months. Upon which time the Line of Credit will be converted to a 15 year construction loan.

The principal balance outstanding as of June 30, 2010 is \$1,745,085 of which \$1,657,739 considered to be long-term. The loan once fully expended will be converted into permanent financing.

**NOTE K - EMPLOYEE RETIREMENT PLAN:**

**Plan Description**

Public Employees' Retirement System (PERS): All employees of the Authority that work the equivalent of 120 working days or more in any fiscal year participate in the Public Employees Retirement System (PERS). The PERS is a statewide retirement plan established in 1945 and is governed by Title 19, Chapters 2 and 3 of the Montana Code Annotated providing retirement services for substantially all public employees. The PERS is a mandatory multiple-employer, cost sharing plan administered by the Public Employees' Retirement Division (PERD), consisting of a defined benefit plan and a defined contribution plan. New employees to the system have twelve months to decide whether to participate in the defined contribution plan or the defined benefit plan. If an election is not made within the twelve months, the employee must then participate in the defined benefit plan.

**HELENA HOUSING AUTHORITY**  
Helena, Montana

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**  
(Continued)

**NOTE K - EMPLOYEE RETIREMENT PLAN: (Cont'd)**

The PERS offers retirement, disability and death benefits to plan members and their beneficiaries. Benefit eligibility is age 60 with at least five years of service; age 65 regardless of service; or 30 years of service regardless of age. Actuarial reduced benefits may be taken with 25 years of service or at age 50 with at least five years of service. Monthly retirement benefits are determined by taking 1/56 times the number of years of service times the highest average salary for employees with less than 25 years of service, or 1/50 times the number of years of service times the highest average salary for those employees with at least 25 years of service. Members' rights become vested after five years of service. The authority to establish, amend and provide cost of living adjustments for the plan is assigned to the State legislature.

The PERS financial information is reported in the Public Employees Retirement Board's published "Comprehensive Annual Financial Report" for the fiscal year end. It is available from PERS at 1712 Ninth Avenue, P.O. Box 200131, Helena, Montana, 59620-0131, 406-444-3154.

Required employer contributions received and percentage of required amount:

June 30, 2010	\$48,443	100%
June 30, 2009	\$46,826	100%
June 30, 2008	\$55,797	100%

On-behalf payments made by Authority to PERS on behalf of HHA employees totaled \$46,588 for the fiscal year ended June 30, 2010.

**NOTE L - IMPAIRMENT OF CAPITAL ASSETS:**

In accordance with new financial reporting standards issued by the Government Accounting Standards Board's, Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries" requires certain note disclosures. During the fiscal year ended June 30, 2010, the Helena Housing Authority experienced no permanent material impairments during the audit period.

**NOTE M - ECONOMIC DEPENDENCY:**

Helena Housing Authority receives a substantial amount of grant revenue from the U.S. Department of Housing and Urban Development.

**NOTE N - RELATED PARTY TRANSACTIONS:**

As stated in Note F to the financial statements, at June 30, 2010, there was \$655,655 in notes receivable from the Roadrunner Residence LP and Wilder Apartments LP which are related parties of the Housing Authority. Both Roadrunner Residence and Wilder Apartments are blended component units of the Housing Authority with ownership of .01% of each entity. The entities have contracted with the Housing Authority to manage the day-to-day operations. During 2010, \$8,932 and \$12,395 of management fees were earned from Roadrunner Residence and Wilder Apartments, respectively.

Further, the Housing Authority provides payroll and other administrative services on a reimbursement basis. As of June 30, 2010, \$2,708 is receivable from Roadrunner Residence and included in accounts receivable.

**HELENA HOUSING AUTHORITY**  
**Helena, Montana**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**  
(Continued)

**NOTE O - CONTINGENCIES:**

**Legal:**

The Authority has been named as the defendant in various lawsuits. As of the date of this report, the Authority was unable to determine the likelihood of loss nor able to estimate the amount, if any, of a contingent liability pertaining to these matters.

**Grants and contracts:**

The Authority receives financial assistance from federal agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements that are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability to the Authority. There were no such liabilities recorded as of June 30, 2010.

**Capital fund:**

The Authority receives capital funding each year for ongoing capital improvements and repairs and maintenance. As of June 30, 2010, the Authority has approximately \$604,445 of remaining and available capital funds for 2010, and \$610,162 remaining and available for 2009.

**NOTE P- PRIOR PERIOD AJUSTMENTS**

No prior period adjustments were recorded for Fiscal Year 2010.

**NOTE Q - SUPPLEMENTAL INFORMATION:**

The supplemental information has been included in order to show the financial statements of the Housing Authority on the GAAP basis of accounting but in the format of the HUD Handbook 7476.3, *Audit Guide*. This is due to the fact that some supplemental information is reviewed by the field office and provides greater detail concerning the operations of the Housing Authority.

**HELENA HOUSING AUTHORITY**  
**Helena, Montana**

**SINGLE AUDIT SECTION**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**



**ACCOUNTANT'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL STRUCTURE OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners  
Helena Housing Authority  
Helena, Montana 59601

Rocky Mountain, Denver  
Public Housing Division  
1670 Broadway  
Denver, Colorado 80202

We have audited the financial statements of the Helena Housing Authority, as of and for the year ended June 30, 2010, and have issued our report thereon dated October 29, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Housing Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Housing Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Housing Authority's financial statements that is more than inconsequential will not be prevented or detected by the Housing Authority's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Housing Authority's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Helena Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Helena Housing Authority, the State of Montana, HUD and other federal audit agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Rector & Reeder, P.C.  
Certified Public Accountants

Lawrenceville, Georgia  
October 29, 2010



**ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Commissioners  
Helena Housing Authority  
Helena, Montana 59601

Rocky Mountain, Denver  
Public Housing Division  
1670 Broadway  
Denver, Colorado 80202

**Compliance**

We have audited the Helena Housing Authority's compliance with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Helena Housing Authority's major federal programs for the year ended June 30, 2010. The Helena Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Helena Housing Authority's management. Our responsibility is to express an opinion on the Helena Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Helena Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Helena Housing Authority's compliance with those requirements.

In our opinion, the Helena Housing Authority complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

**Internal Control Over Compliance**

The management of the Helena Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Helena Housing Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management of the Helena Housing Authority , the State of Montana, HUD and other federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Rector & Reeder, P.C.  
Certified Public Accountants

Lawrenceville, Georgia  
October 29, 2010

HELENA HOUSING AUTHORITY  
Helena, Montana

STATUS OF PRIOR AUDIT FINDINGS

The prior audit report for the period ended June 30, 2009 contained six (6) formal audit findings. The current status of these findings is as follows:

**Finding No. 2009-01 – Public Housing Program File Deficiencies** CFDA No. 14.850  
Noncompliance & Significant Deficiency  
Eligibility – Rent Calculations

***Current Status:***

Upon review of Public Housing resident files, we noted no instances of unverified income or tenant rent miscalculations. PHA staff has implemented quality control procedures and is following checklists to ensure compliance with all HUD tenant file requirements. *This finding is cleared.*

**Finding No. 2009-02 – HCV Resident File Deficiencies** CFDA No. 14.871  
Noncompliance & Significant Deficiency  
Eligibility – Rent Calculations

***Current Status:***

Upon review of HCV resident files, we noted no instances of unverified income or tenant rent miscalculations. PHA staff has implemented quality control procedures and is following checklists to ensure compliance with all HUD tenant file requirements. *This finding is cleared.*

**Finding No. 2009-03 –SEMAP Documentation Deficiencies** CFDA No. 14.871  
Noncompliance & Material Weakness  
Special Tests and Provisions – SEMAP reporting

***Current Status:***

Upon review of the FY2010 SEMAP submission, we noted that all indicators were properly supported, and all supporting documentation was available for review. Our tenant file review supported the PHA's self-reported rates for all indicators. *This finding is cleared.*

**Finding No. 2009-04 – Capital Asset Deficiencies** CFDA No. 14.850  
Noncompliance & Material Weakness  
Equipment and real property management, program income

***Current Status:***

Upon review of capital assets at June 30, 2010, we noted that the discrepancies described in Finding No. 2010-04 have been corrected and all capital asset balances on the FY2010 financial statements are proper and free of material misstatement. *This finding is cleared.*

**Finding No. 2009-05 –Section 8 Program Deficiencies** CFDA No. 14.871  
Noncompliance & Significant Deficiency  
Special Tests and Provisions – HCV reporting

***Current Status:***

Upon review of the monthly VMS reporting and year-end FSS Escrow balances, we noted no instances of misstatement or noncompliance with HUD reporting regulations. *This finding is cleared.*

**HELENA HOUSING AUTHORITY  
Helena, Montana**

**STATUS OF PRIOR AUDIT FINDINGS  
(Continued)**

**Finding No. 2009-06 – Financial Statement Presentation Deficiency  
Significant Deficiency (GAGAS opinion only)**

***Current Status:***

Upon review of the financial statements and unaudited FDS submission, we noted that the discrete component unit previously included in the PHA’s financial statements has been properly removed. There is a “Related Party” note in the Notes to the Financial Statements that acknowledges the existence of the entities and their relationship with the PHA. *This finding is cleared.*

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Section I – Summary of Auditor’s Results:**

***Financial Statements***

Type of report issued on the financial statements:	<b>Unqualified</b>
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	<b>None reported</b>
 Noncompliance material to the financial statements noted?	 No

***Federal Awards***

Internal controls over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	<b>None reported</b>
 Type of report issued on the compliance for major programs:	 <b>Unqualified</b>
 Any audit findings disclosed that are required to be reported in Accordance with Circular A-133, Section .510(a)?	 No

Identification of major programs:

-CFDA #14.850	Low-Income Public Housing (Type A)
-CFDA #14.871	Housing Choice Voucher Program (Type A)
-CFDA #14.872	Capital Fund Program (Type A)
-CFDA #14.885	ARRA – Capital Fund Recovery Grant (Type A)

Dollar threshold used to distinguish between Type A and Type B programs:	<b>\$300,000</b>
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Did the Authority qualify as a low-risk auditee?	No
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**Section II – Financial Statement Findings**

***Findings related to financial statements in accordance with GAGAS:***

**CURRENT YEAR FINDINGS**

None.

HELENA HOUSING AUTHORITY  
Helena, Montana

Section III – Federal Award Findings and Questioned Costs

*Findings and questioned costs for Federal Awards as defined in Section .510:*

**CURRENT YEAR FINDINGS**

None.

**HELENA HOUSING AUTHORITY**  
**Helena, Montana**

**SUPPLEMENTAL INFORMATION**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Business Activities	ARRA - Capital Fund Recovery Grant 14.885	Elimination	TOTAL
\$ 287,403	\$ 0	\$ 0	\$ 875,648
0	0	0	0
0	0	0	274,201
0	0	0	164,192
<u>287,403</u>	<u>0</u>	<u>0</u>	<u>1,314,041</u>
0	0	0	81,960
0	0	0	89,128
0	0	0	17,897
0	0	0	15,525
0	0	0	(4,599)
0	0	0	(49,378)
3,254	0	0	3,254
0	0	0	2,140
0	0	0	0
0	0	0	0
<u>3,254</u>	<u>0</u>	<u>0</u>	<u>155,927</u>
0	0	0	294,612
0	0	0	0
804	0	0	15,336
0	0	0	20,175
0	0	0	(1,569)
177,111	0	(212,659)	0
<u>468,572</u>	<u>0</u>	<u>(212,659)</u>	<u>1,798,522</u>
0	0	0	869,114
12,930	0	0	126,538
811,113	0	0	20,685,425
7,365	0	0	452,906
0	0	0	2,525,592
0	0	0	20,000
(506,207)	0	0	(15,778,567)
<u>325,201</u>	<u>0</u>	<u>0</u>	<u>8,901,008</u>
652,401	0	0	652,401
0	0	0	0
<u>977,602</u>	<u>0</u>	<u>0</u>	<u>9,553,409</u>
<u>\$ 1,446,174</u>	<u>\$ 0</u>	<u>\$ (212,659)</u>	<u>\$ 11,351,931</u>

<u>Business Activities</u>	<u>ARRA - Capital Fund Recovery Grant 14.885</u>	<u>Elimination</u>	<u>TOTAL</u>
\$ 0	\$ 0	\$ 0	\$ 0
3,842	0	0	75,032
1,637	0	0	27,943
566	0	0	6,442
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	164,192
0	0	0	7,257
0	0	0	87,346
0	0	0	7,513
0	0	0	2,073
0	0	(212,659)	0
<u>6,045</u>	<u>0</u>	<u>(212,659)</u>	<u>377,798</u>
0	0	0	1,657,739
0	0	0	0
255	0	0	40,405
0	0	0	7,107
<u>255</u>	<u>0</u>	<u>0</u>	<u>1,705,251</u>
<u>6,300</u>	<u>0</u>	<u>(212,659)</u>	<u>2,083,049</u>
325,201	0	0	7,155,923
0	0	0	260,442
<u>1,114,673</u>	<u>0</u>	<u>0</u>	<u>1,852,517</u>
<u>1,439,874</u>	<u>0</u>	<u>0</u>	<u>9,268,882</u>
<u>\$ 1,446,174</u>	<u>\$ 0</u>	<u>\$ (212,659)</u>	<u>\$ 11,351,931</u>

Business Activities	ARRA - Capital Fund Recovery Grant 14.885	Elimination	TOTAL
\$ 0	\$ 0	\$ 0	\$ 676,956
<u>0</u>	<u>0</u>	<u>0</u>	<u>57,466</u>
0	0	0	734,422
0	0	0	2,903,387
0	774,834	0	1,023,417
0	0	0	0
0	0	(340,470)	0
0	0	(43,920)	0
0	0	(61,659)	0
0	0	0	21,328
145	0	0	13,142
0	0	0	0
0	0	0	0
9,254	0	0	9,254
0	0	0	5,548
307,367	0	(93,750)	309,228
0	0	0	1,859
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
\$ <u>316,766</u>	\$ <u>774,834</u>	\$ <u>(539,799)</u>	\$ <u>5,021,585</u>

\$ 52,811	\$ 0	\$ 0	\$ 452,848
0	0	0	24,117
0	0	0	0
0	0	(340,470)	0
0	0	(61,659)	0
0	0	0	5,447
11,364	0	0	142,447
2,702	0	0	77,983
614	0	0	48,528
0	0	0	7,281
<u>1,623</u>	<u>0</u>	<u>0</u>	<u>100,223</u>
<u>69,114</u>	<u>0</u>	<u>(402,129)</u>	<u>858,874</u>
<u>0</u>	<u>0</u>	<u>(43,920)</u>	<u>0</u>
0	0	0	0
0	0	0	0
0	0	0	0
<u>67,025</u>	<u>0</u>	<u>0</u>	<u>85,572</u>
<u>67,025</u>	<u>0</u>	<u>0</u>	<u>85,572</u>



Business Activities	ARRA - Capital Fund Recovery		TOTAL
	Grant 14.885	Elimination	
0	0	0	0
0	0	0	54,637
0	0	0	0
0	0	0	54,637
176,280	0	(539,799)	2,209,363
140,486	774,834	0	2,812,222
0	0	0	0
0	0	0	0
0	0	0	1,642,572
56,060	0	0	735,504
56,060	0	0	2,378,076
\$ 232,340	\$ 0	\$ (539,799)	\$ 4,587,439
\$ 84,426	\$ 774,834	\$ 0	\$ 434,146
(5,000)	0	0	0
354,258	(774,834)	0	0
0	0	0	0
1,006,190	0	0	8,834,736
\$ 1,439,874	\$ 0	\$ 0	\$ 9,268,882
-	-	-	84,663
-	-	-	260,442
-	-	-	8,868
-	-	-	8,526

**HELENA HOUSING AUTHORITY**  
Helena, Montana

**FINANCIAL DATA SUBMISSION SUMMARY**  
**NET ASSET ACCOUNTS - AMPs**  
**JUNE 30, 2010**

<u>Account Description</u>	<u>MT 004-01</u>	<u>MT 004-02</u>	<u>MT 004-03</u>	<u>Other Project</u>	<u>TOTAL</u>
<b>ASSETS:</b>					
<b>CURRENT ASSETS:</b>					
<b>Cash:</b>					
Cash - unrestricted	\$ 51,774	\$ 105,228	\$ 154,639	\$ 0	\$ 311,641
Cash - restricted for modernization	0	0	0	0	0
Cash - restricted	2,394	1,397	2,861	0	6,652
Cash - tenant security deposits	61,025	21,282	81,885	0	164,192
<b>Total Cash</b>	<u>115,193</u>	<u>127,907</u>	<u>239,385</u>	<u>0</u>	<u>482,485</u>
<b>Accounts and notes receivables:</b>					
Accounts receivable - HUD	29,058	5,128	10,922	0	45,108
Accounts receivable - other government	31,550	15,285	42,293	0	89,128
Accounts receivable - miscellaneous	4,380	683	8,119	0	13,182
Accounts receivable - tenants rents	4,592	3,197	7,736	0	15,525
Allowance for doubtful accounts-tenants	(539)	(2,609)	(1,451)	0	(4,599)
Allowance for doubtful accounts-other	(17,479)	(8,468)	(23,431)	0	(49,378)
Notes Receivable - current	0	0	0	0	0
Accrued interest receivable	0	0	0	0	0
<b>Total receivables - net</b>	<u>51,562</u>	<u>13,216</u>	<u>44,188</u>	<u>0</u>	<u>108,966</u>
<b>Current investments</b>					
Investments - unrestricted	0	0	0	0	0
Investments - restricted	0	0	0	0	0
Prepaid expenses and other assets	4,346	3,875	5,421	0	13,642
Inventories	5,523	5,691	8,961	0	20,175
Allowance for obsolete inventories	(127)	(1,442)	0	0	(1,569)
Interprogram due from	0	0	0	0	0
<b>TOTAL CURRENT ASSETS</b>	<u>176,497</u>	<u>149,247</u>	<u>297,955</u>	<u>0</u>	<u>623,699</u>
<b>NONCURRENT ASSETS:</b>					
<b>Capital Assets:</b>					
Land	123,646	179,234	566,234	0	869,114
Infrastructure	113,608	0	0	0	113,608
Buildings	6,557,942	4,511,620	8,804,750	0	19,874,312
Furniture & equipment	146,161	78,123	110,198	0	334,482
Improvements	405,428	687,823	1,432,341	0	2,525,592
Work in process	0	0	0	0	0
Accumulated depreciation	(5,268,154)	(3,324,668)	(6,599,070)	0	(15,191,892)
<b>Total capital assets - net</b>	<u>2,078,631</u>	<u>2,132,132</u>	<u>4,314,453</u>	<u>0</u>	<u>8,525,216</u>
Notes receivable - noncurrent	0	0	0	0	0
Other assets	0	0	0	0	0
<b>TOTAL NONCURRENT ASSETS</b>	<u>2,078,631</u>	<u>2,132,132</u>	<u>4,314,453</u>	<u>0</u>	<u>8,525,216</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,255,128</u>	<u>\$ 2,281,379</u>	<u>\$ 4,612,408</u>	<u>\$ 0</u>	<u>\$ 9,148,915</u>

**HELENA HOUSING AUTHORITY**  
Helena, Montana

**FINANCIAL DATA SUBMISSION SUMMARY**  
**NET ASSET ACCOUNTS - AMPs**  
**JUNE 30, 2010**

<u>Account Description</u>	<u>MT 004-01</u>	<u>MT 004-02</u>	<u>MT 004-03</u>	<u>Other Project</u>	<u>TOTAL</u>
<b>LIABILITIES AND NET ASSETS:</b>					
<b>LIABILITIES:</b>					
<b>CURRENT LIABILITIES</b>					
Cash overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accounts payable < 90 days	33,848	6,841	15,960	0	56,649
Accrued salaries/payroll withholding	7,886	2,597	5,611	0	16,094
Accrued compensated absences	1,048	181	3,128	0	4,357
Accrued interest payable	0	0	0	0	0
Accounts payable - HUD PHA programs	0	0	0	0	0
Accounts payable - other gov.	0	0	0	0	0
Tenant security deposits	61,025	21,282	81,885	0	164,192
Unearned revenue	2,690	1,534	3,033	0	7,257
Current portion of L-T debt - operating	15,266	18,515	53,565	0	87,346
Other current liabilities	2,394	1,397	2,861	0	6,652
Accrued liabilities other	0	0	0	0	0
Interprogram (due to)	1,118	33	1,525	0	2,676
<b>TOTAL CURRENT LIABILITIES</b>	<u>125,275</u>	<u>52,380</u>	<u>167,568</u>	<u>0</u>	<u>345,223</u>
<b>NONCURRENT LIABILITIES</b>					
Long-term debt, net of current - capital projects	289,740	351,397	1,016,602	0	1,657,739
Accrued comp. Absences - long term	12,594	2,172	7,131	0	21,897
Noncurrent liabilities - other	0	0	0	0	0
<b>TOTAL NONCURRENT LIABILITIES</b>	<u>302,334</u>	<u>353,569</u>	<u>1,023,733</u>	<u>0</u>	<u>1,679,636</u>
<b>TOTAL LIABILITIES</b>	<u>427,609</u>	<u>405,949</u>	<u>1,191,301</u>	<u>0</u>	<u>2,024,859</u>
<b>NET ASSETS:</b>					
Capital assets net of related debt	1,773,625	1,762,220	3,244,286	0	6,780,131
Restricted - Net Assets	0	0	0	0	0
Unrestricted - Net Assets	53,894	113,210	176,821	0	343,925
<b>TOTAL NET ASSETS</b>	<u>1,827,519</u>	<u>1,875,430</u>	<u>3,421,107</u>	<u>0</u>	<u>7,124,056</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 2,255,128</u>	<u>\$ 2,281,379</u>	<u>\$ 4,612,408</u>	<u>\$ 0</u>	<u>\$ 9,148,915</u>

**HELENA HOUSING AUTHORITY**  
**Helena, Montana**

**FINANCIAL DATA SUBMISSION SUMMARY**  
**REVENUES, EXPENSES AND CHANGE IN FUND**  
**NET ASSET ACCOUNTS - COMBINED SCHEDULE - AMP's**  
**FOR THE YEAR ENDED JUNE 30, 2010**

<u>Account Description</u>	<u>MT 004-01</u>	<u>MT 004-02</u>	<u>MT 004-03</u>	<u>Other Project</u>	<u>TOTAL</u>
<b>REVENUES:</b>					
Net tenant rental revenue	\$ 153,828	\$ 221,189	\$ 301,939	\$ 0	\$ 676,956
Tenant revenue - other	18,942	7,237	31,287	0	57,466
Total tenant revenue	<u>172,770</u>	<u>228,426</u>	<u>333,226</u>	<u>0</u>	<u>734,422</u>
HUD PHA grants - operating	417,165	189,923	508,340	0	1,115,428
HUD PHA grants - capital	92,811	55,231	100,541	0	248,583
Management fee	0	0	0	0	0
Asset management fee	0	0	0	0	0
Bookkeeping fee	0	0	0	0	0
Front line service fee	0	0	0	0	0
Other government grants	0	0	0	0	0
Investment income - unrestricted	178	0	0	0	178
Mortgage interest income	0	0	0	0	0
Fraud income	1,276	0	0	0	1,276
Other revenue	28,298	6,476	34,363	0	69,137
Investment income - restricted	0	0	0	0	0
Gain/(loss) on disposition	0	0	0	0	0
<b>TOTAL REVENUES</b>	<b>\$ <u>712,498</u></b>	<b>\$ <u>480,056</u></b>	<b>\$ <u>976,470</u></b>	<b>\$ <u>0</u></b>	<b>\$ <u>2,169,024</u></b>
<b>EXPENSES:</b>					
<b>Administrative</b>					
Administrative salaries	\$ 62,428	\$ 55,916	\$ 59,471	\$ 0	\$ 177,815
Auditing fees	3,883	2,236	4,648	0	10,767
Outside management fees	0	0	0	0	0
Management fees	105,718	61,435	126,613	0	293,766
Bookkeeping fees	11,678	6,803	13,988	0	32,469
Advertising & marketing	103	69	120	0	292
Employee benefits - administrative	13,649	17,638	14,167	0	45,454
Office expense	8,349	8,608	8,585	0	25,542
Legal expense	10,679	189	3,794	0	14,662
Travel expense	1,421	431	1,497	0	3,349
Other operating - administrative	9,950	6,569	20,886	0	37,405
Total Administrative Expense	<u>227,858</u>	<u>159,894</u>	<u>253,769</u>	<u>0</u>	<u>641,521</u>
Asset management fee	<u>15,840</u>	<u>9,120</u>	<u>18,960</u>	<u>0</u>	<u>43,920</u>
<b>Tennat services</b>					
Tenant services - salaries	0	0	0	0	0
Relocation	0	0	0	0	0
Employee benefits - tenant services	0	0	0	0	0
Other tenant services	7,992	3,584	6,971	0	18,547
Total Tenant Services	<u>7,992</u>	<u>3,584</u>	<u>6,971</u>	<u>0</u>	<u>18,547</u>
<b>Utilities</b>					
Water	45,590	14,053	70,928	0	130,571
Electricity	13,569	40,896	21,977	0	76,442
Gas	4,965	14,972	14,105	0	34,042
Labor	0	0	0	0	0
Sewer	0	0	0	0	0
Other utilities	0	0	0	0	0
Employee benefits - utilities	0	0	0	0	0
Total Utilities Expense	<u>64,124</u>	<u>69,921</u>	<u>107,010</u>	<u>0</u>	<u>241,055</u>

**HELENA HOUSING AUTHORITY**  
Helena, Montana

**FINANCIAL DATA SUBMISSION SUMMARY**  
**REVENUES, EXPENSES AND CHANGE IN FUND**  
**NET ASSET ACCOUNTS - COMBINED SCHEDULE - AMP's**  
**FOR THE YEAR ENDED JUNE 30, 2010**

<u>Account Description</u>	<u>MT 004-01</u>	<u>MT 004-02</u>	<u>MT 004-03</u>	<u>Other Project</u>	<u>TOTAL</u>
Ordinary Maintenance & Operation					
Labor	90,602	17,553	108,407	0	216,562
Materials	27,624	23,076	35,683	0	86,383
Employee benefit contributions	19,809	5,537	25,824	0	51,170
Garbage & trash removal contracts	0	0	0	0	0
Heating & cooling contracts	0	0	0	0	0
Snow Removal contracts	0	0	0	0	0
Elevator contracts	0	0	0	0	0
Landscape & grounds contracts	0	0	0	0	0
Unit turnaround contracts	0	0	0	0	0
Electrical contracts	0	0	0	0	0
Plumbing contracts	0	0	0	0	0
Litter contracts	0	0	0	0	0
Extermination contracts	0	0	0	0	0
Janitorial contracts	0	0	0	0	0
Routine maintenance contracts	0	0	0	0	0
Contract costs - other	35,737	14,312	76,982	0	127,031
Total Ordinary Maintenance & Operation	<u>173,772</u>	<u>60,478</u>	<u>246,896</u>	<u>0</u>	<u>481,146</u>
Protective services					
Protective services - salaries	0	0	0	0	0
Employee benefits - protective services	0	0	0	0	0
Other protective services	25,892	14,790	31,139	0	71,821
Total Protective Services	<u>25,892</u>	<u>14,790</u>	<u>31,139</u>	<u>0</u>	<u>71,821</u>
General Expenses					
Property insurance	28,867	28,293	37,659	0	94,819
Liability insurance	11,551	7,898	14,109	0	33,558
Workmen's compensation	12,247	6,123	10,806	0	29,176
Insurance - other	2,568	1,110	2,837	0	6,515
Other general expense	10,988	0	12,070	0	23,058
Compensated absences	19,057	1,150	21,792	0	41,999
Payments in lieu of taxes	17,571	10,473	22,178	0	50,222
Bad debt - tenant rents	14,273	1,758	31,006	0	47,037
Bad debt - mortgages	0	0	0	0	0
Severance expense	0	0	0	0	0
Total General Expenses	<u>117,122</u>	<u>56,805</u>	<u>152,457</u>	<u>0</u>	<u>326,384</u>
Financial Expenses					
Interest expense - Mortgage Payable	0	0	0	0	0
Interest expense - Notes Payable	10,739	10,061	33,799	0	54,599
Amortization - issuance costs	0	0	0	0	0
Total Financial Expenses	<u>10,739</u>	<u>10,061</u>	<u>33,799</u>	<u>0</u>	<u>54,599</u>
<b>TOTAL OPERATING EXPENSE</b>	<u>643,339</u>	<u>384,653</u>	<u>851,001</u>	<u>0</u>	<u>1,878,993</u>
<b>EXCESS OPERATING REVENUE</b>	<u>69,159</u>	<u>95,403</u>	<u>125,469</u>	<u>0</u>	<u>290,031</u>
Other Expenses					
Extraordinary maintenance	0	0	0	0	0
Casualty losses	0	0	0	0	0
Housing assistance payments	0	0	0	0	0
Depreciation expense	225,967	161,061	275,703	0	662,731
Total Other Expenses	<u>225,967</u>	<u>161,061</u>	<u>275,703</u>	<u>0</u>	<u>662,731</u>
<b>TOTAL EXPENSES</b>	<u>\$ 869,306</u>	<u>\$ 545,714</u>	<u>\$ 1,126,704</u>	<u>\$ 0</u>	<u>\$ 2,541,724</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ (156,808)</u>	<u>\$ (65,658)</u>	<u>\$ (150,234)</u>	<u>\$ 0</u>	<u>\$ (372,700)</u>

**HELENA HOUSING AUTHORITY**  
**Helena, Montana**

**FINANCIAL DATA SUBMISSION SUMMARY**  
**REVENUES, EXPENSES AND CHANGE IN FUND**  
**NET ASSET ACCOUNTS - COMBINED SCHEDULE - AMP's**  
**FOR THE YEAR ENDED JUNE 30, 2010**

<u>Account Description</u>	<u>MT 004-01</u>	<u>MT 004-02</u>	<u>MT 004-03</u>	<u>Other Project</u>	<u>TOTAL</u>
Transfer of funds	0	0	0	0	0
Transfer of equity	101,933	316,711	358,696	(360,036)	417,304
Prior period adjustments	0	0	0	0	0
<b>Beginning Net Assets</b>	<u>1,882,394</u>	<u>1,624,377</u>	<u>3,212,645</u>	<u>360,036</u>	<u>7,079,452</u>
<b>Ending Net Assets</b>	<b>\$ <u>1,827,519</u></b>	<b>\$ <u>1,875,430</u></b>	<b>\$ <u>3,421,107</u></b>	<b>\$ <u>0</u></b>	<b>\$ <u>7,124,056</u></b>
<b>Units Available</b>	<b>1,584</b>	<b>912</b>	<b>1,896</b>	<b>-</b>	<b>4,392</b>
<b>Units Leased</b>	<b>1,553</b>	<b>907</b>	<b>1,871</b>	<b>-</b>	<b>4,331</b>

**HELENA HOUSING AUTHORITY**  
**Helena, Montana**

**FINANCIAL DATA SUBMISSION SUMMARY**  
**REVENUES, EXPENSES AND CHANGE IN FUND NET ASSET ACCOUNTS**  
**AMP's PUBLIC HOUSING PROGRAM GRANT**  
**FOR THE YEAR ENDED JUNE 30, 2010**

Account Description	MT 004-01	MT 004-02	MT 004-03	Other Project	TOTAL
<b>REVENUES:</b>					
Net tenant rental revenue	\$ 153,828	\$ 221,189	\$ 301,939	\$ 0	\$ 676,956
Tenant revenue - other	18,942	7,237	31,287	0	57,466
Total tenant revenue	172,770	228,426	333,226	0	734,422
HUD PHA grants - operating	315,784	142,932	417,600	0	876,316
HUD PHA grants - capital	0	0	0	0	0
Management fee	0	0	0	0	0
Asset management fee	0	0	0	0	0
Bookkeeping fee	0	0	0	0	0
Front line service fee	0	0	0	0	0
Other government grants	0	0	0	0	0
Investment income - unrestricted	178	0	0	0	178
Mortgage interest income	0	0	0	0	0
Fraud income	1,276	0	0	0	1,276
Other revenue	28,298	6,476	34,363	0	69,137
Investment income -restricted	0	0	0	0	0
Gain/(loss) on disposition	0	0	0	0	0
<b>TOTAL REVENUES</b>	<b>\$ 518,306</b>	<b>\$ 377,834</b>	<b>\$ 785,189</b>	<b>\$ 0</b>	<b>\$ 1,681,329</b>
<b>EXPENSES:</b>					
<b>Administrative</b>					
Administrative salaries	\$ 62,428	\$ 55,916	\$ 59,471	\$ 0	\$ 177,815
Auditing fees	0	0	0	0	0
Outside management fees	0	0	0	0	0
Management fees	83,642	48,724	100,188	0	232,554
Bookkeeping fees	11,678	6,803	13,988	0	32,469
Advertising & marketing	19	19	19	0	57
Employee benefits - administrative	13,649	17,638	14,167	0	45,454
Office expense	8,349	8,608	8,585	0	25,542
Legal expense	10,679	189	3,794	0	14,662
Travel expense	1,421	431	1,497	0	3,349
Other operating - administrative	7,560	4,365	7,079	0	19,004
Total Administrative Expense	199,425	142,693	208,788	0	550,906
Asset management fee	15,840	9,120	18,960	0	43,920
<b>Tennat services</b>					
Tenant services - salaries	0	0	0	0	0
Relocation	0	0	0	0	0
Employee benefits - tenant services	0	0	0	0	0
Other tenant services	7,992	3,584	6,971	0	18,547
Total Tenant Services	7,992	3,584	6,971	0	18,547
<b>Utilities</b>					
Water	45,590	14,053	70,928	0	130,571
Electricity	13,569	40,896	21,977	0	76,442
Gas	4,965	14,972	14,105	0	34,042
Labor	0	0	0	0	0
Sewer	0	0	0	0	0
Other utilities	0	0	0	0	0
Employee benefits - utilities	0	0	0	0	0
Total Utilities Expense	64,124	69,921	107,010	0	241,055

**HELENA HOUSING AUTHORITY**  
**Helena, Montana**

**FINANCIAL DATA SUBMISSION SUMMARY**  
**REVENUES, EXPENSES AND CHANGE IN FUND NET ASSET ACCOUNTS**  
**AMP's PUBLIC HOUSING PROGRAM GRANT**  
**FOR THE YEAR ENDED JUNE 30, 2010**

<u>Account Description</u>	<u>MT 004-01</u>	<u>MT 004-02</u>	<u>MT 004-03</u>	<u>Other Project</u>	<u>TOTAL</u>
Ordinary Maintenance & Operation					
Labor	90,602	17,553	108,407	0	216,562
Materials	27,624	23,076	35,683	0	86,383
Employee benefit contributions	19,809	5,537	25,824	0	51,170
Garbage & trash removal contracts	0	0	0	0	0
Heating & cooling contracts	0	0	0	0	0
Snow Removal contracts	0	0	0	0	0
Elevator contracts	0	0	0	0	0
Landscape & grounds contracts	0	0	0	0	0
Unit turnaround contracts	0	0	0	0	0
Electrical contracts	0	0	0	0	0
Plumbing contracts	0	0	0	0	0
Litter contracts	0	0	0	0	0
Extermination contracts	0	0	0	0	0
Janitorial contracts	0	0	0	0	0
Routine maintenance contracts	0	0	0	0	0
Contract costs - other	35,737	14,312	76,982	0	127,031
Total Ordinary Maintenance & Operation	<u>173,772</u>	<u>60,478</u>	<u>246,896</u>	<u>0</u>	<u>481,146</u>
Protective services					
Protective services - salaries	0	0	0	0	0
Employee benefits - protective services	0	0	0	0	0
Other protective services	0	0	0	0	0
Total Protective Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Expenses					
Property insurance	28,867	28,293	37,659	0	94,819
Liability insurance	11,551	7,898	14,109	0	33,558
Workmen's compensation	12,247	6,123	10,806	0	29,176
Insurance - other	2,568	1,110	2,837	0	6,515
Other general expense	10,988	0	12,070	0	23,058
Compensated absences	19,057	1,150	21,792	0	41,999
Payments in lieu of taxes	17,571	10,473	22,178	0	50,222
Bad debt - tenant rents	14,273	1,758	31,006	0	47,037
Bad debt - mortgages	0	0	0	0	0
Severance expense	0	0	0	0	0
Total General Expenses	<u>117,122</u>	<u>56,805</u>	<u>152,457</u>	<u>0</u>	<u>326,384</u>
Financial Expenses					
Interest expense - Mortgage Payable	0	0	0	0	0
Interest expense - Notes Payable	10,739	10,061	33,799	0	54,599
Amortization - issuance costs	0	0	0	0	0
Total Financial Expenses	<u>10,739</u>	<u>10,061</u>	<u>33,799</u>	<u>0</u>	<u>54,599</u>
<b>TOTAL OPERATING EXPENSE</b>	<u>589,014</u>	<u>352,662</u>	<u>774,881</u>	<u>0</u>	<u>1,716,557</u>
<b>EXCESS OPERATING REVENUE</b>	<u>(70,708)</u>	<u>25,172</u>	<u>10,308</u>	<u>0</u>	<u>(35,228)</u>
Other Expenses					
Extraordinary maintenance	0	0	0	0	0
Casualty losses	0	0	0	0	0
Housing assistance payments	0	0	0	0	0
Depreciation expense	225,740	154,038	275,666	0	655,444
Total Other Expenses	<u>225,740</u>	<u>154,038</u>	<u>275,666</u>	<u>0</u>	<u>655,444</u>
<b>TOTAL EXPENSES</b>	<u>\$ 814,754</u>	<u>\$ 506,700</u>	<u>\$ 1,050,547</u>	<u>\$ 0</u>	<u>\$ 2,372,001</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ (296,448)</u>	<u>\$ (128,866)</u>	<u>\$ (265,358)</u>	<u>\$ 0</u>	<u>\$ (690,672)</u>

**HELENA HOUSING AUTHORITY**  
**Helena, Montana**

**FINANCIAL DATA SUBMISSION SUMMARY**  
**REVENUES, EXPENSES AND CHANGE IN FUND NET ASSET ACCOUNTS**  
**AMP's CAPITAL FUND PROGRAM GRANT**  
**FOR THE YEAR ENDED JUNE 30, 2010**

<u>Account Description</u>	<u>MT 004-01</u>	<u>MT 004-02</u>	<u>MT 004-03</u>	<u>Other Project</u>	<u>TOTAL</u>
<b>REVENUES:</b>					
Net tenant rental revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Tenant revenue - other	0	0	0	0	0
Total tenant revenue	0	0	0	0	0
HUD PHA grants - operating	101,381	46,991	90,740	0	239,112
HUD PHA grants - capital	92,811	55,231	100,541	0	248,583
Management fee	0	0	0	0	0
Asset management fee	0	0	0	0	0
Bookkeeping fee	0	0	0	0	0
Front line service fee	0	0	0	0	0
Other government grants	0	0	0	0	0
Investment income - unrestricted	0	0	0	0	0
Mortgage interest income	0	0	0	0	0
Fraud income	0	0	0	0	0
Other revenue	0	0	0	0	0
Investment income - restricted	0	0	0	0	0
Gain/(loss) on disposition	0	0	0	0	0
<b>TOTAL REVENUES</b>	<b>194,192</b>	<b>102,222</b>	<b>191,281</b>	<b>0</b>	<b>487,695</b>
<b>EXPENSES:</b>					
<b>Administrative</b>					
Administrative salaries	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Auditing fees	3,883	2,236	4,648	0	10,767
Outside management fees	0	0	0	0	0
Management fees	22,076	12,711	26,425	0	61,212
Bookkeeping fees	0	0	0	0	0
Advertising & marketing	84	50	101	0	235
Employee benefits - administrative	0	0	0	0	0
Office expense	0	0	0	0	0
Legal expense	0	0	0	0	0
Travel expense	0	0	0	0	0
Other operating - administrative	2,390	2,204	13,807	0	18,401
Total Administrative Expense	28,433	17,201	44,981	0	90,615
Asset management fee	0	0	0	0	0
<b>Tenant services</b>					
Tenant services - salaries	0	0	0	0	0
Relocation	0	0	0	0	0
Employee benefits - tenant services	0	0	0	0	0
Other tenant services	0	0	0	0	0
Total Tenant Services	0	0	0	0	0
<b>Utilities</b>					
Water	0	0	0	0	0
Electricity	0	0	0	0	0
Gas	0	0	0	0	0
Labor	0	0	0	0	0
Sewer	0	0	0	0	0
Other utilities	0	0	0	0	0
Employee benefits - utilities	0	0	0	0	0
Total Utilities Expense	0	0	0	0	0

**HELENA HOUSING AUTHORITY**  
Helena, Montana

**FINANCIAL DATA SUBMISSION SUMMARY**  
**REVENUES, EXPENSES AND CHANGE IN FUND NET ASSET ACCOUNTS**  
**AMP's CAPITAL FUND PROGRAM GRANT**  
**FOR THE YEAR ENDED JUNE 30, 2010**

<u>Account Description</u>	<u>MT 004-01</u>	<u>MT 004-02</u>	<u>MT 004-03</u>	<u>Other Project</u>	<u>TOTAL</u>
Ordinary Maintenance & Operation					
Labor	0	0	0	0	0
Materials	0	0	0	0	0
Employee benefit contributions	0	0	0	0	0
Garbage & trash removal contracts	0	0	0	0	0
Heating & cooling contracts	0	0	0	0	0
Snow Removal contracts	0	0	0	0	0
Elevator contracts	0	0	0	0	0
Landscape & grounds contracts	0	0	0	0	0
Unit turnaround contracts	0	0	0	0	0
Electrical contracts	0	0	0	0	0
Plumbing contracts	0	0	0	0	0
Litter contracts	0	0	0	0	0
Extermination contracts	0	0	0	0	0
Janitorial contracts	0	0	0	0	0
Routine maintenance contracts	0	0	0	0	0
Contract costs - other	0	0	0	0	0
Total Ordinary Maintenance & Operation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Protective services					
Protective services - salaries	0	0	0	0	0
Employee benefits - protective services	0	0	0	0	0
Other protective services	25,892	14,790	31,139	0	71,821
Total Protective Services	<u>25,892</u>	<u>14,790</u>	<u>31,139</u>	<u>0</u>	<u>71,821</u>
General Expenses					
Property insurance	0	0	0	0	0
Liability insurance	0	0	0	0	0
Workmen's compensation	0	0	0	0	0
Insurance - other	0	0	0	0	0
Other general expense	0	0	0	0	0
Compensated absences	0	0	0	0	0
Payments in lieu of taxes	0	0	0	0	0
Bad debt - tenant rents	0	0	0	0	0
Bad debt - mortgages	0	0	0	0	0
Severance expense	0	0	0	0	0
Total General Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Financial Expenses					
Interest expense - Mortgage Payable	0	0	0	0	0
Interest expense - Notes Payable	0	0	0	0	0
Amortization - issuance costs	0	0	0	0	0
Total Financial Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL OPERATING EXPENSE</b>	<u>54,325</u>	<u>31,991</u>	<u>76,120</u>	<u>0</u>	<u>162,436</u>
<b>EXCESS OPERATING REVENUE</b>	<u>139,867</u>	<u>70,231</u>	<u>115,161</u>	<u>0</u>	<u>325,259</u>
Other Expenses					
Extraordinary maintenance	0	0	0	0	0
Casualty losses	0	0	0	0	0
Housing assistance payments	0	0	0	0	0
Depreciation expense	227	7,023	37	0	7,287
Total Other Expenses	<u>227</u>	<u>7,023</u>	<u>37</u>	<u>0</u>	<u>7,287</u>
<b>TOTAL EXPENSES</b>	<u>\$ 54,552</u>	<u>\$ 39,014</u>	<u>\$ 76,157</u>	<u>\$ 0</u>	<u>\$ 169,723</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ 139,640</u>	<u>\$ 63,208</u>	<u>\$ 115,124</u>	<u>\$ 0</u>	<u>\$ 317,972</u>

**HELENA HOUSING AUTHORITY**  
**Helena, Montana**

**SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Type</u>	<u>Federal CFDA #</u>	<u>Expenditures</u>
<b><u>FEDERAL GRANTOR</u></b>			
<b><u>U.S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT:</u></b>			
<b>Public Housing:</b>			
Low Rent Public Housing - subsidy	A - Major	14.850	\$ 876,316
Capital Fund Program	A - Major	14.872	487,695
ARRA - Capital Fund Stimulus Grant	A - Major	14.885	774,834
<b>Section 8 Housing Choice Voucher Program:</b>			
Housing Choice Voucher Program	A - Major	14.871	1,660,962
Shelter Plus Care	B - Nonmajor	14.238	<u>126,997</u>
<b>TOTAL FEDERAL FINANCIAL AWARDS</b>			<b>\$ <u><u>3,926,804</u></u></b>
<b>Threshold for Type A &amp; Type B</b>			<b>\$ <u><u>300,000</u></u></b>

The accompany notes are an integral part of this schedule.

**HELENA HOUSING AUTHORITY**  
Helena, Montana

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2010**

**NOTE A - BASIS OF PRESENTATION:**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Helena Housing Authority and is presented on the post-GASB 34 full accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**NOTE B - SUBRECIPIENTS:**

The Helena Housing Authority provided no federal awards to subrecipients during the fiscal year ending June 30, 2010.

**NOTE C - DISCLOSURE OF OTHER FORMS OF ASSISTANCE:**

- The Helena Housing Authority received no federal awards of non-monetary assistance that are required to be disclosed for the year ended June 30, 2010.
- The Helena Housing Authority had no loan guarantees, or federally restricted endowment funds required to be disclosed for the fiscal year ended June 30, 2010.
- The Helena Housing Authority maintains the following limits of insurance as of June 30, 2010:

Property	\$ 34,102,404
Liability	\$ 2,000,000
Business Auto	\$ 500,000
Worker Compensation	Statutory
Directors & Officers Liability	\$ 1,000,000
ERISA Bond	\$ 75,000

Settled claims have not exceeded the above commercial insurance coverage limits over the past three years.

**HELENA HOUSING AUTHORITY**  
**Helena, Montana**

**SUPPLEMENTAL INFORMATION**  
**SPECIAL REPORTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

HELENA HOUSING AUTHORITY  
Helena, Montana

STATEMENT AND CERTIFICATION OF ACTUAL CAPITAL FUND PROGRAM COSTS  
June 30, 2010

Grant Year MT06-S004-501-09

1 The Actual Capital Fund Program Costs of Phase MT06-S004-501-09 are as follows:

Funds Approved	\$	774,834
Funds Expended		<u>774,834</u>
Excess of Funds Approved	\$	<u><u>-</u></u>
Funds Advanced	\$	774,834
Funds Expended		<u>774,834</u>
Excess of Funds Advanced	\$	<u><u>-</u></u>

- 2 Audit period additions were \$774,834.00 and accordingly were audited by Rector & Reeder, P.C.
- 3 The total program costs as stated on the Annual Statement/Performance and Evaluation Report is in agreement with the Actual Modernization Cost Certificate dated June 10, 2010, as submitted to HUD for approval is in agreement with the PHA's records.
- 4 All Capital Fund Program costs have been paid and all related liabilities have been discharged through payment.

## **12. ASSET MANAGEMENT**

**A statement of how the agency will carry out its asset management functions with respect to the public housing inventory of the agency, including how the agency will plan for the long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs for such inventory.**

Throughout fiscal year 2010, the Helena Housing Authority will continue to focus on training staff in the area of Asset Management. The Helena Housing Authority will continue to investigate the possibilities of changing and reorganizing certain areas of the agency to adapt to evolving asset management best practices. The Authority will continue to need further training and education to insure we maintain compliant with Asset Based Management. Consulting services will continue to be provided to assist in efforts to become experts in finance, management and to meet the challenges of site-based budgeting and accounting.

### **13. VIOLENCE AGAINST WOMEN ACT (VAWA).**

**A description of: 1) Any activities, services, or programs provided or offered by an agency, either directly or in partnership with other providers, to child or adult victims of domestic violence, dating violence, sexual assault, or stalking; 2) Any activities, services, or programs provided or offered by a PHA that helps child and adult victims of domestic violence, dating violence, sexual assault, or stalking, to obtain or maintain housing; and 3) Any activities, services, or programs provided or offered by a public housing agency to prevent domestic violence, dating violence, sexual assault, and stalking, or to enhance victim safety in assisted families.**

The Helena Housing Authority (HHA) has adopted a policy (the “HHA VAWA Policy”) to implement applicable provisions of the Violence Against Women and Department of Justice Reauthorization Act of 2005 (Pub. L. 109-162) (VAWA). HHA’s goals, objectives and policies to enable HHA to serve the needs of child and adult victims of domestic violence, dating violence and stalking, as defined in VAWA, are stated in the HHA VAWA Policy, a copy of which is attached to this Plan.

In addition:

A. The following activities, services, or programs are provided by HHA, directly or in partnership with other service providers, to child and adult victims of domestic violence, dating violence, sexual assault or stalking.

The HHA has a preference for victims of domestic violence, dating violence or stalking.

*This preference is for applicants where actual or threatened physical violence is directed against the applicant or other members of the applicant’s household. HUD defines this as “actual or threatened physical violence directed against one of more members of the applicant’s family by a spouse or other members of the applicant’s household.”*

B. The following activities, services, or programs are provided by HHA to help child and adult victims of domestic violence, dating violence, sexual assault, or stalking maintain housing.

The HHA has a partnership with the Friendship Center, which is a shelter for women and children who have suffered domestic violence and sexual abuse. The HHA has a co-operative agreement with the Friendship Center to assist with housing for victims.

C. The following activities, services, or programs are provided by HHA to prevent domestic violence, dating violence, sexual assault and stalking, or to enhance victim safety in assisted families.



## **7.0 Hope VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-based Vouchers**

### **(a) Hope VI or Mixed Finance Modernization or Development.**

The Board of Commissioners has recently decided to pursue the redevelopment of public housing units and/or sites. The redevelopment efforts will work in parallel with the recent Needs Assessment developed within the community. HHA will determine the most viable properties for redevelopment and will pursue funding sources that will maximize opportunities.

### **(b) Demolition and/or Disposition.**

HHA is reviewing all public housing inventories for the possibility of future development. At this time, the Helena Housing Authority is anticipating submitting a Demolition and/or Disposition application in the coming year depending upon the availability of federal funds.

### **(c) Conversion of Public Housing.**

HHA is reviewing all public housing inventories for the possibility of future conversion. At this time, Conversion of Public Housing is unknown.

### **(d) Homeownership.**

Helena Housing Authority Currently has no options for homeownership opportunities within public housing.

### **(e) Project-based Vouchers.**

Helena Housing Authority Currently has no options for project based vouchers but will continue to review the possibilities in light of the 2010-2011 Community Needs Assessment prepared in partnership with HHA, the City of Helena, local service providers and affordable housing advocates and developers.

## **8.0 Capital Improvements**

# **2009 Capital Fund**

Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
 Expires 4/30/2011

<b>Part I: Summary</b>		<b>Grant Type and Number</b>	
PHA Name: Helena Housing Authority		Capital Fund Program Grant No: MT06F004501-09 Replacement Housing Factor Grant No: _____ Date of CFFP: _____	
FFY of Grant: 2009		FFY of Grant Approval: 2009	

Line	Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Performance and Evaluation Report for Period Ending: <input type="checkbox"/> Reserve for Disasters/Emergencies	Summary by Development Account	Total Estimated Cost		Obligated	Total Actual Cost <sup>1</sup>
			Original	Revised <sup>2</sup>		
1		Total non-CFP Funds				
2		1406 Operations (may not exceed 20% of line 21) <sup>3</sup>	\$108,676.00	\$108,676.00	\$	
3		1408 Management Improvements	\$172,400.01	\$80,000.00		
4		1410 Administration (may not exceed 10% of line 21)	\$61,212.00	\$61,129.00		
5		1411 Audit				
6		1415 Liquidated Damages				
7		1430 Fees and Costs	\$73,138.99	\$48,138.99		
8		1440 Site Acquisition				
9		1450 Site Improvement		\$120,596.36		
10		1460 Dwelling Structures	\$196,702.00	\$193,588.65		
11		1465.1 Dwelling Equipment—Nonexpendable				
12		1470 Non-dwelling Structures				
13		1475 Non-dwelling Equipment				
14		1485 Demolition				
15		1492 Moving to Work Demonstration				
16		1495.1 Relocation Costs				
17		1499 Development Activities <sup>4</sup>				

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.  
<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
 Expires 4/30/2011

<b>Part I: Summary</b>		<b>FFY of Grant: 2009</b>	
<b>PIA Name:</b> Helena Housing Authority	<b>Grant Type and Number</b> Capital Fund Program Grant No: MT06P004501-09 Replacement Housing Factor Grant No: Date of CFFP:	<b>FFY of Grant Approval: 2009</b>	

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost <sup>1</sup>	
		Original	Revised <sup>2</sup>	Obligated	Expended
18a	1501 Collateralization or Debt Service paid by the PIA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant: (sum of lines 2 - 19)	\$604,445.00	\$604,445.00		
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
<b>Signature of Executive Director</b>		<b>Date</b>	<b>Signature of Public Housing Director</b>		<b>Date</b>

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.  
<sup>4</sup> RHF funds shall be included here.









# **2010 Capital Fund**

Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
 Expires 4/30/2011

<b>Part I: Summary</b>		<b>Grant Type and Number</b>	
PHA Name: Helena Housing Authority	Grant Type and Number: Capital Fund Program Grant No: MT06P004501-10 Replacement Housing Factor Grant No: _____ Date of CFP: _____	FFY of Grant: 2010 FFY of Grant Approval: 2010	

Line	Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Performance and Evaluation Report for Period Ending: Summary by Development Account	Reserve for Disasters/Emergencies <input type="checkbox"/>	Revised Annual Statement (revision no:1 ) <input checked="" type="checkbox"/> Final Performance and Evaluation Report	Total Estimated Cost		Obligated	Total Actual Cost <sup>1</sup> Expended
				Original	Revised <sup>2</sup>		
1	Total non-CFP Funds						
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>			\$108,676.00	\$108,676.00	\$	
3	1408 Management Improvements			\$80,000.00	\$80,000.00		
4	1410 Administration (may not exceed 10% of line 21)			\$60,445.50	\$60,445.50		
5	1411 Audit						
6	1415 Liquidated Damages						
7	1430 Fees and Costs			\$73,138.99	\$48,138.99		
8	1440 Site Acquisition						
9	1450 Site Improvement						
10	1460 Dwelling Structures			\$282,184.51	\$307,184.51		
11	1465 I Dwelling Equipment - Nonexpendable						
12	1470 Non-dwelling Structures						
13	1475 Non-dwelling Equipment						
14	1485 Demolition						
15	1492 Moving to Work Demonstration						
16	1495 I Relocation Costs						
17	1499 Development Activities <sup>4</sup>						

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.  
<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
 Expires 4/30/2011

<b>Part I: Summary</b>		FFY of Grant: 2010	
PHA Name: Helena Housing Authority	Grant Type and Number Capital Fund Program Grant No: MT06P004501-10 Replacement Housing Factor Grant No: Date of CFFP:	FFY of Grant Approval: 2010	

Line	Type of Grant	Performance and Evaluation Report for Period Ending:	Total Estimated Cost		Total Actual Cost <sup>1</sup>	
			Original	Revised <sup>2</sup>	Obligated	Expended
18a	Original Annual Statement	<input type="checkbox"/> Reserve for Disasters/Emergencies				
18a	Performance and Evaluation Report for Period Ending:	<input type="checkbox"/> Revised Annual Statement (revision no: )				
18ba	Summary by Development Account	<input type="checkbox"/> Final Performance and Evaluation Report				
18ba	1501 Collateralization or Debt Service paid by the PHA					
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment					
19	1502 Contingency (may not exceed 8% of line 20)					
20	Amount of Annual Grant: (sum of lines 2 - 19)		\$604,445.00	\$604,445.00		
21	Amount of line 20 Related to LBP Activities					
22	Amount of line 20 Related to Section 504 Activities					
23	Amount of line 20 Related to Security - Soft Costs					
24	Amount of line 20 Related to Security - Hard Costs					
25	Amount of line 20 Related to Energy Conservation Measures					
Signature of Executive Director			Date	Signature of Public Housing Director		Date

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFFP Grants for operations.  
<sup>4</sup> RHF funds shall be included here.









# **2011 Capital Fund**

## 9.0 Housing Needs.

**Provide a statement of the housing needs of families residing in the jurisdiction served by the PHA and the means by which the PHA intends, to the maximum extent practicable, to address those needs.**

The most current Consolidated Plan from the City of Helena Growth Policy (Consolidated Plan) was adopted October 29, 2001. The City of Helena is in the process of updating the Plan and as part of this update has convened stakeholders to update the housing needs assessment. The information below is based on historical data.

This plan recognizes the role of housing in sustaining a mixture of low, moderate, and high-income households in the City of Helena. A primary objective of managing growth is to achieve the overall mix and placement of housing needed to support a community rich in social, cultural, historical, age and economic diversity, and an environment rich with natural resources. Healthy communities maintain varied households and a combination of housing alternatives across all economic layers.

### Helena Needs Assessment

In the fall of 2009, the Helena Housing Authority participated in the Helena needs assessment. The needs assessment was developed to help local area agencies determine the needs and demands of the changing housing markets. Through this process the needs assessment identified some key areas of concern.

The number one issue identified in the study was the need for affordable housing. The study identified a growing gap between options for low and moderate income households. In addition, senior citizens on fixed income are experiencing severe cost burden situations for rental units. The study expects this trend to worsen in over the course of the next 10 years.

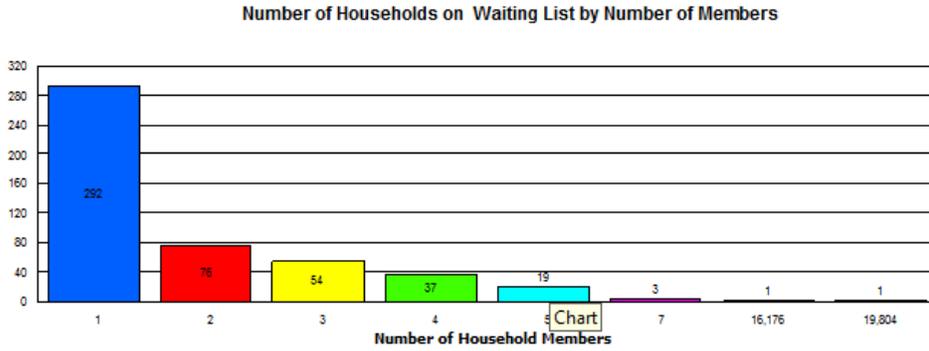
Through this process, the needs assessment also identified that there is an increasing rental shortage within the community. Apartments for the elderly and the demand for addition two and three bedroom units was the main demand, based on the study.

To further support the results of the Helena area needs assessment, HHA has provided additional information below. The information was taken from the current waiting lists for housing as of January 2011.

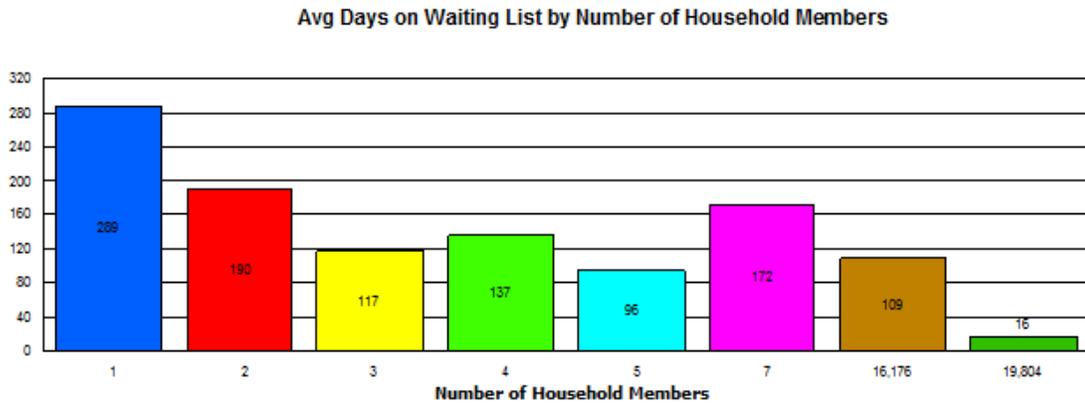
### Wait List Applicant Preferences

	Count
50% Income Rent Burden	92
Disabled	164
Elderly	44
Homeless	126
Substandard Housing	257
Victim of Domestic Violence	18
Working Family	31

**Applicants on waiting list (by bedroom size)**



**Average Expected time on the Waiting List by bedroom size (Days)**

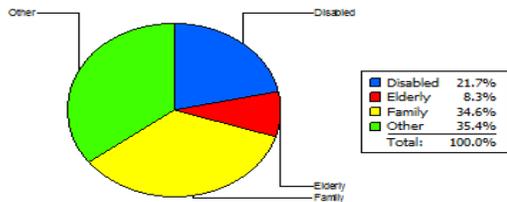


**House Hold Type Demographics**

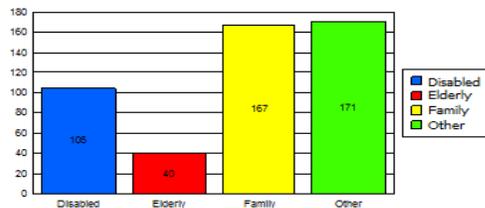
**Household Type**

	Disabled	Elderly	Family	Other	Total
Not Selected	104	40	142	171	457
Selected	1	0	25	0	26
<b>Total</b>	<b>105</b>	<b>40</b>	<b>167</b>	<b>171</b>	<b>483</b>

**Household Type - Percentage**



**Household Type - Count**





## 9.1 Strategy for Addressing Housing Needs.

### 1) Strategies

Need: There is a shortage of affordable housing for all eligible populations

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

- ❖ Employing effective maintenance and management policies to minimize the number of public housing units off-line.
- ❖ Reduce turnover time for vacated public housing units
- ❖ Reduce time to renovate public housing units
- ❖ Maintain to increase HCV lease-up rates by establishing payment standards that will enable families to rent throughout the jurisdiction
- ❖ Participate in the Consolidated Plan development process to ensure coordination with broader community strategies

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

- ❖ Apply for additional Housing Choice Voucher units should they become available
- ❖ Leverage affordable housing resources in the community through the creation of mixed-finance housing
- ❖ Pursue housing resources other than public housing or HCV tenant-based assistance

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

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

- ❖ Exceed HUD federal targeting requirement for families at or below 30% of AMI in public housing
- ❖ Exceed HUD federal targeting requirements for families at or below 30% of AMI in tenant-based HCV

Need: Specific Family Types: Families with Disabilities

Strategy 1: Target available assistance to Families with Disabilities

- ❖ Carry out the modifications needed in public housing based on the section 504 Needs Assessment for Public Housing
- ❖ Affirmatively market to local non-profit agencies that assist families with disabilities
- ❖ Seek VASH Vouchers and coordinate with service providers to ensure supportive housing options for disabled veterans and their families.



## **10.0 Additional Information.**

### **(a) Progress in Meeting Mission and Goals.**

Helena Housing Authority staff has worked diligently over the past 5 years to meet or exceed the previous goals. Our High Performer designation over the last 6 years is a great example of one of our accomplishments. HHA continues to build relationships with local area governments and local no profits to help facilitate success within our program. We continue to participate in the city planning meetings to help identify the current needs in the community. We also participate in the Continuum of Care meetings on state level.

The HHA also continues work toward providing additional housing resource to our community residents. HHA has been successful in receiving the Shelter Plus Care grant for the last 10 years. This grant allows HHA to partner with the Center for Mental Health and other community partners to provide housing to a small population of individuals suffering from a mental illness. HHA has also received the Samaritan bonus an additional allocation for expanding this program.

HHA also takes pride in helping our clients and residents become self sufficient and helping them with the tools they need to succeed. HHA partners with the Career Training Institute to provide job training skills, budgeting skills, resume assistance, general education development, computer education, and other life skills that promote independence. HHA also had its numerous successful Homeownership candidates this past year.

Another successful area for the HHA is our goal towards exceeding accessibility standards. Two years ago, HHA took the first step in accomplishing this goal. HHA hired a private consultant to assess all our sites for accessibility. This consultant provided HHA with a detailed list of improvements that will need to be made in order to provide more accessible units. These improvements continue to be incorporated into our 5 year Capital Fund Plan.

### **(b) Significant Amendment and Substantial Deviation/Modification**

N/A

### **(c)**

N/A

RESOLUTION 1001

**PHA Certifications of Compliance with the PHA Plans and Related Regulations:  
Board Resolution to Accompany the PHA 5-Year and Annual PHA Plan**

*Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the   X   5-Year and/or   X   Annual PHA Plan for the PHA fiscal year beginning JULY, 1, 2011, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:*

1. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
2. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
3. The PHA certifies that there has been no change, significant or otherwise, to the Capital Fund Program (and Capital Fund Program/Replacement Housing Factor) Annual Statement(s), since submission of its last approved Annual Plan. The Capital Fund Program Annual Statement/Annual Statement/Performance and Evaluation Report must be submitted annually even if there is no change.
4. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, consulted with this Board or Boards in developing the Plan, and considered the recommendations of the Board or Boards (24 CFR 903.13). The PHA has included in the Plan submission a copy of the recommendations made by the Resident Advisory Board or Boards and a description of the manner in which the Plan addresses these recommendations.
5. The PHA made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the Plan and invited public comment.
6. The PHA certifies that it will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
7. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
8. For PHA Plan that includes a policy for site based waiting lists:
  - The PHA regularly submits required data to HUD's 50058 PIC/IMS Module in an accurate, complete and timely manner (as specified in PIH Notice 2006-24);
  - The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
  - Adoption of site-based waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;
  - The PHA shall take reasonable measures to assure that such waiting list is consistent with affirmatively furthering fair housing;
  - The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR part 903.7(c)(1).
9. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
10. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.

11. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
12. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
13. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
14. The PHA will provide the responsible entity or HUD any documentation that the responsible entity or HUD needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or Part 50, respectively.
15. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under Section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
16. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
17. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1992, and 24 CFR Part 35.
18. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments), 2 CFR Part 225, and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).
19. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its Plan.
20. All attachments to the Plan have been and will continue to be available at all times and all locations that the PHA Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its PHA Plan and will continue to be made available at least at the primary business office of the PHA.
21. The PHA provides assurance as part of this certification that:
  - (i) The Resident Advisory Board had an opportunity to review and comment on the changes to the policies and programs before implementation by the PHA;
  - (ii) The changes were duly approved by the PHA Board of Directors (or similar governing body); and
  - (iii) The revised policies and programs are available for review and inspection, at the principal office of the PHA during normal business hours.
22. The PHA certifies that it is in compliance with all applicable Federal statutory and regulatory requirements.

Helena Housing Authority

MT004

PHA Name

PHA Number/HA Code

- 5-Year PHA Plan for Fiscal Years 20 10 - 20 15
- Annual PHA Plan for Fiscal Years 20 12 - 20 13

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official	Title
Daniel C Sullivan	Board of Commissioners Chair
Signature	Date
	04/13/2011

Helena Housing Authority  
**ORGANIZATIONAL  
CHART**

November 2009

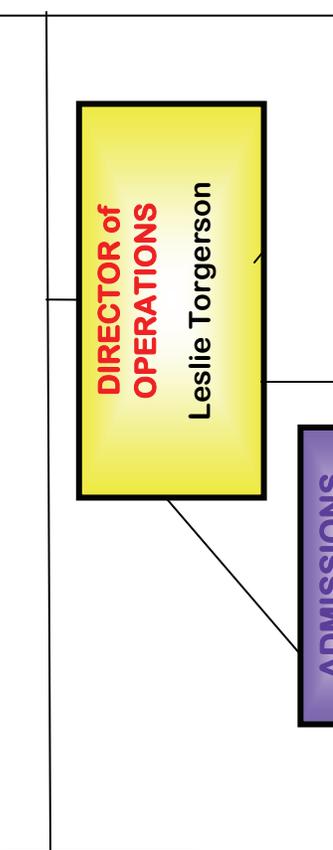
**BOARD OF COMMISSIONERS**  
Dan Sullivan (Chair), Judy Nielsen (Vice Chair),  
Norma Boles, VACANT

**HH  
EXECUTIVE  
DIRECTOR**  
Josh LaFrance

**Accounting Supervisor**  
Kurt Fuerer

**DIRECTOR of  
OPERATIONS**  
Leslie Torgerson

**ADMISSIONS**



**COMMISSIONERS**  
(Vice Chair), Linda Vaughey, Anita Va-  
VACANT, Betty Morrison

**HHA**  
**VE DIRECTOR**  
aFromboise

**Maintenance and Con-  
struction Manager**  
Mark Kaltenbach

**Facility Support  
Specialist**

**MAINTENANCE  
TECHNICIAN**

**PROPERTY  
MANAGER**  
Felicia Velasquez

**ADMISSIONS  
SPECIALIST**  
Karen Taylor

**HCV  
SPECIALIST**  
Rebekah Holgate  
*Micheala Fencik*

**ADMINISTRATIVE  
ASSISTANT**  
Belinda Knopf (PT)

**Greeter**  
Anna Jester (Temp)

**MAINTENANCE  
TECHNICIAN**  
Ray LaFromboise  
Chuck Porte  
Caleb Hoy  
Bob Douglas

**Facility Support  
Specialist**  
Tyler Charlton  
Brandi Dalton

**PROPERTY  
MANAGER**  
Carolyn Plumage

**PROPERTY  
MANAGER**  
Sharon Southern

**PROPERTY  
MANAGER**  
Masquez

# Certification for a Drug-Free Workplace

U.S. Department of Housing and Urban Development

Applicant Name

Helena Housing Authority

Program/Activity Receiving Federal Grant Funding

Public Housing Operating and Capital Funds

Acting on behalf of the above named Applicant as its Authorized Official, I make the following certifications and agreements to the Department of Housing and Urban Development (HUD) regarding the sites listed below:

I certify that the above named Applicant will or will continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

b. Establishing an on-going drug-free awareness program to inform employees ---

- (1) The dangers of drug abuse in the workplace;
- (2) The Applicant's policy of maintaining a drug-free workplace;
- (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
- (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph a.;

d. Notifying the employee in the statement required by paragraph a. that, as a condition of employment under the grant, the employee will ---

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

e. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph d.(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federalagency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph d.(2), with respect to any employee who is so convicted ---

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs a. thru f.

**2. Sites for Work Performance.** The Applicant shall list (on separate pages) the site(s) for the performance of work done in connection with the HUD funding of the program/activity shown above: Place of Performance shall include the street address, city, county, State, and zip code. Identify each sheet with the Applicant name and address and the program/activity receiving grant funding.)

Check here  if there are workplaces on file that are not identified on the attached sheets.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official  
Josh LaFromboise

Title  
Executive Director

Signature

Date

04/04/2011

# Certification of Payments to Influence Federal Transactions

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

Applicant Name

Helena Housing Authority

Program/Activity Receiving Federal Grant Funding

Public Housing Operating Funds and Capital Funds

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.  
(18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official

Josh LaFromboise

Title

Executive Director

Signature



Date (mm/dd/yyyy)

02/18/2011

## **POLICY OF DECONCENTRATION AND MIXING INCOMES**

Addendum to the Helena Housing Authority Admissions and Continued Occupancy Policy dated March 28, 2000

Effective Date: March 1, 2001

The Helena Housing Authority of Helena, Montana, will each year prior to the submission of its Annual Plan, analyze the public housing stock and the incomes of residents in order that deconcentration of poverty and income mixing will be encouraged. To effectively accomplish this policy, the Helena Housing Authority will:

1. analyze the incomes of families residing in public housing developments that are subject to HUD's requirement to deconcentrate poverty as promulgated by HUD's regulations in effect at the time of the analysis.
2. determine the average income of all families residing in all covered developments.
3. determine the average income of families in each covered development.
4. determine which developments are outside the HUD established income range. (Currently, those covered developments where the average income is between 85% and 115% of the housing authority wide average for covered developments.)
5. exempt public housing developments which house only elderly persons or persons with disabilities.
6. exempt HOPE VI projects awarded before the effective date of the deconcentration rule.
7. provide reasons in the annual plan when the number of applicants on the waiting list is not sufficient to promote deconcentration or when the covered development(s)' size, location, and/or configuration promote income deconcentration such as scattered site or small developments.

To achieve the purposes of this policy, and if allowed by the number of applicants on the waiting list, the Helena Housing Authority may:

1. skip over families on the waiting list to reach another family in an effort to further the goals of the housing authority's deconcentration policy. Skipping to promote deconcentration shall not be considered an adverse action.
2. provide incentives designed to encourage families above or below the established income range to accept dwelling units in developments with incomes above or

below the established income range in order to further the goals of the housing authority's deconcentration policy. Such incentives may include:

- a. rent incentives as authorized by HUD.
- b. providing additional support services and amenities.
- c. appropriate affirmative marketing plans.
- d. additional applicant or resident consultation and information.

## **K. DECONCENTRATION OF POVERTY AND INCOME-MIXING**

**HHA's** admission policy is designed to provide for deconcentration of poverty and income-mixing by bringing higher income **residents** into lower income **campus** and lower income **residents** into higher income projects.

Nothing in the deconcentration policy relieves **HHA** of the obligation to meet the income targeting requirement.

Gross annual income is used for income limits at admission and for income-mixing purposes.

### **Deconcentration and Income-Mixing Goals**

**HHA's** deconcentration and income-mixing goal, in conjunction with the requirement to target at least 40 percent of new admissions to public housing in each fiscal year to "extremely low-income families", will be to admit families above **HHA's** Established Income Range (EIR) to developments below the EIR, and families below **HHA's** EIR to developments above the EIR.

### **Deconcentration Applicability**

**\* HHA has covered developments (general occupancy, family developments) subject to the deconcentration requirement. These covered developments are described in the PHA Plan.**

### **Project Designation Methodology**

Annually, **HHA** will determine the average income of all families residing in general occupancy developments.

**HHA** will then determine the average income of all families residing in each general occupancy development.

**HHA** will then determine whether each general occupancy development falls above, within or below the Established Income Range (EIR).

The EIR is 85 percent to 115 percent (inclusive of 85 percent and 115 percent) of the **HHA**-wide average income for general occupancy developments.

**HHA** will then determine whether or not developments outside the EIR are consistent with local goals and strategies in the PHA Plan. Any deconcentration policy as needed is described in the PHA Plan.

## **Deconcentration Policy**

If, at annual review, there are found to be development(s) with average income above or below the EIR, and where the income profile for a general occupancy development above or below the EIR is not explained or justified in the PHA Plan, **HHA** shall list these covered developments in the PHA Annual Plan.

**HHA** shall adhere to the following policies for deconcentration of poverty and income mixing in applicable developments

**\*Skipping a family on the waiting list to reach another family in an effort to further the goals of HHA's deconcentration policy:**

**If a unit becomes available at a development below the EIR, the first eligible family on the waiting list with income above the EIR will be offered the unit. If that family refuses the unit, the next eligible family on the waiting list with income above the EIR will be offered the unit. The process will continue in this order. For the available unit at the development below the EIR, if there is no family on the waiting list with income above the EIR, or no family with income above the EIR accepts the offer, then the unit will be offered to the first eligible family on the waiting list in preference order regardless of income.**

**If a unit becomes available at a development above the EIR, the first eligible family on the waiting list with income below the EIR will be offered the unit. If that family refuses the unit, the next eligible family on the waiting list with income below the EIR will be offered the unit. The process will continue in this order. For the available unit at the development above the EIR, if there is no family on the waiting list with income below the EIR, or no family with income below the EIR accepts the offer, then the unit will be offered to the first eligible family on the waiting list in preference order regardless of income.**

**Skipping of families for deconcentration purposes will be applied uniformly to all families.**

**A family has the sole discretion whether to accept an offer of a unit made under HHA's deconcentration policy. HHA shall not take any adverse action toward any eligible family for choosing not to accept an offer of a unit under HHA's deconcentration policy. However, HHA shall uniformly limit the number of offers received by applicants described in this Chapter.**

**\* HHA shall establish a preference for admission of working families in covered developments below the EIR.**

**Deconcentration Compliance**

If, at annual review, the average incomes at all general occupancy developments are within the Established Income Range, **HHA** will be considered to be in compliance with the deconcentration requirement.

**Skipping on the waiting list will only be in effect for as long as it takes to bring the development into compliance with the deconcentration policy.**

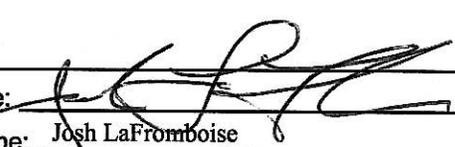


## DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

Approved by OMB  
0348-0046

(See reverse for public burden disclosure.)

<b>1. Type of Federal Action:</b> <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	<b>2. Status of Federal Action:</b> <input type="checkbox"/> b. a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	<b>3. Report Type:</b> <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change <b>For Material Change Only:</b> year _____ quarter _____ date of last report _____
<b>4. Name and Address of Reporting Entity:</b> <input checked="" type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known:  Congressional District, if known: 4c	<b>5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime:</b>  Congressional District, if known:	
<b>6. Federal Department/Agency:</b> U.S. Department of Housing and Urban Development	<b>7. Federal Program Name/Description:</b>  CFDA Number, if applicable: _____	
<b>8. Federal Action Number, if known:</b>	<b>9. Award Amount, if known:</b> \$	
<b>10. a. Name and Address of Lobbying Registrant</b> (if individual, last name, first name, MI):	<b>b. Individuals Performing Services</b> (including address if different from No. 10a) (last name, first name, MI):	
<b>11.</b> Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.	Signature:  Print Name: <u>Josh LaFromboise</u> Title: <u>Executive Director</u> Telephone No.: <u>(406) 442-7970</u> Date: <u>02/18/2011</u>	
<b>Federal Use Only:</b>		Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)

**Helena Housing Authority**  
**MAINTENANCE POLICY**

Effective Date: April 1, 2003

Approved by Board: March 25, 2003

Purpose: This policy is implemented to assure decent, safe, and sanitary housing for residents residing in the public housing dwelling units and on all projects and sites.

**Helena Housing Authority Commitment to Maintenance:**

The Helena Housing Authority, to the greatest extent feasible within funding constraints, commits to supporting an adequate maintenance program by providing sufficient:

1. Numbers of maintenance staff.
2. Training to obtain adequate technical skills among the staff.
3. Quantities of tools, equipment, and vehicles.
4. Stocks of inventory and parts.
5. Communication equipment and systems.
6. Pay and benefits to minimize staff turnover.

**Budget:**

Maintenance personnel will cooperate with management personnel to develop a fiscally responsible budget based upon established goals, schedules, staff requirements, and known income sources. Periodically, the housing authority may enter into service contracts with outside firms to provide certain services including, but not limited to, vehicle maintenance, painting, grounds maintenance, and pest control.

**Work Order System:**

Requests for maintenance and job tracking shall be accomplished with the use of an adequate work order system. Work orders may be generated from any source including but not limited to work orders classified as emergency, routine, vacancy, inspection, or preventive maintenance. A work order file will be maintained for each dwelling unit to assure an adequate maintenance history of each dwelling unit. Emergency work orders will be addressed within 24 hours. **To the greatest extent feasible, all other work orders will be addressed within 10 days of issuance.** A tracking system shall be in place to assure all work orders are completed in a timely and efficient manner. Work orders shall be signed by the employee performing the work and shall contain a list of materials used. To the greatest extent feasible, resident generated work orders will be signed by the resident requesting the work upon completion. A copy of the completed work order shall be left with the resident.

**Planning and Scheduling:**

The maintenance department will make all efforts to minimize non-productive time by matching employee skills with job tasks commensurate with employee job descriptions, plan repairs and replacement work, and schedule work in a manner which takes into account such factors as department organization, distance between sites, availability of parts, number of dwelling units, nature of work backlog, and seasonal or weather conditions.

**Coordination of Activities:**

Coordination between the maintenance department and other departments is essential. The maintenance department is required to coordinate activities with management staff, occupancy staff, inspection staff, and modernization activities to enhance the effectiveness of the housing authority.

#### Inspection of Dwelling Units:

As part of an aggressive preventive maintenance program, maintenance staff will inspect all dwelling units, sites, buildings, systems, and grounds at least once per year. Preventive measures eliminate down time and lower overall costs of the maintenance program. A maintenance inspection form designed for the task will be used and will be signed by the individual performing the inspection. Work orders will be generated when deficiencies are found and will be completed as stated above. Move out inspections will be done in coordination with management and occupancy staff to determine charges to the resident, which are considered above normal wear and tear.

#### Vacancy Turnaround:

The Maintenance Supervisor will assign sufficient personnel to the task of refurbishing vacant dwelling units in order to meet or exceed Department of Housing and Urban Development down time expectations as stated in any current HUD public housing assessment programs.

#### Emergency After Hours Coverage:

A system for twenty-four hour after hours coverage will be in place to handle calls received after business hours. This system may be modified from time to time in order to adapt to changing conditions and methods. Maintenance personnel will be scheduled in rotation to cover after hours calls. Compensation for after hours duty will be according to the housing authority personnel policy. Notification of after hours emergencies may come from an automated phone system, answering service, emergency services, police department, fire department, site managers or any other source.

#### Resident Responsibilities for Maintenance:

Resident responsibilities for maintenance are delineated in the Dwelling Lease and Tenant Handbook. Residents are responsible for charges for damage above normal wear and tear which will be determined by management. In the case of damage caused by break-ins, if such damage is not reported to the police, the resident may be held responsible for the cost of the damage.

#### Safety:

Housing Authority Maintenance personnel will make every effort to perform their work in a manner that maintains a safe environment for themselves, fellow employees, residents, and the general public. Periodically, the housing authority will provide safety training to employees. Employees are required to attend all meetings related to safety training and sign the attendance sheet to document attendance. A safety committee of employees will meet at least twice per year to discuss and recommend solutions to safety issues and concerns.

#### Compliance With Other Housing Authority Policies and Agreements:

All actions taken and work performed by the maintenance department shall be in strict compliance with other housing authority policies and agreements in effect, including but not limited to: Dwelling Lease Agreement, Tenant Handbook, Entry of Premises Policy, Personnel Policy, Organizational Chart, Admissions and Continued Occupancy, and Procurement Policy.

#### Compliance With Department of Housing and Urban Development Regulations:

All work performed by the maintenance department will be in compliance with HUD regulations. Compliance shall include that all work shall be done in a manner which will generate the highest possible score given in any HUD assessment, rating, or evaluation.

**CHAPTER 11**  
**PET POLICY**  
**GENERAL OCCUPANCY (FAMILY) PROJECTS**

**I. SERVICE ANIMALS ARE EXCLUDED FROM THE PET POLICY**

HHA's pet policies do not pertain to animals that assist or provide service to persons with disabilities, referred to in this policy as "service animals." This exclusion applies to service animals that reside in public housing, as well as to service animals that visit public housing campuses.

A request for the need of a service animal must be made in writing on the HHA Request for Accommodations form which requires identification of a medical professional who is able to certify the disability and need for a service animal as a reasonable Accommodation. The Verification of Disability is sent by the HHA to the medical professional upon completion of the Request for Accommodations. (*HHA Request for Accommodations, HHA Verification of Disability*)

Once the Verification of Disability form is returned to the HHA, HHA staff will determine whether the request is approved or denied. At this time the HHA Approval/Denial form, HHA letter, and an animal sticker will be sent to the resident. (*HHA Approval/Denial, HHA letter, Animal Sticker*)

Service animals are allowed in all units owned and managed by HHA without restriction other than those restrictions imposed on all residents such as the requirement that the dwelling units and associated facilities be maintained in a decent, safe, and sanitary manner and that the residents refrain from disturbing their neighbors. Owners of service animals are required to be in compliance with all State and local public health, animal control, and animal anti-cruelty laws and regulations, including requirements for licensing and vaccinations.

Nothing in this policy:

1. Limits or impairs the rights of persons with disabilities;
2. Authorizes HHA to limit or impair the rights of persons with disabilities; or
3. Affects any authority HHA may have to regulate service animals that assist, support or provide service to persons with disabilities, under Federal, State or local law. (CFR 24 section 5.3030)

## **II. HHA'S PET POLICY FOR PUBLIC HOUSING:**

Pets are allowed on HHA property only with the express written approval of HHA.

### **A. APPROVAL OF PETS**

Before a pet will be approved, the resident must enter into a Pet Agreement with HHA verifying they have received and read a copy of this Pet Policy and agree to comply with all the provisions of the Pet Policy. Upon HHA approval, HHA will issue an animal sticker to be applied to the tenant's front door notifying HHA staff of the pet. (*Pet Agreement, Animal Sticker*)

Any unapproved pet found to be residing in a dwelling unit or on the premises, will result in the issuance of a fourteen (14) day notice of termination of tenancy as stated in the Dwelling Lease.

### **B. TYPES OF PETS ALLOWED**

Only domesticated, common household pets will be allowed. Residents are not permitted to have more than **one** of the following categories of pets:

#### **1. Birds**

- a. **Two** birds are permitted;
- b. Birds must be confined in a birdcage at all times;
- c. Residents may only have canaries, parakeets or finches as pet birds;
- d. Absolutely no birds of prey are permitted at any time;
- e. The birdcage must be maintained in a clean and healthful condition and all waste resulting from the bird(s) must be appropriately removed and disposed of from the unit and/or the HHA premises;
- f. If applicable, the resident must have proof of licensing, vaccination, spaying or neutering in accordance with State and local laws now and in the future; and
- g. The resident must comply with all State and local laws and ordinances regarding their pet.

#### **2. Fish**

- a. Only **one** aquarium is permitted;
- b. The size of the aquarium may not exceed 10 gallons;
- c. The aquarium must be maintained in a clean and healthful condition; and
- d. The resident must comply with all State and local laws and ordinances regarding their pet.

#### **3. Turtles**

- a. Only **one** turtle is permitted

- b. The turtle must be confined in an appropriate cage or aquarium at all times;
- c. The size of the aquarium may not exceed 10 gallons;
- d. The cage or aquarium must be maintained in a clean and healthful condition; and
- e. The resident must comply with all State and local laws and ordinances regarding their pet.

### **C. TYPES OF PETS NOT ALLOWED**

Any pet not listed in the above section "TYPES OF PETS ALLOWED" will not be approved. Pets whose climatological needs cannot be met in the unaltered environment of the individual dwelling unit will not be approved. As determined by HHA management, animals deemed to have a vicious or aggressive disposition or animals deemed to be potentially harmful to the health and safety of others are prohibited and will not be approved and are not allowed on HHA property.

### **D. ADDITIONAL FEES AND DEPOSITS FOR PETS**

After a pet is approved by HHA, a refundable pet deposit of **\$25.00 for birds, \$50.00 for fish, and \$25.00 for Turtles** must be paid in full to HHA before the pet is brought onto the premises. HHA may change or increase the required deposit by amendment to these rules.

#### **1. REFUNDS**

- a. HHA will refund the Pet Deposit, less any damages attributed to the pet when the resident moves out or the pet is no longer on the premises, whichever occurs first.
- b. The resident is responsible and is required to reimburse HHA for the actual cost of any damages incurred by his/her pet as listed in the following "ADDITIONAL CHARGES FOR PETS." Damages will first be charged to the pet deposit and the Dwelling Lease deposit. The owner is then liable for any charges that exceed the deposits.
- c. HHA will provide the resident or designee identified with a written list of any charges against the pet deposit. If the resident disagrees with the amount charged, the resident may file a grievance in accordance with the HHA grievance procedure.

#### **2. ADDITIONAL CHARGES FOR PETS**

- a. Cost of all repairs and replacements to the resident's dwelling unit as a result of a pet;
- b. Cost of fumigation of the dwelling unit as a result of a pet;

- c. Cost of all repairs and replacements due to water damage caused by an aquarium;
- d. Cost of all repairs and replacements to the common areas of the premises;
- e. Cost of flea de-infestation shall be the responsibility of the resident. If this occurs while the resident is in occupancy, the resident will be billed for such costs as current charges. If such charges occur as a result of move-out inspection, the charges will be deducted from the deposits. The resident will be charged any amount that exceeds the deposits; and
- f. A separate pet waste removal charge of \$5.00 per occurrence will be assessed against the resident for violations of the pet policy.

**E. PETS TEMPORARILY ON THE PREMISES**

- 1. No unauthorized animal(s) may visit or be harbored in any unit or premises owned by the HHA. Residents are prohibited from feeding stray or wild animals, with the exception of common birds that feed at bird feeders. Feeding of stray or wild animals shall constitute having an unauthorized pet and result in a fourteen (14) day eviction notice as stated in the Dwelling Lease.
- 2. This rule excludes visiting pet programs sponsored by a humane society or other non-profit organization and approved by HHA.

**F. DESIGNATION OF PET/NO-PET AREAS**

- 1. Pets must be maintained within the resident's dwelling unit.
- 2. Pets are not permitted in the following areas:
  - a. Common areas;
  - b. Laundry areas;
  - c. HHA playgrounds and spray park;
  - d. HHA community centers;
  - e. HHA recreation center areas;
  - f. HHA day care centers; and
  - g. HHA management offices.

**G. ALTERATIONS TO UNIT**

Residents/pet owners shall not alter their unit, patio, premises or common areas to create an enclosure for any animal. Installation of a pet door is prohibited.

**H. NOISE**

Residents/pet owners must agree to control the noise of pets so that such noise does not constitute a nuisance to other residents or interrupt their peaceful enjoyment of their housing unit or premises. This includes, but is not limited to, loud, whining, biting, scratching, chirping, or other such activities.

## **I. CLEANLINESS REQUIREMENTS**

1. Bird Cage Requirements:
  - a. Birdcages shall be lined with paper. The resident shall remove the soiled paper from the bird cage every two (2) days. The soiled paper shall be disposed of in sealed plastic trash bags and placed in an outside trash bin. The bird cage shall be relined with paper;
  - b. Bird cages shall be stored inside the resident's dwelling unit; and
  - c. Soiled paper shall not be disposed through the trash shoots at the M.E. Anderson Building.
2. Removal of Pet Waste
  - a. The resident shall be responsible for the immediate removal of waste by placing it in a sealed plastic bag and disposing of it in an outside trash bin. This includes occurrences inside as well as any outside premises. Waste removal shall be in accordance with all State and local laws; and
  - b. The resident/pet owner shall take precautions to eliminate any pet odors within or around the unit and to maintain the unit in a sanitary condition at all times.

## **J. PET CARE**

1. No pet of any type shall be left unattended in any dwelling unit for a period of time exceeding eight (8) hours.
2. All resident/pet owners shall be responsible for adequate care, nutrition, exercise and medical attention for his/her pet.
3. Resident/pet owners must recognize that other residents may have chemical sensitivities or allergies related to pets, or may be easily frightened or disoriented by animals. Residents must manage their pet accordingly and agree to exercise courtesy with respect to other residents.
4. The resident/pet owner is responsible for any actions, injuries or damages caused by his/her animal. Pets are the sole responsibility of the owner. HHA assumes no liability for failure of the owner to control the pet. Any injury or harm to other persons, animals or property is the sole responsibility and liability of the animal owner.
5. Pets must be appropriately and effectively restrained and under the control of a responsible individual at all times when not inside the resident's dwelling unit. When outside the unit, dogs and cats must be on a hand-held leash and under the owner's control at all times.

**K. RESPONSIBLE PARTIES**

1. The resident/pet owner is required to designate by name, address, and contact information, two (2) responsible people who are prepared to assume the care of the pet if the resident/pet owner is no longer able to care for the pet or if the health or safety of the pet is threatened by the incapacity or death of the resident/pet owner.
2. If another resident agrees to care for a resident's approved pet for a limited time and for good reason, the resident/pet owner must notify HHA and the resident caring for the pet must also contact HHA and agree in writing to abide by all of the provisions in the pet policy and pet agreement. (*Pet Assignee Agreement*)

**L. INSPECTIONS**

If HHA receives a complaint regarding the conduct or condition of the pet or the condition of the dwelling unit, HHA may enter and inspect the dwelling unit. As stated in the Dwelling Lease, HHA will provide the resident written notice 48 hours before entering and inspecting. HHA has the right to enter the resident's dwelling unit without prior notice or the consent of the resident, if HHA has reasonable cause to believe there is an emergency in accordance with the Dwelling Lease.

**M. PET RULE VIOLATION NOTICE**

If HHA determines on the basis of objective facts, supported by written statements, that a pet owner has violated a rule governing the owning or keeping of pets, HHA may serve written notice of pet rule violation on the pet owner. The notice of pet rule violation will:

1. Contain a brief statement of the factual basis for the determination and the pet rule or rules alleged to be violated;
2. State that the pet owner has 10 days from the effective date of service of the notice to correct the violation (including, in appropriate circumstances, removal of the pet) or to make a written request for a meeting to discuss the violation. (The resident is presumed to have received the notice three (3) days after the date the notice was mailed. Otherwise, the notice will be hand delivered);
3. State that the pet owner is entitled to be accompanied by another person of his or her choice at the meeting; and
4. State that the pet owner's failure to correct the violation, to request a meeting, or to appear at a requested meeting may result in initiation of procedures to terminate the pet owner's tenancy.

**N. PET RULE VIOLATION MEETING**

If the pet owner makes a timely request for a meeting to discuss an alleged pet rule violation, HHA establish a mutually agreeable time and place for

the meeting, no later than 15 days from the effective date of service of the notice of pet rule violation (unless HHA agrees to a later date). (The resident is presumed to have received the notice three (3) days after the date the notice was mailed. Otherwise, the notice will be hand delivered.)

At the pet rule violation meeting, the pet owner and HHA shall discuss any alleged pet rule violation and attempt to correct it. HHA may, in its discretion, as a result of the meeting, give the pet owner additional time to correct the violation.

**O. NOTICE FOR PET REMOVAL**

If the pet owner and HHA are unable to resolve the pet rule violation at the pet rule violation meeting, or if HHA determines that the pet owner has failed to correct the pet rule violation, the project owner may serve a written notice on the pet owner requiring the pet owner to remove the pet. The notice will:

1. Contain a brief statement of the factual basis for the determination and the pet rule or rules that have been violated;
2. State that the pet owner must remove the pet within 10 days of the effective date of service of the notice of pet removal. (The resident is presumed to have received the notice three (3) days after the date the notice was mailed. Otherwise, the notice will be hand delivered);
3. State that failure to remove the pet may result in initiation of procedures to terminate the pet owner's tenancy.

**P. TERMINATION OF TENANCY**

The HHA may initiate procedures for termination of tenancy based upon a pet rule violation if:

1. The pet owner has failed to remove the pet or correct a pet rule violation within 10 days of the effective date of service of the notice of pet removal. (The resident is presumed to have received the notice three (3) days after the date the notice was mailed. Otherwise, the notice will be hand delivered); and
2. The pet rule violation is sufficient to begin procedures to terminate the pet owner's tenancy under the terms of the Dwelling Lease and the applicable regulations.

**Q. REMOVAL OF PET**

HHA or an appropriate community authority may require the removal of any pet, if the pet's conduct or condition is duly determined to constitute, under the provision of State or local law, a nuisance or a threat to the health or safety of other occupants or of other persons in the community. HHA may remove a pet from the dwelling unit for other good cause, including but not limited to:

1. If the resident becomes unable to care for the pet or if the resident dies, the resident agrees that HHA has permission to remove the pet and place it in an environment that will provide care and shelter.

a. HHA will contact the resident's specified designees to inform him/her of the situation. If no response is received,

b. HHA will contact the appropriate entity to remove the pet from the dwelling. HHA will make every effort to place the pet in a reputable facility. However, HHA is not responsible for the care of the pet after placement is made.

2. If the pet displays vicious, dangerous, intimidating behavior, symptoms of illness, or demonstrates behavior that constitutes an immediate threat to the health or safety of others, HHA shall report the situation to the appropriate state or local entity authorized to remove such animals.

3. In the event of the death of the pet, the resident is required to properly remove the pet from inside the dwelling unit. The deceased pet must be removed to a location off the HHA premises by the resident. If the resident is unable to remove the pet off the premises as stated, the resident/pet owner may call HHA for assistance with the removal.

UoFM College of Tech.  
Annual Plan Comments

lllll  
3-24-11

What is Driving this conversation?  
Why are we here?

- met
- would like to see the garbage to go directly to a dumpster outside the bldg.
  - would like to have a pet room
  - would like garden on the roof.
  - smaller communities
  - accessability visibility & affordability is key
  - recycling is a necessity
  - safety security & health is needed
  - operating security cameras
  - good updated cleaning of carpets
  - up keep & up date of apts like regularly painted.
  - would like to see units built for homeless vets, wash vouchers, voucher & where do I go with it?, make 495 waiting list people be able to find housing w/ a voucher maybe add a preference for vet's
- ex. (vouchers = Housing) Political will
- Headstart would like to see more housing built for families.
  - Felon's for example are a part of the family. Rehabilitated felons should have housing to be part of the family.

3-24-11

- Having resident be able to have ownership of their unit for ex. tenants live their for 10 yrs, like let tenant paint, lawn chgs. like \$5 a month for not recycling

## 45,7 Goals

Communities should have green abilities like gardening. So they have a skill.

- Residents to be treated w/ dignity & respect.
- Residents for ex. ~~homeless~~ homeless like life skills, how to bathe how to get along w/ each other
- Welcome committee
- accessibility is #1 of apt
- do not treat elderly & disabled, low income different from any else.

## • Midtown.

- Energy efficiency very important
- Safety, lead paint, steep stairs, windows needs replacing. TAKE a good look at bldg. structure may be better to rebuild.
- child care access, playgrounds water park was wonderful.
- smaller communities

3 24-11

- ~~partnership~~ partnership w/ schools is an excellent idea. Help students succeed, do not set them up for failure. Equalize our kids in schools.
- Vouchering - use funds cost effective, get them families out in the community.
- Support the idea of transitional housing, make it your house.

OTI

Geographic location is very important.

SEE parents have this as a barrier.

try to put families in central location

goal #7 HUD Helena  
could be real model by taking this action nationwide

- disabled housing, make it affordable  
Elderly be able to stay in place

3-24-11

Ames Hall

- Exploration of more funding options  
maybe look to local funding sources

tenant.

- more counter space
- put washer & dryer in one area
- more storage space
- better parking, not on street
- neighborhood watch program. safe area.

Many Bear

community gardens, ownership of food & time to plot & work in garden

tenant:

- local food share & community garden.

BE MORE EFFECTIVE IN DELIVERING SERVICES.

Community share costs

community effort more collaborative

# 74 HHA Being a good neighbor & community partner

- improve our transportation system in Helena, make it more elderly disabled friendly, more access to it.
- transportation system for the low income community, special transportation for needy families.
- have more sidewalks, slow traffic down in family areas, get kids & wheelchairs off streets, maybe strategically place ~~the~~ paths.
- BIKE ROUTES
- ~~the~~ waterpark helps break down stigma
- MT AVE have a pedestrian bridge
- have no smoking monitors built into units, balance of limit of ft from units, causes them to go to busy <sup>str</sup>
- sound improving materials next to busy areas.
- rain gutters on balconies
- make balconies to units accessibility more disabled friendly.

3-24-11

- be a good neighbor by following the rules of property.
- strive to be more in the neighborhood.  
intergrate with the community.  
be more designed, pattern friendly.  
(Ex. for folks who have demensha.)
- one key partnership - health dept. Ex.  
flu shots, tobacco prevention.  
provide a resource to help tenants. Agencies work together to bring services to various sites.
- Pursue developments & curriculum that w/ provide resources for tenants like child care for <sup>u of m</sup> students  
recreational therapy <sup>elderly</sup> disabled  
rec. activities w/ the u of m  
u of m partner (GEM)
- Broadband - technology center  
use of computers for tenants  
learning opportunity.

Public Schools → has a upcoming Comprehensive Education program.

- partner facilities w/ HHA  
joint planning

- Programs for students - ex. supplies in high school like calculators, computer/lap tops.

~~Point~~

work a lil closer w/ the RMC  
support RMC a lil more

- ~~clothing~~ give aways
- get out mailings/postage
- get tenants more involved w/ the community.
- more participation w/ board member & commissioners. Help us.
- Get involved w/ banks to see about refurbishing rep a home for vouchers. Tenant can afford to be in community
- have a computer available to tenants evenings also along w/ days.

- Residents have a need for daycare to attend college classes in the evening.

**Josh LaFromboise**

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**From:** Beki <beki@initco.net>  
**Sent:** Monday, April 11, 2011 5:12 PM  
**To:** Josh LaFromboise  
**Subject:** Meeting notes for HHA March 24 Public Hearing at UofM College of Technology. Did we ever find the dang sign-in sheet. I feel horrible about that! I thought for sure one of you had it or I would have tracked it down! Beki, 431-2151  
**Attachments:** HHA032411hearingNotes.doc

**Helena Housing Authority  
March 24, 2011  
Transforming Public Housing Hearing  
Public Input, Suggestions, and Ideas for the Future**

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3 - 4

**1. As the Housing Authority goes forward in planning the future of their housing, what do you want them to pay attention to and consider?**

**a. Some food for thought:**

I. Appearance

II. Walk-ability

III. Parking

IV. Connection and closeness to services

V. Income diversity

VI. Safety

VII. Accessibility and Visit-ability

VIII. Geography and locations

IX. Anything else you want to say

**b. Public comments, feedback and suggestions:**

- If new units are built, garbage should go directly into dumpsters outside the building versus the current practice.
- Certain apartments should be designated for households with pets.
- Ensure there is accessibility for people with disabilities.
- There should be no smoking on the whole property.
- Gardens could be grown on the roofs.
- There should be less stealing.
- Recycling is a necessity; make it mandatory.
- Of course, accessibility and visitability in the design of the apartments is key and a priority.
- Affordability is the priority; embrace the mission of serving very low income individuals. It's critical to making it a welcoming community for everyone.

- Do really innovative things with the Stewart Homes complex. It's in a central location. Its walkability is such a great asset. Recognize the linkages we could make to services, shopping, and jobs.
- Whether rehabing or building new, look at the issues of safety, security and health issues. Provide operating security cameras, update the equipment for carpet cleaning, and regular painting. Schedule the commitment to implement these things.
- Provide housing for homeless veterans. The waiting list for housing is 468 people, and with HUD Voucher there is a waiting list of 250 veterans and their families. Two things are critical: HUD vouchers and where to go with them. Address the stock/inventory. Out of these, 494 are waiting for vouchers. I would like see some way to secure more vouchers for our community to lower the list of 494 to a more reasonable number and shorter wait time. Should we include a preference on the waiting list for veterans? How is it we can get more vouchers? The point is: Secure more for your 494 and my 250.
- At Rocky Mountain Development Council's Head Start Program, we service low income families with young children. Please build more housing for families. It's hard to be transient with young kids. Also, we want safe environments for everyone, but some of these families include felons and their housing challenges are greater. Helena Housing won't allow them to move in. Head Start would like you to consider housing that allows felons.
- Have the residents take a little more ownership with programs such as recycling and community gardens. Encourage people to be part of where they live. Include on the front-end and in an on-going way during their residence thinking that grows their responsibility and for them to take responsibility for where they live.
- Regarding Goals #5 and 7, create an opportunity for residents to learn – such as about green building. Encourage ways for them to come out with a skill, replicable skills that create job opportunities. Also, expand Section 3.
- I would like to see residents treated with great dignity and respect, and feel like everyone else living in Helena
- with no differences. Provide life skills coaches regarding cooking, bathing, and house cleaning. Give residents more ownership and respect via taking part in and having flower gardens, vegetable gardens, etc.
- I'd like to see increased accessibility in the any new building that takes place.
- The Mid Town Association is very pleased to be working with this group. It's diverse and can create a positive win-win outcome. As a neighbor to Stewart Homes, I love this neighborhood and have a vested interest. Energy efficiency is really important – and working with folks on this subject. Safety considerations that should be included are lead paint, steep stairs, and the replacement of windows. It might be best to replace the existing houses. Access to childcare and playgrounds would be really good.
- Do a couple of partnering studies: 1. With schools, address the real difference that is emerging in our schools. There is less diversity in each one, and too much targeting and labeling. As you choose to build and expand housing, choose sites to equalize the numbers receiving free and reduced fee lunches. 2. Regarding vouchers, how much does it cost to maintain the existing housing – the true, ongoing costs? Put those maintenance funds instead into vouchers because they provide an economic boost for the community and are distributed city-wide. 3. Promote a sense of ownership as others have pointed out.
- The geographic location of future housing is very important. To access skills training, where the residents live is sometimes a real barrier. If they can live in an central location, it would be good.
- Regarding Goal #7 about sustainability, the Helena Housing Authority is thought of very highly in this arena and about using green building practices. Others will look at HHA as a role model.
- I appreciate the Helena Housing Authority pursuing new programs: housing vouchers for home purchases, in particular. They are one of the leaders in this effort statewide!
- I'd love to see more and expanded funding of housing. It's clear we have a shortage. We obviously can't count on Federal sources. Let's pursue sustainable funding sources for development, modifications and repairs in the future.
- In the new homes, provide more counter space and cupboards. Provide centralized washers and dryers. More storage space is needed. Off street parking needs to be better. We need a Neighborhood Watch Program. Safety needs to be improved.

- Community gardens would result in both affordable food and a positive sense of ownership.
- We should have a local Food Share office located at and for public housing residents alone for sharing resources. Make it more accessible than the current Food Share office.
- Be more efficient; deliver services on-site in the Stewart Homes complex. Look at shared costs by service providers and innovative ways to deliver services.
- Maybe there could be a mobile Food Share to deliver to Stewart Homes and the scattered public housing sites since so many people don't have a way to get to Food Share.

**2. To be a great neighbor and community partner, what should the Helena Housing Authority always pay attention to and include in their planning?**

a. Some food for thought:

- I. Relationship and activities with College of Technology?
- II. Relationship and activities with Helena High School?
- III. Relationship and activities with businesses in the area?
- IV. Relationships and activities with others?

b. Public comments, feedback and suggestions:

- Improve our transportation services. The ME Anderson Apartments don't have a checkpoint bus available to it – and is surrounded by hills. We need a special transportation system for the low income community to use to take them to Food Share, jobs, etc.
- A lot of folks in wheel chairs and with disabilities have to travel on the streets. There are no sidewalks where they live! The traffic circle in the neighborhood at Roberts and Boulder has helped them. We have to get children and people in wheelchairs off the streets by making transportation paths for them.
- Incorporate bike paths too.
- Draw the community in with such things as the Water Park that used to exist in Stewart Homes. Doing so would break down the stigma associated with public housing. Any development we do can be a showcase and reduce the stigma. Montana Avenue right now is a barrier; consider a pedestrian bridge so people can cross Highway 12 more easily.
- Smoking monitors need to be built into the units.
- Sound occluding materials need to be used in units near Montana Avenue and Roberts Street.
- Regarding the smoking rules, we need a real balance. At Stewart Homes, residents are expected to go out to the public sidewalks. Make it more reasonable so that parents don't have to endanger their children and face potential charges for leaving their children in their home while they smoke outdoors.
- Rain gutters need to be installed over the balconies.
- People with disabilities need larger hallways and elevators. Put them and people with dogs on the lower floors. Teach people how to clean their apartments. Give furniture that is thrown away to poor people versus storing it in the basement.
- Good neighbor behaviors need to be addressed in the leases. Create ownership by being hard about enforcing and reiterating the rules – similar to what private landlords do with their residences and tenants. Ensure everyone follows the rules.
- In a big picture, have respect for the scale and style. It shouldn't be obvious when a person sees Stewart Homes that it is public housing. Positive characteristics could be disjointed sidewalks and streets. Respect the existing intuitive design; make it part of the neighborhood like any other homes in the neighborhood.
- One key partnership is with the Health Department regarding smoking cessation and on-site flu shot availability. Help people decide to do things they truly want to do. Maybe a common area could be used by a variety of service providers, such as the Health Department.
- We have a gem here in the Dean of the University of Montana College of Technology. Definitely pursue curriculums to provide resources to the residents of affordable housing. There's a need for day care. When you look at the development of the property, devote a floor to day care and early childhood education. Also, create spaces for day time activities for senior citizens – and build that into the curriculum at the College.

- Focus on broadband access; there is wonderful and affordable technology nearby. When you build anything, include and target computer, internet, and technology opportunities (with on-site monitoring and supervision). Look at what the University of Montana College of Technology has and work with them about what they can offer HHA residents.
- In my role as a School Board member, I recommend a comprehensive planning process that involves Helena High School, and Bryant and Lincoln Schools. This area is an education corridor so we must work jointly with the Helena School District.
- Work with the middle schools to provide expensive supplies to students, such as lap top computers.
- Work a little closer with the Resident Manager Council. Support us, help us get out mailings to help our tenants, and get them more involved in the community. Invite HHA Commissioners to our meetings. Work with the City and HUD to obtain HUD-repossessed homes to put residents in the community.
- Provide access to computer centers with more up-to-date computers. Open the access to the existing ones in Stewart homes with both daytime and evening hours.
- A lot of Stewart Homes residents attend the College of Technology. Day care is very difficult to find during those class hours and especially at night. Parents have to drive long distances to access day care available through Child Care Partnership. Provide a day care for these residents and high school students to remove this barrier and set back that makes attending classes a challenge.
- Provide more lighting at the back door of the ME Anderson apartments.

Comments by John HERRIN  
202-0528

1.) Strong emphasis of high Density  
Housing near Stewart Homes.

Reason: Long-term 100 year planning

Need to Limit Driving & Transportation  
Issue.

2.) Consider Habitat for Humanity <sup>type</sup> Partner  
with Construction Lender/Business to  
Construct some Multi-unit Housing.

3.) Consider creative commercial  
& Housing options

A.) Caird Engineering Property  
3.2 acres.

- High Density Housing on East

- Lease land along Mt. Ave

for income to subsidize  
Housing

B.) Capital Hill Mod. Public

Housing / Blend with shopping.

Example University of Edmonton

has Dormitory Housing Above

Mounta Cold weather living.

For Sale 7 million - Steal Partner  
with Existing or new owners.

## Josh LaFromboise

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**From:** kurt <kkugler@bresnan.net>  
**Sent:** Monday, March 28, 2011 10:15 AM  
**To:** Josh LaFromboise  
**Subject:** tenant laundry equipment

Mr. LaFromboise,

I am writing in response to the article written in the Helena Independent Record about the meeting that Helena Housing Authority had concerning improvements that need to be addressed.

Although I did not see the issue of laundry facilities brought up in the article I would like to inform you of the route service that we at Econ-O-Wash Coin Laundry offer that will save you money and greatly improve facilities that you have with community coin operated laundry rooms.

We have been a continually operating Coin Laundry for 47 years and we pride ourselves on providing clean properly functioning laundry equipment in our store and on our Route which has been servicing rental properties in Helena for 15 years and recently Bozeman and Missoula.

I am offering to install new coin operated laundry equipment in any laundry room that Helena Housing has and operate the machines on a commission basis. I will install a mix of top loading washers that are energy efficient and meet the new federal standards for water consumption along with front loading washers that are accessible to people in wheel chairs and motorized carts. All of the equipment would be purchased, installed and maintained by me at no cost to you.

Please contact me with any questions you may have or if you would like to discuss this offer for any of your properties. Any response would be appreciated.

Thank You

Kurt Kugler (owner)  
Econ-O-Wash  
1000 Euclid Ave.  
Helena Mt. 59601  
439-2201

**AFFIDAVIT OF PUBLICATION  
STATE OF MONTANA,  
County of Lewis & Clark**

Sharon Lynn Hencley

Being duly sworn, deposes and says;

That she is the principal clerk of the the Independent Record a newspaper of general circulation published daily in the City of Helena, in the County of Lewis & Clark, State of Montana, and has charge of the advertisement thereof:

That the \_\_\_\_\_

Public Notice

Helena Housing Authority Agency

a true copy of which is hereto annexed, was published in said newspaper on the following dates: viz.:

March 6, 2011

making in all 1 publication(s)

*Sharon Lynn Hencley*

Subscribed and sworn to me this 7 day of March, 2011.

**PUBLIC NOTICE**  
In conformance with Section 511 of the Quality Housing and Work Responsibility Act of 1998 the Helena Housing Authority Board of Commissioners invites public comments regarding the Helena Housing Authority Annual Agency Plan and 5 year Facilities Plan. Copies of the plans are available for public and resident review and inspection from 8:30 am to 4:00 pm Monday through Friday at the Housing Authority Office located at 812 Abbey. Written comments will be received until April 14, 2011  
A public hearing will be held to present the PHA Plan and 5 year Facilities Plan at the University of Montana Helena on Thursday March 24, 2011 at 4:00 pm to receive recommendations from the general public, residents and organizations on the Agency Plan and 5 year Plan prior to its submission to the Department of Housing and Urban Development.  
March 6, 2011



*Diane Chatriand*

NOTARY PUBLIC for the State of Montana  
Printed Name: Diane Chatriand  
Residing at Helena, Montana  
My commission expires May 20, 2014

(NOTARIAL SEAL)

# Annual Plan 5yr (meeting)

MEAF sign in sheet

3-22-11

Janice Matye

#405

Priscilla Seneschal

M-106

Liane Bradley

MEA 106

Joy Williams

Donna J. Voigt

3-22-11

Kathy Standard

Donald Dejo

Jeannie Paralel

Anna McMillan

Paula Palmer

3-22-11

Rita Facknir

3-22-11

Diana Gunstone

03-22-11

Nevin Woodford

3-22-11

Kim Utick

216

STEVE BOWERS

#706

JOHN DYLE

321 N COOKE #413

Liza Guevin

#703

B. Hadley

Crystal Serviss

109 Cutler #2

Roger Williams

MEA apt 111

Mary Lu Shepherd

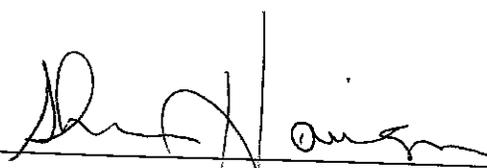
MEA 309

**Certification by State or Local  
Official of PHA Plans Consistency  
with the Consolidated Plan**

**U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
Expires 4/30/2011**

**Certification by State or Local Official of PHA Plans Consistency with the  
Consolidated Plan**

I, Sharon Haugen the Community Development Director certify that the Five Year and  
Annual PHA Plan of the Helena Housing Authority is consistent with the Consolidated Plan of  
the City of Helena prepared pursuant to 24 CFR Part 91.

  
\_\_\_\_\_

4/13/11

Signed / Dated by Appropriate State or Local Official