1.0 PHA Information

PHA Name: Missoula Housing Authority  
PHA Code: MT033  
PHA Type: ☒ Standard  
PHA Fiscal Year Beginning: (MM/YYYY): 10/2013  

2.0 Inventory (based on ACC units at time of FY beginning in 1.0 above)

Number of PH units: 174  
Number of HCV units: 774  

3.0 Submission Type

☐ 5-Year and Annual Plan  
☒ Annual Plan Only  
☐ 5-Year Plan Only  

4.0 PHA Consortia

☐ PHA Consortia: (Check box if submitting a joint Plan and complete table below.)

Participating PHAs  

<table>
<thead>
<tr>
<th>PHA Code</th>
<th>Program(s) Included in the Consortia</th>
<th>Programs Not in the Consortia</th>
<th>No. of Units in Each Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>PHA 1:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PHA 2:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PHA 3:</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5.0 5-Year Plan. Complete items 5.1 and 5.2 only at 5-Year Plan update.

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

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.

6.0 PHA Plan Update

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

Please see Appendix 6.0

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

1. Offices of Missoula Housing Authority, 1235 34th Street, Missoula, MT 59801
<table>
<thead>
<tr>
<th>2. Missoula Housing Authority website: <a href="http://www.missoulahousing.org">www.missoulahousing.org</a></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>7.0</strong> Hope VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-based Vouchers. Include statements related to these programs as applicable. Please see Appendix 7.0 for information on Disposition of Public Housing, Mixed Finance Modernization and Development, Homeownership Programs, and Project-Based Vouchers. MHA will be evaluating conversion of Public Housing over the next two years, but has no plans to apply for HOPE VI.</td>
</tr>
<tr>
<td><strong>8.0</strong> Capital Improvements. Please complete Parts 8.1 through 8.3, as applicable.</td>
</tr>
<tr>
<td><strong>8.1</strong> Capital Fund Program Annual Statement/Performance and Evaluation Report. As part of the PHA 5-Year and Annual Plan, annually complete and submit the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1, for each current and open CFP grant and CFFP financing.</td>
</tr>
<tr>
<td><strong>8.2</strong> Capital Fund Program Five-Year Action Plan. As part of the submission of the Annual Plan, PHAs must complete and submit the Capital Fund Program Five-Year Action Plan, form HUD-50075.2, and subsequent annual updates (on a rolling basis, e.g., drop current year, and add latest year for a five year period). Large capital items must be included in the Five-Year Action Plan.</td>
</tr>
<tr>
<td><strong>8.3</strong> Capital Fund Financing Program (CFFP). ☐ Check if the PHA proposes to use any portion of its Capital Fund Program (CFP)/Replacement Housing Factor (RHF) to repay debt incurred to finance capital improvements.</td>
</tr>
<tr>
<td><strong>9.0</strong> Housing Needs. Based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data, make a reasonable effort to identify the housing needs of the low-income, very low-income, and extremely low-income families who reside in the jurisdiction served by the PHA, including elderly families, families with disabilities, and households of various races and ethnic groups, and other families who are on the public housing and Section 8 tenant-based assistance waiting lists. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location. Please see Appendix 9.0</td>
</tr>
<tr>
<td><strong>9.1</strong> Strategy for Addressing Housing Needs. Provide a brief description of the PHA’s strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. Note: Small, Section 8 only, and High Performing PHAs complete only for Annual Plan submission with the 5-Year Plan.</td>
</tr>
<tr>
<td><strong>10.0</strong> Additional Information. Describe the following, as well as any additional information HUD has requested. (a) Progress in Meeting Mission and Goals. Provide a brief statement of the PHA’s progress in meeting the mission and goals described in the 5-Year Plan. Please see Appendix 10.0</td>
</tr>
</tbody>
</table>
(b) Significant Amendment and Substantial Deviation/Modification. Provide the PHA’s definition of “significant amendment” and “substantial deviation/modification”

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

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

11. Required Submission for HUD Field Office Review. In addition to the PHA Plan template (HUD-50075), PHAs must submit the following documents. Items (a) through (g) may be submitted with signature by mail or electronically with scanned signatures, but electronic submission is encouraged. Items (h) through (i) must be attached electronically with the PHA Plan. Note: Faxed copies of these documents will not be accepted by the Field Office.

(a) Form HUD-50077, PHA Certifications of Compliance with the PHA Plans and Related Regulations (which includes all certifications relating to Civil Rights)
(b) Form HUD-50070, Certification for a Drug-Free Workplace (PHAs receiving CFP grants only)
(c) Form HUD-50071, Certification of Payments to Influence Federal Transactions (PHAs receiving CFP grants only)
(d) Form SF-LLL, Disclosure of Lobbying Activities (PHAs receiving CFP grants only)
(e) Form SF-LLL-A, Disclosure of Lobbying Activities Continuation Sheet (PHAs receiving CFP grants only)
(f) Resident Advisory Board (RAB) comments. Comments received from the RAB must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the recommendations and the decisions made on these recommendations.
(g) Challenged Elements
(h) Form HUD-50075.1, Capital Fund Program Annual Statement/Performance and Evaluation Report (PHAs receiving CFP grants only)
(i) Form HUD-50075.2, Capital Fund Program Five-Year Action Plan (PHAs receiving CFP grants only)
Appendix 5.1  Mission Statement

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

VISION

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

MISSION

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

VALUES

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

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

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

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

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

Self Sufficiency
We are committed to providing creative programs and tools for participants to assist them in reaching their goals of stable housing, including homeownership, and economic self sufficiency.
**Strategic Direction 1**

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

**Strategic Direction 2**

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

**Strategic Direction 3**

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

**Major Administrative Goal 1**

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

**Major Administrative Goal 2**

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

**Major Board Goal 1**

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

**Major Board Goal 2**

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

**Major Board Goal 3**

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

**Strategic Direction 1**

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

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

b. Grow management of rentals requiring compliance expertise.
   i. Begin management of Equinox.
   ii. Solicit additional tax credit properties to manage.
   iii. Explore other management opportunities requiring compliance such as senior housing or Rural Development.

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

e. Continue to evaluate portfolio to ensure effective and efficient use of property.
   i. Apply for tax credits to rehab Palace in 2010.
   ii. Rehab in 2011.
   iii. Explore feasibility of North Side offices or sale of 819 Stoddard.

**Strategic Direction 2**

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

1. Reach out to other stakeholders for extended conversation about affordable housing roles.
   a. Meet with housing non-profits about how our individual organizational goals mesh to meet the City’s needs.
   b. Meet with other organizations with the intent of showing our changed leadership and organizational thinking.
   c. When appropriate, engage the Mayor in these conversations.
   d. Meet individually with stakeholders in year one.
   e. Convene community-wide meeting in year two.
   f. Work towards role as a spokesperson for affordable housing issues by facilitating coordination of housing efforts.

2. Increase visibility of agency and promote a positive public image of the agency.
   a. Continue to have Executive Director play prominent role in public planning efforts.
   b. Undertake proactive media relations campaign to highlight and celebrate MHA housing achievements.
   c. Educate and inform city council members on housing issues and their potential constructive role as well as on MHA activities.

3. Develop new collaborations with local partners.
   a. Consider collaboration with local partners or pursue new opportunities for providing social services needed by our tenants.
      i. Investigate the feasibility of bringing social services into the Palace by using either UM School of Social Work or other appropriate avenues.
      ii. Also consider the Uptown and our tax credit properties for similar placement.
      iii. Re-apply for Public Housing FSS
      iv. Consider collaboration with partners for development and management of rental housing and homeownership opportunities.
         1. See above, re: Self Help Opportunity Program or other sweat-equity homeownership programs, land trust.
         2. Build on existing partnerships, celebrating them, e.g. the Poverello, Western Montana Mental Health Center, Homeword, the YWCA, the VA etc.

4. Advocate at the federal, state and local level for adequate funding for the operation and expansion of affordable housing programs.
5. Participate in organizations such as NAHRO (National Association of Housing and Redevelopment Officials) to stay informed and advocate.

**Strategic Direction 3**

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

1. Evaluate Community Housing Needs to consider the population we serve.
   a. Evaluate on an annual basis the population we are serving and through GAPS analysis information, determine if there is an unmet need we can serve, participating in the annual collaborative dialog along those lines, to help Missoula coordinate responses to those needs.
   b. Participate in annual housing report and assist in other community assessment projects.
   c. Continue to participate in At Risk Housing Coalition (focusing on the homeless) and Community Management Team (focusing on employment).
   d. Assess annually the effectiveness of the service we provide: are we overreaching? Could we do more? How can we do it better?

2. Consider any targeting of population only on a value driven/mission driven basis. Evaluate any proposed program according to the following criteria:
   a. Our mission. How central is serving this population to our mission?
   b. In response to identified community need. Are we the best to serve this need?
   c. To follow funding opportunity, as long as we have capacity to take on that opportunity. Do we have preferred access to new funds that can be brought into Missoula?
   d. For internal business purposes, such as balancing serving challenging populations with others that provide sufficient revenue to make us sustainable. Will targeting this population leverage funds from profitable management activities to support other activities?

**Major Administrative Goal 1**

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

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

**Major Administrative Goal 2**

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

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

**Major Board Goal 1**

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

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

**Major Board Goal 2**

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

1. Periodically (every 2 – 3 years) evaluate and assess the board. Use results to inform board’s plan, growth, training and more.
2. Regarding board growth and succession of leadership, periodically communicate to the mayor the board member job description and the current and specific skill-sets, tools and perspectives that are most-needed on the board.
3. Utilize widely embraced models in the field for board-led processes such as: annual executive director evaluation; board evaluation; annual strategic plan review, etc.
a. YEAR ONE: make final decision on permanent executive hire
b. Annually assess the executive director.
c. Annually assess the progress of the strategic plan.

Major Board Goal 3

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

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

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

**Public Housing**

a) MHA verifies eligibility when families are within 10 households of being offered a unit and when families are within three months of being offered a unit.

b) Screening for criminal or drug-related activity, rental history, housekeeping, evidence of rehabilitation and mitigating circumstances are used to establish eligibility for admission to public housing. Criminal records are requested from State law enforcements agencies.

c) Interested persons may apply for admission to public housing at MHA's main administrative offices, 1235 34th St., Missoula, MT. Orientations are held twice weekly at this location. In addition, a weekly orientation has been added at a new downtown location, the Palace Apartments, 149 W. Broadway, Missoula, MT. Days and times of orientations may change according to community need. Please contact MHA at 406-549-4113, ext. 113 or info@missoulahousing.org for further information.

d) Applicants are offered one vacant unit choice before they fall to the bottom of the list or are removed. They may be retained on the list if unit is refused for “good cause.”

e) MHA does not plan to exceed the federal targeting requirements by targeting more than 40% of all new admissions to public housing to families at or below 30% of median area income.

f) The Transfer Policy takes precedence over new admissions in the following circumstances:

1. Emergencies
2. Over-housed
3. Under-housed
4. Medical justification
5. Administrative reasons determined by MHA (such as, to permit modernization work)
6. Resident choice, such as moving for a job or school, neighborhood preference or ease of management.
7. Termination of a Section 8 voucher due to lack of funding.

g) MHA currently uses the following preferences and applies them within income tiers:

1. Administrative transfer
2. Date and time
3. Households that contribute to meeting income requirements (targeting)
4. The Singles preference was eliminated by board resolution #957 on March 21st, 2012
h) Information about rules of occupancy of public housing are available are contained in the Public Housing Lease, Public Housing Admissions & Continued Occupancy Policy (ACOP), at orientations and full application interviews, and in the MHA Tenant Handbook.

i) Households must notify MHA about changes in family composition any time there is a change, at annual reexamination and lease renewal, or at the family’s request for revision.

j) MHA has public housing developments covered by the deconcentration rule, but none of these developments have average incomes above or below 85% to 115% of the average incomes of all such developments.

Section 8 Vouchers

a) All Section 8 Voucher applications are screened for criminal or drug-related activity to the extent required by law or regulation. MHA requests criminal records from State law enforcement agencies for screening purposes.

b) MHA will share with prospective landlords the participant’s landlord history under the program, and criminal or drug-related activity, if requested and if authorized by the participant.

c) The Section 8 waiting list is not merged with other federal or local programs.

d) Interested persons may apply for admission to the Section 8 Voucher Program at MHA’s main administrative offices, 1235 34th St., Missoula, MT. Orientations are held twice weekly at this location. In addition, a weekly orientation has been added at a new downtown location, the Palace Apartments, 149 W. Broadway, Missoula, MT. Days and times of orientations may change according to community need. Please contact MHA at 406-549-4113, ext. 113 or info@missoulahousing.org for further information.

e) Search time for a unit may be extended up to 120 days for the following reasons:
   1. Documented medical reasons or other mitigating circumstances.
   2. Family qualifies for 4-bedroom unit or larger.
   3. As a reasonable accommodation for a disability.
   4. If Request for Tenancy Approval is awaiting upgrade to meet HQS and local sanitary code standards. Participant search period is extended to find another unit if unit ultimately fails.
   5. Search time may be extended if family has received a tenant protection voucher as a result of HUD-approved disposition of a public housing unit.

f) MHA does not plan to exceed the federal targeting requirements by targeting more than 75% of all new admissions to the Section 8 Program to families at or below 30% of median area income.

g) MHA has not changed its admissions preferences since the last Annual Plan. Applicants are admitted in order of date and time of application and according to income tiering to meet targeting regulations, up to 80% of median income as allowed by regulation. Administrative transfers are given priority.
h) MHA administers Section 8 homeownership, Section 8 Single Room Occupancy Mod Rehab, and mobile home lot special purpose vouchers. Policies governing eligibility, selection, and admissions to these programs are available in the Section 8 Administrative Plan, the Uptown Apartments Administrative Plan, and at orientations and voucher briefings. Availability of these programs is announced at orientations and voucher briefings, through published notices, and through outreach to non-profit groups that assist persons with disabilities and agencies who assist families with self-sufficiency goals.

i) MHA has adopted the following policy defining the procedure for discontinuing voucher assistance due to lack of funding.

Insufficient Funding [24 CFR 982.454]
The MHA may terminate HAP contracts if the MHA determines, in accordance with HUD requirements, that funding under the consolidated ACC is insufficient to support continued assistance for families in the program.

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

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

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

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

<table>
<thead>
<tr>
<th>Sources</th>
<th>Planned $</th>
<th>Planned Uses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Federal Grants (FY 2013 grants)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Public Housing Operating Fund</td>
<td>$ 729,831</td>
<td></td>
</tr>
<tr>
<td>b) Public Housing Capital Fund (includes 43,231 RHF)</td>
<td>$ 280,602</td>
<td></td>
</tr>
<tr>
<td>c) Annual Contributions for Section 8 Tenant-Based Assistance</td>
<td>$5,066,599</td>
<td></td>
</tr>
<tr>
<td>d) Resident Opportunity and Self-Sufficiency Grants</td>
<td>$123,261</td>
<td></td>
</tr>
<tr>
<td><strong>Other Federal Grants (list below)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Veterans Administration Per Diem</td>
<td>$ 167,711</td>
<td>Operations VA Hsg for Homeless</td>
</tr>
<tr>
<td>Shelter Plus Care (Continuum of Care)</td>
<td>$ 636,158</td>
<td>SPC HAP</td>
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<tr>
<td>SRO Mod Rehab Section 8</td>
<td>$ 49,860</td>
<td>Section 8 project-based HAP</td>
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<tr>
<td>FSS Coordinator Grant (2)</td>
<td>$ 134,652</td>
<td>Section 8 FSS Program</td>
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<tr>
<td><strong>2. Prior Year Federal Grants</strong></td>
<td>$ 167,292</td>
<td>Modernization</td>
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<tr>
<td>(unobligated funds only) (list below)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2010/2011/2012 Cap funds</td>
<td></td>
<td></td>
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<tr>
<td><strong>3. Public Housing Dwelling Rental Income</strong></td>
<td>$ 331,595</td>
<td>PH operations</td>
</tr>
<tr>
<td><strong>4. Other income (list below)</strong></td>
<td></td>
<td></td>
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<tr>
<td>SRO Rents</td>
<td>$ 61,488</td>
<td>Section 8 Operations</td>
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<tr>
<td>Rural Development Contract</td>
<td>$ 99,936</td>
<td>Contracted operations</td>
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<tr>
<td><strong>5. Non-federal sources (list below)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-HUD property rents</td>
<td>$ 132,729</td>
<td>Operations</td>
</tr>
<tr>
<td>Non-HUD property management fees</td>
<td>$ 926,528</td>
<td>Operations</td>
</tr>
<tr>
<td><strong>Total resources</strong></td>
<td>$ 8,908,242</td>
<td></td>
</tr>
</tbody>
</table>
Rent Determination

Public Housing

a) MHA charges a minimum rent of $50.00 and has not adopted any discretionary minimum rent hardship exemption policies.

b) MHA does not use ceiling rents.

c) Residents must report changes in family composition any time there is a change.

d) MHA changed its income recertification policy in October 2011 so that households will be required to report all changes in income, but rent recertification will occur only at the annual recertification. Interim rent changes will be required only if the family has previously been at zero income, and upon request for FSS participants. This change will bring the public housing policy into alignment with the Section 8 recertification policy and greatly reduce the number of interim recerts necessary, freeing up staff time for other public housing tasks. For reductions in income, rent recertifications will continue to be performed at the family’s request. The board of commissioners approved this with resolution #942 effective October 1, 2011.

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

Section 8 Tenant-Based Assistance

a) The payment standard for one- and two-bedroom units is 110% of HUD FMR. The payment standard for three-, four- and more bedrooms is also 110% of HUD FMR. MHA conducts an analysis each year of the success rates of assisted families and rent burdens to determine whether the new FMR standards released by HUD are adequate to ensure success among families searching for housing. The increase in payment standard for larger bedroom units helps ensure that families will find housing, reflects the current market conditions in Missoula, and increases housing options for families.

b) MHA charges a minimum rent of $50.00 and has not adopted any discretionary minimum rent hardship exemption policies.

4. Operations & Management

a) MHA maintains a Public Housing Admissions & Continued Occupancy Policy, a Housing Choice Voucher Administrative Plan, an Uptown Apartments Administrative Plan, a Shelter Plus Care Administrative Plan, a Maintenance Plan and Safety Plan which are available upon request.

b) MHA is evaluating changes to its procurement policy to permit more flexibility in procurement methods while still adhering to all Federal and State requirements.

c) In 2009 the Board of Commissioners adopted a procurement policy for use solely with ARRA Capital Fund Grants, as allowed by federal regulation.
d) MHA is evaluating changes and updates to its Policy and Procedure Manual to reflect the changing times of social networking and to incorporate off site management, as well as incorporating the management of Bristlecone Development.

5. **Grievance Procedure**

a) The Public Housing Grievance Procedure was revised, reviewed by the Resident Advisory Board and distributed to tenants for comment. The final Grievance Procedure was adopted by the Board of Commissioners on February 17, 2010.

b) The informal review procedure used for other HUD-assisted programs has not been changed.

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

7. **Community Service and Self-Sufficiency**

a) MHA received its first ROSS grant in 2009, covering a three-year period, and hired staff to work with both elderly residents and families in public housing.

b) MHA also received funding for a Public Housing Family Self-Sufficiency coordinator in 2009, and entered into a contract with the State of Montana's local workforce agency, the Missoula Job Service, to fill the position. The PH FSS coordinator is on staff at the job service, and they also provide her with office space and support. It is a natural partnership and takes advantages of each organization's strengths. The ROSS coordinator position provides basic skills training, basic educational support, budgeting, and parenting and problem-solving skills. When the family is ready to enter the job market, they are transferred to the program, where they learn resume-writing, job search, and job retention skills. The program has been so successful that in June 2011 the FSS Action Plan was revised and adopted by the Board of Commissioners to increase the number of participants from 25 to 40.

c) MHA has two Section 8 FSS Coordinator grants and a very successful FSS program serving up to 100 participants. In FY2011, participants earned nearly $130,000 in escrow.

d) The Community Service requirements for public housing residents are included in the Admissions & Continued Occupancy Policy and available upon request.

e) In 2003 MHA was awarded a $15,000 CDBG grant by the City of Missoula to be used as a security and utility deposit revolving loan fund. Interest-free loans are made to new or moving voucher holders who need assistance with deposits in order to secure housing. The fund is also used for grants to assist with property management application fees and fees associated with obtaining permanent identification documents. Loans are available for up to 50% of the security or utility deposit amount, with repayment agreements available for up to six months. An in-house committee reviews loan requests on a weekly basis. Over the past six years the fund has been reduced to about $8,500 by grants or unpaid loan balances. MHA staff has been applying to small local and state private foundations for grants to replenish the fund and, along with small individual donations, the fund has been replenished
by about $6,000. The assistance provided by these small loans and grants have made a significant difference in the ability of new voucher holders to secure housing.

8. **Safety and Crime Prevention**

   a) Through its Cooperation Agreement with the City of Missoula, MHA receives the services of a Deputy City Attorney free of charge, who handles all cases involving criminal or drug-related activity and all eviction procedures for the housing authority. This invaluable resource provides access, in accordance with local, state and federal regulations, to police investigations and information that assists the housing authority in maintaining safe, drug-free housing.

   b) The new ROSS coordinator funding will allow MHA to develop new safety and neighborhood watch programs for public housing residents.

   c) If MHA’s finances permit or funding for crime prevention activities is made available over the next five years, we will propose a cooperation agreement with the City of Missoula Police Department to share the services of a police officer who will be dedicated part-time to serving housing authority-assisted families.

   d) In May 2009, MHA invited State of Montana Safety & Health inspectors to tour agency offices, maintenance warehouses, and sites to identify areas where safety improvements could be made. The inspector provided a report on recommended improvements and training for staff. These recommendations have been implemented.

   e) Two staff members have graduated from the State Fund Work Safe Champions Program, a yearlong commitment to training in providing the best organizational safety possible.

   f) As a result of the efforts of the staff involved in the Work Safe Champions Program as well as the efforts of the entire staff of the Housing Authority, the workers comp rates for the coming year has dropped an additional 30%.

9. **Pets**

   a) The Public Housing Pet Policy has not changed. It is being reviewed by Public Housing staff to see if updates can be recommended.

10. **Civil Rights Certification**

    a) MHA certifies that it examines its programs and proposed programs to identify any impediments to fair housing choice, addresses those impediments in a reasonable fashion to the extent that resources allow, works with the City and County of Missoula’s initiatives to affirmatively further fair housing, and certifies that the annual plan is consistent with the Consolidated Plan for the City of Missoula and State of Montana.

    b) MHA staff actively participates in the Consolidated Plan process at the state and local level, as well as local committees involved with zoning and subdivision policies to promote affordable housing and fair housing objectives.
c) All MHA staff receives Fair Housing training at least once every two years. Workshops are planned for diversity training, as well as sexual harassment and violence in the workplace training.

11. **Fiscal Year Audit**: The FY2012 audit is attached to this plan.

12. **Asset Management**

   a) In early 2006, HUD began implementation of the final rule for Revisions to the Public Housing Operating Fund Program, published in the Federal Register on September 19, 2005 (79 FR 54983), which mandates that housing authorities move to asset management in order to more closely align operations with HUD’s multi-family programs and the private market. Housing authorities with less than 500 units are not required to convert to asset management, but because of MHA’s diverse portfolio and wide array of programs and activities, the Board of Commissioners approved implementation of asset management with a Central Office Cost Center. MHA’s eight public housing projects were reassigned to three Asset Management Projects (or AMPs) and staff changes were made to better accommodate the asset management structure. MHA has fully converted to the Asset Management model. A fourth AMP will be added to the ACC when the mixed-finance, operating-subsidy-only Silvertip project is complete, estimated to be in July 2012.

   For more information on HUD’s conversion to asset management, please go to [http://www.hud.gov/offices/pih/programs/ph/am/](http://www.hud.gov/offices/pih/programs/ph/am/).

13. **Violence Against Women Act (VAWA)**

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

   1) An incident or incidents of actual or threatened domestic violence, dating violence, or stalking will not be construed as serious or repeated violations of the lease or other “good cause” for termination of the assistance, tenancy, or occupancy rights of such a victim.

   2) Criminal activity directly relating to abuse, engaged in by a member of a tenants household or any guest or other person under the tenants control, shall not be cause for termination of assistance, tenancy or occupancy rights if the tenant or an immediate member of the tenants family is the victim or threatened victim of domestic violence, dating violence, or stalking.

   3) Notwithstanding any restrictions on admission, occupancy, or terminations of occupancy or assistance, or any Federal, State or local law to the contrary, a PHA, Owner/Property Manager or manager may “bifurcate” a lease, or otherwise remove a household member from the lease, without regard to whether a household member is a signatory to the lease, in order to evict, remove, terminate occupancy rights, or terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others. This action may be taken without evicting, removing, terminating assistance to, or otherwise penalizing the victim of the violence who is also a tenant or lawful occupant. Such eviction, removal, termination of occupancy rights, or termination of assistance shall be effected in accordance with the procedures prescribed by Federal, State and local law for the termination of leases or assistance under the housing choice voucher program.
4) Nothing in this section may be construed to limit the authority of a public housing agency, Owner/Property Manager, or manager, when notified, to honor court orders addressing rights of access or control of the property, including civil protection of property among the household members in cases where a family breaks up.

5) Nothing in this section limits any otherwise available authority of an Owner/Property Manager or manager to evict or the public housing agency to terminate assistance to a tenant for any violation of a lease not premised on the act or acts of violence in question against the tenant or a member of the tenants household, provided that the Owner/Property Manager, manager, or public housing agency does not subject an individual who is or has been a victim of domestic violence, dating violence, or stalking to a more demanding standard than other tenants in determining whether to evict or terminate.

6) Nothing in this section may be construed to limit the authority of an Owner/Property Manager or manager to evict, or the public housing agency to terminate assistance, to any tenant if the Owner/Property Manager, manager, or public housing agency can demonstrate an actual imminent threat to other tenants or those employed at or providing service to the property if the tenant is not evicted or terminated from assistance.

7) Nothing in this section shall be construed to supersede any provision of any Federal, State or local law that provides greater protection than this section for victims of domestic violence, dating violence, or stalking.
In April 2008, MHA amended its Annual Plan to identify 20 public housing units to include in an application for disposition to HUD. HUD’s Final Rule for Disposition of Public Housing Units adopted on October 24, 2006 requires that for disposition of units one or more of the following criteria be met:

1. Condition in the areas surrounding the project adversely affect the health or safety of the tenants or the feasible operation of the project by the PHA

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

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

MHA proposed the disposition for the following reasons:

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

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

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

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

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

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

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

From the proceeds of the last sale of public housing units in 2000-2001, MHA facilitated the production or preservation of 214 new units of housing and secured land for over 100 more. The success of the previous disposition gives us confidence that we’ll be able to take advantage of this opportunity to dramatically increase the supply of housing affordable to lower income families.
**Units Proposed for Disposition:**

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

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

MHA has sold all 20 disposition units as of May 2012, with gross proceeds of approximately $2.88 million. A vacant lot that was created by the subdivision of four public housing units on a single lot into five individual lots is under a buy-sell agreement and scheduled to close in June 2013.
The Missoula Housing Authority proposed to sell 20 single family, scattered site public housing units on the open market for FMV because the units are obsolete in terms of serving the needs of the waiting list, energy efficiency, and accessibility. At the same time, public housing provides a necessary housing resource in the Missoula community that cannot be replaced with another source. It is estimated that MHA will NET $3,000,000 from the sale of 20 single family homes.

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

In May of 2009 an RFP for a developer partner was issued, and in response we were approached by a private developer to partner in a 115-unit affordable housing project funded by a State of Montana NSP grant and a HUD-insured 221(d)4 mortgage. The project, Silvertip Apartments, is now complete and fully leased.

MHA has received approval from HUD to add four units to the ACC as replacement public housing. The two projects are:

1. The City of Missoula donated a small surplus lot to the Housing Authority. The Housing Authority has partnered with the Missoula College Building Program to build a duplex on this lot. The College will build the house using their students for labor, and contracting with licensed trades as necessary. The environmental review for the lot has already been completed by the City of Missoula. Use of proceeds includes:
   a. Survey of the lot
   b. Purchase of materials, permits, installation of infrastructure, utilities, and building services that cannot be provided by the students, e.g. electrical, mechanical, etc.

   The house will be owned and managed as public housing by the Missoula Housing Authority.

   Approximate Proceeds Used: $ 200,000

2. The City of Missoula has donated a second surplus lot to the Housing Authority, slightly larger than the one referred to in #1. The City has been donated a large, existing house by a private company, who needs to move the house from their land for their building project. The City in turn has donated this house to MHA. The house has been moved to the donated City lots and has been converted into a duplex, owned and managed by the Housing Authority as replacement public housing. The remodel will be completed during the summer of 2013. Use of proceeds includes:
   a. Survey of the lot
   b. Cost of moving the house from its existing location to the donated lot owned by MHA
   c. Building of new foundation
   d. Installation of infrastructure, utilities, and new mechanical and electrical systems as needed
   e. Conversion of the house from single-family to duplex
      i. The existing house has two living rooms, four bedrooms, and two bathrooms. The only construction needed to convert to a duplex is a separation wall and one kitchen.
   f. Any other repairs, permits, fees, or construction needed to meet codes

   Approximate Proceeds Used: $180,000
Total approximate proposed use of proceeds for currently planned projects: $380,000

MHA has already used $1,000,000 of disposition funds in the Silvertip Project, producing 20 units of replacement public housing as part of a 115-unit affordable housing complex. Projects of this size are exceedingly rare in Missoula due to a lack of available land, high land costs, and lack of funding to help with production costs and subsidies for affordable housing. This project was possible only because NSP funds were awarded. Missoula has not been eligible for any other NSP funding allocations. The 9% tax credit allocation in the state is limited to 2.5 million and is extremely competitive. The state funds very few 4%/tax exempt bond deals because there is not enough capital funding to fill the gap between the necessary debt coverage ratio and the amount of rent it is possible to collect for debt service.

The legal cost alone of doing a mixed finance replacement public housing project is high, adding about $75,000 to the soft costs of each project, in addition to a very time-consuming and labor-intensive process for MHA staff in the production of very few units. For the typically small projects we are able to put together in Missoula, these are serious and significant barriers to a financially feasible development.

The balance of disposition proceeds remaining in our disposition fund is approximately $1,800,000. After using the proceeds for the projects detailed above there will be a balance remaining of approximately $1,400,000. There are several options for using the remaining proceeds, but we have no defined projects for those funds at this time. We have approached the SAC and the Housing Authority commissioners about using the proceeds for construction of a new office building for the Housing Authority. Since moving into our current offices in 2002 we have increased our staff size by 40%. We are bursting at the seams and desperately in need of additional space. Given the draconian budget cuts to the HUD subsidy programs with no indication that funding levels will improve any time soon, we are extremely reluctant to consider adding additional replacement public housing units to our inventory. Voucher funding is also at risk, with the possibility of a reduction in the number of vouchers we can support, a reduction which would be carried forward into future years because current year funding is based on prior year leasing. This funding method, if continued, would cause a permanent reduction in our program size, and given that the voucher waiting list is consistently between 1500-2000, it would be difficult to justify removing more vouchers from the tenant-based pool to dedicate to project-based vouchers.

We have not discarded completely the possibility of using disposition proceeds for replacement public housing or project-based vouchers, but considering the high costs of a mixed finance ACC public housing project; the severe budget cuts to the public housing, capital fund, and voucher programs, and the possibility of a permanent reduction in the number of vouchers that can be supported, these options do not appear feasible over the next two years. Our need for additional office space to better serve our customers and the public has become a high priority and is a direction we will pursue in earnest over the next year.
MHA will continue to explore the feasibility of a mixed finance development for the new construction or acquisition of replacement public housing units, combining disposition proceeds, replacement housing factor funds, tax credit financing, tax exempt bonds, and stimulus or other grant funding, however no projects have been identified at this time.
The Missoula Housing Authority in cooperation with Homeword, Inc., District XI Human Resource Development Council, and Neighborworks Montana and Neighborworks Great Falls (State-wide organization), continues to operate a Section 8 Homeownership Voucher Program for up to 30 participants. Eligible Section 8 participants are offered the opportunity to participate in a First Time Homeowners Program through Homeword, Inc. Preference is given to participants who are under contract in the MHA’s Family Self Sufficiency Program. Homeword, Inc. is a fully approved HUD Counseling Agency and in good standing.

MHA established a minimum homeowner downpayment requirement of at least 3 percent of purchase price and requires that at least 1 percent of the purchase price comes from the family’s resources. It is required that financing for purchase of a home under its Section 8 homeownership will be provided, insured or guaranteed by the state or Federal government; comply with secondary mortgage market underwriting requirements; or comply with generally accepted private sector underwriting standards.

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

The program was implemented in 2002, and later amended to waive the minimum income requirement for persons with disabilities to the amount of annual disability payments. To date 27 families have purchased homes with homeownership vouchers. Eight homeowners no longer need voucher assistance and have returned their vouchers; 19 homeowners remain in the program.
MHA has already implemented a project-based voucher program, issued two Requests for Proposals and awarded 53 vouchers to the successful responders.

MHA continually assesses the need and community interest in issuing a third Request for Proposals for project-based vouchers. In addition, due to changes in regulations for project-based vouchers, MHA will consider placing tenant-based vouchers from its existing housing pool into MHA-owned units, and placing PBVs in other projects which have already been approved for funding under another competitive process. MHA may also choose to support the City’s efforts towards implementation of Housing First to end homelessness by offering additional vouchers for that purpose.
Appendix 9.0  Housing Needs

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

There were 567 homeless people in Missoula on January 24, 2013, the date of the annual point-in-time survey of homeless performed for the State’s Continuum of Care process. Missoula has the highest populations of homeless persons in the State. The City has 127 emergency shelter beds, 185 beds for family and individual transitional housing, and approximately 167 units of permanent housing, primarily supplied through MHA’s Shelter Plus Care Program.

In 2007, Missoula is home to 7,618 persons with disabilities between ages 16 and 64. There are 2,538 people 65 and older who have disabilities, 42.4% of the senior population. About 44% of the disabled are below poverty level.

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

In 2007, the Western Montana Mental Health Center serves approximately 1,800 unduplicated persons with mental illness per year. Their mobile crisis response team completes more than 1,900 contacts and serves more than 686 unduplicated clients per year. The largest provider of permanent housing for those suffering from mental illness is MHA’s Shelter Plus Care Program.

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

On the following pages are wait list data for MHA’s Public Housing, and Housing Choice Vouchers, and Shelter Plus Care. Please note that many families are on more than one list, and the count of elderly does not include elderly persons who also report a disability. The most striking statistics from the waiting lists are the number of single person households, over 40%, with many of them neither elderly nor disabled, and an overwhelming majority of households at extremely low income, 30% of median income or less. In fact, the number of families with children on the public housing waitlist went down significantly. Also worth noting is the turnover in public housing dropped from 34 to 24, a 42% drop, even as the number of units increased.

<p>| Housing Needs of Families on the Public Housing Waiting List (as of May 2013) | 29 |</p>
<table>
<thead>
<tr>
<th></th>
<th># of families</th>
<th>% of total families</th>
<th>Annual Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waiting list total</td>
<td>1426</td>
<td></td>
<td>24</td>
</tr>
<tr>
<td>Extremely low income &lt;= 30% AMI</td>
<td>1198</td>
<td>84%</td>
<td></td>
</tr>
<tr>
<td>Very low income (&gt;30% but &lt;=50% AMI)</td>
<td>205</td>
<td>14.4%</td>
<td></td>
</tr>
<tr>
<td>Low income (&gt;50% but &lt;80% AMI)</td>
<td>19</td>
<td>1.3%</td>
<td></td>
</tr>
<tr>
<td>Families with children</td>
<td>719</td>
<td>50.4%</td>
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</tr>
<tr>
<td>Elderly families</td>
<td>37</td>
<td>2.6%</td>
<td></td>
</tr>
<tr>
<td>Families with Disabilities</td>
<td>169</td>
<td>11.9%</td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>949</td>
<td>66.5%</td>
<td></td>
</tr>
<tr>
<td>African-American</td>
<td>18</td>
<td>1.3%</td>
<td></td>
</tr>
<tr>
<td>Am.Ind/Asian/Pacific Is./Other</td>
<td>176</td>
<td>12.3%</td>
<td></td>
</tr>
<tr>
<td>Hispanic</td>
<td>51</td>
<td>3.6%</td>
<td></td>
</tr>
</tbody>
</table>

Characteristics by Bedroom Size (Public Housing Only)

<table>
<thead>
<tr>
<th>Bedroom Size</th>
<th># of families</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1BR</td>
<td>716</td>
<td>50.2%</td>
</tr>
<tr>
<td>2 BR</td>
<td>440</td>
<td>30.9%</td>
</tr>
<tr>
<td>3 BR</td>
<td>213</td>
<td>14.9%</td>
</tr>
<tr>
<td>4 BR</td>
<td>57</td>
<td>3.9%</td>
</tr>
<tr>
<td>5 BR</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>5+ BR</td>
<td>N/a</td>
<td>N/a</td>
</tr>
<tr>
<td></td>
<td># of families</td>
<td>% of total families</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>---------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>Waiting list total</td>
<td>1910</td>
<td></td>
</tr>
<tr>
<td>Extremely low income &lt;=30% AMI</td>
<td>1573</td>
<td>82.4%</td>
</tr>
<tr>
<td>Very low income (&gt;30% but &lt;=50% AMI)</td>
<td>292</td>
<td>15.3%</td>
</tr>
<tr>
<td>Low income (&gt;50% but &lt;80% AMI)</td>
<td>44</td>
<td>2.3%</td>
</tr>
<tr>
<td>Families with children</td>
<td>958</td>
<td>50.2%</td>
</tr>
<tr>
<td>Elderly families</td>
<td>64</td>
<td>3.4%</td>
</tr>
<tr>
<td>Families with Disabilities</td>
<td>273</td>
<td>14.3%</td>
</tr>
<tr>
<td>1 person</td>
<td>743</td>
<td>41.8%</td>
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<tr>
<td>2 persons</td>
<td>450</td>
<td>25.3%</td>
</tr>
<tr>
<td>3 persons</td>
<td>338</td>
<td>18.9%</td>
</tr>
<tr>
<td>4 persons or more</td>
<td>248</td>
<td>13.9%</td>
</tr>
<tr>
<td>White</td>
<td>1344</td>
<td>70.4%</td>
</tr>
<tr>
<td>African-American</td>
<td>22</td>
<td>1.2%</td>
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<tr>
<td>Am.Ind/Asian/Pacific Is./Other</td>
<td>257</td>
<td>13.5%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>67</td>
<td>3.5%</td>
</tr>
</tbody>
</table>

Characteristics by Bedroom Size (Public Housing Only)

<table>
<thead>
<tr>
<th>Bedroom Size</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1BR</td>
<td></td>
</tr>
<tr>
<td>2 BR</td>
<td></td>
</tr>
<tr>
<td>3 BR</td>
<td></td>
</tr>
<tr>
<td>4 BR</td>
<td></td>
</tr>
<tr>
<td>5 BR</td>
<td></td>
</tr>
<tr>
<td>5+ BR</td>
<td></td>
</tr>
</tbody>
</table>

Is the waiting list closed (select one)? ☒ No ☐ Yes
### Housing Needs of Families on the Shelter Plus Care Waiting Lists (as of May 2013)

<table>
<thead>
<tr>
<th></th>
<th># of families</th>
<th>% of total families</th>
<th>Annual Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waiting list total</td>
<td>121</td>
<td></td>
<td>16</td>
</tr>
<tr>
<td>Extremely low income &lt;=30% AMI</td>
<td>118</td>
<td>98%</td>
<td></td>
</tr>
<tr>
<td>Very low income (&gt;30% but &lt;=50% AMI)</td>
<td>3</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Low income (&gt;50% but &lt;80% AMI)</td>
<td>0</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Families with children</td>
<td>24</td>
<td>19.8%</td>
<td></td>
</tr>
<tr>
<td>Elderly families</td>
<td>0</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Families with Disabilities</td>
<td>121</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>74</td>
<td>61.2%</td>
<td></td>
</tr>
<tr>
<td>African-American</td>
<td>0</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Am.Ind/Asian/Pacific Is./Other</td>
<td>10</td>
<td>8.3%</td>
<td></td>
</tr>
<tr>
<td>Hispanic</td>
<td>2</td>
<td>1.7%</td>
<td></td>
</tr>
</tbody>
</table>

Is the waiting list closed (select one)? ☒ No ☐ Yes

Again citing the City’s Consolidated Plan, Missoula’s housing needs reflect MHA’s waiting lists in that non-family households comprise 50.9% of the City’s residences, as compared to 42.8% in 1990. Single-person households account for 69% of the total non-family households. Overall growth in the City between 2000 and 2007 was nearly 18%. Since FY2003, a year when an unprecedented number of building permits was issued (1,530 of which 981 were multi-family and 130 were duplexes), Missoula’s housing production has dropped dramatically. In 2006 only 453 permits were issued and in 2007 only 456, the total multi-family units in both years totaling 177. The number of multi-family permits issued in 2008 and 2009 reflect an even steeper decline in housing production, 94 and 41 respectively. The Missoula Housing Report for 2013 notes the number of multifamily permits decreased in 2012 to 254.

According to a market study completed in November 2009, the rental vacancy rate in Missoula for subsidized housing was 0%, .8% for tax credit affordable housing, and 5% for market rate housing, with two large properties accounting for almost all the vacancies. In a second market study completed in October 2010, the conventional vacancy rate was 4.8%, tax credit vacancy rate 0.9%, low income vacancy rate 0%, for an overall vacancy rate of 2.8%. The 2013 Missoula Housing Report indicates a vacancy rate in 2012 of 3.5%. However, vacancy rates were trending upwards during the last half of the year and continue into 2013. As a result, average rents fell across all housing types and sizes.
MHA submitted an application for disposition of 20 large, single-family, inefficient public housing units to HUD in August of 2008, and received approval for the disposition in December 2008. In January 2009, application was made for 20 tenant protection vouchers to provide continuing assistance to families relocated as a result of the sale of their unit. Vouchers were allocated in February 2009. A realtor has been procured and houses are being placed on the market for sale following a marketing plan developed by the realtor to provide the most favorable return to the housing authority. All twenty units have been sold to date producing net proceeds of about $2.5 million. Funds received will be used to replace public housing units that better meet Missoula’s demographics and can be maintained cost-effectively, increase our supply of handicapped accessible units, and leveraged to create additional affordable units for the City of Missoula.

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

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

A Request for Proposals for an Energy Performance Contract was issued in April 2009. A contract was awarded in June 2009 for an investment grade audit to be followed by energy performance contracting work to be performed between Fall 2009 and Summer 2010. Johnson Controls, Inc. was the successful offerer, and an Energy Services Agreement was signed in May of 2010. Work was completed in summer of 2011.

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

MHA also received a Public Housing FSS (Family Self-Sufficiency) grant in September 2009, which is a yearly grant we have been awarded since, and entered into a service contract with the Missoula Job Service, the local Work Force Agency, to provide staffing and space for the Public Housing FSS program. This innovative partnership is the first of its kind in the country (that we know of) and has been nominated for a NAHRO Award of Excellence. The combination of a ROSS coordinator grant and Family Self-Sufficiency grant has been so successful that the Board of Commissioners has authorized an increase in the size of the program from 25 to 40 families.

**PHAS**

HUD has for the third time radically changed the PHAS scoring on MHA’s baseline physical inspection in 2012. MHA had points removed from alleged deficiencies that its own documentation and guidelines say is not a deficiency. MHA appealed the physical inspection score three times and has been denied a review of the score. As a result, in 2012 MHA received a Standard Performer score.

**Section 8**
A new allocation of 20 tenant protection vouchers was applied for and received in February 2009 to provide continuing assistance to families relocated by the disposition of public housing units. These vouchers increase MHA’s baseline allocation to 774 vouchers.

In FY2010 MHA again received a high-performing rating from the Section 8 Management Assessment Program (SEMAP). MHA continues to maintain a utilization rate for their 774 vouchers of 95% or more.

In 2003 MHA was awarded a $15,000 CDBG grant by the City of Missoula to be used as a security and utility deposit revolving loan fund. Interest-free loans are made to new or moving voucher holders who need assistance with deposits in order to secure housing. The fund is also used for grants to assist with property management application fees and fees associated with obtaining permanent identification documents. Loans are available for up to 50% of the security or utility deposit amount, with repayment agreements available for up to six months. An in-house committee reviews loan requests on a weekly basis. Over the past six years the fund has been reduced to about $8,500 by grants or unpaid loan balances. MHA staff has been applying to small local and state private foundations for grants to replenish the fund and, along with some private donations, have secured an additional $6,000. MHA applied to the Montana Mental Health Trust Fund to secure an additional $10,000 to be dedicated to families with members who have mental illness and was awarded the grant.

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

Development

The 12 acres of land purchased by MHA’s non-profit component unit, Intermountain Development Company, has been fully disposed of by the construction of a 37-unit LIHTC multi-family housing project on one lot, with the remaining 8 acres sold to a private developer for the construction of about 200 units of market rate housing and two commercial buildings.

The 17-unit Valor House was complete in August of 2005 and provides quality housing for homeless veterans as well as associated supportive services. The project received National Recognition from NAHRO in 2006 for its innovation. MHA contracts with the Poverello Center to provide staffing and support services to the veterans, and both agencies work closely with the Veterans Administration and residents to ensure the program best meets the residents’ needs in overcoming barriers to self sufficiency. MHA is working with the Poverello Center to determine the feasibility of constructing a second building on the same lot as Valor House to house a second Veterans Administration per diem program for up to 26 veterans.

In an effort to reduce costs and streamline operations, the building which used to house the Joseph Residence on a 2 acre parcel in the Rattlesnake was closed down in the fall of FY2007. The building is monitored regularly for safety reasons, but the cost of maintaining the property has been significantly reduced. The property has also been rezoned to permit multi-family or single family housing uses which comply with the underlying zoning on the property. MHA plans to develop additional housing on this site which may be a mix of public housing units, Project Based Voucher units, and other affordable units.

The Uptown Apartments (Single Room Occupancy) renovation was completed in January 2005 and has remained fully occupied since its completion. MHA staff continues to assess this housing for single homeless individuals to ensure project compliance and responsible tenancy. This 14 unit permanent housing project was the first of its kind in Montana, has received great public support, and has become an example of how to incorporate public art with subsidized housing in urban areas. It is also one of the
prime examples, along with MHA’s very successful Shelter Plus Care Program, of a Housing First model for addressing homelessness.

In late 2006 the Missoula Housing Authority purchased an historical downtown building known as the Palace Apartments. The Palace will continue to provide 60 units of low income housing in downtown Missoula. MHA received an allocation of Low Income Housing Tax Credits in 2011 and has just completed an $8 million acquisition/rehab project, combining the LIHTC funds with historic tax credits.

Because of the unique nature of the Palace Project, MHA acted as General Contractor on the Palace Apartments Project. A public comment period was opened and a public hearing held on July 11th to receive comments. With no objections from the public or funding agencies, who were also consulted, the MHA Board of Commissioners authorized the staff to proceed with the plan for in-house general contracting on this project. As a result, the Missoula Housing Authority has created Bristlecone Development LLC to act as the General Contractor for this and future projects as it is appropriate.

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

In 2011, MHA applied for and received a $10,000 grant from the Montana Mental Health Trust Fund for a revolving security and utility deposit loan program targeted to persons with mental illness.

MHA was invited to partner with NeighborWorks of Montana in Great Falls in the development of a Rural Development Self-Help Program in the Missoula area. In this program, families work collectively build each other’s homes earning equity and entering into very affordable homeownership Rural Development loans. Ten families will complete construction of their homes in June 2013 and the second build with ten more families will commence in July 2013.

MHA is participating in the City of Missoula’s efforts to develop a 10-year plan to end homelessness. A committee was formed, and the plan, “Reaching Home: Missoula’s 10-Year Plan to End Homelessness” was adopted unanimously by the City Council in the spring of 2013. MHA is acting as a resource for the plan and working with other non-profit developers and agencies to implement the housing components of the plan.

MHA met one-on-one with all of the non-profit CHDO’s and housing developers in Missoula throughout 2010 and plans to continue those meetings in a group setting. These meetings have proved to be informative, fun, and a great way to encourage collaboration and cooperation among the development community. We have reached out also to other city agencies and private developers to encourage partnerships and cooperation that can help us address the City’s critical affordable housing needs.

**Shelter Plus Care**

In 2007, as part of the State of Montana Continuum of Care coalition, the Missoula Housing Authority applied for and was awarded 5 new Shelter Plus Care vouchers targeted to the chronically homeless. In 2010 and 2011, MHA received an incremental increase in its ongoing renewal grant. MHA now administers 117 Shelter Plus Care vouchers, the largest program in the State, and maintains utilization
consistently at more than 100% as funding allows. It is a prime example of the success of a Housing First model, especially when coupled with case management services provided by other agencies.

**Client Services**

The HCV Family Self Sufficiency Program consistently maintains an enrollment of approximately 100 participants. Approximately 50% of FSS participants have earned escrow accounts and on average there are two graduates a month.

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

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

**Partnership**

In FY2008, MHA assumed management of tax credit properties owned by Homeword, Inc., a Missoula CHDO, as well as two privately-owned four-plex tax credit developments. Homeword’s new LIHTC project, the Equinox, was added to our property management portfolio during the summer of 2009. The second phase of this project, the Solstice, was completed in the fall of 2011 and has also been added to our property management portfolio.

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

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

MHA has partnered with the Missoula Job Service, the local Work Force Agency, to fill the role of the Public Housing FSS coordinator. This partnership provides a continuum of support for public housing residents who are working on self-sufficiency goals. The ROSS coordinators provide basic living skills, budgeting, problem-solving and educational needs for families, and when they are ready to transition to work, they are transitioned to the Public Housing FSS coordinator, a Missoula Job Service employee, who assists them with resume-writing, job search skills, and job placement. In this manner each agency provides support uniquely suited to their areas of expertise. This program also won a NAHRO National Merit Award.
In 2012, MHA partnered with NeighborWorks of Great Falls to implement a Rural Development Mutual Self-Help Homeownership Grant as an extension their existing grant. Under the mentoring of experienced Great Falls staff, MHA has identified and qualified 10 families to participate in the first year build, and hired a family coordinator and 1.5 construction superintendents who will shepherd the families through the build. This is the first year of a two-year grant. Rural Development loans for the families closed in June of 2012 and the families started construction on June 23, 2012.

From June 2012 through June of 2013 the first 10 homes were constructed. At the time this plan was sent the first 10 homes were still under construction with an estimated completion date of June 2013. At the same time the second round of homeowners were being screened by MHA and RD staff. As of now, 8 of the 10 second round homeowners have been approved and the second round build will begin in the summer of 2013.

**Strategic Planning**

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

The next planning session for the new Strategic Plan will begin in spring of 2013.

**Board of Commissioners and Administration**

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

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

In May 2009 MHA invited a State Health & Safety representative to tour agency offices and sites in order to identify areas that could pose safety risks and assist in development of a safety program. All recommendations have been implemented, a safety committee has been formed, and a new Safety Plan is in development. As a result of the efforts of the safety committee and the commitment of staff to embrace a safer working environment our Workers Compensation E-MOD rate has dropped by 55%.

MHA staff has formed a Communications Committee whose first project was to develop a communication plan for the agency. An orientation handbook for new employees has been developed.

MHA was the recipient of two alternate transportation awards in 2009 given by the City’s Missoula in Motion Program, one for 100% participation by 100% of staff during Bike/Walk/Bus Week, and another, the Transportation Best Practices Award as the business that has gone the extra mile in making a solid commitment to sustainable transportation programs. We also won the award for small agency participation during the 2010 Bike/Walk/Bus Week.
A Board Development Committee was established in 2010 and has developed job descriptions for Board members and officers, implemented a review procedure for Executive Director evaluation, established an orientation procedure for new Board members, and is developing an annual process for the Board to evaluate itself and review progress on goals established in Strategic Planning.

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

Housing Authority Staff from around the region has interviewed and visited the Missoula Housing Authority in order to gain assistance in Asset Management Reorganization and Yardi. The Missoula Housing Authority has been a model agency for others to learn from.

MHA’s Executive Director has given two presentations on the housing authority’s unique partnership with the Veteran’s Administration at Valor House, one at NAHRO’s 2008 Summer Conference and the second at the invitation of the State of Virginia’s Governor’s Housing Conference in November 2008. The Valor House model continues to generate interest with a visit from staff of a Washington State Housing Authority scheduled in August 2011 to tour the property. The Director and a Commissioner were presenters on the topics of affordable housing and condo development at the New West Conference held in Missoula in September 2008, and at the Mayor’s Housing Summit held in June 2010. She also sits on the Downtown Master Plan Technical Advisory and Implementation Committees, the City of Missoula Zoning Code Rewrite Technical Advisory Committee, the NAHRO Nominating and Elections Committee, and participates in a number of ongoing local ad hoc committees and meetings. She was invited by NAHRO to be a judge for the 2011 Awards of Merit and Awards of Excellence. Lori was appointed by NAHRO President Betsy Martens to participate on the Board of Ethics and Credentialing Trustees (BECT).

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

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

MHA launched a new website in early 2011 at [www.missoulahousing.org](http://www.missoulahousing.org). The new website platform is one that staff can easily modify without having to maintain consultant services.

**Asset Management**

In early 2006, HUD began implementation of the final rule for Revisions to the Public Housing Operating Fund Program, published in the Federal Register on September 19, 2005 (79 FR 54983), which mandates that housing authorities move to asset management in order to more closely align operations with HUD’s multi-family programs and the private market. MHA’s eight public housing projects were reassigned to three Asset Management Projects (or AMPs) and staff changes were made to better accommodate the asset management structure. MHA continues to adjust its operations and staffing as the budget allows to absorb increased workloads and improve operations. A new AMP 005 will be added when the Silvertip project is completed.
MHA also moved to a web based software program, known as Yardi, in order to more efficiently and effectively manage all aspects of housing authority business. The Yardi conversion is an integral part of the agency-wide reorganization from centralized management to a property-based asset management structure.

The conversion to asset management is an enormous change from the way housing authorities have been managed and funded in the past. It involves a complex network of modifications affecting every aspect of operations from maintenance to finance. MHA has fully implemented the asset management model. For more information on HUD’s conversion to asset management, please go to http://www.hud.gov/offices/pih/programs/ph/am/.
The Missoula Housing Authority hereby defines substantial deviation and significant amendment or modification as any change in policy, which significantly and substantially alters the Authority's stated mission and the persons' the Authority serves. This would include admissions preferences, demolition or disposition activities and conversion programs. Discretionary or administrative amendments consonant with the Authority's stated overall mission and basic objectives will not be considered substantial deviations or significant modifications.

Any policy changes or funding priorities as a result of future actions by HUD will not be considered significant amendments and/or substantial deviations from the plan.
(Draft – to be updated after RAB comments received.) The Resident Advisory Board was called together as part of the Annual Plan Update process. MHA staff sent a draft of the Annual Plan to RAB members soliciting comment from them regarding policy changes and updates. A follow up phone call was done to discuss the Annual Plan and to determine if anyone had specific questions.