

Summary of Draft Changes to the Fiscal Year 2024 Housing Choice Voucher Administrative Plan

Below are edits, updates, and clarifications that are proposed to the Housing Choice Voucher Administrative Plan. Substantial changes are noted as they appear in each chapter. Substantial changes are defined as changes which have significantly altered the administrative policies, changes to rent or admissions policies, organization of the waiting list, and additional activities or programs not included in the previous plan. Grammatical and sentence structure alterations are not defined as substantial.

Throughout the Administrative Plan the Montana Department of Commerce (MDOC) has been changed to the Montana Department of Commerce (Commerce). MDOC has been replaced with Commerce. This change has been made to the entire document and will not be reflected in the chapter breakouts below.

Introduction

- No substantial edits

Chapter 1 – Overview of the Program and Plan

- 1-I.A. Overview
 - Edited the list of Field Agencies removing the Montana Department of Commerce and updating Opportunities, Inc. service area.
 - Corrected Community Action Partnership of Northwest Montana’s mailing address.
- 1-I.D. The PHA’s Programs
 - Added the following language to Commerce’s Policy “VASH vouchers assist homeless veterans by providing rental assistance in combination with case management and clinical services provided by local Department of Veterans Affairs Medical Centers.”

Chapter 2 – Fair Housing and Equal Opportunity

- 2-II.E. Approval/Denial of a Requested Accommodation
 - Added the following to the Commerce Policy “of a completed request.”

Chapter 3 – Eligibility

- 3-I.B. Family and Household, Family subsection
 - Updated the Commerce Policy to remove “Once the family becomes a participant in the HCV program, the family must notify MDOC of any changes in the family’s composition within 30 calendar days.”
- 3-I.D. Head of Household
 - Updated Commerce Policy to remove MDOC and replace it with “qualifying special programs.”
- 3-I.J. Guests
 - Updated Commerce Policy to remove “more than 50 percent of the time”.
- 3-II.F. EIV System Searches
 - Updated Debts Owed to PHAs and Terminations Commerce Policy to include: “Commerce will search the Former Tenants Search for all household members as part of the eligibility review.”
- 3-III.C. Other Permitted Reasons for Denial of Assistance, Previous Behavior in Assisted Housing subsection

- Removed “Per the alternative requirements listed in the *Federal Register* notice dated December 29, 2014...”
- Added the following language to the Commerce Policy:
“When denying admission due to family debts as shown in HUD’s EIV system, Commerce will provide the family with a copy of the EIV Debt Owed to PHA and Termination report.

If the family wishes to dispute the information in the report, the family must contact the PHA that entered the information in EIV in writing, explaining why EIV information is disputed. The family must also provide a copy of the letter and all applicable verification to the PHA to support the family’s claim. Commerce will consider the information provided by the family prior to issuing a notice of denial.”

- 3-III.D. Screening, Screening for Eligibility subsection
 - Updated the Commerce Policy to include “ConWeb”.

Chapter 4 – Applications, Waiting List, and Tenant Selection

- 4-I.B. Applying for Assistance
 - Updated Commerce Policy to include the correct fax number.
 - Added the following language “The applicant may indicate interest in a special population program on the HCV application>”
 - Removed the following language “The Filed Agency area can only be changed in writing prior to being contacted by MDOC for briefing.”
- 4-II.B. Organization of the Waiting List
 - Updated the Commerce Policy to read:
“Commerce’s HCV Waiting List includes applicants for the HCV program, Mainstream, and Mod Rehab. Commerce will not merge other special program applications with the with the HCV Waiting List. Any subsequent programs that Commerce may administer in the future will operate according to HUD-issued guidance.

Mod Rehab units are contracted project-based properties with assigned unit sizes. Applicants will not be penalized for refusing a Mod Rehab unit if they desire to wait for an HCV subsidy. Mod Rehab applicants are pulled from the HCV Waiting List according to the date and time of their applicant and availability of Mod Rehab units. The landlord/owner of a Mod Rehab property reserves the right to select their tenants from the pool of applicants provided off the Waiting List. If a family opts to lease a Mod Rehab unit their application will remain on the HCV Waiting List. Families will be removed from the HCV Waiting List if they refuse both forms of assistance (Mod Rehab unit or HCV) and will have to reapply to the HCV Waiting List.

The following conditions must be met for a Mod Rehab participant family to change assistance to the HCV program:

- The family’s applicant date must place the family at the top of the HCV Waiting List;
- The family must meet the eligibility requirements for the HCV program;
- The family has satisfied the initial one-year term of their Mod Rehab lease or the term of the HAP contract, whichever is shorter;

- Unless the landlord and the family have mutually agreed to rescind the Mod Rehab lease (only during the first twelve months of the lease).
- The family must request, in writing, transfer to the HCV program;
- The family must give the landlord a written 30-day notice, or be released from the lease, and
- The family must not have adverse program actions pending against them and must not owe any money to any PHA including Commerce.

EHV applicants are placed on to an EHV only Waiting List and organized by the date and time of the referral from the Continuum of Care (CoC) or Coordinated Entry (CE) agency. EHV applicants can be on both the HCV and EHV Waiting Lists. For further information regarding the EHV program and its Waiting List, see Chapter 20.

Veterans Affairs Supportive Housing (HUD-VASH) voucher applicants are referred to Commerce through case management from the Department of Veterans Affairs Medical Center only. Commerce does not maintain a Waiting List for HUD-VASH and PB-VASH applicants.

HCV applicants interested in a Mainstream voucher must select a preference on the HCV application. They are placed on the HCV Waiting List according to the date and time of their application. Commerce will review eligibility for the Mainstream program based on the identified preference (for more information see section 4-III.B. Selection and HCV Funding Sources).

- 4-II.E. Reporting Changes in Family Circumstances
 - Updated the Commerce Policy to read:

“...The applicant can update their application by downloading and sending the Information Change Form on Commerce’s website and send to Commerce via email or mail, or by contacting Commerce in writing and notifying of the change in writing. Changes to applications made over the phone will not be accepted.”
- 4-III.C. Selection Method
 - Updated the Income Targeting Requirement Commerce Policy to include:

“EHV, Mainstream, PB-VASH, and VASH families are not included in the income targeting requirement.”
- 4-III.F. Completing the Eligibility Process
 - Updated the Commerce Policy to include:

“If a family is denied because of debts owed to another agency, a copy of the EIV Debts Owed report will be mailed with the denial letter.”

Chapter 5 – Briefings and Voucher Issuance

- 5-I.B. Briefing
 - Updated the Notification of Briefing Commerce Policy to include:

“Commerce will encourage applicants to utilize Assistance Connect to receive electronic communications as well as first class mail.”
 - Updated the Attendance Commerce Policy to read:

“Applicants who fail to attend a scheduled in-person briefing but notify the Field Agency prior to the briefing appointment, will be scheduled for another briefing...”
 - Updated the Oral Briefing section to include:

“In briefing a family that includes a person with disability, the PHA must also take steps to ensure effective communication regarding reasonable accommodations.”

- 5-II.B. Determining Family Unit (Voucher) Size
 - Updated Commerce Policy to read:
“All families who are a new admission will be subject to the following subsidy standards listed below...”

Household composition will be reviewed and compared to unit and voucher size at annual recertification or change of unit. The voucher size will be adjusted to the current subsidy standards only at those two occurrences.”

- 5-II.E. Voucher Term and Extensions
 - Changed the Commerce Policy to read:
“The initial voucher term will be 90 calendar days.

The family must submit a Request for Tenancy Approval and proposed lease within the 90-day period...”

- Updated the Extensions of Voucher Term Commerce Policy to read:
“...The initial voucher issuance will be granted for 90 calendar days. Commerce may consider one extension of 30 calendar days...”
- Updated the Suspensions of Voucher Term Commerce Policy to include:
“A voucher can be suspended for a maximum of 30 calendar days.”

Chapter 6 – Income and Subsidy Determinations

- 6-I.D. Earned Income
 - Updated the Commerce Policy to remove:
“For persons who regularly receive bonuses, tips, or commissions, MDOC will verify and then average amounts received for the two years preceding admission or reexamination. If only a one year history is available, MDOC will use the prior year amounts. In either case the family may provide, and MDOC will consider, a credible justification for not using this history to anticipate future bonuses, tips, or commissions.”
- 6-I.F. Business Income
 - Updated the Business Expansion Commerce Policy to remove:
“For example, purchase of a street sweeper by a construction business for the purpose of adding street cleaning to the services offered by the business would be considered a business expansion. Similarly, the purchase of a property by a hair case business to open at a second location would be considered a business expansion.”
- 6-I.K. Periodic and Determinable Allowances
 - Updated the Commerce Policy to remove:
“For example, if the family received less than four payments within the last 12 months, the child support payments will not be counted. If the family received four or more payments within the last 12 months, the actual amount will be counted as income.”

Chapter 7 – Verification

- 7-II.D. Family Relationships
 - Updated Commerce Policy to remove:
“Absence of Adult Member

If an adult member, who was formerly a member of the household is reported to be permanently absent, the family must provide evidence to support that the person is no longer a member of the family (e.g., documentation of another address at which the person resides such as a lease or utility bill.”

- 7-II.F. Documentation of Disability
 - Updated the Family Members Receiving SSA Disability Benefits Commerce Policy to remove:
“a current (dated within the last 60 calendar days).”
- 7-III.C. Period Payments and Payments in Lieu of Earnings
 - Added the following language to the section:
“To ensure consistency in the determination of annual Social Security and SSI income, PHAs are required to use EIV-reported Social Security and SSI benefit amounts unless the tenant disputes the EIV-reported amount [Notice PIH 2018-24].”

Chapter 8 – Housing Quality Standards and Rent Reasonableness Determinations

- 8-II.B. Initial HQS Inspection
 - Updated Inspection Results and Reinspections Commerce Policy to read:
“If any HQS violations are identified, the owner will be notified of the deficiencies and be given a time frame to correct them. If requested by the owner, the time frame for correcting the deficiencies may be extended by Commerce for good cause. Good cause may include, but is not limited to, circumstances outside of the family’s/landlord’s/owner’s control, weather, or availability of licensed professional. The Field Agency will reinspect the unit within 14 calendar days of the date the owner notifies the Field Agency that the required corrections have been made. The RTA will be cancelled if the unit does not pass initial inspection within 30 calendar days from the date of the initial inspection notification letter.”
- 8-III.B. When Rent Reasonableness Determinations are Required
 - Updated Commerce Policy to include:
“Landlords/owners must provide 60-days’ written notice to their tenants on the HCV program of a rent adjustment.”
- 8-III.D. PHA Rent Reasonableness Methodology
 - Updated How Market Data is Collected Commerce Policy to read:
“Commerce uses a third-party vendor (AffordableHousing.com) to collect and maintain data on market rents in Commerce’s jurisdiction.
 - Updated How Rents are Determined Commerce Policy to read:
“Rent for a proposed unit will be compared to the rent charged for comparable units in the general location. Proposed units will be compared to the units within the same rent range. A minimum of two comparable units is required. Commerce will accept rent comparisons according to the following hierarchy:
 - a) The first method to conduct a rent reasonableness comparison is through the rental comparison software AffordableHousing.com. AffordableHousing.com will determine if the rent of a unit is reasonable comparable to units in the state’s jurisdiction. AffordableHousing.com contains data on market location, unit type, size, quality, age of unit, amenities, housing services, maintenance and utilities provided under the lease.
 - b) If AffordableHousing.com is not producing two comparable units, completing an analysis of two (2) comparable units on a unit-by-unit basis by using other data

sources is permitted. The certified should select units that are as similar to the proposed unit as possible. Other acceptable data sources include, but are not limited to:

- i. Craigslist.org,
 - ii. Facebook,
 - iii. Zillow,
 - iv. Realtor.com,
 - v. PadMapper.com, and
 - vi. Phone verification.
- c) In determining the reasonableness of rents for units assisted in the same complex that is not substantially assisted, Commerce may base its determination on the rents charged for the three comparable unassisted units in the same complex. Commerce will use the information provided by the owner in Section 12a of the Request for Tenancy Approval form to determine and document rental reasonableness for the unassisted units in the same apartment complex.

Commerce will notify the owner of the approved rent, based upon its analysis of comparable rents. If the owner disputes the proposed rent, they may submit information about other comparable units in the market area. Commerce will confirm accuracy of the information provided and consider this additional information when making rent determinations. The owner must submit any additional information within 10 calendar days of Commerce's request for information or the owner's request to submit information.

Chapter 9 – General Leasing Policies

- 9-I.F. Tenancy Approval
 - Update the Commerce Policy to:
“Commerce will complete its determination within 15 calendar days of receiving all required information...”

...If the unit does not pass the initial HQS inspection within 30 calendar days or an approved extension date from the date the RTA was submitted, the RTA will be cancelled.”

Chapter 10 – Moving with Continued Assistance and Portability

- 10-I.C. Moving Process
 - Updated Voucher Issuance and Briefing Commerce Policy to read:
“For families approved to move to a new unit within Commerce's jurisdiction, Commerce will issue a new voucher within 14 calendar days of receipt of request.”
- 10-II.B. Initial PHA Role
 - Updated Applicant Family Commerce Policy to add:
“A family must be issued a voucher prior to requesting portability.”

Chapter 11 – Reexaminations

- 11-II.B. Changes in Family and Household Composition
 - Updated the New Family and Household Members Requiring Approval section to include:
“Although the PHA must verify aspects of program eligibility when any new family member is added, the Streamlining Final Rule removed the requirement that PHAs conduct a reexamination of income whenever a new family member is added. The PHA may state in policy that an income reexamination will be conducted.”

- 11-II.C. Changes Affecting Income or Expenses
 - Updated Required Reporting Commerce Policy to read:

“Families are required to report all increases in income, including new employment, benefits, pensions, reduction of eligible medical expenses, change in childcare expenses, etc., in writing within 30 days of the family’ notification of the change, by completing a Tenant Information Form (TIF) or Family Change Reporting Form and submitting supporting documentation to Commerce.

...

If a family member turns 18 prior to the effective date of the family initiated interim, then the family income must include the income for the newly adult household member, which must also include documentation related to full-time student status.”
 - Updated Optional Reporting Commerce Policy to include:

“Families must use either the TIF or the Change Report Form in conjunction with supporting documentation when reporting any changes for interims.”

Chapter 12 – Termination of Assistance and Tenancy

- 12-II.F. Termination Notice
 - Updated Commerce Policy to receive:

“Whenever a family’s assistance will be terminated, Commerce will send a written pre-termination notice and written notice of termination to the family and to the owner, providing the family and the owner a total of 30-days’ notice of program termination. The pre-termination notice will provide the family ten (10) days to respond to Commerce. The termination notice will provide the family an additional twenty (20) days to respond to Commerce or request an informal hearing (if applicable).

Commerce will also send a form HUD-5382, form HUD-5380, and the most recent version of the Informal Hearing procedures to the family with the termination notice. Commerce may include a copy of the HCV Program’s Family Obligations. The notice will state the date on which the termination will become effective. This date generally will be at least 30 calendar days following the date of the pre-termination notice, but exceptions will be made whenever HUD rules, other PHA policies, or the circumstances surrounding the termination require.”
 - Updated Commerce Policy to read:

“Whenever Commerce decides to terminate a family’s assistance because of the family’s action or failure to act, Commerce will include in its termination notice the VAWA information form HUD-5382, form HUD-5380, and the most recent version of the Informal Hearing procedures. Commerce may include a copy of the HCV program’s Family Obligations.”

Chapter 13 – Owners

- 13-I.D. Owner Qualifications
 - Updated Conflict of Interest language to include:

“Such “covered individual” may not have any direct or indirect interest in the HAP contract or in any benefits or payments under the contract (including the interest of an immediate family member of such covered individual) while such a person is a covered individual or for one year thereafter.

Immediate family member means the spouse, parent (including a stepparent), child (including a stepchild), grandparent, grandchild, sister, or brother (including a stepsister or stepbrother) of any covered individual.”

- Updated Owner Actions That May Result in Disapproval of a Tenancy Request Commerce Policy to read:
“The owner has engaged in any drug-related criminal activity or any violent criminal activity in the last three years.”
- 13-II.F. Change in Ownership/Assignment of the HAP Contract
 - Updated Commerce Policy to include:
“The new owner must provide a written certification to Commerce within 30 calendar days of the ownership change...”

Chapter 14 – Program Integrity

- 14-I.A. Preventing Errors and Program Abuse
 - Updated the Commerce Policy to read:
“Commerce will provide first-time owners (or their agents) a packet of information for participating in the HCV program.”
- 14-I.B. Detecting Errors and Program Abuse
 - Updated Commerce Policy to read:
“Commerce routinely will use HUD and other non-HUD sources of up-front income verification. This may include the Department of Health and Human Services database, Department of Labor system, Montana Cadastral, The Work Number, HUD’s Enterprise Income Verification (EIV) database, and any other private or public databases available to Commerce.

During eligibility review and when adding any new household members, Commerce will review the Existing and Former Tenant searches in HUD’s EIV database.

At each annual reexamination, current information provided by the family will be compared to information provided at the last annual reexamination to identify inconsistencies and incomplete information.

Commerce will compare family-reported income and expenditures in instances of possible to detect possible unreported income.”

- 14-II.C. Owner-Caused Error or Program Abuse
 - Updated Prohibited Owner Actions Commerce Policy to include:
“Certifying that HQS deficiencies have been corrected prior to correcting the deficiencies”

Chapter 15 – Special Housing Types

- Introduction
 - Added the following language to the Commerce Policy:
“...unless by Reasonable Accommodation.”
 - Adding the following language:
“A single unit cannot be designated as more than one type of special housing. The PHA cannot give preference to households that wish to live in any of these types of housing and cannot require households to select any of these type of housing [New HCV Guidebook, Special Housing Types, page 3].”
- 15-I.A. Overview
 - Added the following language:

“(form HUD-52641) with the special housing type specified in Part A of the HAP contract, as follows: “This HAP contract is used for the following special housing type under HUD regulations for the Section 8 voucher program: Single room occupancy (SRO) housing.”

- 15-I.C. Housing Quality Standards (HQS)
 - Added the following language:
“...that sanitary facilities, and space and security characteristics must meet local code standards for SRO housing. In the absence of applicable local code standards for SRO housing, the following standards apply:”
- 15-II.A. Overview
 - Added the following language:
“(form HUD-52641) with the special housing type specified in Part A of the HAP contract, as follows: “This HAP contract is used for the following special housing type under HUD regulations for the Section 8 voucher program: Congregate housing.”
- 15-II.C. Housing Quality Standards
 - Added the following language:
“The congregate housing must contain adequate facilities and services for the sanitary disposal of food waste and refuse, including facilities for temporary storage where necessary.

The housing quality standards applicable to lead-based paint do not apply unless a child under the age of six is expected to reside in the unit.”

- 15-III.A. Overview
 - Added the following language:
“(form HUD-52641) with the special housing type specified in Part A of the HAP contract, as follows: “This HAP contract is used for the following special housing type under HUD regulations for the Section 8 voucher program: Group Home.
...
The number of persons in the assisted household equals one assisted person plus any PHA-approved live-in aides.”
- 15-IV.A. Overview
 - Updated language to read:
Families in markets with tight rental conditions or with a prevalence of single-family housing may determine a shared housing living arrangement to be a useful way to secure affordable housing. PHAs offering shared housing as a housing solution may also experience some reduction in the average per-unit-cost (PUC) paid on behalf of assisted families.

Shared housing is a single housing unit occupied by an assisted family and another resident or residents. The unit may be a house or an apartment. The shared unit consists of both common space for use by the occupants of the unit and separate private space for each assisted family.

An assisted family may share a unit with other persons assisted under the HCV program or with other unassisted persons.

Shared housing may be offered in a number of ways, including for-profit co-living (such as a boarding house, single bedroom with common living room/kitchen/dining room) run by a private company[Notice PIH 2021-05].

The owner of a shared housing unit may reside in the unit, but housing assistance may not be paid on behalf of the owner. The resident owner may not be related by blood or marriage to the assisted family.

If approved by the PHA, a live-in aide may reside with the family to care for a person with disabilities. The PHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

When shared housing is offered as a housing option, HUD encourages PHAs to consider ways in which the families may be assisted in finding shared housing, including for-profit shared housing matching (such as roommates or single-family homes) and online sites that charge a fee for their matching services, or nonprofit shared housing matching services. HUD further encourages PHAs to include information about this housing possibility in the family's voucher briefing.

PHAs should be aware of potential local legal barriers to HCV participants using shared housing which can create additional obstacles for shared housing.

- Municipalities may have occupancy limits for the number of unrelated persons who may share a housing unit.
- Local zoning codes for single family housing may restrict occupancy in certain areas to household whose family members are related by blood.

PHAs should work with local jurisdictions to find solutions that encourage affordable housing and are consistent with the Fair Housing Act, Title VI, and other federal, state, and local fair housing laws. PHAs should inform HUD if they encounter barriers to shared housing that may conflict with fair housing laws.

When providing HCV assistance in shared housing, a separate lease and HAP contract are executed for each assisted family. The standard form of the HAP contract is used (form HUD-52641) with the special housing type specified in Part A of the HAP contract, as follows: "This HAP contract is used for the following special housing type under HUD regulations for the Section 8 voucher program: Shared housing."

- 15-IV.B. Payment Standard, Utility Allowance and HAP Calculation
 - Removed the Example.
- 15-V.A. Overview
 - Updated the language to read:
"A cooperative is a form of ownership (nonprofit corporation or association) in which the residents purchase memberships in the ownership entity. Rather than being charged "rent" a cooperative member is charged a "carrying charge." The monthly carrying charge includes the member's share of the cooperative debt service, operating expenses, and

necessary payments to cooperative reserve funds. It does not include down payment or other payments to purchase the cooperative unit or to amortize a loan made to the family for this purpose.

The occupancy agreement or lease and other appropriate documents must provide that the monthly carrying charge is subject to Section 8 limitations on rent to owner, and the rent must be reasonable as compared to the comparable unassisted units.

When providing HCV assistance in cooperative housing, the standard form of the HAP contract is used with the special housing type specified in Part A of the HAP contract, as follows: “This HAP contract is used for the following special housing type under HUD regulations for the Section 8 voucher program: Cooperative housing.”

- 15-V.C. Housing Quality Standards

- Updated language to read:

- “The PHA remedies described in 24 CFR 982.404 do not apply. Rather, if the unit and premises are not maintained in accordance with HQS, the PHA may exercise all available remedies regardless of whether the family or cooperative is responsible for the breach of HQS.

No housing assistance payment can be made unless unit meets HQS and the defect is corrected within the period as specified by the PHA and the PHA verifies correction (see Chapter 8).

In addition to regular breaches of HQS, breaches of HQS by the family include failure to perform any maintenance for which the family is responsible in accordance with the terms of the cooperative occupancy agreement [HCV Guidebook].”

- 15-VI.A. Overview

- Added the following language:

- “A family can purchase a manufactured home under the Housing Choice Voucher Homeownership programs.”

- 15-VI.C. Payment Standard, Utility Allowance and HAP Calculation

- Updated Rent Reasonableness language to read:

- “Initially, and at least annually thereafter, the PHA must determine that the rent for the manufactured home space is reasonable based on rents for comparable manufactured home spaces. The PHA must consider the location and size of the space, and any services and maintenance to be provided by the owner. By accepting the monthly housing assistance payment, the owner of the manufactured home space certifies that the rent does not exceed rents charged by the owner for comparable unassisted spaces in the same manufactured home park or elsewhere.

If requested by the PHA, the owner must give the PHA information on rents charged by the owner for other manufactured home spaces.”

- 15-VII.D. Eligible Units

- Removed the following language:
“The unit must be under construction or already exist at the time the family enters into the contract of sale.”
- Updated the language to read:
“Families may enter into contracts of sale for units not yet under construction. However, the PHA will not commence homeownership assistance for the family for the unit until:
 1. Either the responsible entity completes the environmental review as required by 24 CFR part 58 and HUD approved the environmental certification and request for release of funds prior to commencement of construction or HUD performed an environmental review under 24 CFR part 50 and notified the PHA in writing of environmental approval of the site prior to construction commencement; and
 2. Construction of the unit has been completed and the unit has passed the required HQS inspection and independent inspection as addressed elsewhere in this chapter.”
- 15-VII.G. Home Inspections, Contract of Sale, and PHA Disapproval of Seller
 - Updated the Contract of Sale language to include:
“A contract for the sale of a unit not yet under construction must meet all above requirements, and requirements below. Commencement of construction in violation of the below requirements voids the purchase contract.
 - The purchaser is not obligated to purchase the unit unless an environmental review has been performed and the site received environmental approval prior to commencement of construction in accordance with 24 CFR 982.628; and
 - The construction will not commence until the environmental review has been completed and the seller has received written notice from the PHA that environmental approval has been obtained. Environmental approval may be conditioned on the contracting parties’ agreement to modification to the unit design or to mitigation actions.”
- 15-VII.I. Continued Assistance Requirements, Family Obligations
 - Updated the language to read:
“Before commencement of homeownership assistance, the family must execute a statement of family obligations in the form prescribed by HUD [form HUD-52649]. In the statement, the family agrees to comply with all family obligations under the homeownership option.
...
The family must provide the PHA with information on any satisfaction or payment of the mortgage debt.”
- 15-VII.K. Homeownership Assistance Payments and Homeownership Expenses
 - Updated language to include:
“The PHA does not have the discretion to exclude any of the listed homeownership expenses or to add any additional items.
...
The PHA may pay the homeownership assistance payments directly to the family, or at the PHA’s discretion, to a lender on behalf of the family. If the assistance payment exceeds the amount due to the lender, the PHA must pay the excess directly to the family.”
- 15-VII.M. Moving with Continued Assistance

- Updated language to read:
A family receiving homeownership assistance may move with continued tenant-based assistance or with voucher homeownership assistance.

The PHA must determine that all initial requirements have been satisfied if a family that has received homeownership assistance wants to move with continued homeownership assistance. However, the following do not apply:

- The requirement that a family must be a first-time homeowner is not applicable.
- The requirement for pre-assistance counseling is not applicable. However, the PHA may require that the family complete additional counseling (before or after moving to a new unit with continued homeownership assistance).

Continued tenant-based assistance for a new unit cannot begin so long as any family member holds title to the prior home. However, when the family or member of the family is or has been the victim of domestic violence, dating violence, sexual assault or stalking and the move is needed to protect the health or safety of the family or family member (or any family member has been the victim of a sexual assault that occurred on the premises during the 90-calendar-day period preceding the family’s request to move), such family or family member may be assisted with continued tenant-based assistance even if they own any title or other interest in the prior home.

- 15-VII.N. Denial or Termination of Assistance
 - Updated language to include:
“Homeownership assistance for a family automatically terminates 180 calendar days after the last homeownership assistance payment on behalf of the family. However, a PHA may grant relief from the requirement in those cases where automatic termination would result in extreme hardship for the family.

Chapter 16 – Program Administration

- Part I: Administrative Fee Reserve
 - Updated language to include:
“In addition, as specified in Notice PIH 2022-18, PHAs may use administrative fee funding for both administrative and “other expenses” needed to employ strategies and undertake activities beyond regular administrative responsibilities to facilitate the successful leasing and use of housing choice vouchers by families, such as through the use of security deposit assistance and landlord recruitment and incentive payments, among other allowable expenses specified in the notice. PHAs are also permitted to use UNP for these expenses [Notice PIH 2022-18].”
- 16-II.B. Payment Standards
 - Updated Commerce Policy to read:
“Commerce will review the appropriateness of the payment standards on an annual basis when the new FMR is published. In addition to ensuring the payment standards are always generally within the following basic range, which is 90% up to 110% of the FMR.

Changes to payment standard amounts will be effective on January 1st of every year.

In the event Commerce is approved for a Payment Standard above 110% of FMR, the effective date of the increased payment standard will be no later than 30 calendar days

from the date of the approval or in accordance with the terms of the increased Payment Standard approval notice.

Changes to payment standard amounts will be effective on January 1st of every year.

MDOC received a waiver to utilize 120% of the FMR for payment standard, in effect from July 1, 2022 through December 31, 2022. Commerce received a waiver to utilize 120% of the FMR for the payment standard from January 1, 2023, through December 31, 2023.”

- Updated Exception Payment Standards to include:
“In addition, HUD allows PHAs to establish a HUD-Veterans Affairs Supportive Housing (HUD-VASH) exception payment standard. PHAs may go up to but no higher than 120 percent of the FMR or SAFMR specifically for VASH families. PHAs who want to establish a VASH exception payment standard over 120 percent must still request a waiver from HUD (See Section 19-III.E.)”
- 16-II.C. Utility Allowances
 - Updated Air Conditioning Commerce Policy to read:
“Commerce has included an allowance for air-conditioning in its schedule.”
- 16-III.B. Informal Reviews
 - Updated Schedule an Informal Review Commerce Policy to read:
“A request for an informal review must be made in writing and delivered provided to Commerce either in person, e-mail, fax, or by first class mail, by the close of the business day, post-marked no later than 20 calendar days from the date of Commerce’s notice of denial of assistance.

Commerce must schedule and send written notice of the schedule an informal review and issue a written response within 20 calendar days of receipt of the family’s request.”

- 16-IV.A. Overview
 - Updated language to read:
“PHAs are required to include in the administrative plan, policies concerning repayment by a family of amounts owed to the PHA [24 CFR 982.54]. The PHA, at its discretion, may offer a family the opportunity to enter an agreement to pay amounts owed to a PHA or amounts paid to an owner by a PHA. The PHA may prescribe the terms of the agreement [24 CFR 982.552(c)(1)(vii). This part describes the PHA’s policies for recovery of monies owed to the PHA by families or owners.”
- 16-IV.B. Repayment Policy
 - Updated Owner Debts to the PHA Commerce Policy to read:
“Any amount due to Commerce by an owner must be repaid by the owner within 30 days of Commerce’s determination of the debt.

If the owner fails to repay the debt within the required time frame and is entitled to future HAP payments, Commerce will reduce the future HAP payments (off-sets can be for other participant’s HAP as well) by the amount owed until the debt is paid in full, or in its sole discretion, Commerce may enter into a repayment agreement with the owner if requested.

If the owner is not entitled to future HAP payments Commerce may, in its sole discretion, offer to enter into a repayment agreement on terms prescribed by the PHA.

If the owner refuses to repay the debt, does not enter into a repayment agreement, or breaches a repayment agreement, Commerce will ban the owner from future participation in the program and pursue other modes of collection.

When an owner refuses to repay monies owed to Commerce, Commerce may utilize other available collection alternatives including, but not limited to, the following:

- Collection agencies,
 - Small claims court,
 - Civil lawsuit, and/or
 - State income tax off-set program.
- Updated Family Debts to the PHA section to include:
“Families are required to reimburse the PHA if they were charged less rent than required because the family either underreported or failed to report income. PHAs are required to determine retroactive rent amounts as far back as the PHA has documentation of family unreported income [Notice PIH 2018-18].”
 - Created Refusal to Enter into an Agreement section and it reads:
“If the family refuses to repay the debt, does not enter into a repayment agreement, or breaches a repayment agreement, the PHA must terminate assistance [Notice PIH 2018-18].”

Commerce Policy

When a family refuses to repay monies owed to the PHA, in addition to termination of program assistance, Commerce may utilize other available collection alternatives including, but not limited to, the following:

- Collection agencies,
 - Small claims court,
 - Civil lawsuit, or
 - State income tax off-set program.”
- Updated the Payment Thresholds Commerce Policy to read:
“Commerce will follow guidance in Notice PIH 2018-18.

Commerce may require families to pay the difference between their current contribution percentage and 40% of their adjusted monthly income towards the repayment of debts owed. If a family is paying 40% or more of its adjusted monthly income, Commerce will require a minimum repayment of \$10 a month towards the debts owed. Commerce, in its sole discretion, may negotiate and renegotiate the repayment terms.”

- Updated the Repayment Agreements Terms language to include:
“All repayment agreements must be in writing, dated, signed by both the family and the PHA, include the total retroactive rent amount owed, any amount of lump sum payment made at time of execution, if applicable, and the monthly repayment amount.”
- 16-VI.B. Record Retention
 - Added the following language:
“The PHA must keep the last three years of the Form HUD-50058 and supporting documentation during the term of each assisted lease, and for a period of at least three years from the end of participation (EOP) date [24 CFR 908.101].”

The PHA must maintain Enterprise Income Verification (EIV) system Income Reports in the tenant file for the duration of the tenancy but for a period not to exceed three years from the EOP date [Notice PIH 2018-18].”

- 16-IX.C. Notification
 - Updated the Notification to Program Applicants and Participants Commerce Policy to remove:
“...and at the time the family is admitted to the program.”
 - Updated the Notification to Owners and Managers Commerce Policy to read:
“Commerce will provide owners and managers with information about their rights and obligations under VAWA when they begin their participation in the program and if an update is necessary.”

Chapter 17 – Project-Based Vouchers

- 17-I.A. Overview
 - Updated language in Additional Project-Based Units to read:
“PBV units that house eligible youth receiving FUPY/FYI assistance are also covered by this 10 percent exception authority if the units are under a HAP contract that became effective after December 27, 2020, and if the unit is occupied by an eligible youth receiving FUPY/FYI assistance. FYI TPVs that were awarded under Notice PIH 2019-20 are not part of this exception since PHAs are prohibited from project-basing FYI TPVs. Units added after December 27, 2020, through an amendment of a HAP contract that became effective after December 27, 2020, are eligible for this 10 percent exception authority. In contrast, units added after December 27, 2020, through an amendment of a HAP contract that became effective on or prior to December 27, 2020, are not eligible for this 10 percent exception authority [FR Notice 1/24/22]. See Chapter 19 for policies specific to project-basing FUPY vouchers.”
- 17-II.F. Cap on Number of PBV Units in Each Project
 - Updated Exceptions to 25 Percent per Project Cap section to include:
“Under the Fostering Stable Housing Opportunities (FSHO) amendments, units exclusively made available to youth receiving FUPY/FYI assistance may be excepted from the project cap for HAP contracts first effective after December 27, 2020. For more information on excepted units for FUPY, see Chapter 19.
- 17-III.D. Inspection Units
 - Updated Annual/Biennial Inspections language to include:
“The PHA also has the option in certain mixed finance properties to rely on alternative inspections conducted at least triennially.”
- Exhibit 17-I: PBV Development Information
 - Added language to the PBV Units to read:
Structure Type: [Identify the structure type, i.e., Single Family Detached, Duplex or Two Family, Row House or Town House, Low Rise (3, 4 Stories, including Garden Apartment), Highrise (5 or more stories).]
Housing Type: [Identify if the units are an Independent Group Residence or Single Room Occupancy].

UTILITY RESPONSIBILITY

[Enter in Accordance with the HAP Exhibit C]

Utility	Fuel Type (Gas, Electric, Oil, Coal, Other)	Paid By (Tenant/Owner)	Provided By (Tenant/Owner)
Heating	Electric	Tenant	Owner
Cooking	Electric	Tenant	Owner
Water Heating	Electric	Tenant	Owner
Other Electric		Tenant	Owner
Water		Owner	Owner
Sewer		Owner	Owner
Trash Collection		Owner	Owner
Air Conditioning		Tenant	Owner
Refrigerator			
Range/Microwave			
Other (specify)			

Chapter 18 – Project Based Vouchers (PBV) Under the Rental Assistance Demonstration (RAD) Program

- 18-VI.B Lease
 - Added language to Lease Requirements to read:

“For any family admitted following conversion, the lease must specify what will happen if the family elects to remain in its unit after increasing its unit after increasing its income such that it requires zero HAP. Specifically, the lease must make clear how the tenant rent will be calculated, and it must address the transition to a new lease.”
 - Added language to Continuation of Housing Assistance Payments to read:

“Per the RAD Use Agreement, the owner may charge the family a rent that does not exceed 30 percent of 80 percent of the area median income. If a unit is removed from the RAD PBV HAP contract, then the lease terminates automatically, as stated in the tenancy addendum, as though the RAD PBV HAP contract had been terminated. The tenant must be offered a new lease, which must reflect the new tenant rent. A tenant in this circumstance is no longer a program participant and therefore no longer benefits from any of the rights or protections specific to RA, or to the PBV program. Should the family subsequently lose employment, the owner may choose to reduce the family’s rent, but if the family wished to be admitted to the HCV/PBV program, then it must be admitted through the Waiting List like any other applicant.”
 - Added language to Security Deposits to read:

“If a tenant residing in a converting project has not previously provided a security deposit, then the owner may collect a security deposit at the time of initial lease execution.”
- 18-VI.E. Moves
 - Updated the Choice Mobility section to read:

“Under RAD PBV, the choice mobility option provides families with the opportunity to move with continued assistance any time after 12 months of occupancy. All residents in converted properties should be aware of their housing mobility rights and of their options in a range of neighborhoods.

Commerce Policy

To ensure that residents are fully aware of and understand their rights under choice mobility, MDOC will inform families of their rights under the choice mobility option and the benefits to moving to lower poverty areas, and provide a summary of the steps

necessary to exercise this option, at the time the family signs the lease for the RAD PBV unit and during their annual recertification.

Information on choice mobility will be made accessible to persons with disabilities ensuring any information, electronic or otherwise, is accessible for persons with vision, hearing, and other disabilities upon request. This information will also be made available in accordance with the Limited English Proficiency (LEP) requirements, including document translation and user interpretation services. See Chapter 2 for a more thorough discussion of accessibility and LEP requirements.”

- Updated the Commerce Policy to include:
“Commerce will not subject RAD PBV families applying for choice mobility vouchers to any additional rescreening requirements in order to receive a tenant-based voucher.

Families exercising choice mobility will not be required to vacate their units before a lease has been entered into using their tenant-based voucher. At the time Commerce issues a choice mobility voucher, Commerce will notify the family of their rights to remain in their unit if they are unable to find a rental unit using the tenant-based voucher.”

- 18-VII.B. Adjusting Contract Rents

- Updated language to read:
“RAD PBV contract rents are adjusted differently than contract rents in the standard PBV program. At each annual anniversary of the HAP contract, contract rents will be adjusted only by HUD’s operating cost adjustment factor (OCAF) that is applied to the current contract rent, less the portion of the rent paid for debt service, subject to the availability of appropriations for each year of the contract term.

...

The PHA who administers the contract (directly or via an independent entity) must maintain records to demonstrate how OCAF amounts were determined and how rent adjustments were calculated. HUD approval of rent adjustments is not required.

Properties are eligible to receive prior years’ OCAF adjustments for years in which the OCAF was not taken. The OCAF must be applied retroactively if it was missed. The PHA administering the contract (or the independent entity) must make sure that all OCAFs have been applied correctly since the RAD closing and calculate the current rents accordingly, including making sure that the RAD PBV contract rents do not exceed the PBV program caps.

Commerce Policy

The owner will request a contract rent adjustment from Commerce within 120 days, but no less than 60 days, prior to the HAP contract anniversary date by submitting a completed OCAF rent adjustment worksheet (Form HUD-9624). The independent entity will validate the data on the form and determine whether the rent exceeds the reasonable rent charged for comparable unassisted units in the private market, in accordance with 24 CFR 983.303. If rents would be unreasonable following application of the requested OCAF, then the rent will only be increased up to the reasonable rent. The independent

entity will notify Commerce in writing of the results of its review of the rent adjustment request. Commerce will retain a copy of the worksheet and any other records necessary to demonstrate how the OCAF was used to make rent adjustments for audit purposes. The approved rent adjustment will go into effect via written notice from Commerce to the owner. This notice will constitute an amendment to the rents specified in Exhibit A of the RAD PBV HAP contract. The new rents to owner will take effect on the date of the contract anniversary.”

- 18-VIII.D. Phase-in of Tenant Rent Increases

- Updated Commerce Policy to read:
Commerce Policy

Commerce will implement a three-year phase-in for in-place families whose TTP increases by more than the greater of 10 percent or \$25 purely as a result of the conversion as follows:

Year 1: Any reexamination (interim or annual) performed prior to the second annual reexamination after conversion: 33 percent of the difference between the most recently paid TTP and the currently calculated PBV TTP

Year 2: Year 2 annual reexamination and any interim reexamination: 50 percent of the difference between the most recently paid TTP and the currently calculated PBV TTP

Year 3: Year 3 annual recertification and all subsequent reexaminations: Full calculated TTP

Once the standard TTP is equal to or less than the previous TTP, the phase-in ends and tenants will pay full TTP from that point forward.

If the family’s income falls during the phase-in period such that the currently calculated PBV TTP falls below the amount that would otherwise be the phased-in rent, the family pays the currently calculated PBV TTP and the phase-in ends.”

Chapter 19 – Family Self Sufficiency Action Plan

- No substantial edits.

Chapter 20 – Emergency Housing Vouchers

- 20-I.B. Service Fees

- Updated Commerce Policy to read:
“Commerce will not provide utility arrears and utility deposit assistance to EHV participants. EHV participants requiring assistance with utility arrears and utility deposit assistance are encouraged to seek assistance from other available programs.

Commerce may provide landlord mitigation funds and other incentive programs for EHV participant landlords while funding is available.”

- 20-II.A. Continuum of Care

- Updated the Commerce Policy to read:

“For the purpose of this Admin Plan the CoC and Coordinated Entry agencies will be referred to as referral agencies.”

- 20-II.B. Other Partnering Organizations
 - Updated Commerce Policy to read:
“Commerce may partner with other organizations at its own discretion.”
- 20-II.C. Referrals
 - Updated CoC and Partnering Agency Referrals Commerce Policy to read:
“The referral agencies have established the following referral priorities for EHV eligible individuals and families:
 1. Who are recently homeless and for whom providing rental assistance will prevent the family’s homelessness or having a high risk of housing instability;
 2. Who are at-risk of homeless;
 3. Who are fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking; or
 4. Who are homeless.”

The referral agencies must certify that the EHV applicants they refer to Commerce meet at least one of the four EHV eligibility criteria listed above. Commerce will maintain a copy of the referral or certification from the referral agencies in the participant’s file along with other eligibility paperwork. Homeless service providers may, but are not required to, use the certification form found in Exhibit EHV-1. Victim services providers may, but are not required to, use the certification form found in Exhibit EHV-2 when identifying eligible families who qualify as victims of domestic violence, dating violence, sexual assault, stalking, and/or human trafficking.

As part of the MOU, Commerce and the referral agencies will identify agencies to serve as lead EHV referral agencies. These agencies will be responsible for transmission and acceptance of referrals. Within 14 calendar days of receiving the completed referral packet the referring agency will transmit the packet to Commerce for processing. The referral agencies must commit sufficient staff and resources to ensure eligible individuals and families are identified and determined eligible in a timely manner.

Commerce is responsible for processing referrals from the referral agencies. Commerce will track and notify the referral agencies of the number of available EHV’s.”

- 20-IV.A. Overview
 - Updated Commerce Policy to read:
“The referral agencies will conduct the verification process and provide documentation to establish which of the four EHV eligibility categories that a family or individual meet.”
- 20-IV.E. Social Security Number and Citizenship Status
 - Updated Commerce Policy to include:
“The Commerce contracted Field Agency will coordinate with the referral agency to obtain the required eligibility documentation.”
- 20-V.A. Initial Voucher Term
 - Updated Commerce Policy to include:

“...unless by reasonable accommodation.”

- 20-V.B. Housing Search Assistance
 - Updated the Commerce Policy to include:
“The Field Agencies are not eligible for housing search assistance reimbursements.”
- 20-V.E. Portability
 - Updated the Nonresident Applicants Commerce Policy to read:
“EHV applicants must be reviewed and determined eligible prior to receiving a voucher. Once an EHV family receives their voucher they may request to port their voucher to another jurisdiction.”

Chapter 21 – Family Self-Sufficiency Program and Action Plan

- Incorporated the plan as part of the Administrative Plan and removed the previous version of Chapter 19 Family Self-Sufficiency Action Plan.