Community Development Division

Housing Trust Fund Program

Rental Housing Application Guidelines

Applications due October 12, 2018

DOCCDD@mt.gov

http://comdev.mt.gov/Programs/HTF
Table of Contents

I. Introduction

II. Eligible Applicants

III. Eligible Projects

IV. Additional Considerations for Eligible Applicants

V. Administrative Procedures and Requirements

VI. Application Submission

Appendix A Phase One Application
Appendix B HTF Certification for Application
Appendix C Resolution to Authorize Submission of an HTF Application
Appendix D Phase Two HTF Scoring, Priority A-F, and Priority Questions
Appendix E HTF Poverty Priority Per County

Alternative accessible formats of this document will be provided upon request. If you need this document in an alternative format, such as large print, Braille, audio tape, or computer diskette, please contact the Montana Department of Commerce Community Development Division at (406) 841-2770, TDD (406) 841-2702, or the Relay Services number, 711.

The Montana Department of Commerce does not discriminate on the basis of disability in admission to, access to, or operations of its program, services, or activities. Individuals, who need aids or services for effective communication or need other disability-related accommodations in the programs and services offered, are invited to make their needs and preferences known. Please provide as much notice as possible for requests.
PROJECT GRANT APPLICATION GUIDELINES FOR HOUSING TRUST FUND ACTIVITIES

I. Introduction

The Housing Trust Fund (HTF) Program is an affordable housing production program administered by the Montana Department of Commerce (MDOC) Community Development Division (CDD) that will complement existing federal, state and local efforts to increase the supply of decent, safe, and sanitary affordable housing for extremely low income (ELI) families, particularly the homeless, disabled, elderly, and other disadvantaged populations. The HTF Program will help qualified subgrantees and recipients direct funds to foster and maintain the construction, rehabilitation, and preservation of affordable rental housing for Montana’s most vulnerable families. The HTF Program grant application guidelines, the project grant administration manual, and other relevant information and resources are available on the CDD website https://comdev.mt.gov/Programs/HTF. Interested persons may also e-mail CDD staff at DOCDD@mt.gov or call (406) 841-2770, Montana Relay Service at (406) 841-2702, or 711 regarding any questions they may have about the HTF Program.

The U.S. Department of Housing and Urban Development (HUD) distributes HTF Program funds to MDOC, which awards grants to eligible subgrantees and recipients in accordance with the 2015-2020 Consolidated Plan and most recent version of the MDOC Annual Action Plan. MDOC allocates approximately $2,700,000 of its annual HUD award to qualified HTF Program activities. These application guidelines establish the process for obtaining HTF funds and are available at https://comdev.mt.gov/Programs/HTF.

CDD will begin reviewing applications October 12, 2018. CDD will then rank the applications and make recommendations to the MDOC Director, who will make the final grant awards decision. Applicants may submit applications after October 12, 2018 and will be considered for funding if additional funds are available.

II. Eligible Applicants

Montana’s entitlement communities (Billings, Great Falls, and Missoula) and non-profit organizations are eligible to apply for HTF funding, alone or in partnership. Non-entitlement local governments may apply in partnership with an eligible entity. Non-profit organizations must have an Internal Revenue Service 501(c)(3) or 501(c)(4) non-profit designation to be an eligible recipient of HTF funds. Partner organizations may include for-profit entities, other non-profit organizations, community housing development organizations, human resource development councils, and public housing authorities.1

III. Eligible Projects

HTF funding must be used to develop affordable rental housing for households with extremely low incomes. HTF-assisted units are anticipated to be a part of a project that also contains non-HTF-assisted units.

Eligible Project Activities

Eligible project activities include, but are not limited to:

1 HTF funds may be used for affordable housing in a project that contains public housing units, as long as the HTF funds are not used for the public housing units.
• Demolition and reconstruction of existing substandard housing that is not suitable for rehabilitation, or of non-residential structures that are not suitable for conversion to housing units;
• Site improvements, such as landscaping, paving, sidewalks, curbs and gutters, on-site utilities;
• Construction of new housing units;
• Rehabilitation of existing substandard housing, including manufactured housing, that is suitable for rehabilitation;
• Conversion of existing non-housing structures into housing units; and/or
• Reconstruction of an existing housing project.

New Construction and Reconstruction

All housing units newly constructed or reconstructed with HTF funds must meet Uniform Physical Conditions Standard (UPCS) and comply with all zoning ordinances and building codes adopted by the state and local government and align with HTF Building Design Standards. See Application Toolkit at http://comdev.mt.gov/Programs/HTF/Toolkit for more information. Subgrantees and recipients are required to adopt smoke-free requirements in all housing units and include the three basic visitability features: a zero-step entrance, doors with 32 inches of clear passage space, and a wheelchair-accessible half-bathroom on the main floor.

Rehabilitation

All housing units rehabilitated with HTF funds must meet HTF Building Design Standards. See Application Toolkit for more information. Subgrantees and recipients are strongly encouraged, to the extent possible, to adopt smoke-free requirements in all rehabilitation housing units and include the three basic visitability features: a zero-step entrance, doors with 32 inches of clear passage space, and a wheelchair-accessible half-bathroom on the main floor.

Ineligible Project Activities

Single-family housing activities and projects under construction prior to notice of award are not eligible for HTF funding. HTF funds cannot be used to rehabilitate housing for existing homeowners or for transitional housing. HTF funds may not be used for expansion of public housing.

IV. Other Considerations

Period of Affordability

HTF projects must have at least a 30-year period of affordability, during which the property must meet income-eligibility and rent limit requirements. During the period of affordability, the subgrantee or recipient will need to provide certification of compliance that income-qualified households occupy the

---

2 "Substandard not suitable for rehabilitation" means any housing unit or a building containing housing units where the estimated cost of making the needed replacements and repairs is greater than or equal to 75 percent of the estimated cost of new construction of a comparable unit or units.

3 "Substandard suitable for rehabilitation" means any housing unit or a building containing housing units where the estimated cost of making necessary replacements and repairs is less than 75 percent of the estimated cost of new construction of a comparable unit or units.

4 Rebuilding after a fire, flood, or other natural disaster.
HTF units. The project must have a well-reasoned approach and appropriately documented its ability to remain occupied throughout the period of affordability.

**Underwriting and Subsidy Layering**

MDOC will consider the financial viability of the proposed project to ensure that:

- The grant will only be the amount necessary to provide quality affordable housing that is financially viable for at least the statutorily-required period of affordability; and
- The sources and uses of funds (including any operating cost assistance and reserves) for the project are reasonable and will not result in an undue profit.

All funded HTF activities must meet HTF requirements, including the HOME program’s maximum per-unit development subsidy limit for housing assisted with HTF funds. The State has elected to use maximum per-unit subsidy limits for the HOME program (24 CFR 93.300(a)), which are calculated using the Uniform Application Form for Montana Housing Programs, available on the HTF website.

**Match**

No match is required for the use of HTF funds, but MDOC will carefully consider applications that leverage other funding sources to achieve the goals of HTF.

**Eligible and Ineligible Project Expenses**

Project activities eligible for reimbursement with HTF funding include, but are not limited to:

- Expenses that directly relate to construction or rehabilitation activities that implement the scope of work identified in the HTF grant contract, including materials, labor, land acquisition, and permanent furnishings, equipment, and fixtures;
- Professional services that directly relate to design activities that implement the scope of work identified in the HTF grant contract;
- Costs associated with financing, such as insurance premiums, title and recording, and financing fees;
- Relocation costs for tenants who are temporarily relocated up to a year during rehabilitation;
- Planning and design costs associated specifically with the project, including architecture and engineering fees and costs for other professional services directly related to the construction or rehabilitation of the project;
- Costs to construct or rehabilitate community facilities for the use of project residents and located within the same building as the HTF-funded housing units.
- Costs to provide broadband internet access and to construct common space prorated based on the percentage of total HTF-assisted units.
- Operating reserves of rental housing constructed or rehabilitated with HTF funds, under very specific circumstances.

Expenses that are not eligible for HTF grant funding include, but are not limited to:

- Operation and maintenance costs, except as specifically allowed above;
- Temporary furnishings, fixtures, or equipment;
- Any unauthorized costs incurred prior to the date identified in the Notice of Award letter;
- Assistance to a project previously assisted with HTF funds during the affordability period;
- Acquisition of property owned by the State of Montana;
- Delinquent taxes, fees, or charges on properties to be assisted with HTF funds;
- Political activities, advocacy, lobbying, counseling services, travel expenses, and preparing or providing advice on tax returns;
• Infrastructure outside of the HTF project property;
• Rental subsidies;
• Administration, outreach, or other costs to manage and operate the HTF subgrantee or recipient;
or
• Any other ineligible cost listed in the HTF regulations.

Manufactured Housing
If HTF funds are used to acquire and/or rehabilitate manufactured homes for rental, or to acquire land to
develop or relocate manufactured homes for rental, the manufactured housing must be secured by a
foundation system capable of transferring all design loads to the ground and which meets the
requirements of 24 CFR Part 3280, and all units must have an affixed certification label that certifies
conformance with the Federal Manufactured Home and Safety Standards.

Lead-Based Paint
HTF units must meet HUD standards for lead-based paint (LBP) mitigation. Any contractor or subcontractor
engaged in renovation, repair, and any activity that disturbs LBP in units built before 1978 must be certified
and follow specific work practices to prevent lead contamination. For units built before 1978, subgrantees
and recipients must provide proper notice to tenants, which includes distributing the Protect Your Family
from Lead in Your Home brochure. Tenants must sign the Disclosure of Information on Lead Based Paint
form to acknowledge receipt of information pertaining to LBP. In addition to complying with Title X of the
Residential Lead Based Paint Hazard Reduction Act of 1992, UPCS inspections will be performed at HTF-
assisted rental properties throughout the state.

Displacement, Relocation, and Acquisition
The subgrantee or recipient must ensure that it has taken all reasonable steps to minimize the
displacement of persons (families, individuals, businesses, non-profit organizations, and farms) because
of a project assisted with HTF funds. To the extent feasible, displaced residential tenants must be provided
a reasonable opportunity to lease and occupy a suitable, decent, safe, sanitary, and affordable dwelling
unit in the building/complex upon completion of the project.

Conflict of Interest
No employee, officer, or agent may participate in the selection, award, or administration of a contract
supported by a Federal award if he or she has a real or apparent conflict of interest.

Federal Funding Accountability and Transparency Act
HTF assistance provided to subgrantees and recipients shall be considered a Federal award for purposes
of the Federal Funding Accountability and Transparency Act of 2006.

Eminent Domain
HTF funds cannot be used in conjunction with property taken by eminent domain, unless eminent domain
is employed only for a public use, except that, public use shall not be construed to include economic
development that primarily benefits any private entity.

Energy Conservation
MDOC will review the proposed project’s design for energy efficiency measures including solar
deployment and other on-site renewable energy installations that are aligned with the Federal Renewable
Energy Target (FRET).
See https://www.hud.gov/program_offices/economic_development/eegb/renew300.
The National Renewable Energy Laboratory (NREL) online tools at http://www.nrel.gov/ may be used by
applicants, as well as CDD staff, to calculate potential energy production, financial and economic impacts and solar data.

**Public Participation Process**
To receive HTF funds, applicants for grants must carry out citizen participation in a manner that complies with the 2015-2020 Montana Consolidated Plan. MDOC encourages applicants to engage with their stakeholders, e.g. community organizations, the public, housing partners, through informal meetings or planning sessions that make information available, inform of the design of their proposed HTF activity, and otherwise contribute to a meaningful citizen participation process. Applicants should retain documentation, including posters, agendas, sign-ins, presentations materials and handouts, photos, and survey responses resulting from or generated for such meetings and sessions.

**Affirmative Fair Housing Marketing Plan (AFHMP)**
Each HTF project must include a complete AFHMP that will guide marketing of the units within the HTF-assisted project, to assure fair and equitable opportunities for housing. A fillable .pdf of the required AFHMP form can be downloaded from the HUD portal at: https://portal.hud.gov/hudportal/documents/huddoc?id=935-2a.pdf. During the Period of Affordability for all HTF-assisted projects, implementation of the AFHMP must be documented and the documentation must be retained for review.

**V. Administrative Procedures and Requirements**
The Grantee will comply with all applicable parts of the Housing and Community Development Act of 1974, as amended, 42 U.S.C. §§ 5301, et seq.; the applicable Department of Housing and Urban Development (HUD) regulations, including but not limited to 24 CFR Part 570 and Form HUD-4010, as now in effect or as may be amended during the term of this Contract, and all administrative directives and procedures that may be established or amended by the Department for the Program, including the most current version of the CDBG/NSP Grant Administration Manual; and all other applicable local, state, and federal laws, regulations, administrative directives, procedures, ordinances, or resolutions.

**VI. Application Submission**
HTF Program applicants must submit one (1) hard copy and one (1) electronic copy of the full HTF application, as described below. The hard copy of the full HTF application submittal must be postmarked or delivered to the Montana Department of Commerce on or before October 12, 2018, at:

Community Development Division  
Montana Department of Commerce  
301 South Park Ave  
P.O. Box 200523  
Helena, MT 59620-0523  
DOCCDD@mt.gov

Applicants will preferably submit the electronic copy of the full HTF application through the State File Transfer Service at https://transfer.mt.gov, but may submit by CD, DVD, or compressed file by email. To use the file transfer service, create an account in the transfer service, upload the files, and email the transfer to DOCCDD@mt.gov no later than the close of business on October 12, 2018. Please include the
name of the applicant and ‘HTF’ in files uploaded to the transfer service. Note that applications received after October 12, 2018 will be considered for funding if funds are available.

Applicants that plan to commence a project before it has been awarded HTF grant funding should discuss their plans with program staff to ensure they do not take any steps that could violate the various federal and state laws and programmatic requirements that apply to projects involving HTF funds. Some project activities, such as land acquisition, are subject to HTF regulations even if performed prior to the submission of an application for HTF funding or receiving an award of HTF funds.

**Phase One Application**

Applicants that submit responses to the Phase One and Phase Two Applications prior to the October 12, 2018 deadline will be reviewed at that time. CDD staff will provide feedback to Phase One submittals within 30 days of receipt. Applications received after October 12, 2018 will be considered for funding if additional funds are available. See Appendix A for the Phase One Application.

**Phase Two Application**

A complete Phase Two HTF application must include the following sections, as applicable.

1. **Table of Contents**

2. **a. Certification for Application to the HTF Program (see Appendix B)**
   
3. **b. Resolution to Authorize Submission of a HTF Application (see Appendix C)**

3. **Uniform Application for Montana Housing Loan, Grant, and Tax Credit Programs**

   Each applicant must provide a completed copy of the current Uniform Application Form for Montana Housing Programs: [http://housing.mt.gov/UniformApplication#](http://housing.mt.gov/UniformApplication#). Each relevant section that is a confirmed or proposed funding source must be completed. If an applicant or partner is a non-profit or for-profit organization that currently owns and operates the rental housing, or will own and operate a proposed housing project, the financial information on the Uniform Application must include the information for the organization as well as a copy of the organization’s IRS Form 990 (if non-profit organization) or tax returns (for-profit corporation) for the three most recent years of operation. Please redact federal identification numbers from these documents.

4. **Responses to Priority Questions for all Proposals (see Appendix D)**

5. **Documentation to Support Appendix D – Responses to Priority Questions**

   The applicant should provide documentation and sources of supporting data for all information and responses provided in the Uniform Application and Phase Two Application. If referencing a larger document available on the internet, the applicant should include hard copies of relevant pages of documents, with a web address to the complete document. If a survey or other original research was conducted to support the application, the methodology must be described and a copy of the research or survey form and a composite summary of all responses must be submitted.
6. **Preliminary Architectural Report (PAR) or Capital Needs Assessment (CNA)**

For New Construction or Significant Rehabilitation:\(^5\):
The applicant may provide a copy of a Preliminary Architectural Report that thoroughly addresses the requirements in the CDD PAR Requirements available in the Application Toolkit located at: http://comdev.mt.gov/Programs/HTF/Toolkit.

For Standard Rehabilitation:
The applicant must provide a copy of a Capital Needs Assessment that thoroughly addresses all the issues identified in the CDD CNA Requirements available in the Application Toolkit located at: http://comdev.mt.gov/Programs/HTF/Toolkit.

7. **Residential Anti-displacement and Relocation Assistance Plan (if applicable)**

The Uniform Relocation Act (URA) requirements apply when HTF funds are proposed for acquisition, demolition, or rehabilitation of any property or structures. If applicants are proposing the use of HTF funds for property or structures already occupied by residential households, a General Information Notice (GIN) should be sent as soon as possible (even prior to application) to all occupants informing them the land on which they reside or the building they occupy is being considered to receive HTF assistance and informing them there is no intent to evict the occupants or involuntarily relocate them because of the proposed HTF activity.

Each application for HTF funds for acquisition, demolition, or rehabilitation of any property or structures must be accompanied by a Residential Anti-displacement and Relocation Assistance Plan, which provides the policy the applicant will follow if project activities trigger the URA. See the Application Toolkit for a template for a Residential Anti-displacement and Relocation Assistance Plan.

8. **Draft Management Plan**

Each application for HTF funds must be accompanied by a draft project construction management plan that identifies all project partners and their capacity, responsibilities, and roles. See Application Toolkit for a Construction Management Plan template.

Each application for HTF funds must be accompanied by a draft rental operation plan that identifies the individuals (by name and/or title) who will be responsible for the long-term operation of the project from construction completion through the full period of affordability. See Application Toolkit for a template Rental Housing Operation Plan.

---

\(^5\) Definitions for Rehabilitation are provided in the CNA Requirements, which is available in the Application Toolkit at http://comdev.mt.gov/Programs/HTF/Toolkit
Appendix A:

Phase One HTF Application
<table>
<thead>
<tr>
<th>Activity Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intended Grant Applicant Information</td>
</tr>
<tr>
<td>Name</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Intended Partner (Developer) Information</td>
</tr>
<tr>
<td>Name</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Name of Proposed Project</td>
</tr>
<tr>
<td>Type of Proposed Project</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Who currently owns site</td>
</tr>
<tr>
<td>Projected Start Date</td>
</tr>
<tr>
<td>Projected End Date</td>
</tr>
</tbody>
</table>

---

^6 Rebuilding a residential or non-residential facility after a fire, flood, or other natural disaster.

^7 Area Median Income
Phase One HTF Application

Provide a brief description of the proposed project. Include the location, type of project, number and sizes of units, and the income levels of households to be served.

Project Requirements
Projects proposed for Housing Trust Fund (HTF) funding must meet all the following federal requirements. Initial each item to certify understanding and acceptance of each requirement. Applicants should be familiar with each requirement and how it will affect the proposed project; if there is a question about a requirement, contact CDD staff to discuss.

<p>| Projects may have a Preliminary Architectural Report (PAR) submitted with each application for HTF funds to be used for new construction projects. The PAR must be conducted by a certified, licensed architect. |
| Projects may have a Capital Needs Assessment (CNA) submitted with each application for HTF funds to be used for rehabilitation projects. The CNA must be conducted by a licensed, qualified professional. |
| Projects under construction prior to notice of award are ineligible for HTF funds. |
| 2017 HTF funds must be used only for housing units to serve qualified households of Extremely Low-Income (ELI), which are those whose incomes are below 30% of Area Median Income [§ 93.151]. |
| HTF subgrantees and recipients must meet all grant startup conditions within nine months of notice of award, and all HTF-funded projects must be completed and units occupied within four years of notice of award. |
| HTF requires a minimum 30-year period of affordability and the long-term financial feasibility of the project must be demonstrated for 30 years. If other funding sources require a lengthier period of affordability, the long-term financial feasibility must be demonstrated for that period. |
| HTF rent limits are the greater of HUD limits for those at 30% of AMI or 30% of poverty level. Current HUD rental limits are posted on MDOC’s HTF website. Rent limits include rent AND utilities. If the unit receives federal or state project-based rental subsidy, the maximum rent is the rent allowable under the rental subsidy program. |
| HTF uses the same maximum per-unit subsidy limit as currently established for the HOME program and is calculated using the HOME tab of the Uniform Application for Housing. |
| HTF will pay only a prorated share (based on the ratio of HTF units to non-HTF units) of the following items: common space construction, broadband wiring, direct administrative costs, and developer fees. |
| Upon completion and before occupancy, HTF units must be inspected by a state-certified UPCS inspector to meet all applicable State and local building codes, the International Existing Building Code of the International Code Council, and Uniform Physical Condition Standards (UPCS) [93.301(b)(1)]. UPCS inspection by a state-certified UPCS inspector will be required annually thereafter. |
| HTF units must meet HUD standards for lead-based paint mitigation [24 CFR, Part 35] and rehabilitation [24 CFR § 93.301(b)]. Rehabilitation projects must identify all life-threatening deficiencies and address them immediately for all occupied units. |
| HTF rental units must be evaluated by estimating the remaining useful life of all major systems (structural support, roofing, cladding and weatherproofing, plumbing, electrical, and HVAC) upon project completion. |</p>
<table>
<thead>
<tr>
<th><strong>HTF funds cannot be used to rehabilitate housing for existing homeowners or for transitional housing.</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HTF funds for public housing are limited to rehabilitation (with Montana Housing Tax Credit [HTC] funds) or replacement (with Montana HTC or Rental Assistance Demonstration funds), and not for expansion of public housing.</strong></td>
</tr>
<tr>
<td><strong>All units undergoing significant rehabilitation must adhere to CDD Minimum Housing Rehabilitation and Property Standards.</strong></td>
</tr>
<tr>
<td><strong>All projects must meet minimum standards for accessibility [24 CFR, Part 8; 28 CFR, Parts 35 and 36; 24 CFR § 100.205, as applicable; and 24 CFR § 100.205 as applicable]; new construction must provide minimum visitability features of at least one zero-step entrance, one first-floor wheelchair accessible half-bathroom, and first-floor door widths of 32 inches or greater.</strong></td>
</tr>
</tbody>
</table>
Appendix B:
HTF Certification for Application
The Applicant hereby certifies that:

It will comply with all requirements established by the Montana Department of Commerce (MDOC) and applicable state laws, regulations, and administrative procedures and accept all Montana Housing Trust Fund (HTF) program requirements.

It accepts the terms, conditions, selection criteria, and procedures established by the HTF program and expressly waives any statutory or common law right it may have to challenge the legitimacy and propriety of these terms, conditions, criteria, and procedures in the event that it is not selected for an award of HTF funds.

National Objective

It will complete a project that meets the ‘benefit to extremely low- and very low-income’ national objective, by granting at least 80 percent to rental housing, up to 10 percent for homeownership, and up to 10 percent for reasonable administrative and planning costs.

State Objectives

It will complete project activities that meet one or more of the goals and objectives established in the most current version of the Montana Consolidated Plan.

ACQUISITION, DISPLACEMENT AND RELOCATION

It will minimize displacement as a result of activities assisted with HTF funds and assist persons actually displaced. It will comply with:

- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (The Uniform Act) as amended, and the implementing regulations 49 CFR part 24. These laws and accompanying regulations require the recipient to provide relocation payments and offer relocation assistance to all persons displaced as a result of acquisition of real property for an activity assisted under the HTF program. Such payments and assistance must be provided in a fair and consistent and equitable manner that ensures that the relocation process does not result in a different or separate treatment of such persons on account of race, color, religion, national origin, sex, source of income, age, handicap, or familial status (families with children). The recipient must assure that, within a reasonable period of time prior to displacement, decent, safe and sanitary replacement dwellings will be available to all displaced families and individuals and that the range of choices available to such persons will not vary on account of their race, color, religion, national origin, sex, source of income, age, handicap, or familial status (families with children); and

- The subgrantee or recipient must also inform affected persons of their rights and of the acquisition policies and procedures set forth in the regulations of 49 CFR, Part 24, Subpart B, and found in the local government’s Anti-displacement and Relocation Assistance Plan.
- The Residential Anti-displacement and Relocation Assistance Plan adopted by the Montana Department of Commerce for the HTF program and the Anti-displacement and Relocation Assistance Plan adopted by the applicant.

**Building Standards**

It will require every building or facility (other than a privately owned residential structure) designed, constructed, or altered with funds provided under the HTF program to comply with standards outline in this application.

It will also comply with the accessibility requirements of 24 CFR part 8 and 28 CFR parts 35 and 36, and the Fair Housing Act (42 U.S.C. 3601-3619) as applicable. The applicant will be responsible for conducting inspections to ensure compliance with these specifications by the contractor.

**Citizen Participation**

It will comply with the detailed Citizen Participation Plan adopted by MDOC for the HTF program.

**CIVIL RIGHTS, EQUAL OPPORTUNITY, FAIR HOUSING REQUIREMENTS**

**Civil Rights**

It will comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4), and the regulations issued pursuant thereto (24 CFR Part 1), which provides that no person in the United States shall on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant received Federal financial assistance and will immediately take any measures necessary to effectuate this assurance. If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the applicant, this assurance shall obligate the applicant, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits.

**Equal Opportunity**

It will comply with 24 CFR Part 5, subpart A including the following:

- **24 CFR Part 107**, which provides prohibits discrimination against individuals on the basis of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with federal funds;

- **The Age Discrimination Act of 1975**, as amended (42 U.S.C. 6101 et seq.). The act provides that no person shall be excluded from participation, denied program benefits or subjected to discrimination on the basis of age under any program or activity receiving federal funding assistance;
• **Section 504 of the Rehabilitation Act of 1973**, amended (29 U.S.C. 794). The act provides that no otherwise qualified individual shall, solely, by reason of his or her disability, be excluded from participation (including employment), denied program benefits or subjected to discrimination under any program or activity receiving federal assistance funds;

• **Section 3 of the Housing and Urban Development Act of 1968** (12 U.S.C. 1701u) (24 CFR Part 135). Section 3 of the Housing and Urban Development Act of 1968 requires, in connection with the planning and carrying out of any project assisted under the Act, to the greatest extent feasible, opportunities for training and employment be given to lower-income persons residing within the unit of local government or the non-metropolitan county in which the project is located, and contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part, by persons residing in the project area. The subgrantee or recipient must assure good faith efforts toward compliance with the statutory directive of Section 3; and

• **Executive Order 11246**, as amended by **Executive Orders 11375 and 12086**, and the regulations issued pursuant thereto (24 CFR Part 130 and 41 CFR Chapter 60) prohibit a HTF recipient and subcontractors, if any, from discriminating against any employee or applicant for employment because of race, color, religion, sex or national origin. The subgrantee or recipient and subcontractors, if any, must take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action must include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training, including apprenticeship. The subgrantee or recipient and subcontractors must post in conspicuous places, available to employees and applicants for employment, notices to be provided setting for the provisions of this nondiscrimination clause. For contracts over $10,000 the subgrantee or recipient or subcontractors will send to each applicable labor union a notice of the above requirements, the subgrantee or recipient and subcontractors will comply with relevant rules, regulations and orders of the U.S. Secretary of Labor. The subgrantee or recipient or subcontractors must make their books and records available to State and federal officials for purposes of investigation to ascertain compliance.

**Fair Housing**

It will affirmatively further fair housing and will comply with:

• **Title VIII of the Civil Rights Act of 1968** (also known as The Fair Housing Act) (42 U.S.C. 3601 et seq.), as amended by the Fair Housing Amendments Act of 1988 and the regulations issued pursuant thereto. The law states that it is the policy of the United States prohibiting any person from discriminating in the sale or rental of housing, the financing of housing, or the provision of brokerage services, including in any way making unavailable or denying a dwelling to any person, because of race, color, religion, sex, national origin, disability, or familial status. HTF subgrantees and recipients must also administer programs and activities relating to housing and community development in a manner that affirmatively promotes fair housing and furthers the purposes of Title VIII; and
• Executive Order 11063, as amended by Executive Order 12259, requires HTF recipients to take all actions necessary and appropriate to prevent discrimination because of race, color, religion, creed, sex or national origin; in the sale, leasing, rental and other disposition of residential property and related facilities (including land to be developed for residential use); or in the use or occupancy thereof if such property and related facilities are, among other things, provided in whole or in part with the aid of loans, advances, grants or contributions from the federal government.

Prohibition Against Discrimination on Basis of Religion

It will comply with section 109(a) of the Housing and Community Development Act that prohibits discrimination on the basis of religion or religious affiliation. No person will be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part with HTF funds on the basis of his or her religion or religious affiliation.

Prohibition Against Excessive Force

It will, if awarded HTF funds, adopt and enforce a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations in accordance with Section 104(1) of the Housing and Community Development Act, as amended.

ADA Compliance

It will do a self-assessment of impediments to accessibility in compliance with the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. 12131-12189). Subgrantees and recipients are required to find a means of making HTF program activities and services accessible to persons with disabilities; to review their communities for impediments to disabled citizens; and develop a plan to address those impediments.

CONFLICT OF INTEREST

It will comply with the provisions of 2 CFR 200.318 or 24 CFR 93.353 as applicable and with sections 2-2-125, 2-2-201, 7-3-4367, 7-5-2106, and 7-5-4109, MCA, (as applicable) regarding the avoidance of conflict of interest.

ENVIRONMENTAL REQUIREMENTS

Air Quality

It will comply with the Clean Air Act (42 U.S.C. 7401, et seq.) which prohibits engaging in, supporting in any way or providing financial assistance for, licensing or permitting, or approving any activity which does not conform to the state implementation plan for national primary and secondary ambient air quality standards.

Environmental Impact

The undersigned certifies that, at project completion, the project will not have significantly impacted the
environment, and will be compliant with:

- environmental requirements under 24 CFR 93.301(f)(1) or (2);
- the requirements of Part 93 (including the property standards under 24 CFR § 93.301);
- document maintenance demonstrating that the project meets the HTF Environmental Provisions [§ 93.407(a)(2)(iv)];

- The specific requirements for historic preservation, archaeological resources, farmland, airport zones, Coastal Barrier Resource System, coastal zone management, floodplains, wetlands, explosives and hazards, contamination, noise, endangered species, wild and scenic rivers, safe drinking water, and sole source aquifers; and

- The National Environmental Policy Act of 1969 (42 U.S.C. Section 4321, et seq. The purpose of this Act is to attain the widest use of the environment without degradation, risk to health or safety, or other undesirable and unintended consequences. The subgrantee or recipient must certify that the proposed project will not significantly impact the environmental regulations and must fulfill its obligations to give public notice of environmental findings and compliance performance. A request for release of environmental conditions is not required under HTF.

When a local government is an HTF recipient, its chief executive officer or other officer of the applicant approved by the state:

1. consents to assume the status of responsible federal official under the National Environmental Policy Act of 1969 (NEPA) and other provisions of federal law, which further the purposes of NEPA, insofar as the provisions of such federal law apply to the HTF program; and

2. is authorized and consents on behalf of the applicant and himself to accept the jurisdiction of the Federal courts for the purpose of enforcement of his responsibilities as such an official.

Farmlands Protection

It will comply with the Farmlands Protection Policy Act of 1981 (7 U.S.C. 4202, et seq.) and activities must not result in the conversion of unique, prime, or statewide or locally significant agricultural properties to urban sites.

Floodplain Management and Wetlands Protection

It must:

- Avoid construction and other activities in the 100-year floodplain when practicable and if no practicable alternative is available to construction or other activities within the 100-year floodplain, then the structure must be elevated to at least the base flood elevation or flood proofed to one foot above the base flood elevation.

- Not conduct activities that adversely affect wetlands. Wetlands mean areas that are inundated by surface or ground water with a frequency sufficient to support, and under normal
circumstances, does or would support a prevalence of vegetative or aquatic life that requires saturated or seasonally saturated soil conditions for growth and reproduction (24 CFR 93.301(f)(1)(vii)(B)).

**Historic Preservation**

It will comply with:

- Section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. 470, as amended) through completion of the procedures outlined in 36 CFR 800 and 36 CFR 63. Project activities must not be performed on properties that are either listed in or determined eligible for listing in the National Register of Historic Places. Compliance with these procedures should include:

  1. consulting with the State Historic Preservation Office (SHPO) to identify properties listed in or eligible for inclusion in the National Register of Historic Places that exist with a proposed HTF project’s area of potential environmental impact, and/or to determine the need for professional archaeological, historical, or architectural inventory of potentially affected properties to determine whether they would qualify for register listing; and

  2. consulting, with the SHPO and THPO, Keeper of the National Register of Historic Places, and the Advisory Council on Historic Preservation to evaluate the significance of historic or prehistoric properties which could be affected by HTF work and to determine how to avoid or mitigate adverse effects to significant properties from project work.

**Lead-Based Paint**

It will comply with current requirements of Title X of the Residential Lead Based Paint Hazard Reduction Act of 1992. It will comply with the requirement found in section 24 CFR part 35. Both MDOC and DPHHS provide education and information on LBP hazards to parents, families, healthcare providers, grant recipients, and contractors. MDOC requires that any contractor or subcontractor engaged in renovation, repair and paint activities that disturb lead-based paint in homes, child and care facilities built before 1978 must be certified and follow specific work practices to prevent lead contamination. In addition to complying with Title X, UPCS inspections will be performed at rental properties assisted with HTF, HOME, Section 8, and other public rental properties throughout the state.

**Noise, Facility Siting**

It will comply with conducting all activities in a manner to ensure internal noise levels are no more than 45 decibels and external noise levels are no more than 65 decibels.

**Water Quality**

It will use only lead-free pipes, solder, and flux for projects with a potable water system and comply with:

- the Safe Drinking Water Act of 1974 (42 U.S.C. Section 201, 300(f) et seq. and U.S.C. Section 349), as amended, particularly Section 1424(e) (42 U.S.C. Section 300H-303(e)) which is intended to protect underground sources of water. No commitment for federal financial assistance can be entered into for any project which the U.S. Environmental Protection Agency determines may
contaminate an aquifer which is the sole or principal drinking water source for an area; and

- the Federal Water Pollution Control Act of 1972, as amended, including the Clear Water Act of 1977, Public Law 92-212 (33 U.S.C. Section 1251, et seq.) which provides for the restoration and maintenance of the chemical, physical and biological integrity of the nation's water.

Wildlife

It will comply with:

- the Endangered Species Act of 1973, as amended (16 U.S.C. 1531 et seq.). The intent of this Act is to ensure that all federally assisted projects seek to preserve endangered or threatened species. Federally authorized and funded projects must not jeopardize the continued existence of endangered and threatened species or result in the destruction or modification of habitat of such species which is determined by the U.S. Department of the Interior, after consultation with the state, to be critical; and

- the Fish and Wildlife Coordination Act of 1958, as amended, (U.S.C. 661 et seq.) which requires that wildlife conservation receives equal consideration and is coordinated with other features of water resource development programs.

Wild and Scenic Rivers

It will comply with the Wild and Scenic Rivers Act of 1968, as amended (16 U.S.C. 1271, et seq.). The purpose of this Act is to preserve selected rivers or sections of rivers in their free-flowing condition, to protect the water quality of such rivers and to fulfill other vital national conservation goals. Federal assistance by loan, grant, license or other mechanism may not be provided to water resources construction projects that would have a direct and adverse effect on any river included or designated for study or inclusion in the National Wild and Scenic River System.

FINANCIAL MANAGEMENT

It will comply with the applicable requirements of:

- 2 CFR part 200. It will maintain a financial management system that includes records to document compliance with Federal and State laws and regulations and the terms and conditions of the HTF program. The records must be sufficient to allow for the preparation of reports required by general and program-specific terms and conditions and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to Federal statutes and program requirements.

- 24 CFR part 93, subpart I. It will comply with the program administration requirements relating to the following: disbursement of funds, program income, uniform administrative requirements, cost principles, audits, recordkeeping, property management, and performance reports.

It will promptly refund to MDOC any HTF funds determined by an audit to have been spent in an unauthorized or improper manner or for ineligible activities.
It will give MDOC, the Montana Legislative Auditor, HUD, and the Comptroller General, through any authorized representatives, access to and the right to examine all records, books, papers, or documents related to the grant.

**Labor Standards**

It will comply with:

- **State regulations regarding the administration and enforcement of labor standards.** Montana's prevailing wage law applies to contracts entered into for construction services or non-construction services let by a county or municipality in which the total cost of the contract is $25,000 or more. It requires that bidders on contracts pay a set rate of compensation, including employee benefits, and that at least 50% of the employees of each contractor working on the jobs be bona fide Montana residents

- **Contract Work Hours and Safety Standards Act** (40 U.S.C. 327 et seq.). According to the Act, no contract work may involve or require laborers or mechanics to work in excess of eight hours in a calendar day, or in excess of 40 hours in a work week, unless compensation of not less than one and one-half times the basic rate is paid for the overtime hours. If this Act is violated, the contractor or subcontractor is liable to any affected employee for unpaid damages as well as to the United States for liquidated damages; and

- **Federal Fair Labor Standards Act** (29 U.S.C.S. 201 et seq.). The act requires that covered employees be paid at least the minimum prescribed wage, and also that they be paid one and one-half times their basic wage rate for all hours worked in excess of the prescribed workweek.

**Legal Authority**

It possesses legal authority to apply for the grant and to execute the proposed project under Montana law and, if selected to receive a HTF grant, will make all efforts necessary to assure timely and effective implementation of the project activities described in the submitted application.

**Lobbying**

It certifies that:

- No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

- If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influencing an officer or employee or any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned
shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

- The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Political Activity

It will comply with the Hatch Act (5 U.S.C. 1501, et seq.; 5 CFR Part 151), which restricts the political activity of individuals principally employed by a state, municipality, or local agency in connection with a program financed in whole or in part by federal loans or grants. An affected employee may not be a candidate for public office in a partisan election.

Procurement

All services will be procured in a manner that provides fair and unbiased, full and open competition, without conflicts of interest.

Signed: ___________________________________
Name: ___________________________________
Title: ___________________________________
Date: ___________________________________
DUNS Number: ____________________________
EIN Number: ______________________________
Appendix C:
Resolution to Authorize Submission of an HTF Application
Resolution Authorizing Submission of HTF Application

WHEREAS, the (Name of applicant) is applying to the Montana Department of Commerce for financial assistance from the Housing Trust Fund Program (HTF) to (describe purpose of project);

WHEREAS, the (Name of applicant) has the legal jurisdiction and authority to construct, finance, operate, and maintain (the proposed housing);

That the (Name of applicant) agrees to comply with all applicable parts of the Housing and Economic Recovery Act (HERA), as amended, which have not been cited herein, as well as with other applicable federal laws and regulations, and all State laws and regulations and the requirements described in the HTF Application Guidelines and those that will be described in the HTF Project Administration Manual;

That the (Name of applicant) commits to provide the amount of non-HTF funds as proposed in the HTF application; and

That (name of Chief Elected or Executive Officer), (title), is authorized to submit this application to the Montana Department of Commerce, [on behalf of (name of applicant), to act on its behalf and] to provide such additional information as may be required.

Signed:  
Name:  
Title:  
Date:  
Attested:  

Applicant’s Federal Tax ID Number:  
Applicant’s DUNS Number:  

Note concerning the DUNS Number requirement:

The requirement that the local government’s DUNS (Data Universal Numbering System) Number must be provided by all applicants is a compliance requirement of the Federal Funding Accountability and Transparency Act of 2006.

Additionally, entities receiving HTF funds must be registered in the federal System for Awards Management (SAM). Debarred entities may not receive HTF funds.
Appendix D: 
Phase Two Application and Scoring, 
Priority A-F, 
and 
Priority Questions 
for all Proposals
Phase Two HTF Scoring

Applications will be ranked based upon the extent to which the proposed project relates to each ranking priority. The amount of HTF funding to be recommended will be based upon an analysis of the applicant’s proposed level of local financial capacity and participation. Staff may take additional information, based upon knowledge and information about a proposed project or community problems, into account in the scoring of an application. The applicant may not submit additional information after the application deadline unless requested by CDD staff to clarify information already presented in the application.

The ranking team will prepare and submit a report containing the recommended projects. The Director will make the final decision on grant awards and funding.

Each priority addresses the goals and objectives of the HTF Program. CDD staff will review and rank Phase Two applications on the following priorities:

   A) Geographic Diversity and Housing Needs (100 points);
   B) Capacity of the Applicant (250 points);
   C) Affordability and Financial Feasibility (250 points);
   D) Appropriate Design and Long-Term Solution (150 points);
   E) Long-term Planning and Management (100 points); and
   F) Readiness to Proceed (150 points).

A perfect score is 1,000 points. In general, the descriptors below will assist the ranking team in the process of scoring application narratives to reduce subjectivity:

LEVEL 3: In order for an application to receive a "LEVEL 3", it would have provided a very complete narration that thoroughly addressed the overall priority, applicable ranking issues, and minimum requirements, including very complete substantive supporting documentation to support its claims. The Applicant’s response to the priority is considered exemplary, particularly innovative, or to be extremely consistent with the intent of the priority. There were no ranking issues of any significance that were not adequately addressed. (250/250; 150/150; 100/100)

LEVEL 2: In order for an application to receive a "LEVEL 2", it would have provided an adequate narrative addressing the overall priority, applicable priority questions, and minimum requirements, with acceptable documentation to support its claims. The applicant’s response to the priority is considered average, adequate, or to be generally consistent with the intent of the ranking priority. A "LEVEL 2" would meet the minimum requirements needed to respond to the priority and document compliance with the special requirements pertinent to the ranking priority. The application may not have adequately considered some questions or issues that were considered to be potentially important. (175/250; 100/150; 75/100)

LEVEL 1: In order for an application to receive a "LEVEL 1", it would have provided some narration addressing the overall priority, priority questions or issues, and minimum requirements, but may have provided weak or inadequate responses and/or documentation to clearly or completely support its claims or compliance with a requirement. The applicant's response to the priority is considered below average, inadequate, or not entirely consistent with the intent of the ranking priority. The application may not have been complete or did not consider or sufficiently address some ranking issues that were considered to be important. (75/250; 50/150; 25/100)
LEVEL 0: In order for an application to receive a "LEVEL 0", it would have serious weaknesses or no responses in its narrative to the priority or issues, and lack critical supporting documentation, or would fail to adequately document compliance with one or more of the minimum HTF requirement(s). The applicant's response to the selection criteria is considered very weak, seriously inadequate, lacking a response, or inconsistent with the intent of the selection criteria. The application either did not address or did not provide sufficient information regarding several critical priority questions. No points will be awarded if an applicant receives a level 0. (0/250; 0/150; 0/100)

Applicants must provide responses to each of the priority questions that follow. CDD staff are available for technical assistance to help provide clarification on any of the priority questions.
Priority A. Geographic Diversity and Housing Needs (100 points possible)

MDOC will consider the extent to which the applicant will produce affordable housing to complement existing federal, state and local efforts to increase the supply of decent, safe, and sanitary affordable housing for extremely low income (ELI) families, particularly the homeless, disabled, elderly, and other disadvantaged populations, as follows.

1. Describe and document the need for the increase in the local supply of decent, safe, and sanitary affordable housing for ELI families in the proposed community.

2. Describe and document how the proposed project complements existing federal, state, and local efforts to increase the supply of and respond to the need for decent, safe, and sanitary affordable housing for ELI families in the proposed community.

3. MDOC compiled American Census Survey (ACS) data representing six metrics representing housing difficulties faced by ELI households in the communities in which they reside. Each of these metrics was assigned a minimum baseline value and an associated score, and all Montana counties have been ranked for targeted priority. The State will prioritize applications for all qualified projects. No response from the applicant is necessary. Projects located in counties with higher total score will receive low, medium, or high funding priority. Priority is calculated using the following metrics compiled by MDOC, using ACS data (see Appendix E for specific county-by-county data). The ACS data from the survey period that is most advantageous to the application will be used.

The targeted geographical data points representing the housing difficulties faced by ELI households and the communities in which they reside are:

a. Percentage of families in poverty. Montana’s most current statewide poverty rate was just under 11%. Points are assigned to those applicants whose proposed project will serve a county or counties with a percentage of poverty above the state average.

b. Available and affordable housing units. Extremely low income (ELI) households (at or below 30% of the area median income) face the most severely constrained choices for securing affordable rental housing and are most at risk of housing instability and homelessness. In Montana, there is an average of 50 affordable housing units available for every 100 ELI households. Points are assigned to those applicants whose proposed project will serve a county or counties with less than 50 units of affordable housing available for every 100 ELI households.

c. Rental housing cost burden. Generally, a rental household is considered to be paying more for housing than it can afford (“cost burdened”) when it spends more than 30% of income on rent and utilities. In Montana, the average rental household spends 26% of its income on rent and utilities. Points are assigned to those applicants whose proposed project will serve a county or counties where a household spends more than 26% of its income on rent and utilities.

d. Transportation plus housing cost burden. Today, costs of transportation are the second-biggest budget item for most families, and now approach or exceed those of housing for many households. In Montana, the average rental household spends 51% of its income on

Montana Department of Commerce                     Housing Trust Fund Application Guidelines
D-4
transportation, rent, and utilities. Points are assigned to those applicants whose proposed project will serve a county or counties where a household spends more than 51% of its income on transportation, rent, and utilities.

e. Substandard Housing Conditions. Housing units available to extremely low income households may lack safe drinking water or hot water for washing, provide ineffective waste disposal, suffer from animal infestation; or have inadequate food storage. While this is not a complete measure of physical inadequacy, ‘poor and unsound condition’ is a strong indication of overall housing inadequacy.

f. Percentage of Total Population Experiencing Homelessness. Points are assigned to those applicants whose proposed project will serve a Human Resource Council District (HRDC) where more than 11% of the population is experiencing homelessness.
Priority B. Capacity of the Applicant (250 points possible)

MDOC will consider the applicant’s experience financing, developing, owning, managing, and operating publicly-assisted properties in compliance with state and federal obligations and requirements.

1. Demonstrate and document organizational capacity to coordinate and fulfill programmatic requirements during the construction phase, including sufficient documentation of organizational capacity, experience, and the availability of qualified professionals to successfully oversee, administer, and develop and/or rehabilitate rental housing, while meeting the requirements of a variety of federal funding sources, if applicable.

2. Document the applicant’s experience in meeting timely obligation of funds and completing activities in a timely manner in coordination with other federally-sourced funds.

3. Describe any contracted services necessary to carry out the project.

4. Describe and document either organizational or procured capacity and experience of all professionals that will be assigned to manage, operate, and meet regulatory period-of-affordability requirements of the proposed rental housing.
Priority C. Affordability and Financial Feasibility (250 points possible)

MDOC will consider the extent to which the application demonstrates financial feasibility as presented in the Uniform Application.

1. Ensure the financial information in the Uniform Application is accurate and substantiate any assumptions made in the pro forma. Note that throughout the projected 30-year period of affordability, the proposed project.

2. Describe any rental assistance available to support residents and the proposed project’s cash flow.

3. Describe and document other funding sources and/or concessions (such as a negotiated reduction in loan interest or other financial mechanism to increase project feasibility). Describe whether these sources of funding are proposed, presently submitted for agency consideration, or documented as firmly committed.

4. Describe and document the need for any request for HTF Operating Assistance funds and the applicant’s ability to provide federal, state, or local project-based rental subsidy.

5. Describe how the project encourages activities to acquire, rehabilitate and/or construct new affordable housing for rental in areas where existing investment in infrastructure, facilities, and services leverages multiple economic, environmental, and community objectives.

6. Describe the financial mechanisms that provide rental assistance to eligible Montanans, particularly the homeless, disabled, elderly, and other disadvantaged populations.
Priority D. Appropriate Design and Long-Term Solution (150 points possible)

MDOC will consider the extent to which an applicant demonstrates that the project aligns with and will contribute to the achievement of the objectives and goals of the HTF Program. MDOC will consider the extent to which the scope of the project provides a long-term solution to address a housing need.

1. Submit a Preliminary Architectural Report (PAR) for new construction projects or a Capital Needs Assessment (CNA) for rehabilitation projects that complies with the minimum standards of CDD’s PAR or CNA Requirements. (See Application Toolkit for more information.) The PAR/CNA must include solid narration addressing the overall priority, applicable issues, and minimum requirements, with strong documentation to support any claims made. Examine project alternatives (PAR only). Include cost estimates. Justify the preferred alternative (PAR only) and cost estimates. All such documents must be prepared by a licensed construction professional, such as a licensed architect or professional engineer and will be reviewed by CDD’s licensed professionals.

2. If energy conservation activities are proposed, will the project leverage Low Income Energy Assistance Program (LIEAP) and the Weatherization Assistance Program of the U.S. Department of Energy as administered by the Montana Department of Public Health and Human Services and the appropriate Human Resource Development Council for the project area? If not, why not?

3. Describe how the proposed project will incorporate energy-efficient design or other on-site renewable energy installations in affordable housing that is aligned with the Federal Renewable Energy Target to reduce ongoing utility costs to the project and its residents. If the NREL tool (http://www.nrel.gov/) was used, provide documentation of its results to support projections of energy savings.

4. What other reasonable options to reduce future energy costs will be included? For example, will “Energy Star” rated materials and appliances will be incorporated into the project design?

5. Will the project be LEED Certified upon occupancy? If so, what level of LEED Certification?

6. The following design items are not required but will enhance the application score if included in the plans for the proposed project. Please check all that apply. The proposed project will:

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meet visitability standards in rehabilitation projects.</td>
<td></td>
</tr>
<tr>
<td>Include green building standards.</td>
<td></td>
</tr>
<tr>
<td>Have rental assistance available so rents are affordable to ELI families.</td>
<td></td>
</tr>
<tr>
<td>Provide placement preference for HTF units to ELI families who are homeless or at risk of homelessness [24 CFR 93.350 and 24 CFR 93.303(d)(3)].</td>
<td></td>
</tr>
<tr>
<td>Be wired for broadband internet within the building and from the property to the adjacent street, under the category of ‘utility connections’.</td>
<td></td>
</tr>
<tr>
<td>Serve households that are homeless, disabled, elderly, or other disadvantaged.</td>
<td></td>
</tr>
</tbody>
</table>
**Priority E. Long-term Planning and Management (100 points possible)**

MDOC will consider the extent to which proposals include documentation of community support and consistency with the community’s comprehensive planning efforts and public participation.

1. Provide a letter of support from the local government, including a brief description of how the proposed project will:
   a. address a stated goal/goals of the community’s growth policy or housing plan; and
   b. address the local community’s housing needs as identified therein.

2. Provide letters of support from potential project beneficiaries and other members of the community.

3. Describe and document efforts to reach and involve the public in information, planning, design, and decision-making.

4. Describe how the project meets identified local planning needs.

5. Describe how this facility will promote healthy, safe and walkable neighborhoods and will reduce transportation costs for residents.
**Priority F. Readiness to Proceed** (150 points possible)

MDOC will consider steps the applicant has taken to ensure the project can proceed in a timely manner.

1. Are all sources of funds committed to the project? If yes, provide evidence of those commitments. If no, explain how the applicant will have all funds fully committed within nine months of an HTF award.

2. Describe the project’s ability to comply or demonstrate compliance with the National Environmental Protection Act (NEPA) and Montana Environmental Protection Act (MEPA) and HTF environmental regulations to assure the project, as proposed, will not significantly impact the environment.

3. Are there any known environmental issues or concerns that could delay the project?

4. If procurement is necessary for design, implementation, and/or management of the project and has already been completed, please provide the following documents:
   a. Affidavit of publication for the Section 3 Notice;
   b. Direct Solicitation of Disadvantaged Business Enterprises;
   c. The full Request for Proposals (RFP) or Request for Qualifications (RFQ);
   d. The affidavit of publication for the RFP/RFQ;
   e. Meeting minutes and/or interviews with prospective entities; AND
   f. The scoring criteria used to select the successful entity.

5. If procurement is necessary for design, implementation, and/or management of the project and has not already been completed, describe who will be carrying out the procurement and the steps that will be taken to comply with HUD procurement requirements and State law.

6. For projects that will trigger the Uniform Relocation Act (URA) due to the acquisition and/or rehabilitation of a proposed property, MDOC will consider, and award points based on, the thoroughness of the Residential Anti-displacement and Relocation Assistance Plan provided with this application. In addition, applicants for URA-applicable projects must provide responses to the following questions:
   a. Does the applicant own the property and/or permanent easement(s) on which the proposed project will take place? If yes, please answer the following questions and provide supporting documentation:
      i. When was the property and/or easements acquired?
      ii. When did the applicant begin considering the use of federal funds for the proposed project?
   b. i. Will real property need to be acquired to complete this project?
      ii. Will a permanent easement(s) need to be acquired to complete this project?
   c. If the answers to questions a. or b. are ‘yes’, the applicant will need to document compliance with URA and answer the following questions.
      i. If property or permanent easements will be acquired to complete this project, what steps
will the applicant take to document compliance with URA?
ii. If property or permanent easements have been acquired to complete this project, please provide evidence, including dated signatures, documenting the following:
   The fair market value of the property or permanent easement was established by a certified, licensed appraiser
   The seller has been made aware of his/her rights under the URA;
   The seller was made aware of the fair market value of the land and/or easement, and his/her right to just compensation;
   The sale is voluntary; and
   The acquisition process is URA-compliant.

d. i. Will any person or business need to temporarily relocate to complete this project?
   ii. Will this temporary relocation last for more than one year?
   iii. Will any person or business be prohibited from returning after temporarily relocating?

e. If HTF assistance is proposed for a project involving a property that is currently occupied, please provide documentation demonstrating the General Information Notice (GIN) was received by all occupants informing them that the land on which they reside or building which they occupy is being considered to receive HTF assistance and informing them that there is no intent to evict the occupants or involuntarily relocate them because of the proposed HTF activity. See the Application Toolkit at: http://comdev.mt.gov/Programs/HTF/Toolkit for sample documents

f. Will any person or business need to temporarily relocate to complete this project? Will this temporary relocation last for more than one year? If the proposed project involves temporary relocation:
   i. Identify each household and/or business that will need to be temporary relocated.
   ii. How will the temporary relocation affect the project budget?
   iii. How will the temporary relocation affect project implementation and/or project construction?
   iv. Who will be responsible for documenting compliance with URA?
Appendix E:
HTF Poverty Priority Per County
# Montana's Targeted Priority Counties – 2016-2017

<table>
<thead>
<tr>
<th>County</th>
<th>% of Families in Poverty</th>
<th>Available Units per 100 ELI HH</th>
<th>Median Gross Rent as a % of HH Income</th>
<th>% of HH in Poor or Unsound Conditions</th>
<th>% of MT's Total Homeless Population by District*</th>
<th>Transportation + Housing Cost as a % for Renters</th>
<th>Total Priority Score</th>
<th>Priority Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRIORITY BASELINE MET</td>
<td>&gt;11</td>
<td>&lt;50</td>
<td>&gt;26</td>
<td>&gt;11</td>
<td>&gt;8</td>
<td>&gt;51</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PRIORITY SCORE</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beaverhead</td>
<td>8.9%</td>
<td>52</td>
<td>28.7%</td>
<td>6.17</td>
<td>8.5%</td>
<td>53.0%</td>
<td>15</td>
<td>Medium</td>
</tr>
<tr>
<td>Big Horn</td>
<td>22.8%</td>
<td>52</td>
<td>23.6%</td>
<td>7.87</td>
<td>16.2%</td>
<td>55.2%</td>
<td>15</td>
<td>Medium</td>
</tr>
<tr>
<td>Blaine</td>
<td>21.7%</td>
<td>52</td>
<td>25.4%</td>
<td>9.43</td>
<td>1.6%</td>
<td>53.3%</td>
<td>10</td>
<td>Medium</td>
</tr>
<tr>
<td>Broadwater</td>
<td>8.4%</td>
<td>52</td>
<td>27.8%</td>
<td>2.46</td>
<td>14.4%</td>
<td>48.4%</td>
<td>10</td>
<td>Medium</td>
</tr>
<tr>
<td>Carbon</td>
<td>7.2%</td>
<td>52</td>
<td>25.4%</td>
<td>9.44</td>
<td>16.2%</td>
<td>44.9%</td>
<td>5</td>
<td>Low</td>
</tr>
<tr>
<td>Carter</td>
<td>8.2%</td>
<td>52</td>
<td>17.2%</td>
<td>40.02</td>
<td>1.4%</td>
<td>52.9%</td>
<td>10</td>
<td>Medium</td>
</tr>
<tr>
<td>Cascade</td>
<td>10.7%</td>
<td>44</td>
<td>26.4%</td>
<td>4.53</td>
<td>12.1%</td>
<td>47.5%</td>
<td>15</td>
<td>Medium</td>
</tr>
<tr>
<td>Chouteau</td>
<td>16.2%</td>
<td>52</td>
<td>19.1%</td>
<td>18.26</td>
<td>12.1%</td>
<td>52.9%</td>
<td>20</td>
<td>High</td>
</tr>
<tr>
<td>Custer</td>
<td>10.1%</td>
<td>52</td>
<td>24.8%</td>
<td>16.42</td>
<td>1.4%</td>
<td>46.7%</td>
<td>5</td>
<td>Low</td>
</tr>
<tr>
<td>Daniels</td>
<td>3.1%</td>
<td>52</td>
<td>31.7%</td>
<td>21.81</td>
<td>1.4%</td>
<td>51.8%</td>
<td>15</td>
<td>Medium</td>
</tr>
<tr>
<td>Dawson</td>
<td>9.9%</td>
<td>52</td>
<td>24.2%</td>
<td>15.61</td>
<td>1.4%</td>
<td>41.1%</td>
<td>5</td>
<td>Low</td>
</tr>
<tr>
<td>Deer Lodge</td>
<td>10.5%</td>
<td>52</td>
<td>27.5%</td>
<td>6.50</td>
<td>8.5%</td>
<td>54.5%</td>
<td>15</td>
<td>Medium</td>
</tr>
<tr>
<td>Fallon</td>
<td>5.2%</td>
<td>52</td>
<td>19.8%</td>
<td>13.69</td>
<td>1.4%</td>
<td>45.0%</td>
<td>5</td>
<td>Low</td>
</tr>
<tr>
<td>Fergus</td>
<td>6.4%</td>
<td>52</td>
<td>25.8%</td>
<td>8.18</td>
<td>0.3%</td>
<td>50.4%</td>
<td>0</td>
<td>Low</td>
</tr>
<tr>
<td>Flathead</td>
<td>9.4%</td>
<td>46</td>
<td>30.6%</td>
<td>2.04</td>
<td>14.1%</td>
<td>48.7%</td>
<td>15</td>
<td>Medium</td>
</tr>
<tr>
<td>Gallatin</td>
<td>6.6%</td>
<td>26</td>
<td>30.1%</td>
<td>0.40</td>
<td>4.8%</td>
<td>45.0%</td>
<td>10</td>
<td>Medium</td>
</tr>
<tr>
<td>Garfield</td>
<td>7.2%</td>
<td>52</td>
<td>15.3%</td>
<td>19.33</td>
<td>1.4%</td>
<td>53.1%</td>
<td>10</td>
<td>Medium</td>
</tr>
<tr>
<td>Glacier</td>
<td>25.7%</td>
<td>52</td>
<td>23.5%</td>
<td>8.35</td>
<td>12.1%</td>
<td>51.3%</td>
<td>15</td>
<td>Medium</td>
</tr>
<tr>
<td>Golden Valley</td>
<td>12.4%</td>
<td>52</td>
<td>21.8%</td>
<td>17.99</td>
<td>0.3%</td>
<td>54.9%</td>
<td>15</td>
<td>Medium</td>
</tr>
<tr>
<td>Granite</td>
<td>10.1%</td>
<td>52</td>
<td>20.7%</td>
<td>6.34</td>
<td>8.5%</td>
<td>55.2%</td>
<td>10</td>
<td>Medium</td>
</tr>
<tr>
<td>Hill</td>
<td>14.3%</td>
<td>52</td>
<td>26.8%</td>
<td>6.25</td>
<td>1.6%</td>
<td>49.0%</td>
<td>10</td>
<td>Medium</td>
</tr>
<tr>
<td>Jefferson</td>
<td>6.8%</td>
<td>52</td>
<td>27.3%</td>
<td>3.36</td>
<td>14.4%</td>
<td>41.8%</td>
<td>5</td>
<td>Low</td>
</tr>
<tr>
<td>Judith Basin</td>
<td>8.4%</td>
<td>52</td>
<td>18.5%</td>
<td>12.79</td>
<td>0.3%</td>
<td>53.4%</td>
<td>10</td>
<td>Medium</td>
</tr>
<tr>
<td>Lake</td>
<td>15.8%</td>
<td>34</td>
<td>27.4%</td>
<td>7.74</td>
<td>14.1%</td>
<td>54.4%</td>
<td>25</td>
<td>High</td>
</tr>
<tr>
<td>Lewis and Clark</td>
<td>8.1%</td>
<td>50</td>
<td>27.4%</td>
<td>2.29</td>
<td>14.4%</td>
<td>42.2%</td>
<td>15</td>
<td>Medium</td>
</tr>
<tr>
<td>Liberty</td>
<td>7.4%</td>
<td>52</td>
<td>22.8%</td>
<td>8.28</td>
<td>1.6%</td>
<td>54.8%</td>
<td>5</td>
<td>Low</td>
</tr>
<tr>
<td>Lincoln</td>
<td>11.6%</td>
<td>52</td>
<td>28.0%</td>
<td>5.33</td>
<td>14.1%</td>
<td>56.5%</td>
<td>20</td>
<td>High</td>
</tr>
<tr>
<td>McCone</td>
<td>6.9%</td>
<td>52</td>
<td>15.8%</td>
<td>17.42</td>
<td>1.4%</td>
<td>46.0%</td>
<td>5</td>
<td>Low</td>
</tr>
<tr>
<td>Madison</td>
<td>6.7%</td>
<td>52</td>
<td>24.6%</td>
<td>2.26</td>
<td>8.5%</td>
<td>48.2%</td>
<td>5</td>
<td>Low</td>
</tr>
<tr>
<td>Meagher</td>
<td>7.6%</td>
<td>52</td>
<td>25.0%</td>
<td>5.11</td>
<td>4.8%</td>
<td>56.1%</td>
<td>5</td>
<td>Low</td>
</tr>
<tr>
<td>Mineral</td>
<td>9.1%</td>
<td>52</td>
<td>31.9%</td>
<td>4.97</td>
<td>26.6%</td>
<td>59.6%</td>
<td>15</td>
<td>Medium</td>
</tr>
</tbody>
</table>

Montana Department of Commerce

Housing Trust Fund Application Guidelines

E-2
<table>
<thead>
<tr>
<th>County</th>
<th>Unemployment Rate</th>
<th>Population</th>
<th>Poverty Rate</th>
<th>Poverty Rate of Population</th>
<th>Median Income</th>
<th>Median Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Missoula</td>
<td>8.9%</td>
<td>33</td>
<td>32.5%</td>
<td>0.45</td>
<td>26.6%</td>
<td>48.3%</td>
</tr>
<tr>
<td>Musselshell</td>
<td>9.8%</td>
<td>52</td>
<td>29.0%</td>
<td>14.11</td>
<td>0.3%</td>
<td>50.0%</td>
</tr>
<tr>
<td>Park</td>
<td>5.8%</td>
<td>52</td>
<td>27.4%</td>
<td>4.53</td>
<td>4.8%</td>
<td>51.4%</td>
</tr>
<tr>
<td>Petroleum</td>
<td>7.3%</td>
<td>52</td>
<td>50.0%</td>
<td>13.33</td>
<td>0.3%</td>
<td>59.1%</td>
</tr>
<tr>
<td>Phillips</td>
<td>11.4%</td>
<td>52</td>
<td>22.8%</td>
<td>5.29</td>
<td>1.4%</td>
<td>49.2%</td>
</tr>
<tr>
<td>Pondera</td>
<td>13.6%</td>
<td>52</td>
<td>25.1%</td>
<td>8.10</td>
<td>12.1%</td>
<td>53.0%</td>
</tr>
<tr>
<td>Powder River</td>
<td>6.4%</td>
<td>52</td>
<td>25.4%</td>
<td>23.92</td>
<td>1.4%</td>
<td>52.6%</td>
</tr>
<tr>
<td>Powell</td>
<td>11.2%</td>
<td>52</td>
<td>20.1%</td>
<td>10.03</td>
<td>8.5%</td>
<td>52.4%</td>
</tr>
<tr>
<td>Prairie</td>
<td>13.1%</td>
<td>52</td>
<td>50.0%</td>
<td>22.37</td>
<td>1.4%</td>
<td>58.2%</td>
</tr>
<tr>
<td>Ravalli</td>
<td>13.7%</td>
<td>33</td>
<td>32.6%</td>
<td>3.37</td>
<td>26.6%</td>
<td>52.0%</td>
</tr>
<tr>
<td>Richland</td>
<td>8.5%</td>
<td>52</td>
<td>23.7%</td>
<td>12.37</td>
<td>1.4%</td>
<td>42.0%</td>
</tr>
<tr>
<td>Roosevelt</td>
<td>19.3%</td>
<td>52</td>
<td>17.6%</td>
<td>35.54</td>
<td>1.4%</td>
<td>50.0%</td>
</tr>
<tr>
<td>Rosebud</td>
<td>13.0%</td>
<td>52</td>
<td>20.1%</td>
<td>18.13</td>
<td>1.4%</td>
<td>46.1%</td>
</tr>
<tr>
<td>Sanders</td>
<td>16.6%</td>
<td>52</td>
<td>28.2%</td>
<td>7.18</td>
<td>14.1%</td>
<td>62.3%</td>
</tr>
<tr>
<td>Sheridan</td>
<td>6.4%</td>
<td>52</td>
<td>26.8%</td>
<td>15.95</td>
<td>1.4%</td>
<td>45.8%</td>
</tr>
<tr>
<td>Silver Bow</td>
<td>13.9%</td>
<td>50</td>
<td>30.0%</td>
<td>6.09</td>
<td>8.5%</td>
<td>49.4%</td>
</tr>
<tr>
<td>Stillwater</td>
<td>4.2%</td>
<td>52</td>
<td>20.6%</td>
<td>3.25</td>
<td>16.2%</td>
<td>46.2%</td>
</tr>
<tr>
<td>Sweet Grass</td>
<td>7.8%</td>
<td>52</td>
<td>26.1%</td>
<td>3.41</td>
<td>16.2%</td>
<td>50.7%</td>
</tr>
<tr>
<td>Teton</td>
<td>6.1%</td>
<td>52</td>
<td>26.1%</td>
<td>5.66</td>
<td>12.1%</td>
<td>51.4%</td>
</tr>
<tr>
<td>Toole</td>
<td>12.5%</td>
<td>52</td>
<td>25.6%</td>
<td>14.24</td>
<td>12.1%</td>
<td>47.9%</td>
</tr>
<tr>
<td>Treasure Co</td>
<td>11.5%</td>
<td>52</td>
<td>19.2%</td>
<td>17.07</td>
<td>1.4%</td>
<td>57.0%</td>
</tr>
<tr>
<td>Valley Co</td>
<td>7.7%</td>
<td>52</td>
<td>20.2%</td>
<td>27.11</td>
<td>1.4%</td>
<td>48.3%</td>
</tr>
<tr>
<td>Wheatland Co</td>
<td>8.6%</td>
<td>52</td>
<td>23.1%</td>
<td>19.60</td>
<td>0.3%</td>
<td>64.3%</td>
</tr>
<tr>
<td>Wibaux County</td>
<td>11.8%</td>
<td>52</td>
<td>23.6%</td>
<td>19.54</td>
<td>1.4%</td>
<td>47.7%</td>
</tr>
<tr>
<td>Yellowstone Co</td>
<td>8.6%</td>
<td>32</td>
<td>28.5%</td>
<td>5.90</td>
<td>16.2%</td>
<td>44.7%</td>
</tr>
</tbody>
</table>

*Because HRDC Districts encompass more than one county, the district numbers are repeated for each county within the District; as a result, the total of this column is more than 100%.*