

Montana Housing Application Workshop

HOME Investment Partnerships Program

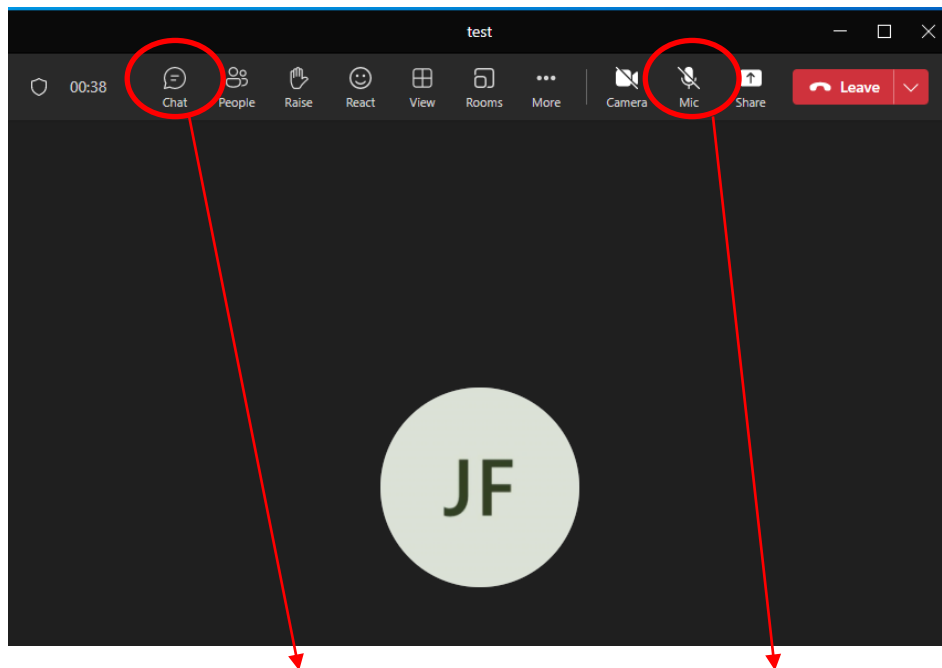
Housing Trust Fund

Community Development Block Grant-Housing

March 7, 2023

We will get started shortly.

In the Chat, please enter your:
Name
Organization and
Location



Access the CHAT here

Please make sure you are on MUTE



Program Overview

HOME Investment Partnerships Program (HOME)

- new construction and rehabilitation of MF housing
- homebuyer assistance
- new construction of SF housing

Housing Trust Fund Program (HTF)

- new construction and rehabilitation of MF housing

Community Development Block Grant (CDBG)

- housing rehabilitation
- economic development
- public facilities
- community facilities



Program Overview

Community Development Block Grant (CDBG)

- Best used to rehabilitate existing multi-family properties
- Can be used for shelter, transitional or permanent rental housing
- In limited circumstances, CDBG-Housing funds can be used for new construction of affordable housing, demolition of vacant, deteriorated housing to be replaced with new affordable housing
- City or County government must be the applicant
- No match for CDBG-Housing
- 51% of beneficiaries must have incomes below 80% AMI
- Upcoming Deadlines: June 7, 2023 and September 15, 2023



Program Overview

HOME Program

- New construction or rehabilitation of transitional or permanent multi-family properties
- Cannot be used for shelter
- Non-profits and local governments may apply
- 5% match required
 - Non-federal grants
 - Foregone fees and property taxes
 - Donated land
 - Portions of State-issued bond proceeds
- At lease up, 90% of HOME-assisted units must be occupied by households with incomes below 60% AMI
- Throughout the period of affordability all HOME assisted households must have incomes below 80% AMI and 20% of those must be below 50% AMI
- Upcoming Deadline: September 15, 2023



Program Overview

Housing Trust Fund (HTF) Program

- New construction or rehabilitation of permanent multi-family properties
- Cannot be used for shelter
- Non-profits, public housing authorities and entitlement communities may apply
- No match required
- All HTF-assisted units must be occupied by households with incomes below 30% AMI
- Upcoming Deadlines: June 7, 2023 and September 15, 2023



Program Overview

- Period of Affordability
 - CDBG 5 years
 - HOME
 - 5 years when subsidy is < \$15,000 per unit
 - 10 years when subsidy is between \$15,000 and \$40,000 per unit
 - 15 years when subsidy is > \$40,000 per unit
 - 20 years for all newly constructed rental properties
 - HTF 30 years
- Rent Limits published by HUD
 - CDBG – Fair Market Rent (FMR)
 - HOME – HOME Rent Limits – 20% at low HOME rent
 - HTF – HTF Rent Limits
 - If a HOME or HTF property has project-base rental assistance that program's contract rent is allowed.



Program Overview

- Procurement
 - Must be competitive
 - Fair and Transparent
 - Must document whichever method is used
 - Methods of procurement
 - Sealed bids
 - Request for Qualifications for professional services and administration
 - Request for Proposals allowed with prior authorization; includes cost
 - Limited Solicitation with prior authorization
 - Contracts must be for a fixed amount; no cost plus a percentage allowed.



Program Overview

- Procurement
 - Contractors must have a Unique Entity Identifier
 - General Contractors must be registered in SAM.gov
 - Commerce will use that info to check for debarment
 - GCs must ensure their subs have UEs and are not debarred
- Section 3, Minority Business Enterprises/DBE/WBE
 - Must proactively reach out to MBE/DBE/WBE enterprises when soliciting goods and services
 - Must ensure economic opportunities are extended to workers who are low-or very-low income, employees of section 3 business concerns, or participants of youth Build
- Labor Standards, Davis-Bacon wage rates
 - CDBG - Applies all construction, except for rehabilitation of properties with fewer than 8 units
 - HOME - Applies to projects with 12 or more HOME units
 - HTF - Does not apply



Program Overview

- Temporary Relocation
 - The Uniform Relocation Act (URA) requirements apply when federal funds are to be used for acquisition, demolition, or rehabilitation of any occupied property or structure.
 - Residential Anti-displacement and Relocation Assistance Plan/ General Information Notice (GIN) should be provided to occupancy as soon as possible, even prior to application.
 - Temporary relocation required during the project must be arranged and paid for by the recipient and carefully documented. Relocation costs are eligible project costs.
 - In the unlikely event any occupant will be permanently displaced, contact Commerce immediately.



Program Overview

Environmental

- Do not take any choice limiting actions prior to the completion of the Environment Review process.
- After a HOME or CDBG application is submitted, do not:
 - Purchase property
 - Enter a purchase-sale agreement
 - Begin any site preparation, clearance or construction activity
 - Award any construction contracts
- HOME and CDBG projects are required to comply with the environmental review process specified at 24 CFR Part 58
- HTF-assisted projects are required to comply with Environmental Provisions outlined as property standards at 24 CFR 93.301



Program Overview

- Environmental Review
 - Uniform Application has a basic list of all applicable regulations.
 - That checklist helps identify red flags
 - Historic property
 - Flood plain
 - Near sources of noise
 - Are there above ground storage tanks
 - Contamination
 - Takes time – so allow for that in your planning and budgeting



Questions?



Engaging Your Community

- Public Participation is an important part of the project planning process
 - Aids in determining community needs and priorities
 - Makes information available to public
 - Educated the public on the proposed activity
- Inadequate public participation may lead to
 - anti-development initiatives
 - Organized, vocal opposition
 - Prevention of greatly needed housing development

*Tailor your public participation to your project;
not one size fits all.*



Engaging Your Community

Potential stakeholders to include:

- Community organizations
- Nonprofits
- Housing partners
- Current or potential residents
- Local housing authority
- Neighborhood groups,
- Local council on aging
- Advocates or groups with housing interests,
- Neighborhood associations
- Homeowner/resident organizations
- Civic groups



Engaging Your Community

Examples of outreach include:

- Informal meetings and/or planning sessions
- Direct mail, radio ads, and local print or electronic media (such as neighborhood newsletters and flyers in community kiosks, social media)
- City and/or County public meetings may be required depending on the funding source
- Direct-mail brochures and surveys to capture information
- Plan some meetings in the evenings and/or on weekends

Please note: A public hearing held by local government is required if a non-profit owner or developer anticipates requesting a property tax exemption for the completed project. Applicants should retain documentation, including posters, agendas, sign in sheets, presentations materials and handouts, photos, and survey responses resulting from or generated for such meetings and sessions



Questions?

15-minute break



Establishing Needs and Priorities

Market Study or Market Analysis: This is an evaluation of the investment potential of a housing market in a specific neighborhood.

- Acquisition/Rehabilitation Projects: This market analysis can be completed by the applicant.
- New Construction Projects: This market analysis must be completed by a housing professional who is unaffiliated with the developer and who has experience with larger housing projects.
- Public Participation: Document meetings, hearings, or comments received.
- Market Determinations: Growth, economic/business, vacancy rates, housing needs, housing rates, local government actions, walkability, transit, target populations.
- Executive Summary: Market feasibility, the prospect of long-term performance of the property given housing and demographic trends and economic factors, recommended modifications to the proposed project, market related strengths and weaknesses, positive and negative attributes and issues that will affect the property's lease-up and performance, and the impact the subject property will have on the existing multifamily projects.

Market Study/Analysis should be submitted with any application to document the need for the proposed project.

Make sure your project supports the needs found in the market study or analysis.



Establishing Needs and Priorities

Local Planning

It is strongly recommended to connect with your local planner and review the following documents:

- Housing Assessments
- Growth Policies or Community Needs Assessments
- Ordinances
- Zoning
- Maps

These resources can be referenced and attached/linked to support your project application

Design

When you're planning a project on a specific site the following needs to be considered:

- Preliminary Architectural Report (PAR) or Capital Needs Assessment (CNA)
- Either of these are required to be completed and submitted with our applications. These need to be prepared by a professional architect or engineer licensed to practice in the State of Montana. Findings and recommended changes will need to be considered to meet project requirements.
- Design considerations should make sure unit numbers and sizes along with marketed income levels are addressing community needs identified in the market study or analysis.



Establishing Needs and Priorities

Target population

- CDBG requires at least 51% of residents in an assisted property must have incomes below 80% of the Area Median Income (AMI), often referred to as Low- and Moderate-Income households (LMI).
- All HOME-assisted units must be occupied by households with incomes below 80% AMI, and at least 20% of those must have incomes below 50% AMI. Also note, at lease up 90% of HOME-assisted households must have incomes below 60% AMI.
- All HTF-assisted beneficiaries must have incomes below 30% AMI.

Montana's Consolidated Plan outlines Commerce's priority to use funds to particularly address the needs of individuals/families who are elderly, disabled, experiencing homelessness or otherwise disadvantaged. Document the needs of these groups in your area and how your proposed project will benefit them.

Reaching Beyond Our Largest Communities

Projects that are located in less populated areas of the state with limited resources and services are encouraged to apply.



Questions?



Capacity

Past and present experience

- Similar project scope and size
- Reputation using multiple subsidies and working with other partners and organizations
- Developing and managing affordable housing and rental projects
- Fulfill programmatic requirements during and after construction phase



Capacity

Housing development and rehabilitation projects are complex

- design
- market analysis
- funding sources
- site selection
- legal, accounting
- planning and construction
- property management

All awarded projects will be provided the following:

- Technical assistance
- Manuals
- Tools and resources



Capacity

Assessing CHDO/Developers Staff

- Evaluation of staff's capacity to carry through the project.
- Does the project use knowledgeable experts?
- Developer demonstrates capacity to procure the most suitable contractor through open and fair competition.
- Who are the other team members?
- Is the developer appropriate for this project?

Key Points: Demonstrate, Document,
Describe, Plan and Collaborate



- Questions?
- 15-minute break



Financial Feasibility

- Must demonstrate there are sufficient funds to complete the proposed project's scope of work
- Must provide documentation to support cost estimates
- Must demonstrate sufficient cash flow through the period of affordability
- Cash flow must cover debt service and operating expenses for 5 to 30 years.



Financial Feasibility

- Uniform Application
 - Sources of Funds
 - Uses of Funds
 - Rent structure
 - Operating Expenses
 - Reserves
 - Pro Forma
- HOME and HTF maximum subsidy
- Strike balance between making projects feasible and stretching limited resources



Uniform Application

Only complete the tabs

- Shaded blue (General Project Tabs)
- Shaded orange (HOME and HTF Tabs)

UNIFORM APPLICATION CHECK LIST

Project Name: _____

*Documents filed with or submitted to DOC are presumptively available for access public under the "right to know" provision of Article 2, Sec 9 of the MT Constitution

Mark with an "x" that each tab has been completed or "na" if not applicable

Date of Submission	Reason for Submission
	i.e. HC/HOME/HTF Application, Project Update, HC 10%, Fin
General Project Tabs	
Check List	
Applicant	
Project Information	
Sources of Funds	
Sources Narrative	
Sources History	
Uses of Funds	
Uses Narrative	
Uses History	
Rehabilitation Plan History	
Financial	
Financial Narrative	
Projects	Development Team Experience
	Cold Weather Experience
Permanent Support Services	
Environmental Checklist	
HOME and HTF (Federal Housing Trust Fund) Tabs	
HOME_HTf Maximum per unit Subsidy	
HOME Rents	
HTF Rents	

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housing.mt.gov/Multifamily-Development/Uniform-Application



Questions?



Readiness to Proceed

- This section is used to gauge if a project can proceed in a timely manner
 - Are other funding sources fully committed?
 - Any environmental issues or choice limiting actions?
 - Is the timeline reasonable?
 - Does relocation apply?
 - What services will need to be procured?



Readiness to Proceed

Commitment of Funds

All other project funding sources must be fully committed to execute contracts for HOME/HTF funds

- LOI from lenders and/or investors
- Award letters from other grants
- Documentation of donation of land



Readiness to Proceed

Environmental Review

(24 Part 58 for HOME/CDBG, 24 CFR 93.301 for HTF)

- Is the environmental checklist complete?
 - N/A for every section is not acceptable
 - Checklist is NOT the same as the HUD review
- Were any potential issues identified?
 - Feeds into timeline and procurement
- Have any choice limiting actions been taken?



Readiness to Proceed

Project Timeline

- Be realistic with the project timeline
 - Build in an extra few months to every step of the implementation schedule
- Timeline is just one aspect of readiness to proceed



Readiness to Proceed

Relocation – Acquisition

- Include documentation that sale is/was/will be voluntary
 - No eminent domain
 - Have an appraisal
 - Notice of Voluntary Acquisition
- Will anyone be displaced?
 - URA applies to current tenants, existing businesses and farms



Readiness to Proceed

Relocation – Rehabilitation

- Will anyone be permanently displaced?
 - Avoid this and contact us as soon as possible
- Will anyone be temporarily relocated?
 - Send General Information Notices (GIN) to all tenants ASAP
 - Document that GIN has been received by each tenant
- Application should include a Relocation Plan with estimated costs factored into budget



Readiness to Proceed

Procurement

- Who do you need to hire?
 - Architect, engineer, URA specialist, environmental review consultant, general contractor, labor standards officer, etc.
- Did you already hire someone?
 - May be a Choice Limiting Action
- What procurement process will be required?
 - Depends on the service needed
 - Please contact program staff with questions



Other Resources

Montana Housing - Multifamily Program

- housing credits, loan programs

Montana Housing - Homeownership Program

- mortgages, servicing

Montana Housing - Rental Assistance Program

- project-based and tenant-based rental assistance programs

Community MT

- planning, infrastructure, community facilities, economic development, historic preservation

US Department of Housing and Urban Development

US Department of Agriculture – Rural Development



Contact Information

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Important links

[HOME and HTF Application Guidelines](#)

[HOME Program Rent Limits](#)

[HOME Program Income Limits](#)

[HTF Program Rent Limits](#)

[HTF Program Income Limits](#)

[Consolidated Plan Documents - Montana Department of Commerce \(mt.gov\)](#)



Resources

Recent developers that have submitted applications

- GL Development
- Homeword
- HRDC 9
- Northwest Real Estate Corporation
- North Fork Development
- Wishcamper Development

Firms that have provided Environmental Documents and Services

- Hygienix
- NewFields
- North Fork Development
- Tetra Tech
- Water Environmental Technologies (WET)
- WGM Group

