



Community Development Division

Montana Housing Trust Fund Program

DRAFT

2016

Program Overview

Intent to Apply Forms due October 7, 2016
Phase Two Applications due March 3, 2017

<http://comdev.mt.gov>

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OVERVIEW FOR HOUSING TRUST FUND PROGRAM (HTF)

**** Applicants should read this overview prior to completing both the Phase One - Intent to Apply and the Phase Two – Full Application**

I. Introduction

The Housing Trust Fund Program (HTF) is an affordable housing production program 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. Beginning in 2016, the State of Montana will receive and administer an annual allocation of federal funds from the Department of Housing and Urban Development (HUD) for HTF grants through the Montana Department of Commerce (Commerce). The HTF program will help qualified subrecipients direct funds to foster and maintain the construction, rehabilitation, and preservation of affordable rental housing for Montana's most vulnerable families.

Commerce has compiled data representing a number of metrics that represent the housing difficulties faced by ELI households and the communities in which they reside: severe housing and housing plus transportation cost burdens, poor and unsound housing conditions, percentage of families in homelessness, shortage of available and affordable units, and percentage of families in poverty. 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 draft HTF Program targeted geographic data points, Phase One Intent to Apply, the Phase Two Full Application, and Program Overview is available on the new HTF website at <http://comdev.mt.gov/Programs/HTF>. Interested persons may also e-mail HTF Program staff at DOCHTF@mt.gov or call staff at (406) 841-2770 or Montana Relay Service at (406) 841-2702 or 711 regarding any questions they may have about the HTF Program.

HUD will distribute HTF Program funds to the State of Montana's Department of Commerce, who will award grants through a two-phase application process outlined in the HTF Allocation Plan within the 2015-2020 Consolidated Plan to eligible grantees. Commerce will allocate approximately \$2,700,000 to complete HTF Program Activities. These application guidelines establish the process for obtaining HTF financial assistance for housing activities. The application form for these activities is available at the <http://comdev.mt.gov/Programs/HTF>.

II. Eligible Applicants

Montana's entitlement communities and non-profit organizations are eligible to apply for HTF funding. 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. Potential partner organizations may include for-profit entities, other

non-profit organizations, community housing development organizations, human resource development councils, and public housing authorities.¹

The applicant and its partners determine the nature and extent of each entity's involvement in HTF-assisted projects, establish project roles and responsibilities, and address project management during construction and operation in a project management plan. In addition, Commerce will execute a specific and separate agreement with the eventual owner(s) of any housing project to assure long-term obligations are met through the minimum 30-year period of affordability.

III. Eligible Projects

A. Rental Housing Development and Rehabilitation

HTF funding may be used to develop affordable housing units for rent by persons of extremely low income. HTF-assisted units are anticipated to be a part of a project that also contains non-NHTF-assisted units. Eligible project activities include, but are not limited to:

- Acquisition of land, structures, or manufactured housing units for rental;
- Demolition 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, etc.;
- 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;
- Reconstruction of an existing housing project destroyed by fire or natural disaster; and/or

"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.

"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.

All housing units 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

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 and HTF funds are only used for eligible costs. Such HTF-assisted housing may not receive operating assistance under Section 9 of the 1937 Act during the HTF period of affordability. (24 CFR § 93.203.)

government. All housing units rehabilitated with HTF funds must meet rehabilitation standards as set forth in 24 CFR § 93.301(b) and comply with all zoning ordinances and building codes adopted by the state and local government.

B. Additional Considerations

The following design standards implement the goals and objectives of the 2015-2020 Montana Consolidated Plan goals and are required for all new construction or reconstruction proposed to be funded with HTF funds. Grantees are strongly encouraged to promote equitable, affordable housing by designing and proposing rehabilitation projects for HTF funds that meet these standards to the maximum extent possible:

- Use energy-efficient design to help advance solar deployment and other on-site renewable energy installations in affordable housing that is aligned with the Federal Renewable Energy Target;
- Locate affordable housing in areas where existing investment in infrastructure, facilities, and services will leverage multiple economic, environmental, and community objectives;
- Prioritize the development of new housing or rehabilitate existing housing within walkable neighborhoods and neighborhoods served by public transportation systems, particularly for the disabled, elderly, and other disadvantaged populations;
- Adopt smoke-free requirements in all housing units; and
- Include the three basic visitability features that increase access to friends and family for individuals with disabilities (a zero-step entrance, doors with 32 inches of clear passage space, and a wheelchair-accessible half-bathroom on the main floor).

C. Maximum per-Unit Subsidy [§ 93.300(a)]

The maximum per-unit subsidy will be the same as it is for the HOME program, calculated using the Uniform Application Form for Montana Housing Programs.

D. Underwriting and Subsidy Layering [§ 93.300(b)]

Commerce will determine a reasonable level of profit or return on a recipient's investment in a project and ensure that:

- Any grant will be only what is necessary to provide quality affordable housing that is financially viable for, at a minimum, the affordability period required by the regulations;
- the sources and uses of funds (including any operating cost assistance and reserves) for the project are reasonable and will not provide an undue profit; and
- Prior to the signing of any contract, the HTF recipient documents:
 - an assessment of the current market conditions;
 - its experience and capacity; and
 - firm written financial commitments for the project.

E. Match

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

F. 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 CDBG grant contract;
- Direct grant administration expenses pro-rated with other funding sources, up to a maximum 2.5% of the total HTF budget for the project;
- The costs associated with financing, such as insurance premiums, recording, and financing fees;
- Relocation costs for tenants who must be temporarily relocated during rehabilitation of their units. Such relocation must be less than a year in length;
- 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. The cost of providing broadband internet access or to construct a computer room must be prorated based on the percentage of total HTF-assisted units.
- Operating costs and operating cost reserves of rental housing constructed or rehabilitated with HTF funds, when all of the following apply. Eligible operating costs include insurance, utilities, real property taxes, maintenance, and scheduled payments to a reserve for replacement of major systems (up to 5 years) or for an initial operating deficit reserve during project rent-up (up to 18 months).
 - operating costs comprise no more than 33% of the grant request;
 - the project does not receive project-based assistance;
 - Montana Housing Tax Credits comprise part of the total funding package;

Expenses that are not eligible for HTF grant funding include, but are not limited to [24 CFR § 93.204]:

- 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;
- The 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;
- Administration, outreach, or other costs to manage and operate the grantee of HTF funds; or
- Any other ineligible cost listed in the HTF regulations [§92.731 and §92.732].

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 of conformance with the Federal Manufactured Home and Safety Standards. If an applicant proposes to rehabilitate a manufactured home park, all tenants of the park must be of ELI households.

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, state, and programmatic laws and 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 submitting an application for HTF funding or receiving an award of HTF funds. **If HTF program requirements are not followed, the project may become ineligible for HTF funding.**

IV. Application Submission

A. **Public Notice and Participation**

To receive HTF funds, both Commerce and applicants for grants must carry out citizen participation in a manner that complies with the 2015-2020 Montana Consolidated Plan. Commerce encourages applicants to engage with their stakeholders (e.g. community organizations, general public, housing partners, etc.) 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.

The applicant will provide a summary of all public outreach (published notice, posters, agendas, sign-ins, presentations materials and handouts, photos, survey responses, meeting minutes, etc.) as part of its Phase One Intent to Apply and full documentation thereof with its Phase Two Full Application.

B. **Phase One Intent to Apply**

The application process for HTF funds is two-phased. Phase One is the submission of an Intent to Apply form, which gives the applicant an opportunity to demonstrate how closely aligned the proposed project is with the State of Montana’s targeted geographical priorities, the Consolidated Plan and HTF Program goals, objectives, and regulations, and intent to assist particular disadvantaged ELI families without requiring extensive work by the applicant prior to a baseline determination of eligibility. Commerce will review the Intent to Apply and either:

1. Deny the applicant's project proposal and offer technical assistance for creating a successful future proposal; or
2. Invite the applicant to submit a full Phase Two application.

Initial applicants for HTF funding must submit one (1) hard copy and one (1) electronic copy of the Phase One Intent to Apply. The deadline for the Phase One Intent to Apply for the first year of HTF funding is October 7, 2016.

C. Phase Two Full Application

In the Phase Two application, the applicants will provide any missing details or documentation of eligibility or addressing priority needs. The Phase Two application will be organized as follows:

1. Table of Contents
2. Phase One Intent to Apply Form
3. Uniform Application for Montana Housing Loan, Grant, and Tax Credit Programs, available online at: <http://housing.mt.gov/UniformApplication>.

The financial information on the Uniform Application must include the information for the applicant non-profit 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.

4. Preliminary Architectural Report

The applicant must provide a copy of a Preliminary Architectural Report (PAR) with the Phase Two Full Application that adequately describes existing building conditions and problems, presents and analyzes reasonable alternatives, and proposes a specific course of action for solving the identified problems; provides sufficient information to adequately assess the need for, feasibility, and general, estimated cost of the proposed project; and thoroughly addresses all of the other issues identified in the PAR outline at:

<http://comdev.mt.gov/Portals/95/shared/TSEP/docs/Planning/Forms/CDBGPARGuide.pdf>.

5. Residential Anti-displacement and Relocation Assistance Plan

Each application for HTF funds must be accompanied by a Residential Anti-displacement and Relocation Assistance Plan, which provides the policy that the applicant will follow if project activities trigger the federal Uniform Relocation Act.

6. Draft Project Implementation Schedule

Each application for HTF funds must be accompanied by a draft project implementation schedule that describes the overall schedule for project completion, including engineering or architectural and construction.

7. Draft Project Management Plan

Each application for HTF funds must be accompanied by a draft project management plan that identifies all the project partners, capacity, responsibilities, and roles.

Applicants must submit one (1) hard copy and one (1) electronic copy of the Phase Two full application. The deadline for the Phase Two full application for the first year of HTF funding is March 3, 2017.

V. Application Review

Department staff will review and rank all Phase Two full applications on the following priority criteria:

- 1) The targeted geographical data points representing the housing difficulties faced by ELI households and the communities in which they reside;
- 2) The extent to which the proposed project aligns with the State of Montana's targeted geographical priorities, the Consolidated Plan, and HTF Program goals, objectives, and regulations;
- 3) The extent to which the proposed project assists the homeless, disabled, elderly, or other disadvantage populations;
- 4) The community support for the project, the long-term financial feasibility of the project, the consistency of the project with the community's comprehensive planning efforts, and the capacity of the applicant to implement and manage the grant and the project; and
- 5) The technical feasibility and appropriateness of the proposed project in light of identified needs, potential alternatives, available resources, financing, environmental considerations, and cost estimates.

Commerce may request additional information when reviewing an application in order to clarify responses or ensure the project meets HTF Program requirements.

Recommendations of HTF funding will be based in part upon an analysis of the applicant's proposed level of local financial participation; however, there will be no cap or maximum award. The percentage of HTF-dedicated units (rounded up) in any project must be proportional to the percentage of funds HTF represents in

the overall project budget [§ 93.200(c)]. For example, if HTF are 25% of the total budget for a 50-unit project, then 13 of the units (12.5% rounded up) must be set aside to serve extremely low income households.

The Director of the Department of Commerce will make all final decisions on HTF grant awards. Applicants that are not funded will be offered technical assistance for creating a successful future proposal.

VI. Administrative Procedures and Requirements

Start-up Conditions

All awarded projects must achieve start-up, execute a contract, and be ready to draw within 6 months of the date that grant amounts are awarded; any project unable to meet this deadline may have its grant recaptured and reallocated to ensure that Commerce can meet the HTF obligation and expenditure deadlines. Successful applicants must submit the following items before executing a contract with Commerce:

1. Signature Certification form;
2. Designation of Depository form;
3. Updated project budget;
4. Updated project implementation schedule;
5. Firm commitment of all non-HTF funds;
6. Final executed project management plan; and
7. Documentation of a complete environmental review process.

Environmental Review

HTF grants are an action subject to the Montana Environmental Policy Act (MEPA) and the National Environmental Policy Act (NEPA). Both MEPA and NEPA specify three different levels of environmental review, based on the significance of the potential impacts. Applicants will be required to complete an environmental review process in coordination with Commerce.

Changes in Scope

Commerce may not be able to approve amendments to the scope of a project or budget affecting priority activities that would materially affect the intent or circumstances under which the application was originally ranked by Commerce staff and awarded by the Director. If a grantee requests a modification that significantly affects the scope of work, budget, or implementation schedule, Commerce may temporarily suspend project reimbursements while reviewing the modification request.

Labor Standards

HTF projects are exempt from Davis-Bacon Labor Standards.

Monitoring

Assisted projects will be monitored by Commerce at least twice prior to occupancy: once during progress and once at completion. Monitoring is HTF's method for determining whether a project is in compliance

with State and federal requirements. The goal of the monitoring process is to assist and support efforts to comply with requirements, to prevent situations that could cause problems and to resolve concerns. If a violation of a statutory or regulatory requirement has been identified, the violation will constitute a finding. A recipient may appeal a finding within 30 days of notification by providing a response and supporting documentation.

Completed projects will be monitored at least annually throughout the course of the 30-year period of affordability to examine the financial condition of HTF-assisted rental housing to determine the continued financial viability of the housing and take actions to correct problems. Life-threatening health and safety deficiencies must be corrected immediately and all other observed deficiencies must be corrected within a reasonable timeframe, depending on the severity of the deficiency.

Program Income and Repayments

Program income must be treated as HTF funds and must be used in accordance with HTF regulation. Recipients must report any program income received.

Any HTF funds invested in housing that does not meet the affordability requirements or invested in a project that is terminated before completion, either voluntarily or otherwise, must be repaid by the grantee.

Auditing [24 CFR Part 84.26]

Recipient audits must be conducted in accordance with the HTF regulations.

Period of Affordability § 93.302(d)

All HTF-funded projects are subject to a 30-year period of affordability. If other funding requires a longer period or if recipients choose to remain affordable for a longer period, HTF will not be responsible for monitoring additional years. However, additional years of affordability mean additional years of viability. Applicants who have a period longer than 30 years will be asked to demonstrate that the project will remain viable for that full period of affordability. The affordability requirements will be secured via deed restriction or by covenants running with the land.

The affordability requirements may terminate upon foreclosure or transfer in lieu of foreclosure. However, if a project is terminated within the defined period of affordability, the grantee is obligated to repay all HTF funds invested in the project. The termination of the affordability restrictions on the project in foreclosure does not terminate the grantee's repayment obligation [§ 93.200(d)].

The HTF units will either be fixed or will 'float', as chosen by the applicant, in multifamily housing. Floating may provide the flexibility to maintain the required number of HTF-assisted units throughout the affordability period, although the specific unit(s) may vary. For example, five units are designated as "HTF-assisted" units, and at any given point in time throughout the period of affordability, five units must have the HTF-assisted designation, and be occupied by HTF-eligible tenants. The substituted units must be at least comparable in terms of size, features and number of bedrooms to the originally designated units.

Tenant Income [§ 93.302(e) and (f)]

Project owners must determine tenant eligibility by calculating the household's annual income using one of the two definitions of income, 24 CFR part 5.609 or IRS Form 1040. Income determinations are conducted at initial occupancy and the project owner must re-examine each tenant's annual income each year during the period of affordability. A project owner who re-examines a tenant's annual income through self-certification statements must examine the source documentation of the income of each tenant every 6th year of the affordability period. For HTF units that also receive project-based rental assistance, annual income must be reexamined based on the rules applicable to the project-based assistance.

HTF-assisted units continue to qualify as affordable housing despite a temporary noncompliance caused by increases in the income of existing tenants. When that occurs, grantees must make every effort to bring the units back into compliance as soon as is feasible.

Rents

The maximum HTF rent plus utilities for units is the greater of either 30% of the federal poverty line or 30% of the monthly income of a household whose annual income equals 30% of AMI, with adjustments for the number of bedrooms in the unit. If the unit receives a federal or state project-based rental subsidy, the maximum rent is the rent allowable under the rental subsidy program.

Nondiscrimination Against Rental Subsidy Holders

The owner cannot refuse to lease HTF-assisted units to a holder of a voucher from the Section 8: Housing Choice Voucher Program.

Written Lease and Terms [§ 93.303]

There must be a written lease between the tenant and owner of HTF-assisted rental housing for a period of not less than one (1) year. Renewal of the tenancy also requires a written lease. The lease may not contain any of the following provisions:

- Agreement to be sued;
- Treatment of property;
- Excusing owner from responsibility;
- Waiver of notice;
- Waiver of legal proceedings;
- Waiver of a jury trial;
- Waiver of right to appeal court decision;
- Tenant chargeable with cost of legal actions regardless of outcome; and
- Mandatory supportive services.

Termination of Tenancy [§ 93.303(c)]

An owner may not terminate the tenancy or refuse to renew the lease of a tenant of HTF-assisted rental housing, except for reasons in compliance with state or local law.

Tenant Selection [§ 93.303(d)]

An owner of HTF-assisted rental housing must comply with requirements to create an Affirmative Fair Housing Marketing Plan [§ 93.350] and to follow written tenant selection policies and criteria that:

- Limit the housing to income-eligible families [§ 93.302(a) and (b)];
- Are reasonably related to the housing applicant's ability to fulfill the obligations of the lease;
- Limit eligibility or give preference to special needs, disabled, or homeless households, and households at risk of homelessness;
- Do not reject an applicant with a voucher under the Section 8: Housing Choice Voucher Program;
- Provide for the selection of tenants from a written waiting list in the chronological order of their applications; and
- Give written notification to any rejected applicant within 10 days describing the grounds for any rejection.

Project Fees [24 CFR Part 200, Subpart E; 24 CFR § 93.204(b)]

Project owners may charge nominal application fees (and use them as applicable credits toward a successful lease), but may not charge more than is customary for parking and laundry room use or similar fees. Parking fees are permitted only if they are customary for other local rental housing projects.

Construction and Rehabilitation Standards [§ 93.301(b)]

At a minimum, the following rehabilitation standards must be followed, as appropriate to new construction or rehabilitation:

1) Health and Safety – Identify life-threatening deficiencies, which must be addressed immediately if the housing is to remain occupied during rehabilitation.

2) Major Systems – Including structural support, roofing; cladding and weatherproofing (e.g., windows, doors, siding, gutters); plumbing; electrical; and heating, ventilation, and air conditioning.

- Standards must require an estimate (based on age and condition) of the remaining useful life of these systems, upon project completion of each major system.
- For multifamily housing with 26 or more total units, the useful life of systems must be determined through a preliminary architectural meeting the requirements of the Uniform Application for Housing that determines the work to be performed and identifies the long-term physical needs of the project.
- If the remaining useful life of one or more major system is less than the applicable period of affordability, the standards must require the grantee to ensure a replacement reserve is established and adequate monthly payments are made to repair or replace the systems as needed.

3) Lead-Based Paint [§ 93.351] – The landlord of HTF-assisted housing must:

- disclose to the tenant the presence of any known lead-based paint and/or lead-based paint hazards;
- provide available records and reports;

- provide the tenant with a lead hazard information pamphlet;
- attach specific disclosure and warning language to the lease before the tenant is obligated under a contract to lease HTF-assisted housing.

4) Accessibility – Housing must meet ADA and Section 504 Design and construction requirements, including:

- New multifamily dwellings (buildings consisting of 4 or more dwelling units if such buildings have one or more elevators; and ground floor dwelling units in other buildings consisting of 4 or more dwelling units) must have at least one building entrance on an accessible route.
- The public and common use areas must be readily accessible to and usable by disabled persons;
- All the doors into and within the premises must be sufficiently wide to allow passage by wheelchairs; and
- All premises within covered multifamily dwelling units must contain the following features of adaptable design:
 - An accessible route into and through the dwelling unit;
 - Light switches, electrical outlets, thermostats, and other environmental controls in accessible locations;
 - Reinforcements in bathroom walls to allow later installation of grab bars around the toilet, tub, shower, stall and shower seat, where such facilities are provided; and
 - Usable kitchens and bathrooms such that an individual using a wheelchair can maneuver about the space.
- HTF funds may be used for other improvements that permit greater use of housing units by disabled persons, even if they are not required by statute or regulation. Commerce encourages three basic visitability standards to be incorporated into the design of all newly constructed, HTF-assisted rental housing:
 - one zero-step entrance;
 - First-floor doors with at least 32 inches of clear passage space; and
 - One wheelchair accessible half-bathroom on the first floor.

5) Resilience/Disaster Mitigation - The housing to be improved must mitigate the potential impact of natural disasters (e.g., earthquakes, hurricanes, floods, and wildfires) in accordance with state or local codes, ordinances, and requirements.

6) State and Local Codes, Ordinances, and Zoning Requirements - Housing must meet all applicable State and local codes, ordinances, and requirements, as well as the current edition of the International Existing Building Code (IEBC) of the International Code Council.

7) Uniform Physical Condition Standards (UPCS) – Standards must ensure that the housing will be decent, safe, sanitary, and in good repair. Inspections must be conducted by a Montana-certified UPCS inspector. Standards must include the UPCS-inspectable items and observable deficiencies for the:

- Site;
- Building Exterior;

- Building Systems (multifamily housing only);
- Common Areas (multifamily housing only); and
- Units.

8) Acquisition of Standard Rental Housing- § 93.301(c)(1) and (2) - If the housing acquired was newly constructed or rehabilitated less than 12 months before the commitment of HTF assistance, then it must meet the property standards at § 93.301(a) for new construction or § 93.301(b) for rehabilitation projects, as applicable. All other existing housing that is older than 12 months before the commitment of HFT assistance must meet the property standards at § 93.301(b) for rehabilitation projects.

9) Manufactured Housing- § 93.301(d) - All new manufactured housing (including housing that replaces an existing substandard unit) must meet the following requirements:

- Meet the Manufactured Home Construction and Safety Standards at 24 CFR part 3280 and comply with applicable State and local laws or codes, or the manufacturer's written instructions for installation of manufactured housing units in the absence of such laws or codes;
- Must be on a permanent foundation;
- Be connected to permanent utility hook-ups; and
- Be located on land with a lease at least equal to the applicable affordability period.

All existing manufactured housing must meet the following requirements:

- The foundation and anchoring of all rehabilitated manufactured housing must meet all applicable State and local codes, ordinances, and requirements and the Model Manufactured Home Installation Standards at 24 CFR part 3285; and
- Manufactured housing that is rehabilitated must meet the standards at § 93.301(b).